

# NFT BASICS

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# The NFT Landscape basics

- Three trends that have led to an NFT boom
- What is an NFT: a short explanation
- How does an NFT work?
- Examples of NFT use cases
- What is the hype all about?
- What makes an NFT valuable
- How to find and buy NFTs

Note: this presentation focuses on “art NFTs”.

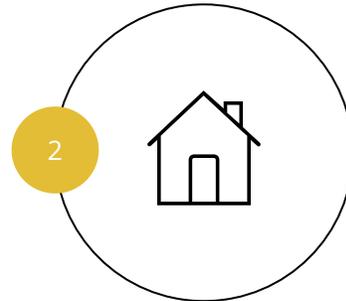
# Disclaimer

- This is not investment advice.
- This presentation covers the basics of buying and creating NFTs. As such, some concepts are overly simplified.
- I am not an expert. Don't trust self proclaimed experts, we're all just learning as we go, just like you. Excuse any errors I have made.
- This industry changes daily. Tomorrow may look very different.
- We are in the early stages of highly speculative and booming industry, expect a rollercoaster of valuations and booms and busts.
- Don't hesitate to connect with me on LinkedIn: @ducovanbreemen

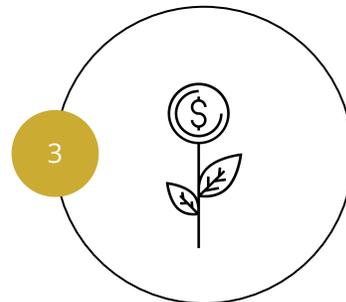
# Three trends that have led to an NFT boom



**A maturation of blockchain technology**



**Mainstream adoption of digital assets**



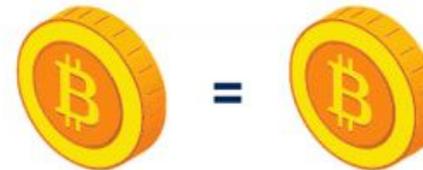
**Significant (VC) investment**

# What is an NFT?

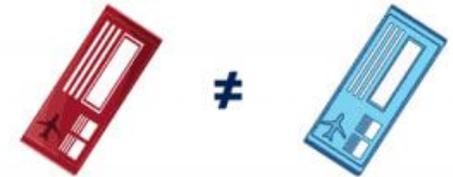
Each non-fungible token (NFT) represents some unique digital object – an artifact in a game, a piece of digital art, a financial contract, you name it. NFTs are:

