

# NFTs

## Non Fungible Tokens

### A Market Overview

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## The NFTs

### 1. *What is an NFT:*

NFT stands for: *Non-Fungible-Token*. A non-fungible token (NFT) is a unit of data stored on a digital ledger, called a blockchain. This blockchain is what certifies a digital asset to be unique and therefore not interchangeable. NFTs can be said to carry a similar form of cryptocurrency since they are both based on blockchain technology. This form of digital storage is potentially what may lead to a boom in the sector as Blockchain asserts their unique value through a certificate of authentication. Further, the 'token' is the asset which in case of digital art, it becomes the certificate of authentication.

NFT is considered to be an asset of ownership over something you cannot appreciate physically. Hence a piece of digital art, a digital coupon, or a video clip. Similar to digital art, an NFT cannot be appreciated in physical terms — it takes the form of a one-of-a-kind piece of code, stored and protected on a shared public exchange.

### How do they work:

Through Blockchain technology these individual tokens have additional information stored in them. This extra information is what essentially allows them to take the form of art, music, video in the format of a JPG, MP3, GIFs etc. This type of asset value in an NFT is what attracts many to participate in transactions as with any regular artworks. Digital Art NFTs are therefore taking part in the art market as their value is set by the market and by supply and offer.

On the other hand, Blockchain technology records the ownership of these NFTs, making their authenticity and ownership unquestionable. Resultingly, allowing a digital work to be authenticated with a certificate which can be protected with irrefutable proof granting absolute authorship. This unique information is what is then contained within the [token](#). Consequently, many investors find appealing the possibility to use NFTs for all kinds of investment.

## What is a Cryptocurrency and what role it has in the NFTs market?

### i. **Crypto currency:**

A **cryptocurrency** or **crypto** is a digital asset designed to work as a medium of exchange wherein individual coin ownership records are stored in a form of computerised database using strong cryptography. Through cryptography, transaction records are secured, the user is control over the creation of additional coins and is able to verify the transfer of coin ownership. Similarly, crypto currency takes a non-physical form and is devoid from central authorities such centralised central banking systems.

When a cryptocurrency is minted or created prior to issuance or issued by a single issuer, it is generally considered centralized. When implemented with decentralized control, each cryptocurrency works through distributed ledger technology, typically a blockchain, that serves as a public financial transaction database.

### ii. **NFTs and cryptocurrency:**

NFTs have become hugely popular with crypto users and companies alike because of the way they are revolutionising the collectibles space. The **distinction from a crypto coin and an NFT** relies on the fact

that an NFT contains a file that essentially stores extra information compared to crypto coins. NFTs moreover, vary generally in format.

### Role in the market:

A key value proposition of NFTs is that they seek to be authentic and unique. A good analogy to the traditional world is a limited-edition, signed poster by an actor or sportsperson. The value is not in the underlying image alone but in the fact that the celebrity has endorsed the poster and has done so only once, or a few times. NFTs are also a leap forward because they are programmable using smart contracts, which helps automate a variety of manual transactions. For instance, artists can automatically get paid a programmed percentage of royalty each time a secondary sale of their work takes place. Accordingly, the current sky-high valuations and the hype around NFTs may be going down a similar path to the dotcom and [ICO \(Initial Coin Offering\)](#) bubbles, both of which presented genuine innovations but also saw unfounded hype. Ultimately, as the market matures, genuine use-cases should survive in the long term.

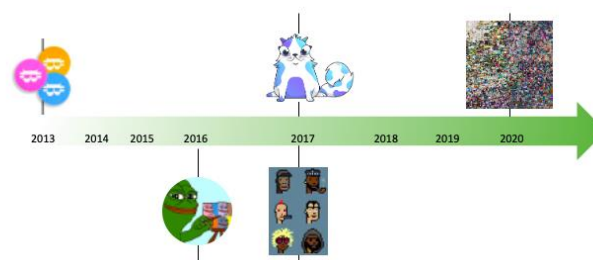
## 2. The Market of NFTs

### The evolution of the market:

A non-fungible token (NFT) is a unique digital asset that is authenticated with a code on the blockchain. The first NFTs which appeared on the blockchain in 2013 were Colored Coins. By 2016, the first crypto artwork appeared on the market with the name "[Rare Peps](#)", a type of meme featuring a frog character.

The crypto art recognized world-wide appeared in the market in June 2017: the [Cryptopunks](#). A series of 10.000 crypto arts released in the [Ethereum](#) blockchain by John Watkinson and Matt Hall. Watkinson and Hall opted to let anyone with an Ethereum wallet claim a Cryptopunk for free. All the Cryptopunks were swiftly claimed and started a thriving secondary marketplace where people bought and sold them.

