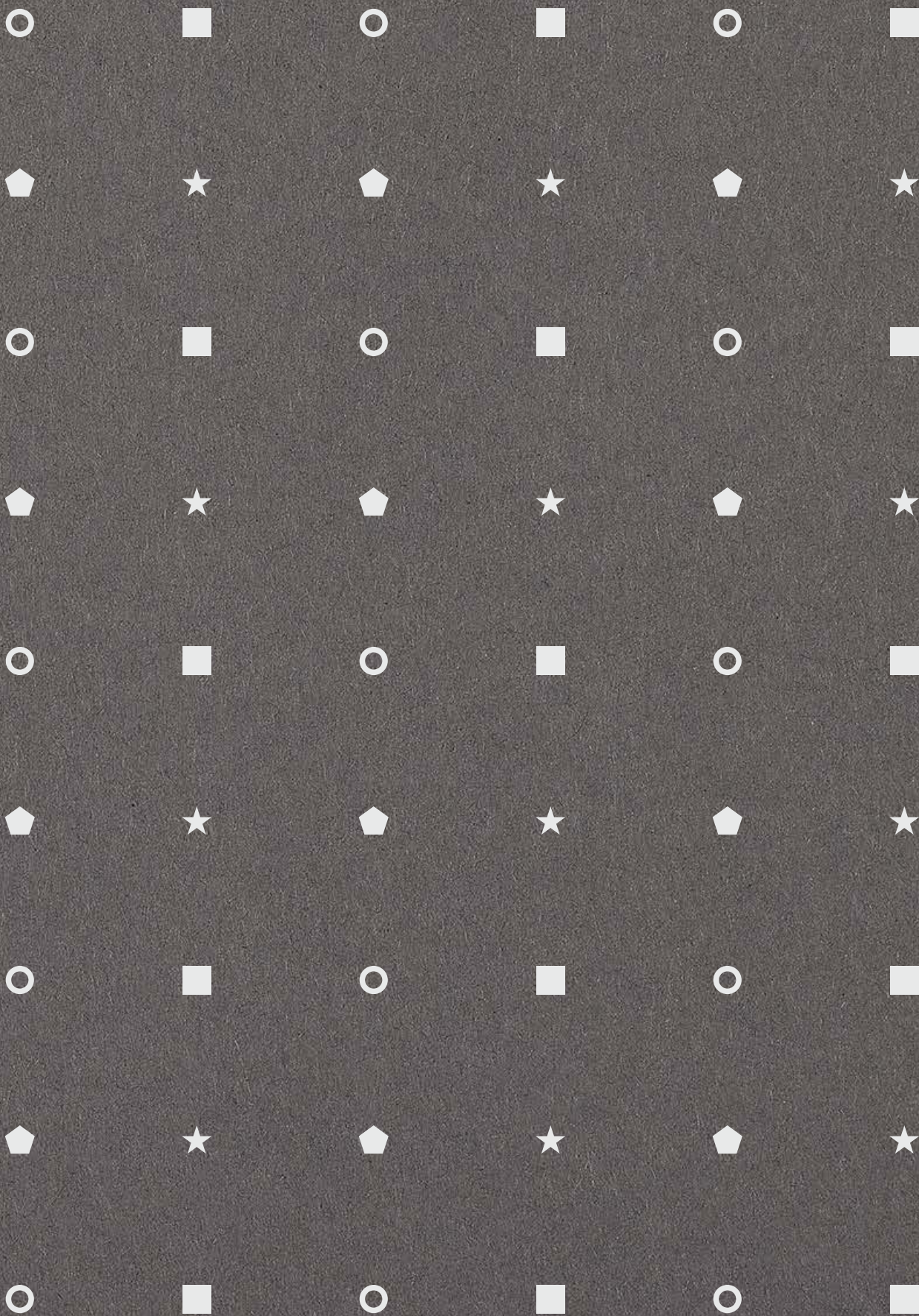


Quarterly NFT Market Report

Q3 · 2022



Foreword

When will the second NFT bull run take place?

This is the question on the minds of those who believe in the potential of NFT technology.

The market seems to be at a low point these days... Some are claiming that NFTs were just a fad during 2021 and it's now time to move on.

On the other hand, some are beginning to notice signals that herald the beginning of a new wave and revival of NFTs.