- **Unique**
- **Tamperproof**
- **Decentralised (usually)**

## FUNGIBLE

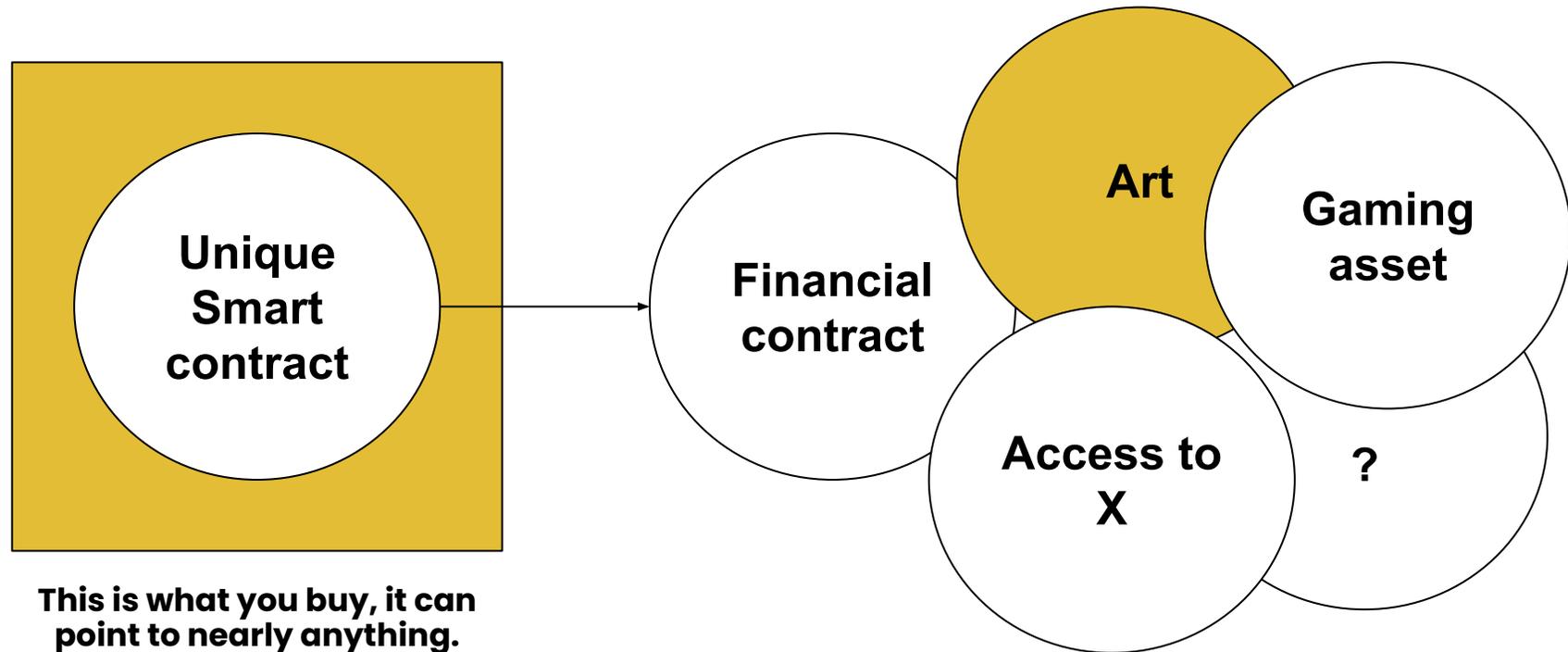


## NON-FUNGIBLE



# How does an NFT work

An NFT is a **unique** digital smart contract, or node in a contract, that can point to any asset. Today, I'll mostly focus on art/PFPs.



**This is what you buy, it can point to nearly anything.**

# Let's look at some examples of NFTs



## The World's First NFT Funded Café hits the Blockchain on 11/2/21

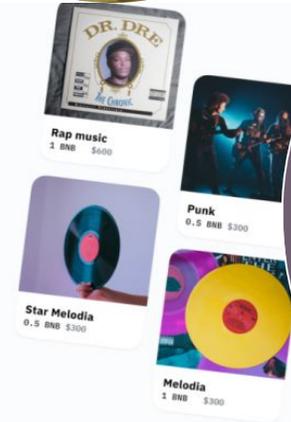
Coffee Bros. announced a new NFT project that



## Music NFT Marketplace

Create your first music NFTs with NFT market for musicians. Create music and music videos just under the \$1, the platform works with BSC blockchain and supports mp4. With AirNFTs, you are getting the control over your NFTs, no middle man cutting your sales. Create, Buy, Sell and Earn with your music NFTs.

[Tokenize Your Music Now](#)



# Let's have a look at some brands



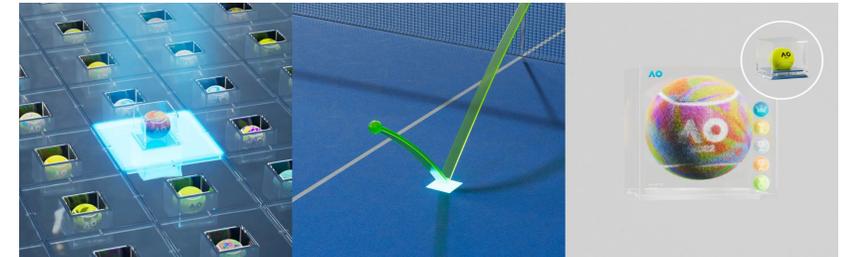
## RTFKT

Limited edition physical and virtual collectibles of designer sneakers. Acquired by Nike.