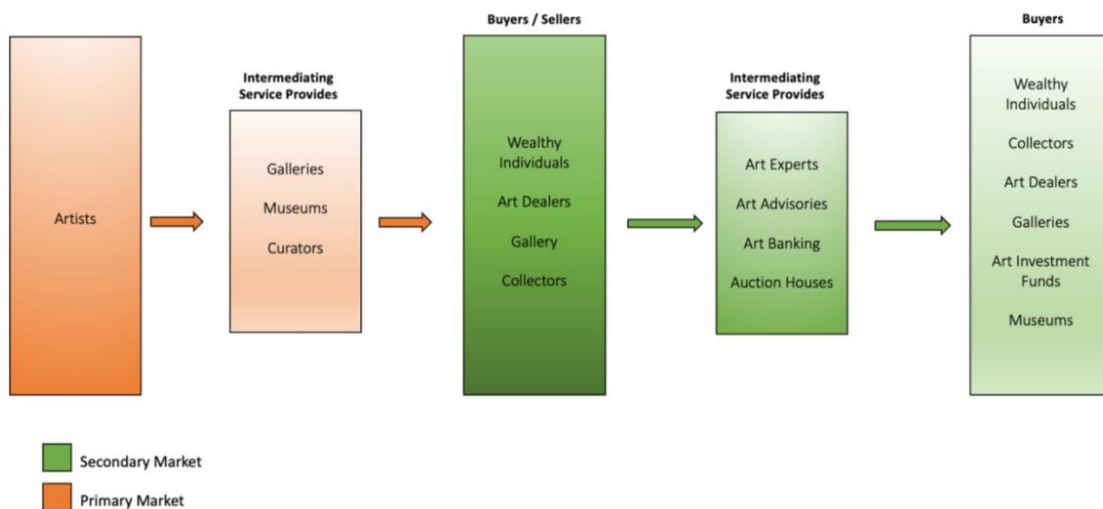
During the same year, another project was released on the blockchain: [CryptoKitties](#). These NFTs were the first digital game that was traded with cryptocurrency. The impact of this particular transaction drew attention from all the news platforms. Between 2018 and 2019, the ecosystem of NFTs has experienced a noticeable increase. NFT marketplaces were thriving and many such as OpenSea and SuperRare began establishing their grounds. The trade volumes were small in comparison to other crypto markets, but nowadays the crypto art market is competitive in the blockchain world. In March 2020, the NFTs entered the art market thanks to "Everydays — The First 5000 Days" made by Beeple. Following this sale, Beeple has become the third most valuable living artist and has marked a critical point in the market in this middle period of dynamic growth. While the market is challenged to accurately determine its exact size, sales of crypto art have comfortably crossed \$ 300 million as of March 2021. (<https://www.artisera.com>).



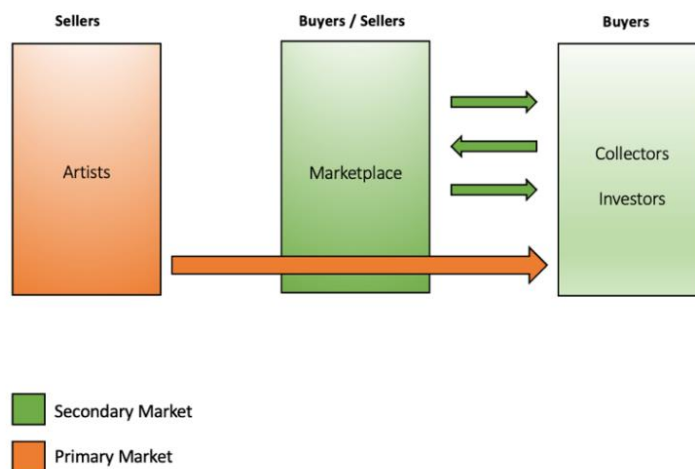
## The structure of the market

The art market concerns the entire process through which works of art are sold and distributed. The crypto art market has a structure similar to the art market having itself a primary and a secondary market. The primary market is where works are first sold after they are created by an artist, while the secondary market deals with any subsequent re-sales. The main difference is that in the NFTs world all the transaction happens in the same marketplace. Therefore, except for auction sales, people can buy NFTs and resell them on the same platform, without employing brokers. As with every emerging market, the structure is still at its embryonic stage but in constant evolution, due to the increasing attention from collectors and investors.

