NON FUNGIBLE TOKENS YEARLY REPORT



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FOREWORDS

For this first report, we would like to express our sincerest thank you to NFT.NYC for their proposition to participate in this major event, as well as for their help in delivering this report. We would also like to thank CoinGecko who trusted us and gave us the idea to initiate this report, which is the little brother of CoinGecko's quarterly cryptocurrency report, for which we have the honor to contribute to.

Our goal with this annual report is primarily to inform the mainstream about the growth of this market, driven by non-fungible tokens. We firmly believe that the advent of this new typology of assets will pave the way for real, healthy, viable, and long-term use of the Blockchain, far from speculative drift.

Finally, we would like to thank our entire community and our faithful members who have provided us with valuable advice and feedback throughout the development of this report and our platform.

We hope this first edition will give you a fresh look at this ecosystem and the booming NFT economy.

Enjoy reading,



Daniel Kelly & Gauthier Zuppinger



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FEW WORDS ABOUT 2018



WHAT ARE NON-FUNGIBLE TOKENS?

Fungible [fuhn-juh-buhl] - adjective

(especially of goods) being of such nature or kind as to be freely exchangeable or replaceable, in whole or in part, for another of like nature or kind.

Source: <u>dictionary.com</u>

Non-fungible tokens (or NFTs) are a new class of digital assets stored and handled on a blockchain. These assets are characterized as unique, irreplaceable and non-interchangeable.

Non-fungible tokens are not cryptocurrencies. They are not traded on exchanges like any other tokens. They are not built on the same technical standards (ERC-721 on Ethereum).

FUNGIBLE











RPG character



NON-FUNGIBLE





Blockchain technology was originally designed to allow censorship-resistant financial transactions, without relying on traditional financial institutions. Cryptocurrencies and more generally, the blockchain, have allowed the emergence of incredible projects but, have also generated large drifts including the speculative bubble in 2017 / early 2018.

The appearance of NFTs and the use cases that they make possible on Blockchains today, open the doors to a whole new world of possibilities: Collectables (cards, objects, ...) Gaming (RPG, platform games, ...), digital art, certifications ...

We believe that a new era of mass adoption will rise from NFTs.

Background image from Ember Sword Project (© So Couch Studios 2019)



2018: THE #BUIDL YEAR IN FIGURES





7 662 072

TOTAL TRANSACTIONS





16 months

THE ERC-721 STANDARD HAS BEEN DEFINED IN AUGUST 2017. ALL THOSE FIGURES ARE BASED ON A TECHNOLOGY THAT WAS BARFLY ONE YEAR OLD.



NFTS ARE CROSS-BLOCKCHAIN!



BITCOIN (BTC)

The original non-fungible token, "colored coins", may be used to represent different asset classes. The first non-fungible token experiments used CounterParty's infrastructure, RarePepe and Spells of Genesis. CounterParty provides the infrastructure to build and deploy fungible or non-fungible assets on the Bitcoin network as well as the wallets and blockchain explorers for users to view and interact with their assets. High transaction fees and slower network confirmations played a major role in restricting the non-fungible asset and blockchain gaming use-case presented by NFTs.



EOS (EOS)

Design and development led by the team at Unico Global, "dGoods", the non-fungible standard for EOS, promises the same incredible throughput and small transaction fees of more centralized blockchain solutions. EOSKnights claims to attract an incredibly high user base and is likely largely due to the improved user experience of transaction speed and cost.



STELLAR (XLM)

Non-fungible tokens on the Stellar blockchain are possible but come with their drawbacks. Although not officially supported as a standard, NFTs may be created by backpacking on Stellar's accounts feature. Every asset should become its own "account", or individual fungible token with a supply of one. This requires the account to conform to the minimum eligibility criteria and cannot be traded on Stellar's native DEX platforms.



ETHEREUM (ETH)

The first non-fungible token proposal on Ethereum is based on the initial draft by Dieter Shirley of the CryptoKitties team and finalized by lead author William Entriken and a large community of supporters. ERC721 has been through rigorous testing by hundreds of projects, ran through an official bug bounty, and is largely considered THE non-fungible token.



TRON (TRX)

Touting similar advatages as EOS, Tron's NFT token has seen good support from publishers such as Blockchain Cuties, and EverDragons. Tron is attracting developers of the blockchain gaming industry and coining the term "Dgaming" on the Tron blockchain.



NEO (NEO)

Led by the team at HashPuppies, NEP-11 puts non-fungible assets on the NEO blockchain. NEP-11 has been changed to the "accepted" state as of October 2018 and is the defacto standard of NFT on NEO.

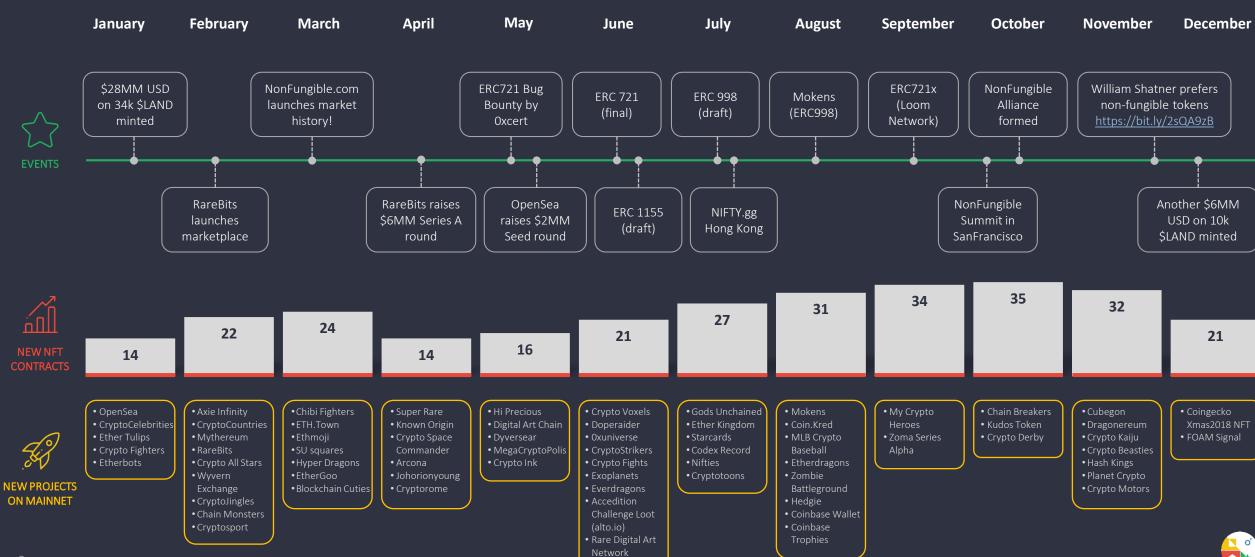


NEM (XEM)

@aleixmorgadas on Github has been working on "nem2-nonfungble-asset" since May 2018, and some projects have started working with it. NEM utilizes an experimental "proof-of-importance" consensus algorithm to achieve decentralization. Like proof-of-stake, POI provides high transaction throughput over the NEM blockchain.