## Tarantino NFT

Own a 'scene' from the Pulp Fiction screenplay. Exclusive access to extra footage and memorabilia.



## Australian Open

NFTs linked to a 19cm<sup>2</sup> plot on a tennis court. Winning shots update the metadata of your plot.

## Let's have a look at some brands



### Flyfish Club

Private dining club where memberships are purchased as NFTs. Developed by Gary V.



### Stoner Cats

Crowdfunded animated series accessible only via NFTs. Developed by Ashton Kutcher and Mila Kunis.



### Coca-cola

NFT auction in Decentraland. Proceeds of \$1m+ donated to Special Olympics.

# What NFTs are not

Unless otherwise specified, buying an NFT does not come with ownership to e.g. IP, equity or proceeds. It's all about the small ~~print~~-code.

- **You do not automatically own the IP rights.** Similar to buying a Nike sweater, buying an NFT does not come with IP rights. However, many NFT projects have Creative Commons licenses in place.
- **You do not automatically own equity.** Despite potentially receiving a distribution of the proceeds or resale royalties, buying an NFT does not equal buying equity in an NFT project.
- **You may have a say in a project.** Having said that, some NFT projects set up a DAO to govern their project, allowing you to vote on the direction of the project. More on this in our next event.

# A few things to keep in mind

These days, creating an NFT is as easy as uploading a photo to Google Drive. However, creating an NFT is only the start. It's no different from registering a company – the hard work comes after.

- **You can create an NFT in minutes.** Go onto Opensea and create your first NFT now. You can have it done within five minutes.
- **Creating a successful project is hard.** Treat your NFT project as a startup. Marketing it and creating a community is hard work and there is a lot of noise. I speak from experience.
- **Early days equals lots of scammers.** It is easy to fake followers on Twitter and Discord to make your project look popular. Many NFTs infringe on copyrights. Do your due diligence before buying.

# Why are NFTs any better than what we had?

NFTs aren't always better. It depends on the use case and is generally a broader discussion about Web2 vs Web3. Here are some of the pros in the context of art:

- **Automated and direct distribution of value.** Sales proceeds & royalties directly to your wallet. No intermediaries.
- **An additional creative dimension for artists.** Marry your art with technology. We have only scratched the surface to date.
- **Portability of objects.** You're not stuck in a closed marketplace anymore.
- **Aligned (financial) incentives between creators & buyers.** Customers become evangelists. This is also a point of criticism.
- **Provenance and transparency.** It's all in a public ledger i.e. the blockchain.

# Don't underestimate the generational trend

The NFT craze is a part of a bigger generational and cultural movement of young(ish) people that are seeking for new ways to accumulate wealth and power.

# Why do people value NFTs?

NFTs are considered more than merely art or fun. They combine financial incentives, access to a community, scarcity and art.

- **Financials & liquidity:** smart contracts allows for all kinds of wonderful financial mechanisms that reward the NFT owners e.g. “earn a % of all resales.” NFTs are also generally more liquid than traditional art.
- **Community.** As an NFT owner, you gain access to an exclusive club of buyers and decision makers. “It’s not what you know, it’s who you know”. Consider it the modern (meta) network.
- **Scarcity:** NFT creators, like traditional print artists, can create artificial scarcity by only creating a limited number. This is better than in the real world because provenance is provided via the blockchain.
- **Art & narrative:** like a movie, book or a painting, quality works, influencers and brands attract buyers. However, good art does not equal success. Marketing & reach is the name of the game.

# Where to find NFT projects

Start small. Join Twitter and Discord channels to find up and coming projects. Talk to friends. Visit online marketplaces.