## Structure of the art market



## Structure of the crypto-art market





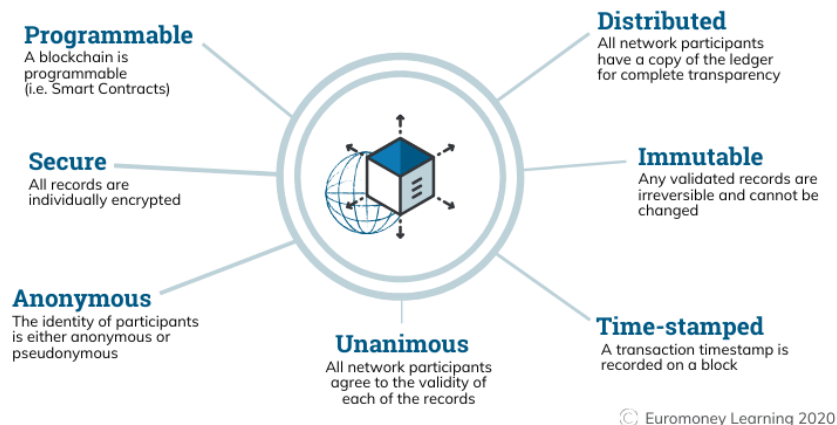
### Brief summary of underlying technology (blockchain, crypto currency, marketplaces)

**Blockchain**, a relatively new technology, is already revolutionising many aspects, predominantly the economy in general. Blockchain is a system of recording information in a way that allows efficient tracking of products exchanged in a dematerialised world.

A blockchain is essentially a digital ledger of transactions that is duplicated and distributed across the entire network of computer systems on the blockchain. Each block in the chain contains a number of transactions, and every time a new transaction occurs on the blockchain, a record of that transaction is added to every participant's ledger. The decentralised database managed by multiple participants is known as **Distributed Ledger Technology (DLT)**.

Blockchain is a type of DLT in which transactions are recorded with an immutable cryptographic signature called a **"hash"**. This means if one block in one chain was changed, it would be immediately apparent it had been tampered with. If hackers wanted to corrupt a blockchain system, they would have to change every block in the chain, across all of the distributed versions of the chain.

### The Properties of Distributed Ledger Technology (DLT)



<https://www.euromoney.com/learning/blockchain-explained/what-is-blockchain>

**Cryptocurrency** is a form of payment that can be exchanged online for the purchase of goods and services. Many companies have issued their own currencies, often called tokens and these can be traded specifically for the goods or services that the company provides. Real currency would be required in order to exchange it with cryptocurrency to access any kind of transactions within this market. Cryptocurrencies work using a technology called blockchain. Part of the appeal of this technology is its security. Cryptocurrencies may go up in value, but many investors see them as mere speculations. Just like currencies, cryptocurrencies generate no cash flow, so for you to profit, someone has to pay more for the currency than you did.

NFT **marketplaces** are quickly rising to prominence in 2021 and NFTs are becoming the new asset class to care about in the crypto space. NFT marketplaces, provide a marketplace for the buying, selling, and trading of NFT tokens.

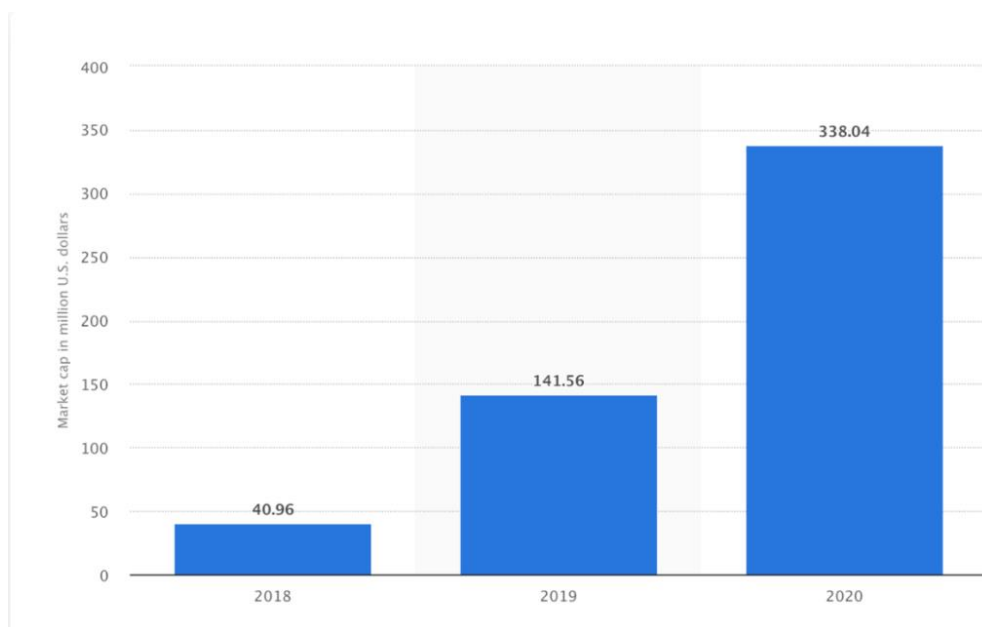
Marketplaces such as Nifty Gateways: where digital artists post their works with authentic ownership certificates. Nifty Gateways is currently the most popular and where artists such as Beeple are currently exhibiting their work. Crypto art is to bring the collector side of the market to maturity, by designing marketplaces to maximize the benefits of transparency, provenance, liquidity, social signalling, and online collection management.