What metrics should we be looking at? Is it only quantifiable data or qualitative indicators that we should be considering?

Those who know how to correctly interpret the signs of the revival will be the new kings of the NFT industry.

Our reports are designed to help you decipher these trends and to stay one step ahead of the rest of the industry.

We don't make predictions, we don't have a crystal ball, but we do have enough experience to say that the NFT Winter will only be temporary.

So lift your spirits, gather your strength, and let's get ready for the NFT Spring!

THE NONFUNGIBLE TEAM

Learn all things NFTs

THE NFT ACADEMY

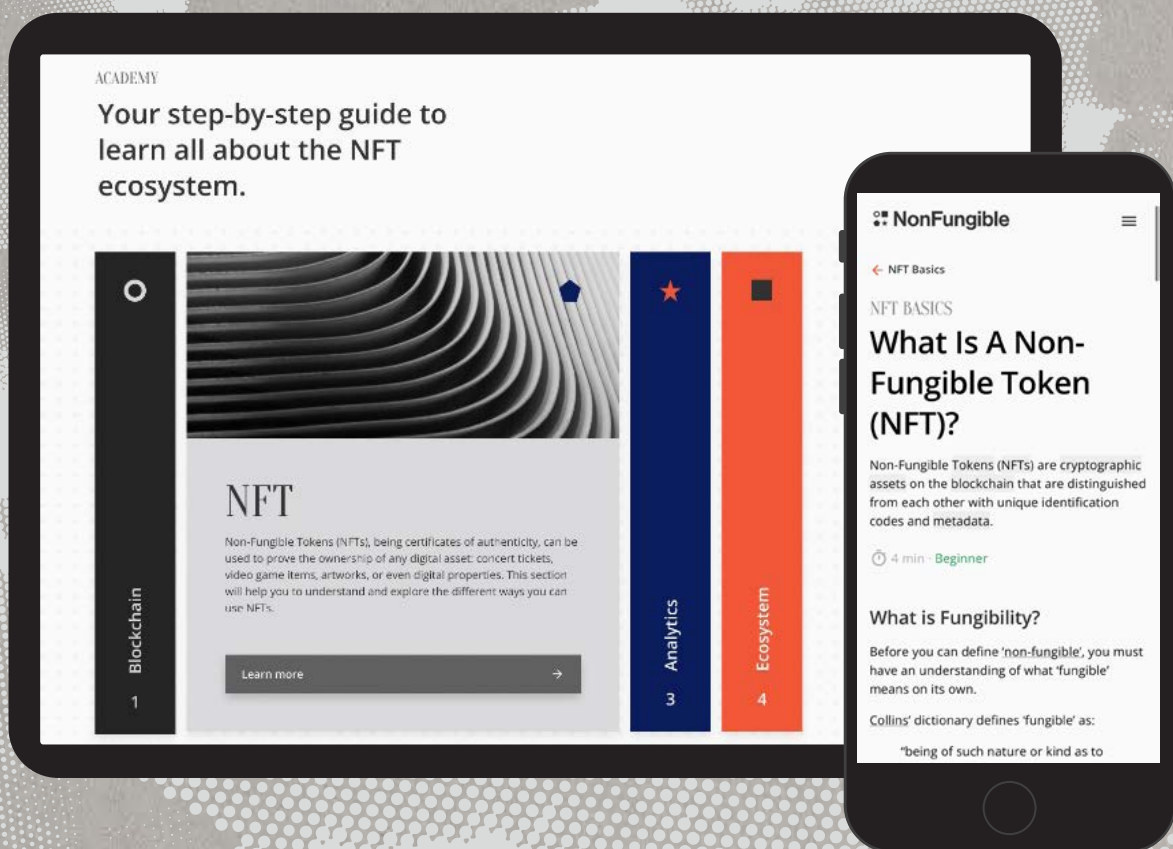


As one of the main pillars of the non-fungible token ecosystem since its early days, NonFungible.com was founded on the desire to bring clarity to the ecosystem.

To that aim, our team has decided to create a thorough guide for every newcomer or aficionado eager to deepen their knowledge about the complex and growing NFT industry.

Ready to challenge the way you apprehend Web3?

