

LIONSGATE®



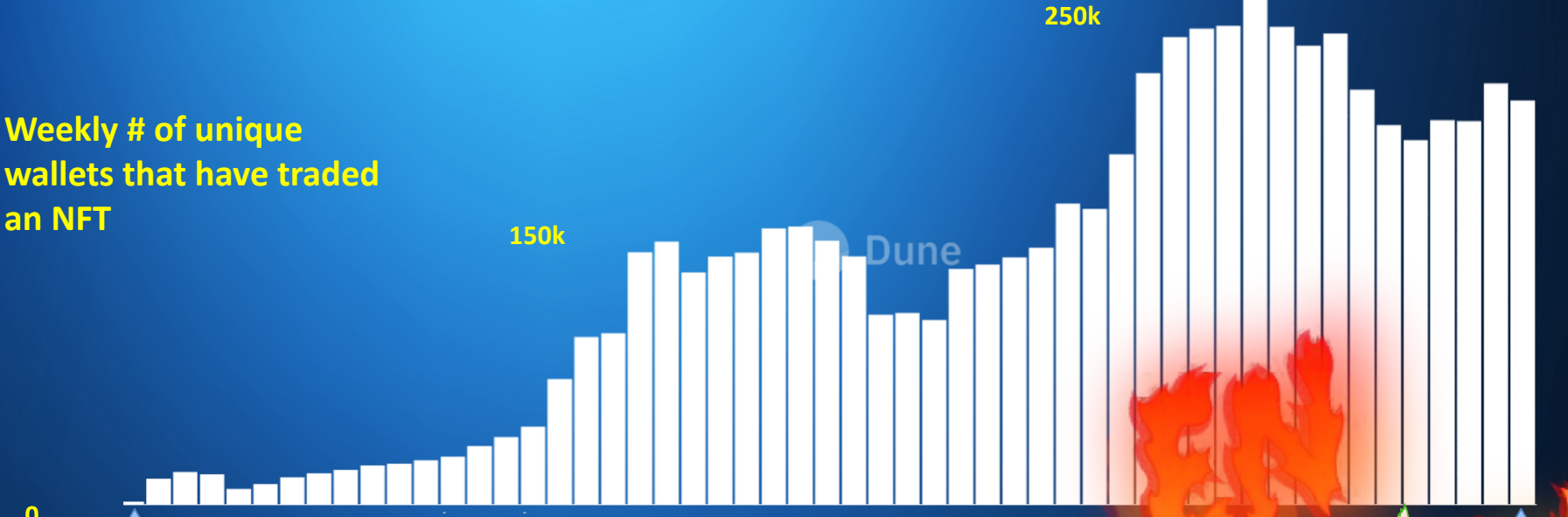
NFTs 101: WHO, WHAT AND **WHY SHOULD I CARE**

HOLLYWOOD INNOVATION AND TRANSFORMATION SUMMIT

MAY 19 2022

THE NFT BOOM

Weekly # of unique wallets that have traded an NFT



Except..

+70% of Americans don't know what an NFT is.

Median NFT Sales Price



WHAT AM I?

NFT abbreviation or noun

- en-(,)ef-'tē
- plural NFTs

Non-Fungible Token:

A unit of data stored on a digital ledger, called a blockchain, that is used to certify authenticity and ownership. NFTs cannot be copied or subdivided. They can be used to represent a wide range of digital and physical items, including artwork, photos, video, audio, real estate, etc.