#### Top 10 marketplaces today:

1. [OpenSea](#)
2. [Nifty Gateway](#)
3. [Rarible](#)
4. [SuperRare](#)
5. [Foundation](#)
6. [AtomicMarket](#)
7. [Myth Market](#)
8. [Bakery Swap](#)
9. [Knowing Origin](#)
10. [Portion](#)

#### Estimated value of the NFT Market:

NFT Market Rages On: NFTs Market Cap Grow 1,785% In 2021 As Demand Explodes.



<https://www.statista.com/statistics/1221742/nft-market-capitalization-worldwide/>

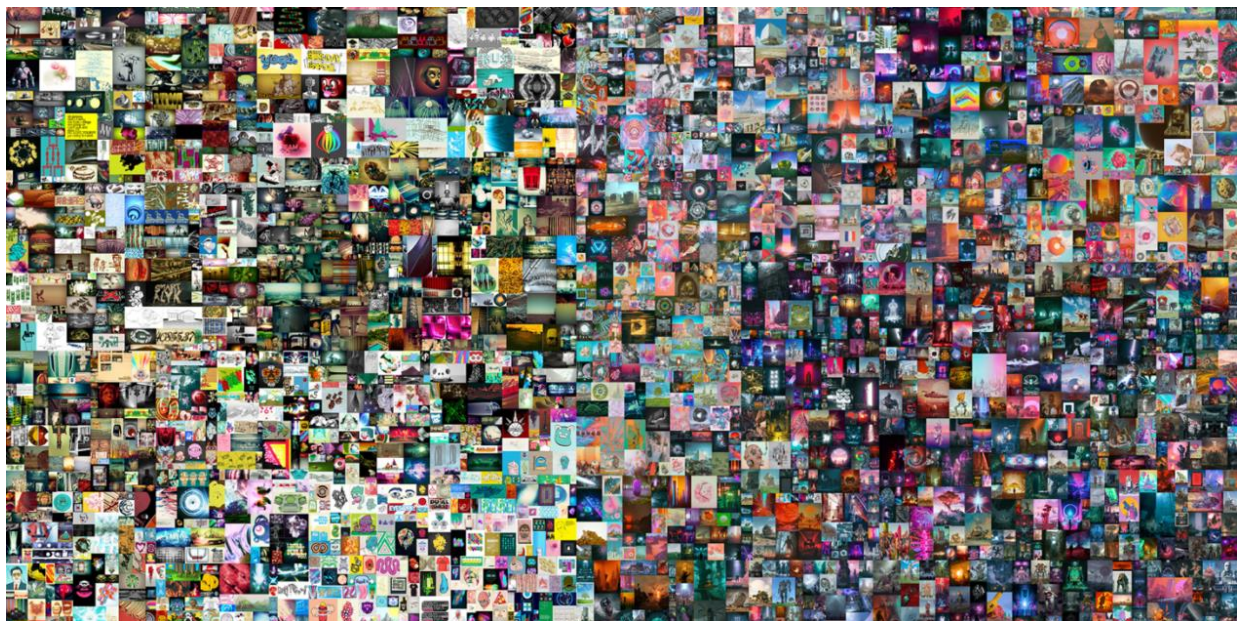
The market cap of NFT, or non-fungible tokens, shows a fast-moving development, growing nearly ten-fold between 2018 and 2020. The source of these figures states that coming up with a market

capitalization for a market this young is "a tricky exercise" and even mentions this particular estimate is "conservative". The volatile nature of developments in this new market can also be seen in the transaction volume of NFT for various segments as well as the market size of NFT within the same segments: Transactions declined for gaming, whilst value grew for arts. This latter aspect was demonstrated in early 2021, when an NFT digital artwork was sold in an auction for roughly 69 million U.S. dollars - making it the third-most expensive art piece ever sold from a living artist.

There were \$93 million in transactions in the fourth quarter of 2020, according to the website, which tracks NFT transactions and marketplaces. (Information from <https://www.cnbc.com> - updated on the 14th of April 2021).