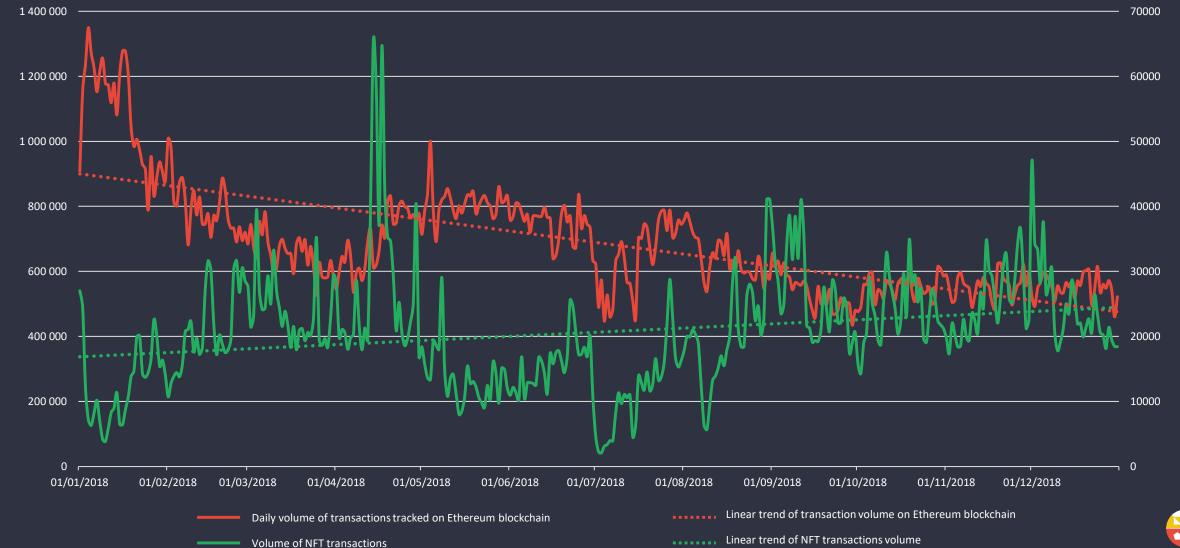
2018 GLOBAL REVIEW



NON FUNGIBLE TOKENS MARKET CHARTS AND TRENDS



TRANSACTION VOLUME: ETH vs. NFTs





ACTIVE ADDRESSES: ETH vs. NFTs

Daily active addresses interacting with NFTs



TRANSACTIONS VOLUME DISTRIBUTION

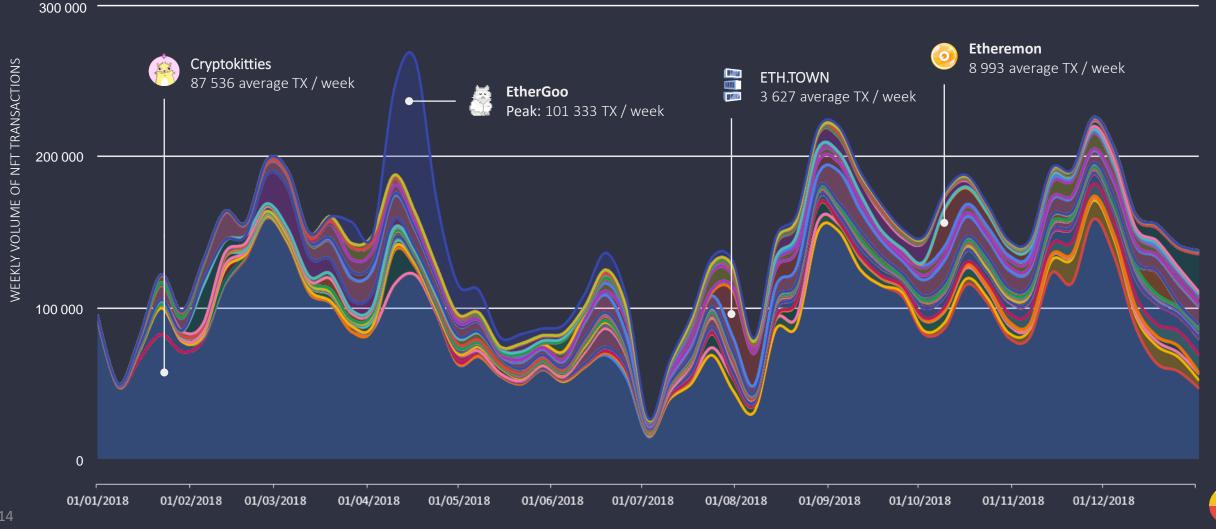
		PROJECTS	TRANSACTIONS
#1	÷	CryptoKitties	4 639 422
#2	<u></u>	Etheremon	476 647
#3	\$	EtherGoo	337 214
#4	6.6	Blockchain Cuties	168 445
#5	Main Mill Spire	ETH.Town	155 982
#6	UNCHAINED	Gods Unchained	139 668
#7	M	0x Universe	118 738
#8	₩ ,	Axie Inifinity	117 809
#9	Energins -	EtherBots	110 747
#10	(1),31 flags:	CryptoInk	107 384
#11		Decentraland	105 444
#12	BASEBALL	MLB Crypto Baseball	104 962
#13	© 0x	0x Project	104 098
#14		Hyper Dragons	98 139
#15	NEC POLS	Mega Crypto Polis	87 786
#16	R	Arcona	85 226
#17		My Crypto Heroes	67 624

		PROJECTS	TRANSACTIONS
#18	e producedne	Ether Dungeon	52 166
#19	**	Cryptobots	49 975
#20	Fishbank	Fishbank	47 781
#21	?	Staryfox	36 739
#22		Cryptocelebrities	33 740
#23	(2)	OpenSea	30 638
#24	<u> </u>	Panda Earth	29 760
#25	C5 3	Crypto Space Commander	29 326
#26	Evil P	Ether Online	26 900
#27		Chibi Fighters	16 928
#28	%	Crypto Warriors	15 782
#29	₽	Pepe dApp	15 533
#30	變	Crypto Saga	14 971
#31	сентопрителя	Crypto Fighters	14 073
#32		Crypto Countries	13 685
#33		Mineority	11 472
#34	MARYDIO	KryptoWar	8 986

