

## **NFTs – Non-Fungible Tokens**

Non-fungible tokens or 'NFTs', have become a focus of global crypto attention recently. A non-fungible token (NFT) is a type of cryptographic token which represents something unique. Or put another way, non-fungible tokens are not mutually interchangeable by their individual specification in the way that crypto assets are. Non-fungible tokens can be used to create verifiable digital scarcity. NFTs are especially useful for any applications that require unique digital items such as digital art, digital-collectibles, and in-game items.

NFTs have been around since 2012, some were built on top of the Bitcoin network, but most are operating on the Ethereum network. One NFT is not equal to any other NFT, either in value or in the properties of the token itself. Each token is assigned a digital hash that distinguishes it from every other NFT of its kind. This feature enables NFTs to act as a proof of provenance. There is a growing recognition that there is value in being able to prove the ownership and authenticity of intellectual property such as original artworks and in-game tokens. In the world of gaming and collectibles, NFTs are also referred to as Digital Collectibles. DeFi traders began creating NFTs and promoting it to their networks. NFTs are now being developed across multiple industries. The first applications are across the Gaming, Artwork, and Collectibles industries; however, Virtual and Augmented Reality, Real Estate, Event Ticketing, Brand Licensing, and Tokenizing of real-world assets are also showing promise.

Below you will find the profile three NFT projects from the following categories: Art & Collectibles, Gaming, and 3D animated collectibles that incorporate VR & AR.

Rarible enables users to easily create a digital collectible (no coding skills required) and sell it on their marketplace. RARI, its native token, brings together some of the more interesting DeFi trends of 2020, with digital collectibles being combined with yield farming, and liquidity mining - with users rewarded in RARI governance tokens for using the platform. With a focus on user generated artwork, RARI enables intellectual property through the user creation of new artwork with a proof of provenance provided by the NFT. It also facilitates the sale and terms of sale on their marketplace, and at near zero costs. Since its launch in November 2019, 36,336 artworks have been created on Rarible, with 26,574 sales. Rarible is a community-governed marketplace, aimed at becoming a fully Decentralized Autonomous Organization (DAO). The RARI token is the first step in this direction.

Terra Virtua is a digital collectible ecosystem. Terra Virtua aims to provide its users with “a deeper sensory experience” by taking digital collectibles into a multiplatform VR and AR world. It is a similar concept to the Pokémon Go integration of AR gaming with the real world. Whilst some digital collectibles are game-related, lending them an intrinsic value by using them in-game, most digital collectibles are simply static images, the digital equivalent of a trading card. This was one of the biggest challenges Terra Virtua chose to confront and is the reason behind the development of VR and AR integrations. Terra is launching its own range of character-based 3D animated creatures, called 'vFlects' along with licensed collectibles in 2D and 3D. In addition to offering a marketplace for an interactive range of unique and licensed digital collectables, Terra Virtua is launching an entire ecosystem where owners can store, display, interact with and show off their collection via an app which allows the user to take a photo or video of themselves interacting with their collectible in a real-world environment. The company has created the Terra Virtua Fancave: a personal, customizable, 3D environment where the user can display their collectibles. The VR version of this has also been developed and is planned for release in 2021. The key mission of Terra Virtua is to bring NFTs to the mass-market. The videogame experience of the core team gives us a strong focus on UX and UI and by making the process both frictionless and compelling they hope to bring the world of interactive Digital Collectibles to the mainstream.

Enjin launched the Enjin Network, a gaming community platform which now has over 20 million users. In 2017, Enjin began building a suite of blockchain products that enable users to easily manage, explore, distribute, and integrate blockchain assets. Rather than using the ERC721 standard for NFT, Enjin developed ERC-1155, a new standard that will define video game tokens on the Ethereum blockchain. The Enjin token already powers over 1 billion digital assets. The ERC1155 is not just for gaming, its application will benefit a wide range of industries, from entertainment and finance to industrial design, artificial intelligence, real estate, and more. The core concept behind ERC-1155 is that a single smart contract can govern an infinite number of tokens. An ERC-1155 contract made for a game could contain a wide variety of items, from weapons and armor to health potions, magic spells, superpowers, etc. Enjin's tools enable game developers and studios to utilize tokenized digital assets as part of their acquisition, retention, engagement, and monetization strategies.

These projects stand out because their users don't have to interact with the underlying blockchain technology, but can still benefit greatly from the tech, making such projects ripe for mainstream adoption. Eventually, NFTs open the door to potentially digitizing all intellectual property rights and tokenizing all assets.