### Top 5 Transactions:

1. **Everydays: The First 5000 Days (2021)** - On February 25th, Christie's launched an online auction of an NFT-based digital artwork by the artist Beeple (real name Mike Winkelmann), with no estimate and an opening price of \$100. The work, **Everydays: The First 5000 Days (2021)**, ultimately sold for an astounding \$69.3 million, setting an all-time record for a digital artwork and making Beeple the third-most expensive living artist at auction (behind Jeff Koons and David Hockney).

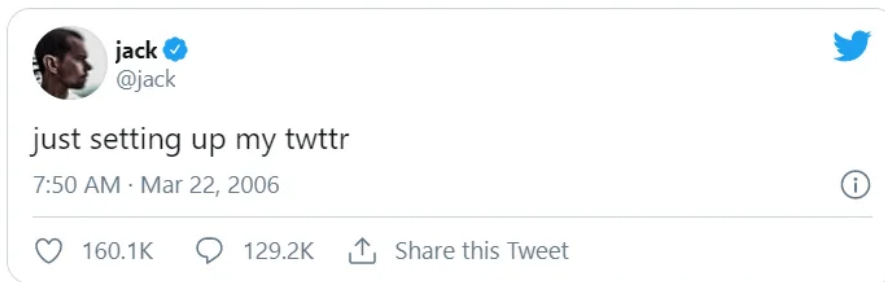


2. **CROSSROAD by Beeple** - at Nifty Gateway - \$6.66 million. Transaction made by Spanish investor Pablo Rodriguez – Fraile in October 2020 for \$ 67,000 and sold (in February 2021).
3. **CryptoPunks #7804 and #3100 at Larva Labs** - \$7.6 million each: This token, which features a funky fedora, became the third highest CryptoPunk sale to date when it was last sold on February 19, 2021. Several other CryptoPunk tokens have crossed the \$1 million threshold, depending on the valuation of the crypto currency at the time of sale.





4. **Not Forgotten, But Gone by WhIsBe** - on Nifty Gateway - \$1 million: This 16-second clip of a spinning gold skeleton gummy bear sold for \$1 million on Nifty Gateway. Artist WhIsBe sells several different gummy bear-based NFTs on the platform as well.
5. **First Tweet by Jack Dorsey, on Valuables** - \$2.5 million or more: Tweet sold as an NFT by Jack Dorsey, the profits made are donated to charity. The Twitter CEO shared a link Friday afternoon to a platform called “Valuables,” where his March 21, 2006, tweet “just setting up my twttr” was up for bidding. As of Tuesday morning, the highest offer is from Sina Estavi, CEO of Bridge Oracle, for \$2.5 million, according to the website.



### 3. *The Players of the Market*

#### Marketplaces

A marketplace is a platform where vendors can come together to sell their product to a curated customer base. The marketplace brings the right sellers and the right buyers to drive acquisitions.

The key features of marketplaces are:

1. The marketplace aims is to connect the vendors and the buyers.
2. Higher customer satisfaction, the main focus is simply to offer the best platform for the users.

#### i. **Nifty Gateway**

Nifty Gateway is a platform for buying and selling non-fungible tokens (NFTs or Nifties). The marketplace is owned by the company [Gemini LLC](#), a cryptocurrency exchange website with twin owners and founders, the Winklevoss brothers. Gemini is a New York trust company with no foreseeable IPO therefore, absent of stocks or share prices.

To purchase a Nifty is necessary to open an account. When funding the account, there are two payment methods to choose from: credit/debit card or with Ethereum using an ETH pre-paid balance. Consequently, many nifties are exhibited in the platform that can be purchased by placing a bid.

Owners of NFT can upload it to Nifty Gateway Omnibus Wallet using [MetaMask](#). Nifty Gateway currently only accepts NFT deposits using this method. Creators can apply via the website, by submitting an 8-part questionnaire and complete an interview.

Nifty Gateway makes its revenue from taking royalties on a percentage of each sale made, including secondary sales made through the marketplace. When a NFT is sold, the platform takes 5% of the sale price in fees and taxes, plus 30 cents to cover transactions fees. On secondary sales, 10% of the sale price goes to the original artist: something to be considered when purchasing a nifty for investment reasons.

Through the account page it is possible to cash out or to get a refund. People can withdraw directly to the bank account however, this functionality is only available for US bank account holders, with a \$5,000 weekly cash out limits.

## ii. SuperRare

SuperRare is a marketplace to collect and trade digital artworks. Each artwork is authentically created by an artist in the network and tokenized as a crypto-collectible digital item.