Fun Fact (and further evidence the apocalypse is nigh):

Collins Dictionary made "NFT" or "non-fungible token" their word of the year for 2021, beating out "crypto," "hybrid working" and "double-vaxxed."



cRaZy fAd ..or next big thing?



jack @jack
just setting up my twttr
2:50 PM · Mar 21, 2006
153.6K likes 127.4K replies
Share this Tweet

Arts
World's first digital NFT house sell for \$500,000
Updated 24th March 2021

Technology
'CryptoPunk' NFT sells for \$11.8 million at Sotheby's
Elizabeth Howcroft
ANNALS OF TECHNOLOGY

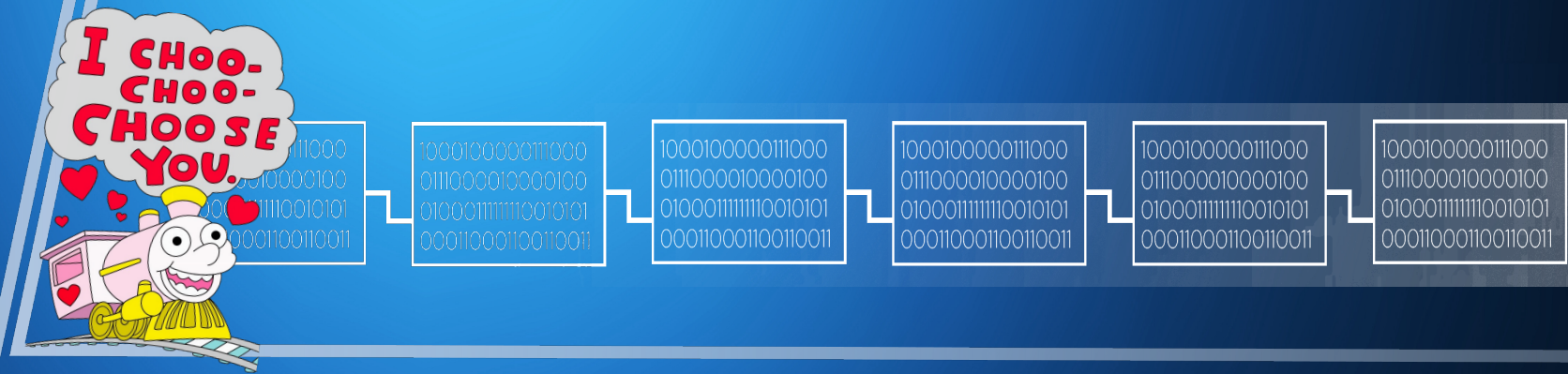
Why an Animated Flying Cat with a Pop-Tart Body Sold for Almost \$600,000
A fast-growing market for digital art, ephemera and media is marrying the world's taste for collectibles with cutting-edge technology.

HOW BEEPLE CRASHED THE ART WORLD
An N.F.T., or "non-fungible token," of the digital artist's work sold for sixty-nine million dollars in a Christie's

MARKETS
Jack Dorsey's \$2.9 million NFT tweet sale may be only the beginning
By Paul R. La Monica, CNN Business
Updated 3:23 PM ET, Wed May 12, 2021
Invesco QQQ

NBA Top Shot Mints A Unicorn: How An Ethereum Competitor Cashed In On The NFT Craze

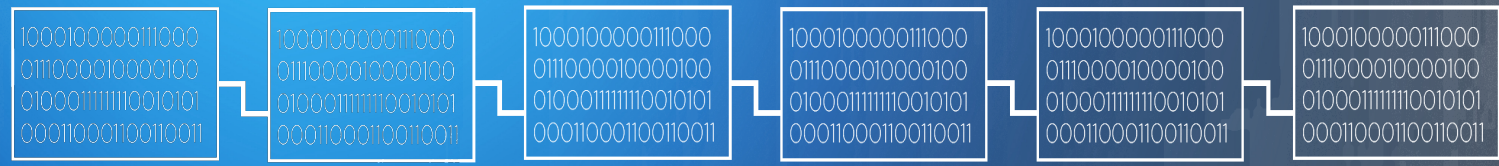
BLOCKCHAIN ARCHITECTURE



Blockchain is a database stored on computers that is designed to house large amounts of information.

- **Information** is held in sets of groups (or “blocks”).
- Blocks, when filled, are chained onto the previously filled block, forming a “**blockchain**” of data.
- The blockchain is given an exact **timestamp**, and is validated by a blockchain network.
- Blockchain records cannot be forged, adding to reliability and **authenticity**.