		PROJECTS	TRANSACTIONS
#35		CryptoPepe	8 004
#36	&	Crypto All Stars	7 858
#37		Crypto Strikers	6 255
#38	\	Auctionity	6 112
#39		Crypto Flowers	5 750
#40	?	D World	5 594
#41	×	0xCert KYC	5 235
#42		Crypto Punks	5 046
#43		CryptoCrystal	4 970
#44	SuperRare	SuperRare	4 964
#45	?	Cryptopony	4 935
#46	CRYPTOROME P	CryptoRome	4 933
#47		EtherQuest	4 687
#48	EXOPLANETS	ExoPlanets	4 648
#49	0	Dragonereum	3 390
#50	?	My Hero	3 239



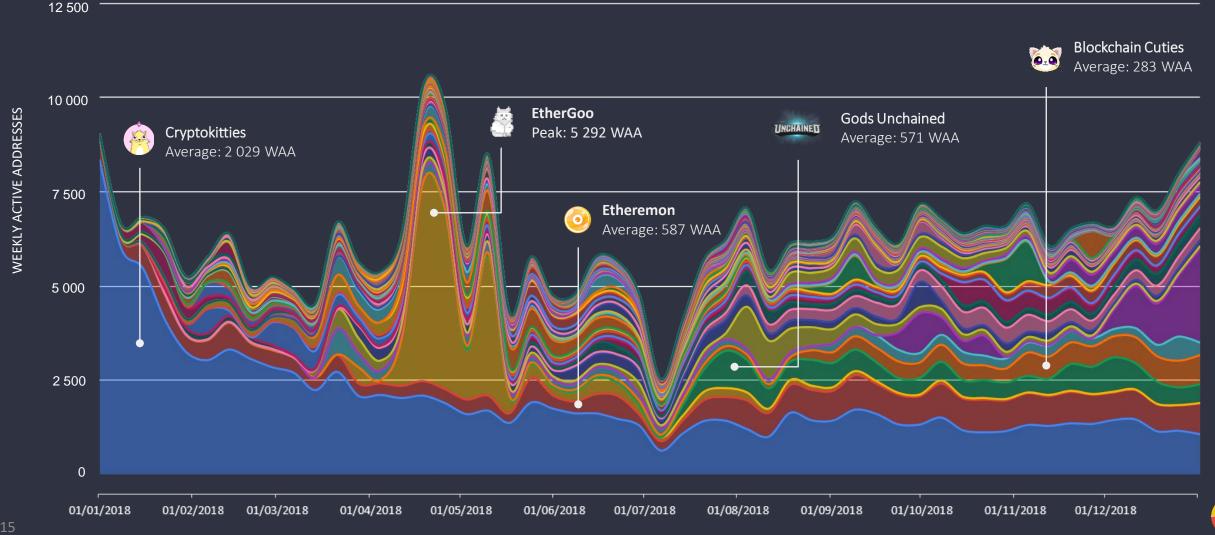
TRANSACTIONS VOLUME EVOLUTION





USER BASE EVOLUTION

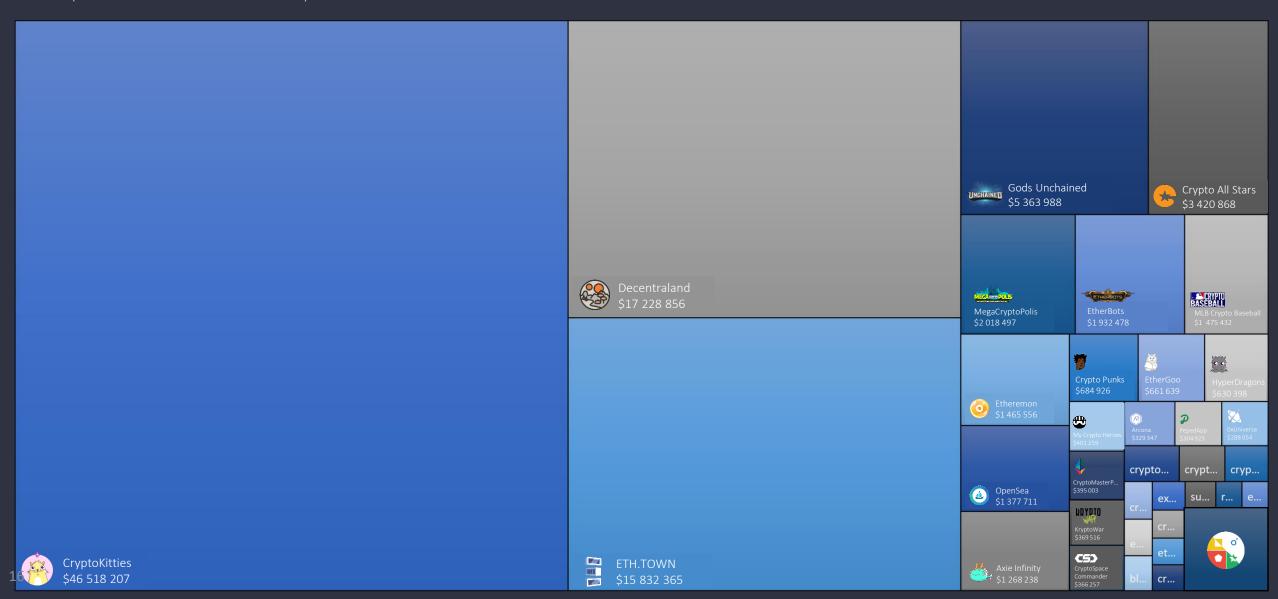
(WAA = WEEKLY ACTIVE ADDRESSES)





NFT MARKET DISTRIBUTION (USD)

(TOTAL USD TRADED IN 2018 PER PROJECT)