EXPLORE THE **NFT ACADEMY**




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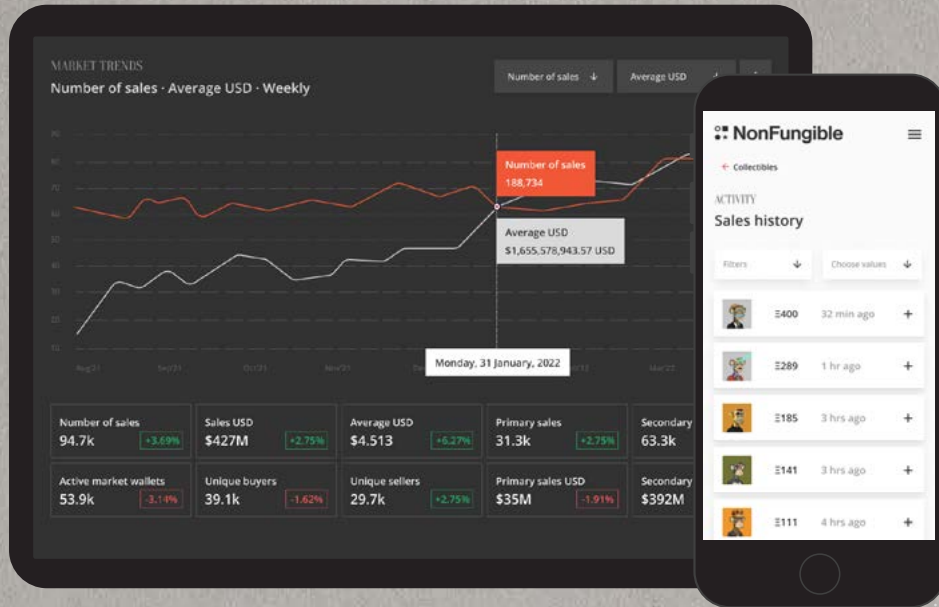
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Helping you navigate
THE NFT INDUSTRY
and make informed decisions.



The NonFungible team has already assisted dozens of collectors, businesses and investors in their NFT strategy, from due diligence to market analysis and portfolio valuation.



Market Research and Reporting

Get bespoke NFT market research to refine your strategic decisions, monitor the performance of your drops or decrypt the best success in the NFT industry



Marketing and Advertising

Get your brand in front of the most qualified NFT audiences through our reports, newsletters and social media



Portfolio Valuation

Whether you have a single NFT or a huge portfolio: our experts evaluate among the largest NFT portfolios in the world since May 2020.



Consulting

Need help with your launch? Tokenomics, pricing, supply, scarcity... we can help you optimise your presale and not reproduce others' mistakes!