BLOCKCHAIN ARCHITECTURE

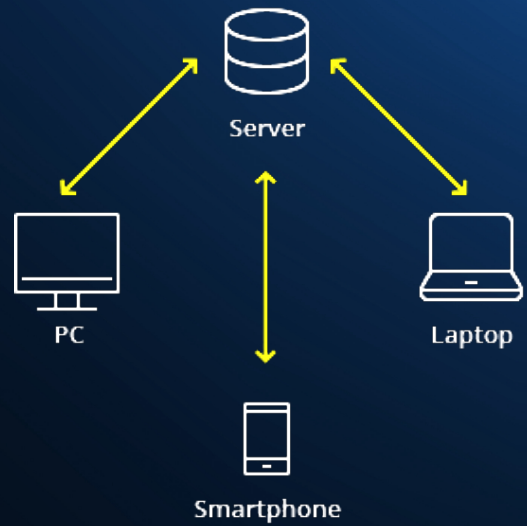


PROS

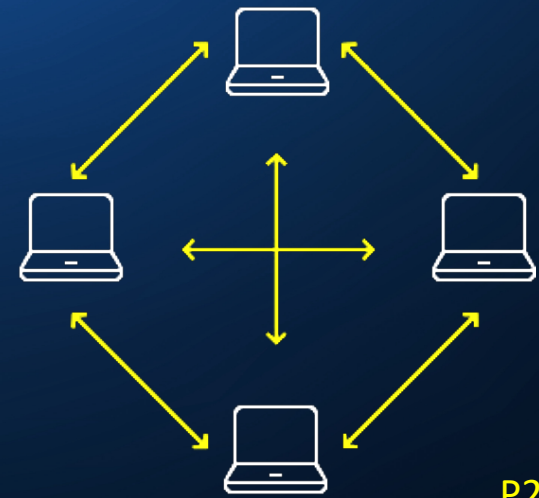
- Global
- Decentralized governance
- No single point of failure
- Each client owns their data

CONS

- Challenging to scale
- Security bugs persist
- Producing can require significant energy



CLIENT SERVER



P2P NETWORK

CRYPTOCURRENCY ≠ BLOCKCHAIN

Blockchain is the *technology*, i.e., the **ledger** of transactions that enables the existence of **cryptocurrency**.
Cryptocurrency is the currency flowing through the blockchain

Crypto is offered through "tokens" which can be traded or publicly sold for real money currency, and the cryptographic proof of each transaction is verified and recorded on the blockchain. Examples include:



and 5000 more!

Cryptocurrencies can be traded on numerous online platforms, including **Coinbase**, **Gemini**,
and **CoinMarketCap**.

NFT LEGAL MUMBO JUMBO

NON-FUNGIBLE

Unlike cryptocurrency, which is *fungible*, NFTs are unique. Each has its own value.

SMART CONTRACTS

The NFT can include an embedded smart contract that can, for example, direct a payment to the creator each time the NFT is transferred.

WE PUT THE 'FUN' IN FUNGIBLE



NFT LEGAL MUMBO JUMBO

OWNERSHIP

Represents the unalterable chain of title to a thing – usually digital content, but can be real world assets or rights.

- The actual token
- The associated content

CONTENT

The digital content is generally not stored on the blockchain. The NFT is merely a hyperlink to content elsewhere.