Once the NFT is on SuperRare, it can be bought, sold, or hold as a long-term investment. Artists can either put their creation up for an auction-style bidding process or sell it for a set price. Once the NFT is sold to a buyer, it can then be resold at any price on a variety of NFT trading platforms. The concept behind SuperRare is the belief that collecting is inherently social so collectors and artists should be able to easily interact around their shared passion. On the platform, users can see who the top collectors and trending artists are, how many pieces they've bought or created, and how much ETH they've spent or accumulated. SuperRare uses a smart contract system which allows the original creator of the art to collect a fee from resale prices, similar to a royalty. Every time an NFT is resold, the creator earns a fee. Since fees are accumulated by artists as a function of smart contract code, it guarantees them an automatic royalty for their creations even long after it leaves their possession. For the first sale of a new art piece, the original creator receives 85% of the proceeds of the sale while the marketplace receives 15%. For any following sales, creators receive 3% commission to be calculated on top of the sale price.

All SuperRare transactions must be made using Ether so users will need to buy Ether, which can be done on any crypto exchange.

## iii. OpenSea

OpenSea is a peer-to-peer marketplace for crypto goods, which includes collectibles, game items, and other virtual goods secured by a blockchain. On OpenSea, anyone can buy or sell these items through a smart contract. The marketplace work with a Web3 wallet, so application will automatically search your wallet for all the collectibles you have and the assets you need (like Ether) to buy items in the marketplace. When interacting with listed items, users have the option of either entering a bid, if the seller hasn't set a price, or accepting the list price.

Every time a listing is placed, the user will receive an email if their purchase was successful. Listing is free of charge, and if items are sold successfully, OpenSea will charge a 2.5% fee on the final sale price.

#### iv. KnowingOrigin

KnownOrigin allows budding and established artists to tokenize their artworks into non-fungible tokens. KnownOrigin facilitates purchases via smart contract platform and protocol enabling instant remuneration of funds to the artist. Users can make bids on artwork as well as buy-it-now purchases at the asking price. Artists can control pricing models as well as gifting NFTs to new users.

#### 4. *Crypto artist:*

##### How to create and register a crypto artwork:

Crypto artists: are who create digital works of art to then expose them in digital galleries such as KnownOrigin and SuperRare and eventually, sell them in exchange for digital currency (or crypto currency).

##### Simplified Guide to create and register crypto artwork:

1. Create a physical artwork and digitize it or give birth to a digital native work. A language designed for generative art is Processing. A Javascript library to do the same things on the web is [p5.js](#);
2. Every work of art has a story to tell. Write it on Medium.
3. Open a digital wallet in crypto currency. This is the most delicate part because it has to do with money (digital and real). You will have a public key and a private key. You can use your public key to receive payments or other digital works.
4. Exhibit your work in a digital gallery. To enter these galleries, it is necessary to have a digital wallet. The exhibition of the work is not immediate, each gallery carefully selects the exhibiting artists. Attend their social networks to become known.
5. Eventually your work is exhibited, create a cross reference between your work in the gallery and your story on Medium
6. Check periodically if there are any offers to buy for your work; if you are satisfied with the offer, sell the work.

##### Top 3 Artists:

- **Mike Winkelmann** also known as – Beeple: is one of the most known digital artists and graphic designers, known for creating a Flying Lotus video and concert visuals for prominent music stars such as Nicki Minaj and Eminem. He became the third wealthiest living artist after an NFT containing his work sold for \$69.3 million (€58.9 million) at auction in March, smashing all records for previous NFT sales.
- **Michah Dowbak, Mad Dog Jones:** Phillips is currently holding an auction with a work titled ***Replicator***. For Dowbak and other digital artists, the blockchain technology employed by NFTs opened up the possibility to verify ownership and authenticity of their works, creating a thriving market for a long undervalued medium. The mechanics of the market itself and the creation of value through innovation are central tenets in Dowbak's practice. In November, he released a collection of works on the platform Nifty Gateway: 100 pieces that he sold for one dollar each. After more successful releases on the platform in the months that followed, his prices climbed significantly, which lead to his most

recent project Crash + Burn where he released seven new, unique artworks. The only way to get access to these pieces was by collecting five of his initial one dollar works back in November and trading them in. Once Dowbak received the five works from a collector, he destroyed them, creating more scarcity and pushing up the prices of the remaining works on the secondary market, thus rewarding his early collectors in the process. Link to his work: <https://www.phillips.com>

- **Robert Alice:** According to the press release in October 2020, a “world record” was set for a public auction where NFT “Block 21” sold for \$131,250 – more than 10 times the estimates of its sale value. The auction was held by Christie’s – the first blockchain-related artwork sold by the auction house. The physical painting and accompanying NFT were sold in October 2020 where eighteen bidders reportedly competed online to purchase the art. The Robert Alice project was founded by Benjamin Gentili, a London-based artist. Portraits of a Mind is said to be the largest work of art in the history of blockchain technology, with 40 paintings stretching more than 50 meters long. Alongside the painting, the anonymous buyer of Block 21 is said to receive access to a unique NFT. The NFT is developed by the NFT specialists Async Labs. It is described as a “spatiotemporally” connected to the artwork- meaning that the digital component of the artwork is only visible during daylight within the time zone in which it is geographically located. As the owner of the NFT, the buyer can control the visibility of the artwork by changing where it is located.