FIND OUT MORE **ON OUR WEBSITE**

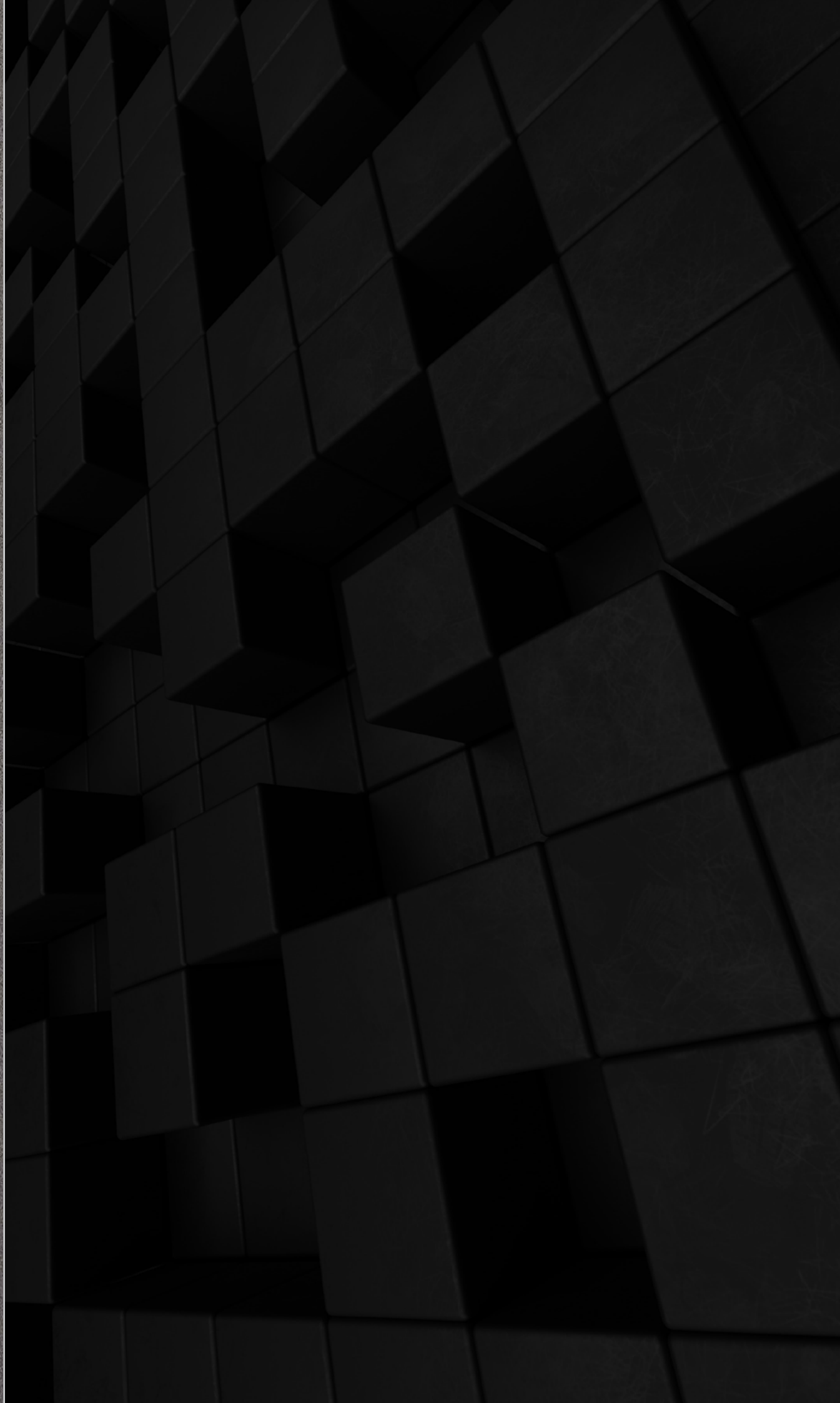


 **NonFungible**
The World's Largest NFT Data Resource **com**

1	The Fundamentals	07
	<ul style="list-style-type: none"> What is an NFT? The data used for this report Legal disclaimer 	
2	A Look Back at Q3	13
3	Overall Performance	16
	<ul style="list-style-type: none"> Q3 2022 Performance 	
4	Detailed Performance	20
	<ul style="list-style-type: none"> Search volume Performance by segment Market distribution by project Primary and secondary market Average NFT price evolution Active wallets Supply & liquidity 	
5	Profits & Losses on the Market	33
	<ul style="list-style-type: none"> Global performance of NFT trading Profit & loss per segment over time Most profitable projects More profitable sales 	
6	Focus by Segment	40
	<ul style="list-style-type: none"> Key metrics about Crypto Art Key metrics about Collectibles Key metrics about Gaming Key metrics about Metaverses Key metrics about Utilities The situation by segment 	
7	Global Conclusions	48

The Fundamentals

1



What are NFTs?

To answer this question, it's important to know the definition of 'fungible' in order to understand its antonym. There are several nuances of fungibility depending on usage

Fungible Tokens

This is the Larousse definition of 'fungible':

"Refers to things that are consumed by usage and can be replaced by things of the same kind, the same quality and the same quantity"

It is important to remember two points in this definition:

- Things that can be replaced by other things of the same kind. For example, two 1 Euro coins dating from 2015.
- And usage. This is the most important but also the most complex concept.

For example, in the blockchain ecosystem, \$SAND tokens are fungible. They will always have the same value if they are exchanged with each other. They can be spent to purchase \$LANDs which are nonfungible.

Non-Fungible Tokens

A Non-Fungible Token is NOT fungible. It is a token that represents a unique asset with characteristics that are particular to each one: it cannot be interchanged or replaced by another equivalent token.

NFTs can take the form of a digital work, a virtual land, a domain name or even weapons in a video game.

NFTs are simply a technological medium that allows any digital item to be stored and circulated virtually on a blockchain. To some extent 'NFTs' can be compared with computer files in the sense that their type and usage can be extremely varied.