ANONYMITY

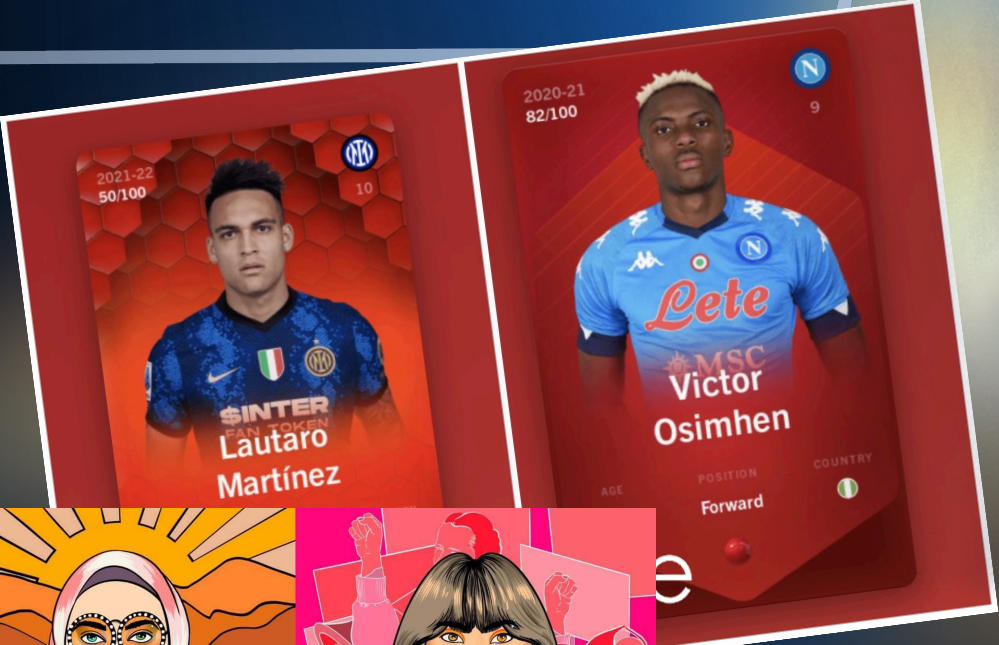
The only ownership information that is revealed is a username and public cryptographic key. Very difficult to trace.



NFT EVOLUTION



NFT EXAMPLES



FLYFISH CLUB



DIGITAL COMMUNITY

...OR METAVERSE

A **Metaverse** is a massively scaled network of **real-time rendered 3D virtual worlds**.

These worlds can be experienced simultaneously by an **unlimited number of individual users**.

A metaverse also includes data such as user identity (profiles, avatars), user history, various forms of communication (voice chat, messaging), and payments.

FORTNITE

The online battle royale platform has been at the forefront of metaverse expansion, hosting concerts and live events while staying true to its original mechanics.



ROBLOX

Unique platform where users, in avatar form, create games for other users to play. Immersion is enhanced with audio input.



MINECRAFT

Indie game classic where you, the player, have free reign to build your own universe in an open universe



NFT METAVERSE

The proliferation of NFTs, and their ability to bridge the gap between practical economy and in-game utility, has massive impacts on the Metaverse. Increasingly, platforms are building a foundation upon NFTs and their intrinsic utility to create robust social gaming experiences.



Sandbox began in 2011, with a current user base of 300,000 current monthly users. You are able to buy digital plots of LAND, using the \$SAND currency, and develop LAND as you would any piece of commercial real estate. LANDs are a finite resource and, and obtaining LAND will also give you a voice in the governance and



Decentraland is a browser based metaverse where users can use \$MANA cryptocurrency – based on the Ethereum blockchain - to purchase plots of land, avatar upgrades, and 3D assets for modeling. There are 500,000 monthly users.

NFT EXPANSION

Bored Ape Yacht Club Creators Yuga Labs Sign Representation Deal With Madonna, U2 Manager Guy Oseary (EXCLUSIVE)

The NFT collectibles series saw trading value of \$1.5 billion in five months.