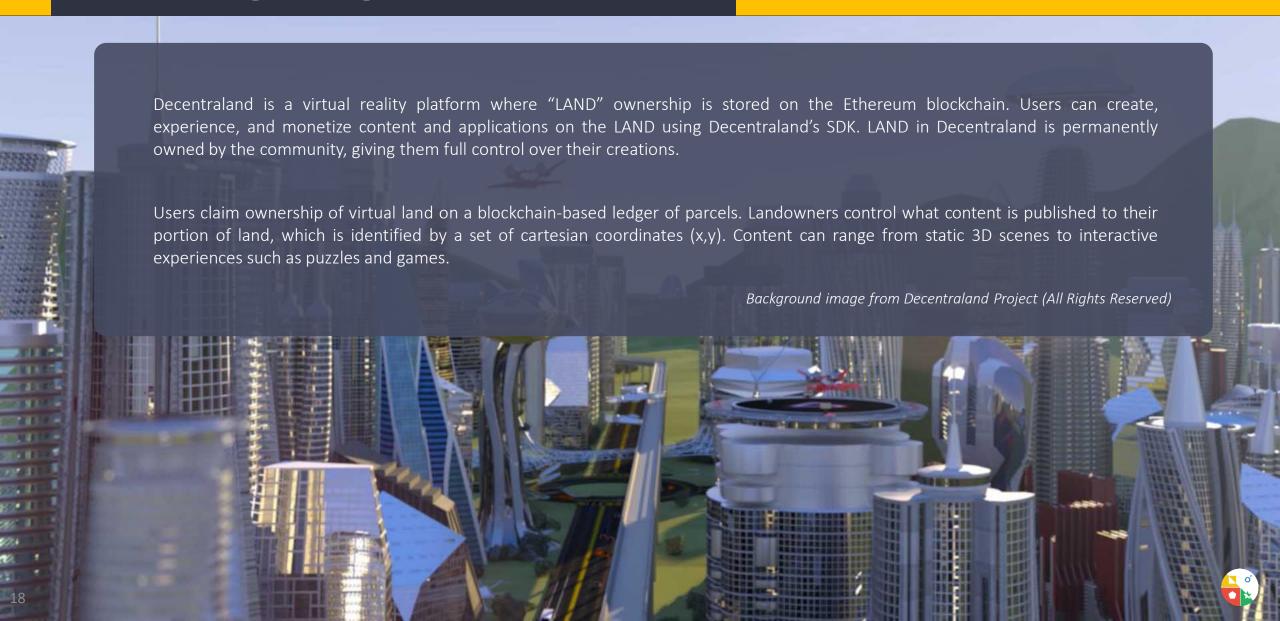




FOCUS ON: DECENTRALAND MARKET ANALYSIS



WHAT IS DECENTRALAND?



VALUE HEAT MAP

This heat map presents the average purchase price of \$LAND based on all transactions made on the marketplace from March 19, 2018.

We have included the second auction sales, which reflect how the market perceives the value of these parcels and provide relevant volume to the map.

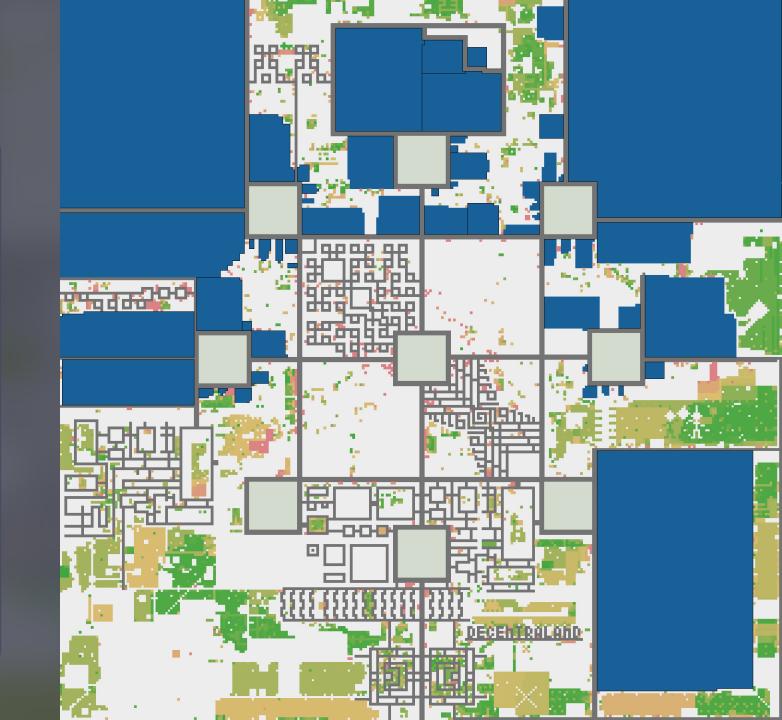
CAPTION





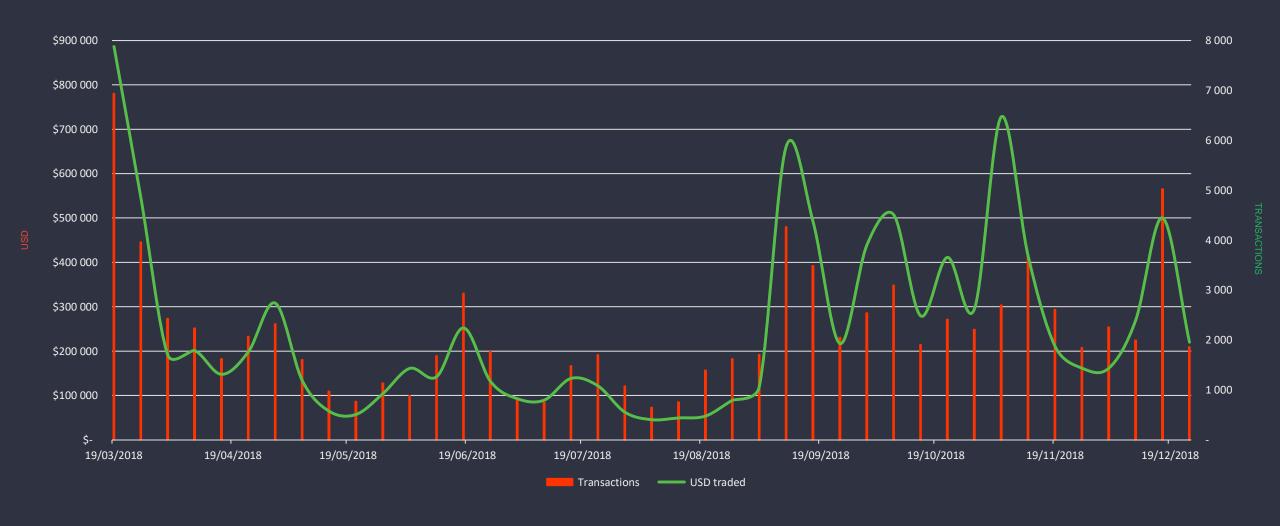
14 000 MANA > X < 30 000 MANA

> 30 000 MANA



DECENTRALAND - MARKET EVOLUTION

(WEEKLY VOLUME OF TRANSACTIONS COMPARED TO WEEKLY USD VOLUME TRADED IN 2018 ON DECENTRALAND OFFICIAL MARKETPLACE)





ND TOKEN PRICE IN USD

ANA / USE

DECENTRALAND – LAND TOKEN PRICE

WEEKLY EVOLUTION OF \$LAND TOKEN (ERC-721) PRICE IN USD AND \$MANA (ERC-20) THROUGHOUT 2018



The gap between the two lines illustrate the relative autonomy of the ERC-721 tokens economy vis-à-vis the ERC-20 tokens. The \$LAND (ERC-721) price was not necessarily indexed to the \$MANA (ERC-20) course. Specific events within the project have an impact on the ERC-721 token, regardless of the price of the cryptocurrencies to which the NFTs are associated.



