

A token of appreciation: How NFTs are minting the next class of millionaires



Industry Pack
Introduction to the world of FinTech

Ivan Wong

 switchingkeyboards

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Since a digital artwork was sold for \$69 million in March, NFTs started to permeate our culture



**Memorabilia of
William Shatner**



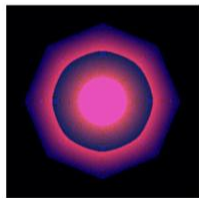
**Everydays:
The First 5000 Days**



**"NBA Top Shot"
Video Highlights**

Invented in 2014, NFT represents the ownership of a digital asset on blockchain and lucrative trading opportunities today

Quantum The First NFT



Introduced by Kevin McCoy and Anil Dash at the New Museum in New York

2014

CryptoPunks Achieving Awareness



10,000 uniquely generated tiny images, mostly zombies and humans on Ethereum

2017

Marketplace Price Discovery



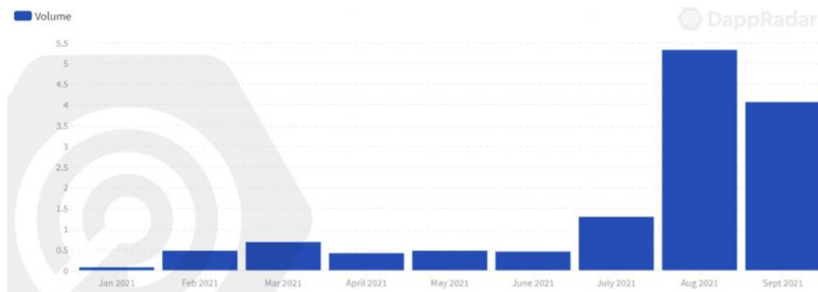
Rapid growth of trading volume and public interest in various areas

Today

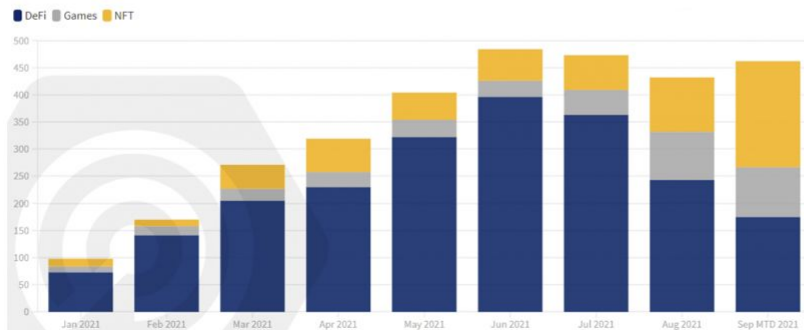
The NFT market is projected to reach 80 billion USD by 2025

Sustained Evolution of NFT Economic Activities

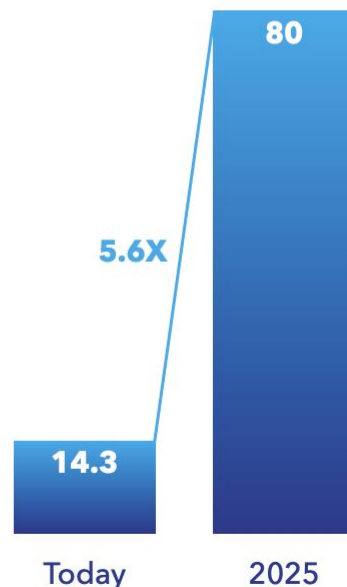
NFT Trading Volumes (US billions)



New Dapps Launch (Games, DeFi and NFTs)



Value of NFT Market (US billions)



Source: DappRadar



**How can a digital asset worth so much
when it can be easily viewed and
copied by anyone?**

Blockchain technology creates a system of verifiable digital ownership, which in turn enables financial value for NFTs

Technology provides authentication



Blockchain proves the ownership of the digital asset

Can be verified by everyone at any time



Rarity creates financial value



Demand and supply still dictates value of digital assets

Being scarce or an original increases value

There are at least 7 types of NFTs in today's market



There are at least 7 types of NFTs in today's market

Redeemables 💰

Identity

Game Objects

Access

Music

Web2DB

Art

NFT

Tokenisation enables property ownership rights to be encoded into a blockchain and drives asset liquidity

Redeemables



First Ever Real Estate Property Sale Via NFT



Completed on June 9 2021

Property in Kiev, Ukraine

Approved by Ukrainian government

Final price at 36 ETH

Access ownership transferred paperwork

The apartment picture

A unique digital art NFT by a popular Kyiv graffiti artist, Chizz (a physical painting of the digital artwork is painted on a wall of the apartment)



Fractional real estate and digital land open up a traditionally elite asset class to a broader investor base

Redeemables

Property Transfers

1000

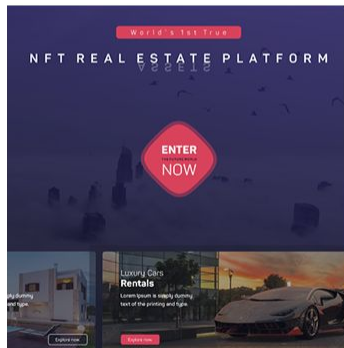
No. of property title transfers
facilitated via Ethereum blockchain

\$1b

Total USD value of transactions

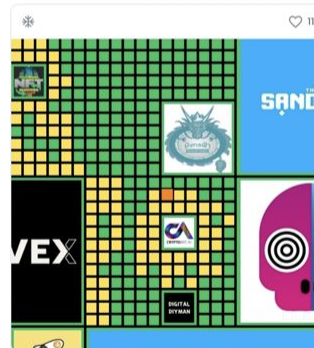


Fractional Real Estate



futurent.