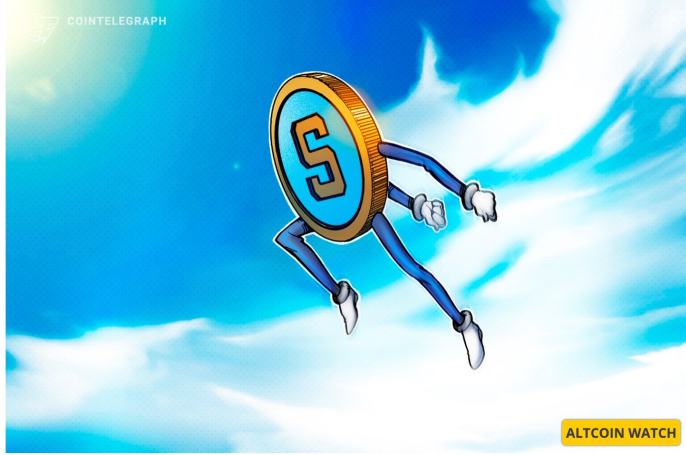
By Shirley Halperin



The Sandbox (SAND) metaverse token gains 40% after Snoop Dogg, Warner Music partnership

SAND's 40% rally follows a two-month-long correction that wiped out nearly 70% of the token's market valuation.

22970 Total views 39 Total shares Listen to article 3:33



Reese Witherspoon's Hello Sunshine, World of Women Partner to Adapt NFTs Into Movies, TV Shows (EXCLUSIVE)

The female-led companies will also team up on educational events.

By Brent Lang



VISA VisaNews @VisaNews

Over the last 60 years, Visa has built a collection of historic commerce artifacts - from early paper credit cards to the zip-zap machine. Today, as we enter a new era of NFT-commerce, Visa welcomes CryptoPunk #7610 to our collection.



cryptopunks.app
CryptoPunks: Details for Punk #7610
CryptoPunks are 10,000 collectible c...

3:00 AM · Aug 23, 2021

[Read the full conversation on Twitter](#)

3.4K Reply Copy link to Tweet

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NFT GET STARTED

BUY SOMETHIN' WILL YA!



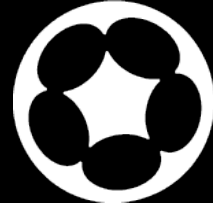
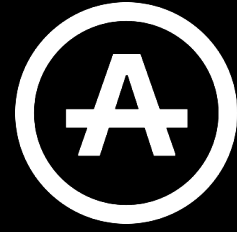
OpenSea



Nifty Gateway



BINANCE



sorare

NFT WHO IS BUYING

Top 5 countries with biggest NFT adoption are in **ASIA**

PHILLIPINES | THAILAND | MALAYSIA | UAE | VIETNAM



MEN are 3x as likely to buy as women

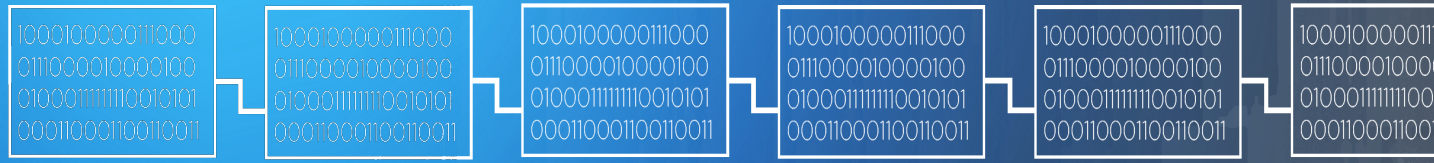
23% of US **MILLENNIALS** buy NFTs

CALIFORNIA buys more NFTs than any other state

The average NFT buyer is a higher-income man in his 20s or 30s wanting to make a profit.



NFT the WHY. Finally.



WHY SHOULD I CARE?

COLLECTIBILITY & UTILITY

NFTs can be rare/special and offer a future utility or benefit to the purchaser.

INVESTMENT

Owning a limited edition or exclusive item can have tremendous potential downstream value.

FANDOM/FOMO

People like to participate in something that feels special, different, and new.

COMMUNITY

While interest has been fueled by recent headlines of multi-million dollar sales, the vast majority of sales target the mass market and create communities of active and engaged fans.

CREATOR ECONOMY

Creators are also able to drive engagement and earn royalties on continued sales of their work.



IT'S NEVER TOO LATE TO BE EARLY