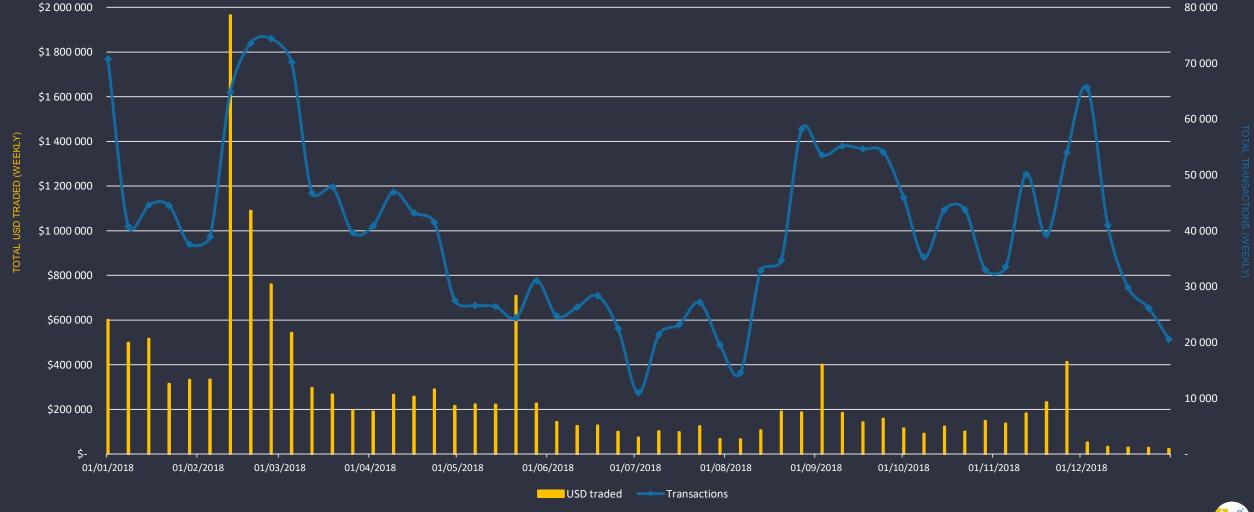


FOCUS ON: CRYPTOKITTIES MARKET ANALYSIS



CRYPTOKITTIES - MARKET EVOLUTION

WEEKLY EVOLUTION OF CRYPTOKITTIES SALES VOLUME (USD vs. TRANSACTIONS)





During our analysis of the CryptoKitties market, we decided to study separately the various "Cattributes" and to follow the relative value of each trait through time. The following charts and analysis are based on almost 2 million transactions tracked in 2018 on the official Cryptokitties Marketplace.

The following slides display the evolution over time of the 10 most popular traits for each "Cattribute" to ease the readability of the charts. The fancy or exclusive kitties sales have been excluded as they are not based on traditional Cattributes.

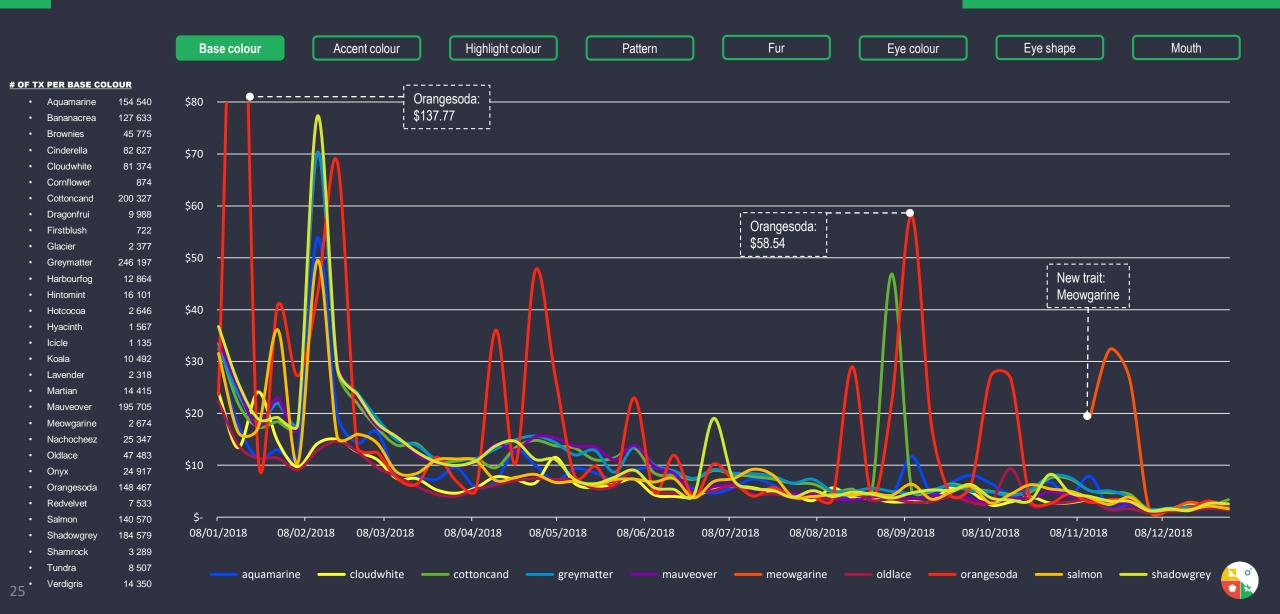
We know that the evolution of other traits may be of interest to some users. If you want to know more about the data and charts not displayed in this report feel free to reach us:

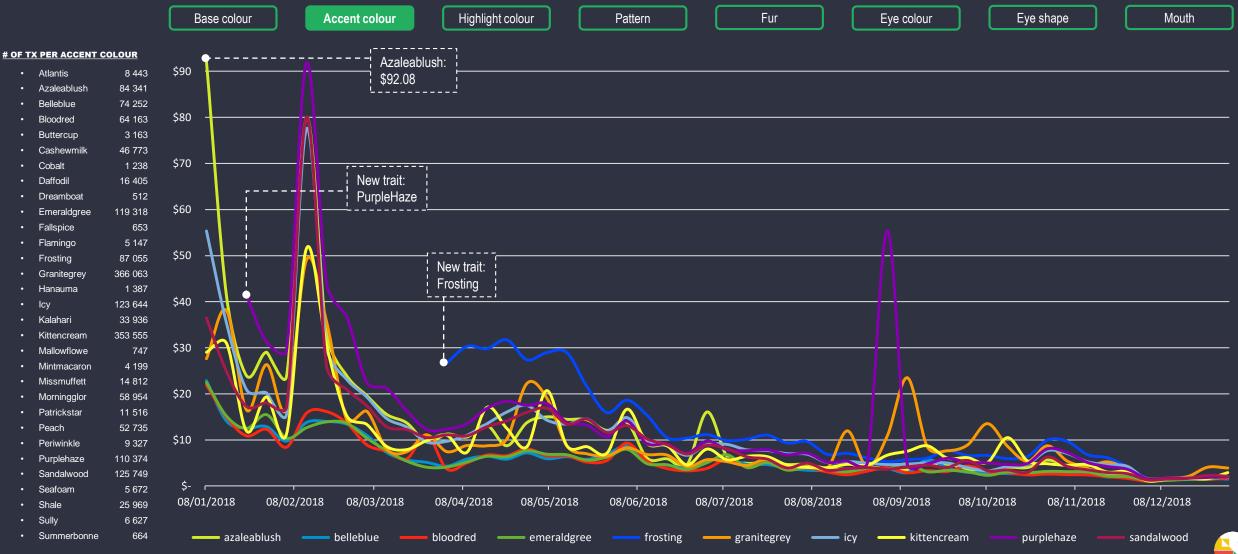
hello@nonfungible.com

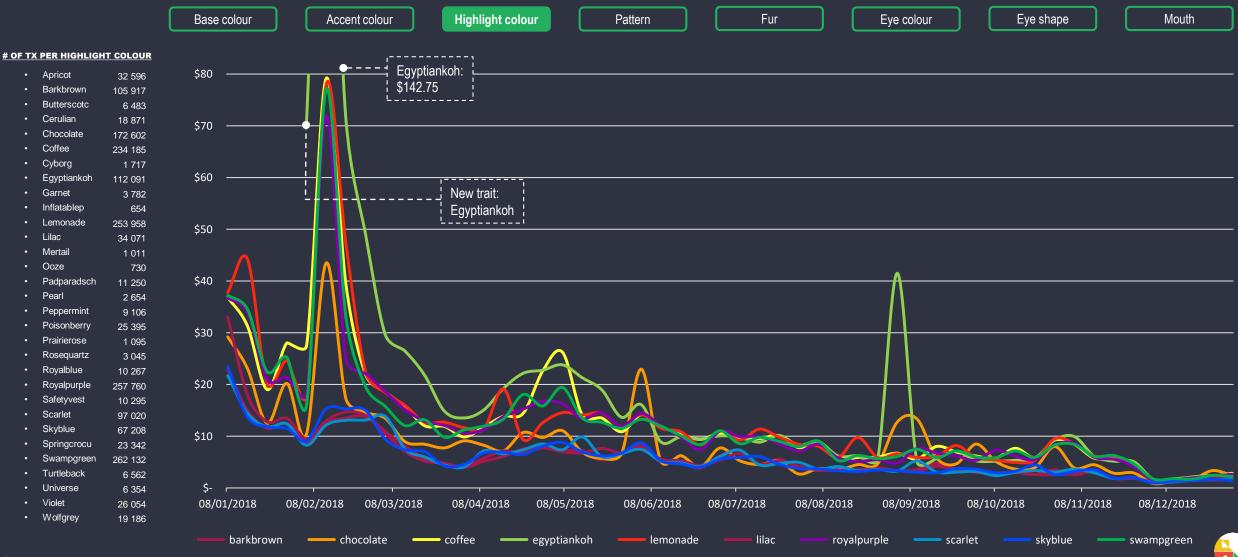
In addition to this report, we propose to find the average price of every possible combinations of "Cattributes", based on all transactions recorded in 2018. We have found more than **1 MILLION** different combinations. We hope this tool would allow everyone to know the average value of every Kitty based on market history:

https://nonfungible.com/cryptokitties-cattributes

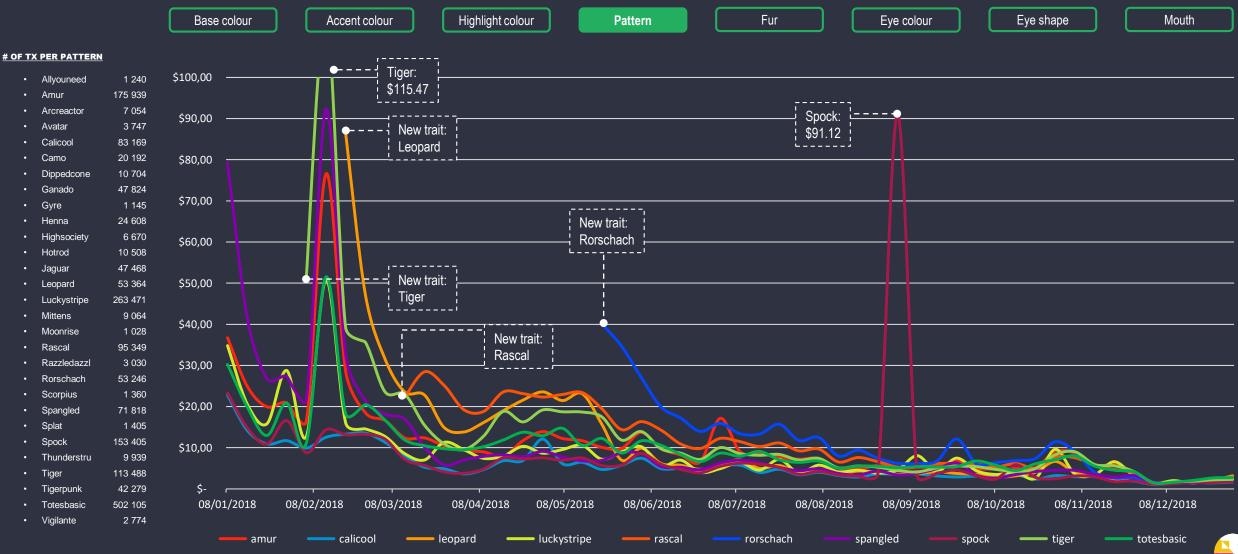


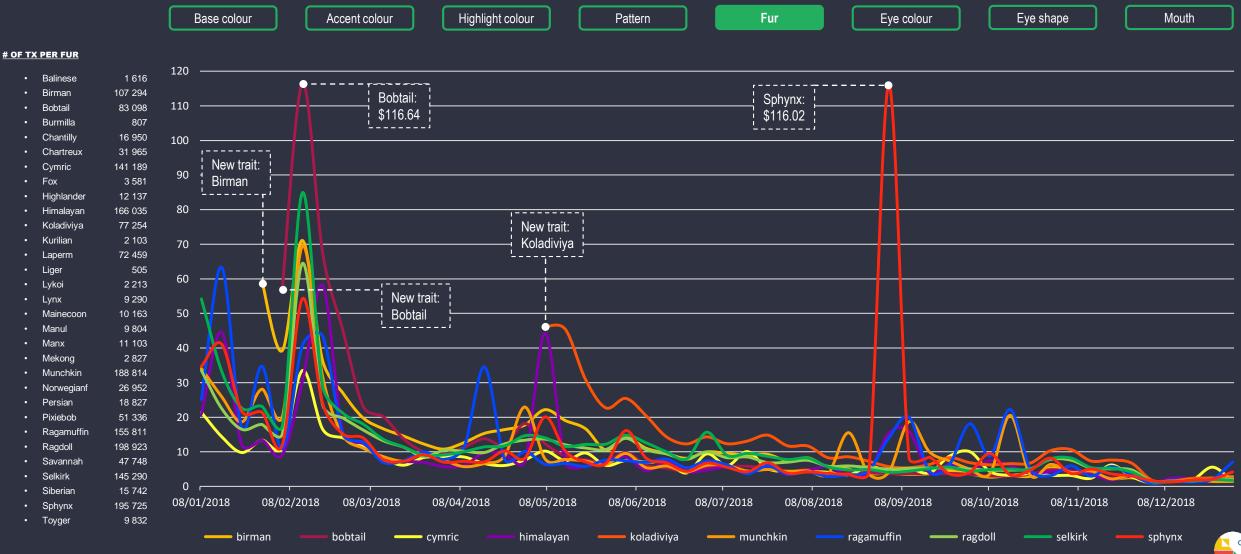


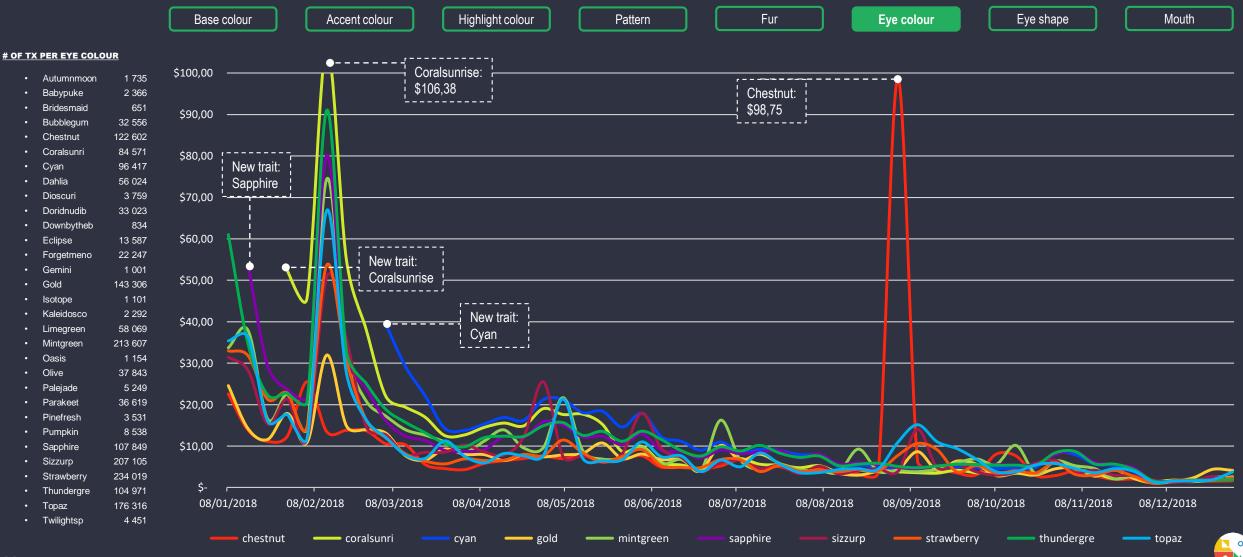


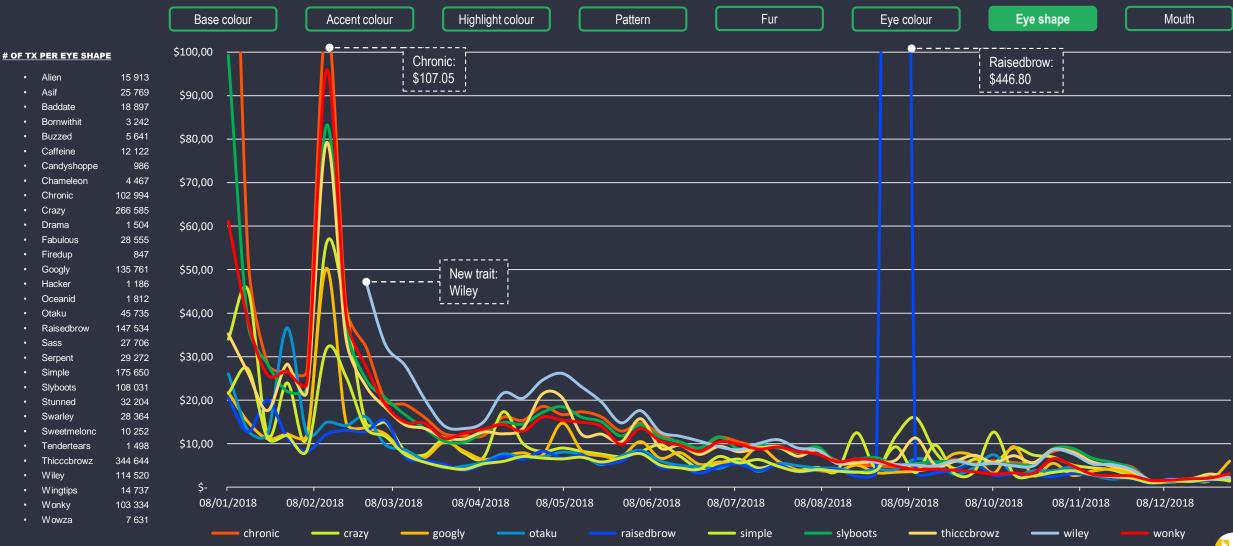




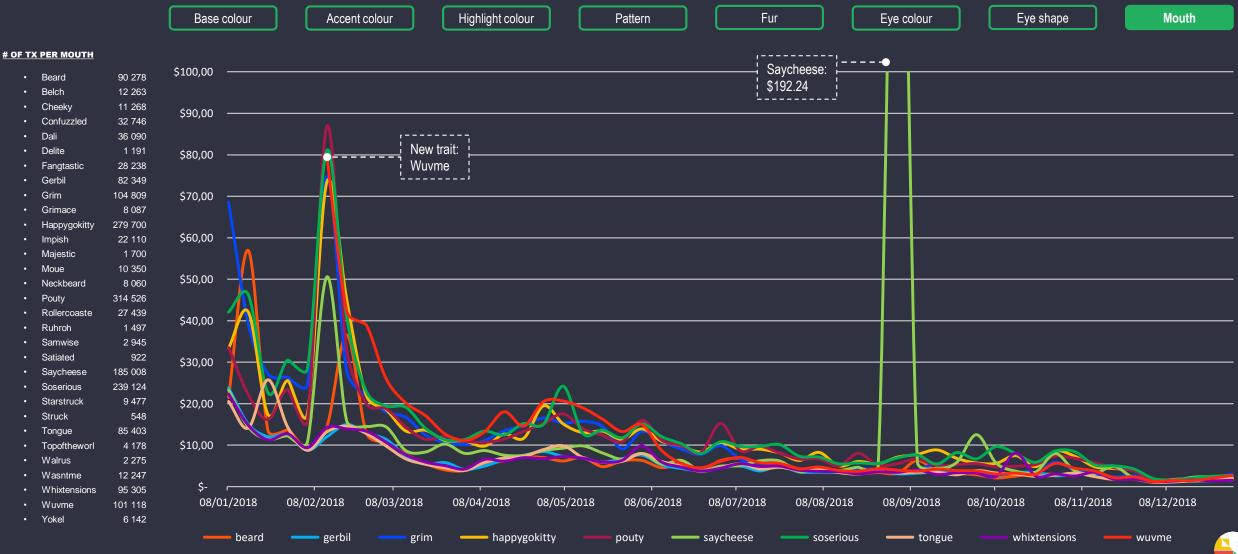














At the end of 2018, we carried out an inventory of all decentralized applications minting, using, or editing non-fungible tokens, based on ERC-721 standard (Ethereum). We have identified, qualified, or tested more than 400 different applications, games and NFT projects. Some of these projects were just breathtaking, and others, more surprising. During this overview, we had confirmation that the ecosystem of crypto-gaming and NFT is moving to the next level: 2019 promises to be an incredible year.



0x Universe



Grow your empire by acquiring and developing planets, each unique. Manage your resources, expand your territory to conquer a map The size of a galaxy! Note that the graphics offered by the game are spectacular!



Axie Infinity



One of the most popular fighting and arena games of 2018! Select 3 small creatures (named Axie) and be strategic in organizing your team. The combination of the right skills and their positioning in the arena will ensure your victory!

Fight



Chainbreakers



This RPG fully integrated into Decentraland and will allow you to follow a series of quests through the metaverse. Players will discover the virtual world in 3D via quests, battles, and rewards using space designated from private LAND owners.

RPG



Coin.Kred





These personalized badges make it possible to reflect who you are and to highlight your passions. If you have a little extra imagination, you can also produce exclusive badges that may be then be sold on the marketplace!

Badges









Cryptoink



Have you ever dreamed of organizing virtual pig races? This crazy game allows you to buy, collect, breed and organize races with your pigs! The game is as addictive as it is crazy!

Race



CryptoKaiju



The first collectible vinyl toy with ownership and identification represented by an NFT. These characters were introduced by the team behind KnownOrigin and are definitely a a strong project to consider for anyone interested in digitally, and physically, provably scarce collectibles.

Collectables



CryptoKitties



Requiring no introduction as the most popular NFT, it's all about collecting and breeding virtual kittens, each one as cute as the other. These kittens can then be used in the KittyVerse, through fighting games, racing, and other community built experiences.

Collectables



CryptoPunks



The original non-fungible token on the Ethereum blockchain. These assets are all about scarcity, so much so that there are only 10,000 unique punks in existence, ever. Those yelling that punk's not dead, now, you can prove it. Another must-have in every enthusiast's collection.

Collectables

Digital Art



*CryptoRome CryptoRome



Make your cities prosper in ancient Rome, manage your resources and expand your influence. If you liked strategy games, you will love CryptoRome! Note that cities or resources that you collect in the game can then be sold against Ethereum!



CryptoVoxels