**Spend what you can  
lose**



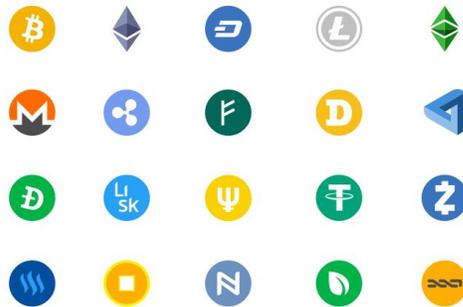
**Discord and  
Twitter**



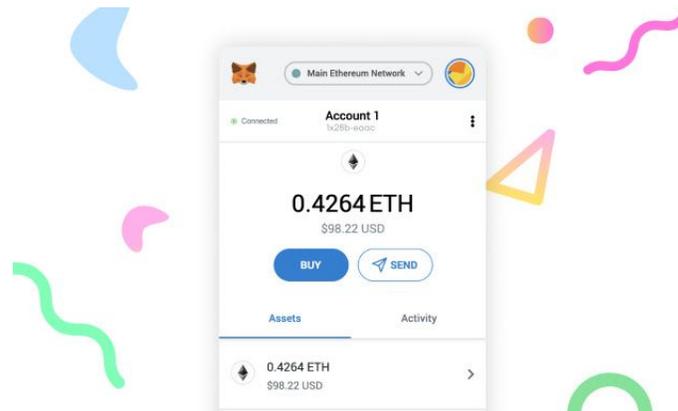
**Marketplaces**

# How to buy an NFT

Buying an NFT is a pain. But, this is rapidly changing. Large e-commerce players like Shopify are jumping on the bandwagon. Soon, blockchain will be a silent technology in the background.



**Buy crypto**



**Set up a wallet**



**Buy an NFT**

# Join our next event: DAO Basics

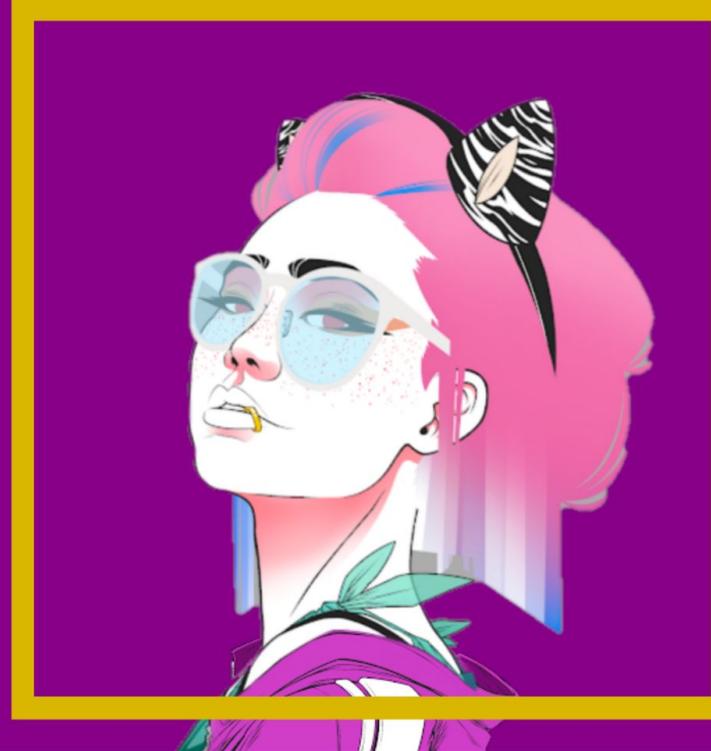


## DAO Basics

Demystifying DAOs  
with Alyse Sue

Tuesday, March 1, 5-6pm

Online Event



Register here:

[www.eventbrite.com.au/e/dao-basics-tickets-262275211217](https://www.eventbrite.com.au/e/dao-basics-tickets-262275211217)