### How are they positioning themselves in the art market?

While some artists use NFTs simply to sell their digital artwork, others are using the medium to pose conceptual questions about the value of art, or to provoke critics who label the trend as pure financial speculation. Crypto art offers to scholars a singularly compelling entry point to study the encounter of art, technology and socio-economic systems in the digital space. Decentralization, democratization and individual control are themes emerging from the viewpoints of both artists, gallerists and collectors. For the artists, crypto art represents in this sense a way to get and keep control of their artworks and reap on related benefits.

It’s not just collectors and investors who have more to gain with NFTs. Those who create artwork and other collectibles are also often better off with digital assets. In addition to exposing their work to a global audience, selling their artwork with NFTs increases their income.

When an artist sells artwork through an auction house or gallery, they give up a significant amount of their profits. By purchasing NFTs of pieces by your favourite artists, they are being financially supported. As well, artists can program royalties into the token. This way, they receive a payment, earning passive income every time their work is sold. Investment in NFT collectibles resultingly support artists directly.

### 5. Collectors:

NFT collectors are not necessarily collectors interested in the collection of art itself, many of these use this investment method for a speculative purpose. However, it is mostly millennials who are investing in this market. It appeals to audiences who are tech-savvy and singularly focused on digital art, as well as collectors who have long been drawn to the cutting-edge of art in new media.

Provenance certification is perhaps the most important piece of data you need when purchasing an artwork. When you have a significant body of art, your certificates of authenticity become difficult to keep



track of. Blockchain simplifies all of this, making your certifications secure and easy to maintain. It also provides you with a safe way to purchase authentic and original artwork.

The growing market of crypto art also allows aspiring and experienced collectors to support emerging artists and encourage digital media. It is also a good time to get in on the trend, while it is still affordable to new collectors. The technology can also be leveraged by art galleries, museums as well as art dealers in similar ways.

#### **How to collect crypto art:**

1. The first thing a collector requires is a crypto wallet. The wallet basically allows the storage of cryptocurrency which will be used to make offers on NFT artworks.
2. These wallet platforms need to be crosschecked that they are compatible with all marketplaces.
3. Once acquired a cryptocurrency wallet, dollars can be exchanged for Ethereum or any type of particular cryptocurrency required for purchasing. There are fees involved with the exchange, but they should be minimal and not deter the user from pursuing artists of their particular interest. Finally, a re-exchange of the acquired cryptocurrency for dollars needs to be carried out when needed and taking into account the fluctuating values.
4. Lastly, a marketplace (eg. Nifty Gateway) needs to be chosen by the user to buy, sell and trade artworks (- A digital stock market where you can buy and sell digital art).

#### **Known collectors:**

##### **i. Spanish collector based in the US: Pablo Rodriguez – Fraile:**

- He bought one work for: 60.000 USD (October 2021) and sold it for 6.6 million USD (February 2021)
- Recently graduated student from Columbia university and currently an investor in the Blockchain enterprise.
- He has used the Blockchain technology to buy a work of art which is then artist-authenticated through the blockchain technology granting investors: ownership and verification.
- For Fraile, Beeple is one of the leading geniuses of this market.
- He found the work via: Nifty Gateways.
- In Nifty Gateways is where Beeple posted a catalogue of his works and Fraile bought it for 66,000 USD - Artwork consisted of a 10 second video clip: <https://niftygateway.com/>
- According to him, the conventional artworld and investors are shifting their interest to collecting unique property identifiers for non-physical objects.

##### **ii. Auction houses:**

- Christie's, Sotheby's and Phillips are drawn to this new form of investment.
- Introducing this form of digital art in their auctions, may be to establish themselves as leading enterprises in the crypto art market.
- In the case of Christie's: Rebecca Riegelhaupt (spokesperson in Christie's) stated: "keeping our sights on the way that art and technology are interacting, knowing that this is an interest among collectors in the contemporary art market. Back in October of 2020, we sold the first work that came accompanied by an NFT. And that was a work by Robert Alice. We had a tremendous reaction to that. The estimate I think was \$12,000 to \$18,000 and it ended up selling for \$131,000. From that we could

really understand that there was this very enthusiastic market out there. We saw a brand-new audience. Then in January, MakersPlace, which is a marketplace for digital collectibles, approached us and said, we are working with Beeple, who we knew as one of the leading digital artists, and said ‘Would you like to sell work?’ And we said ‘Absolutely,’ particularly because back in December he had 20 digital works sell for \$2.2 million. That’s a substantial price, so that seemed like a great opportunity. And then we kind of took it from there. We wanted to venture into this space which we knew would be important to a certain segment of the market.”