Imagine Minecraft, the blockchain, a real economy and in which you could navigate in Virtual Reality: here is CryptoVoxels. This project is still under construction but promises very interesting prospects in the coming years.

Build













CubeGo



This game offers you to build the creatures you want with simple cubes. Each cube has special features that will allow your creature to defend or attack once in the arena!

Build



Decentraland





One of the most popular NFT projects, Decentraland is whole metaverse comparable to Ready Player One: all that makes up the "real" world available through virtual reality: games, businesses, social,...

Virtual Reality

Real Estate



DopeRaider



Grow your network to become the most respected drug dealer in the 7 districts. The DopeRaider world is a true Narconomy, and real profit is possible.



Ember Sword





Ember sword is a Browser-based and Free-to-Play MMORPG video game set in the player-driven fantasy universe of Ganymede - a world full of digital collectible cosmetics and a blockchain-enhanced economy preventing Pay-to-Win.

MMORPG



Etheremon



Purchase, train and evolve your creatures to the most powerful monsters through battling other players. This "cousin of Pokémon" has already met with incredible success in 2018 by bringing together nearly 10,000 players!



Gods Unchained



This Tradable Card Game (TCG) is a worthy heir to "Magic the Gathering". Build your deck with complementary skills, adapt your game and strategy to your opponent's cards by casting your gods and titans into battle.

Card game













Kitty.Kred



In the tradition of Coin.Kred, this social application allows you to convert any of your CryptoKitties into a unique badge that vou can share with vour friends.

Badges



MegaCryptoPolis



"Little brother blockchain of SimCity". Acquire land on the map, expand residences or businesses on it, and wait for the other neighboring plots to grow to recoup some of the Ether invested by your neighbors through district taxes. An innovative business model for a promising idle game.

Idle Game

Real Estate



CRYPTO MLB Crypto Baseball



Collect figures of the most iconic baseball players in history and earn stats based on real-world outcomes. You will soon be able to join the team of your dreams and make it confront other teams! If your team wins, you have a chance of generating a brand new figure!

Collection



My Crypto Heroes



Carefully choose your heroes, their skills, their equipment before confronting other heroes in epic battles. This cryptogame, very popular in Asia, should soon be talked about in the rest of the world.

PvP





Discover, buy, sell, and collect. Unique digital creations by artists around the world. SuperRare is one of the most famous trading platforms allowing artists to be paid for their digitized creations.

Market



Unik Name





Unik Name is the proof that NFTs are not only for gaming or collectables. They build the "Universal Naming System", a protocol to deploy on every web and crypto-app (dapp) for users to have one single, simple and secure digital identifier to use across many platforms.

Identification

Market













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