The Metaverse and Digital Land



The Sandbox

LAND (-174, 190)

Owned by TatarMaantol 721 views 11 favorites

Sale ends June 15, 2022 at 12:06pm HKT

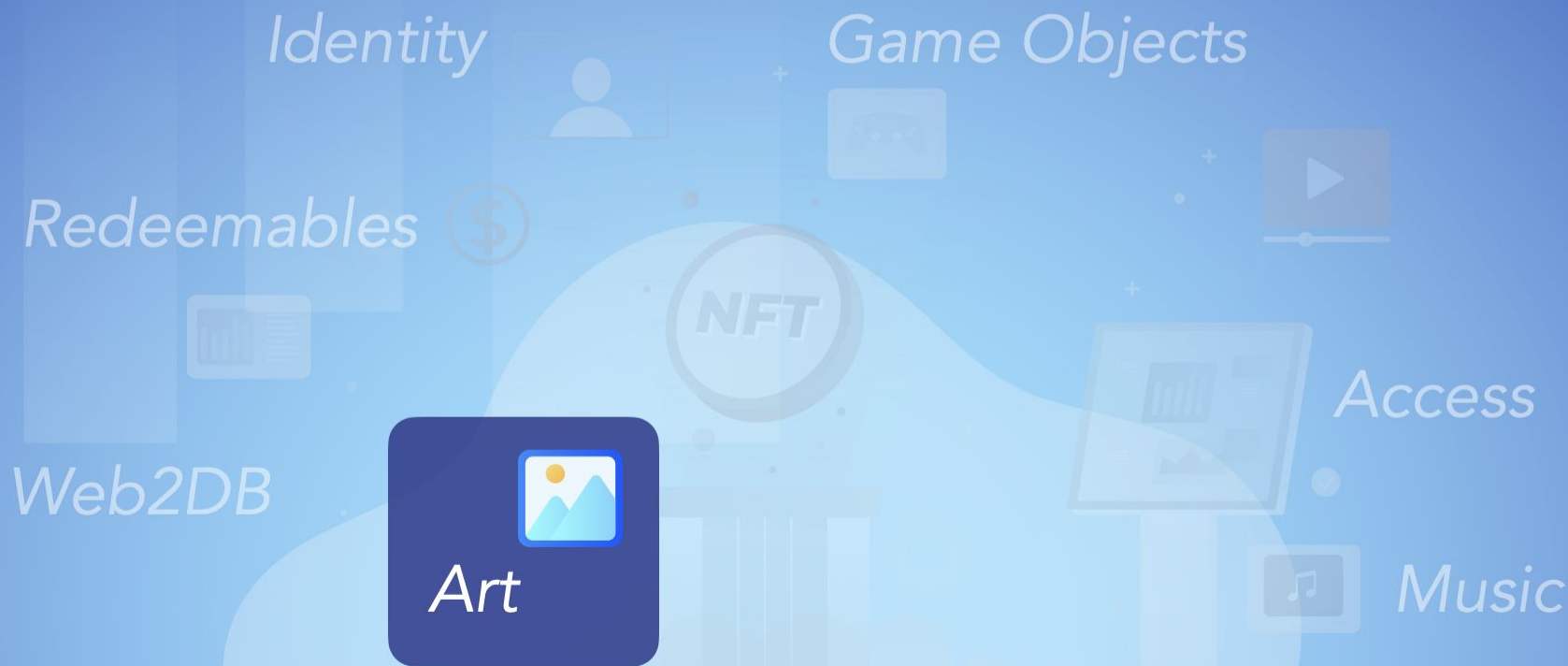
Current price
5,000 (\$19,321,700.00)

Buy now

Make offer

Sandbox

There are at least 7 types of NFTs in today's market



Different NFTs appeal to various **buyer groups**, enabling this technology to achieve wider commercialisation

Art

Flippers



***Buy to flip to pay
next months rent***

Guaranteed short term

New royalties announcement,
PR stunt

Investors



***Buy to eventually
sell for profit***

Short or Long term

Utilities that generate returns,
coins, floor sweep etc.

Collectors



***Buy cause we like the art
we are never selling***

Infinite

Celebrity endorsement, mainstream
media pickup, building an exclusive
brand in the real world

Different NFTs appeal to various vertical markets, enabling this technology to achieve wider commercialisation

Crypto Kitties



Players collect digital cats as certified NFTs

Cat lovers can even 'breed' new cats with different outlooks and personality

NBA Top Shot



Basketball fans collect and exchange short video highlights

Similar to 'trading cards' in the past, which offers special meanings to owners

Art

Collectors

NFTs have to tackle legal, cybersecurity and technological challenges to achieve the next wave of adoption

Lack of a universal
definition for NFTs

Varying legal frameworks in
different countries

DeFi integration into the
whole legal system

Legal



*Fraud &
Cybersecurity*



Counterfeit NFTs
and retailers

Artist impersonation,
copyright theft

False airdrops, giveaways,
and social media scams

Targeted NFT thefts and
network hacks

Smart contract design,
operational, and
implementation risk

IPFS, domain maintenance

Technology



NFTs have to tackle environmental challenges to achieve the next wave of adoption



Blockchain networks based on Proof of Work (PoW) mining security model consume a lot of energy



Proof of Stake



Pool Validators

Where are we at with NFT?

Expectations



*The next big thing
will start out
looking like a toy.*

Chris Dixon



Source: Gartner (2021)

Time