## 6. Communication

**Communication** is the main topic when analyzing the crypto art world. The success of NFTs is based on a solid digital communication strategy, which targeted the final consumer to achieve the result. The strength of the NFTs market is its community, composed of artists and collectors. Moreover, the market is surrounded by players, such as blogger and dedicated platforms, that create contents related to it and contribute to the growth of the system. Even Beeple’s success could be attributed to many things, but one important factor is his large social media base, the artist has more than 2.5 million followers.

**Social media** is a tool for creators, artists and brands to build hype and demand for something. NFTs are a prime example of how anyone with a social media audience can show the distinctive nature of an item, drumming up excitement around something that is simultaneously an experience. Combining the NFT’s rarity with thousands of flame and praise-hand emoji comments and high engagement will lead to awareness and business.

**Bloggers and influencers** are people who have built a reputation for their knowledge and expertise on a specific topic, in this case regarding non-fungible tokens. They post regular news on the topic in their preferred social media channels and generate large numbers of enthusiastic and engaged followers who pay close attention to their views. In the crypto-art world this role is covered by the artists and collectors themselves.

### TOP 6 CRYPTO BLOGGERS:

- [Antony Lewis of Bits on Blocks](#)
- [Aziz Zainuddin of Master the Crypto](#)
- [Paul Clevett of UK Bitcoin Blog](#)
- [Mark of Bitcoin Warrior](#)
- [Trent Lapinski of Mystic Labs](#)
- [Ashley Knowles of I Am Ashley Knowles](#)

The interest in this new technology resulted in the development of dedicated platforms that explained the world of NFTs and who to move in this sector.

One of these is called DADA. DADA is a social network where people communicate with each other through original drawings they create digitally in the platform. DADA stands out for its uniqueness because it is a social network where people from all over the world communicate with each other through drawings

they create digitally in the platform. Creating spontaneous visual conversations that do not exist anywhere else.

## **7. NFTs as INVESTMENTS/SPECULATION:**

### **Many of the NFTs:**

- Some are wary of NFTs and are concerned with the speculative nature of this technology, but there is no denying that the trend of decentralization has pushed this technology into the limelight and has given participants in different industries a new avenue to pursue untapped markets. This disruptive technology is here to stay and will grow immensely as it experiences mass adoption.
- Bought in the form of speculative investment hoping to flip them at a much larger price than what they originally bought from. Eg: Digital artist Beetle, whose real name is Mike Winkelmann was flipped for a record 69 million USD in March 2020. Originally bought around 67,000 USD
- Collectors rely on mere speculation for investment: *"I think this technology will even allow artists of our generation to be more relevant than those who have been left out of this world,"* predicted Pablo Rodriguez-Fraile
- *"I believe that all future art will be tokenized"* – Pablo Rodriguez-Fraile referring to the art world
- Or holding them for long term as collectables > crypto collectibles.

### **Metapurse Transaction**

- Metapurse bid and acquired Beeple's record-breaking digital work of art for more than \$69 million. This breaks the record for the most expensive NFT ever sold.
- Metakovan's real identity is not known, but the investor is the co-founder of the NFT collection called Metapurse, which collects NFTs to display in the metaverse through virtual museums. Metakovan already owns the largest collection of Beeple's and fractionalized the ownership of one collection of Beeple's with a special token called the B.20 Coin.
- Twobadour said they don't know their exact plans for this work, but options include fractionalizing it or offering it as a new token. He said the goal is not to make money, but to decentralize and democratize art so token holders everywhere can share a piece of history and share the wealth.
- For his \$69 million, Metakovan will get "essentially a long string of numbers and letters," according to Noah Davis, an art specialist at Christie's. "It's a code that exists on the Ethereum blockchain. It is a block in the chain that will be dropped into their Ethereum wallet." The buyer also gets "a gigantic JPEG," Davis said.
- The sale capped two weeks of frenzied online bidding and ushers in a new era in collectibles, where prices for blockchain-based digital images now rival prices paid for works by Pablo Picasso and Claude Monet. While the future of NFT prices and their longer-term role in the art world remains an open question, and many see it as a speculative fad, the eight-figure price for the Beeple has caused the art world to suddenly take notice.

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