Semi-Fungible Tokens

Semi-Fungible Tokens, on the other hand, have a completely different use. Intended to be a widespread consumer product, this token must, nevertheless, retain an identity all of its own.

The most popular example to illustrate Semi-Fungible Tokens is that of cinema or concert tickets. For example, each token has information connected to the date, time and type of event. In the case of semifungible assets, it is not the asset but the series that presents unique characteristics.

What data is being utilized for this report?

NonFungible.com collects blockchain data via dedicated 'Blockchain Nodes', owned by NonFungible.com, without using any intermediary or third party.

List of data sources taken into consideration in this report:



ETHEREUM
ERC-721



RONIN



FLOW

It should be noted that NonFungible.com tracks 100% of the ERC-721 token activity on Ethereum, but only activity that has qualified as coming from genuine transfers was taken into account. Of all the NFT transfers, a substantial part is not considered to form an integral part of the market (tests, robots, wash-trading, etc.)

Legal disclaimer

General

The information contained in this report is provided solely for the reader's general knowledge and is not intended to be a comprehensive review of all matters and developments concerning the topics presented in the report. NonFungible has taken all reasonable care in producing and publishing information contained in this report.

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THE SANDBOX ALPHA SEASON 3



The Sandbox is a unique decentralized virtual world where players can build, own, and monetize their gaming experiences using NFTs (Non-Fungible Tokens) and SAND, the platform's main utility token. SAND serves as the basis of transactions and interactions, enabling players to play, own, govern, trade and earn. Players can create NFTs via VoxEdit and upload them to the marketplace and integrate them into games through the #no-code Game Maker.

The Sandbox has become one of the primary metaverse destinations for immersing yourself through your avatar, finding new ways of digital expression, creating your own experiences and games and playing with your NFTs thanks to interoperability. Owners of BAYC, Moon Birds, WOW, Cool Cats, CloneX, and other bridged NFT collections can explore the metaverse through unique playable avatars in Alpha Season 3. With over 20,00 unique LAND-owners, The Sandbox is the top virtual real estate company today, supported by countless brands, celebrities and crypto/NFT communities. They have partnered with over 400 brands, IPs, and artists including Warner Music Group, Ubisoft, The Rabbids, Gucci Vault, The Walking Dead, Snoop Dogg, Adidas, Deadmau5, Steve Aoki,

Richie Hawtin, The Smurfs, Care Bears, Atari, ZEPETO, CryptoKitties and others, reaching an audience of over 1 billion fans. Our long-term vision for the next five to ten years is to become one of the leading open metaverses, offering access to thousands of diversified experiences that are constantly expanding to mirror real-world activities thanks to technology – from gaming to music, virtual shows and concerts to art galleries and museums, from socializing and dating to shopping, playing and working. They reward creators who keep 95% of the revenue they generate on the platform and truly own their digital creations.

Join over 4 million members in The Sandbox community, create your avatar now at www.sandbox.game and enter the metaverse!

A Look Back at Q3 2022

2

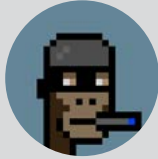


Key Events

Highest Sales

July

13



CryptoPunks
#4464
 2,500 ETH
 \$2,611,850

13

Shanghai included blockchain, NFTs and Web3 in its 5-year plan

15



CryptoPunks
#4156
 2,691 ETH
 \$3,313,562

20

Microsoft's Minecraft to Ban NFTs on Game Servers, Derivative NFT Projects

27

MTV Announces New "Best Metaverse Performance" Award For VMAs

August

08

Tiffany's sells out custom Cryptopunk 'NFTiff' pendants for \$50,000 each

17



Bored Ape Yacht Club
#5383
 777 ETH
 \$1,468,892

22

Prosecutors want to claim NFTs as securities, alleges legal team of former OpenSea employee

31

Ticketmaster Chooses Dapper Labs' Flow Blockchain for NFT Tickets

31



Bored Ape Yacht Club
#6588
 770 ETH
 \$1,201,051

September

07

Sorare teams up with NBA for a new NFT fantasy basketball game

12

Starbucks to Offer NFT-Based Loyalty Program Using Polygon

13

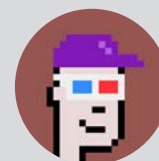
Reddit's Ohanian Leads \$54 Million Doodles Capital Raise

23

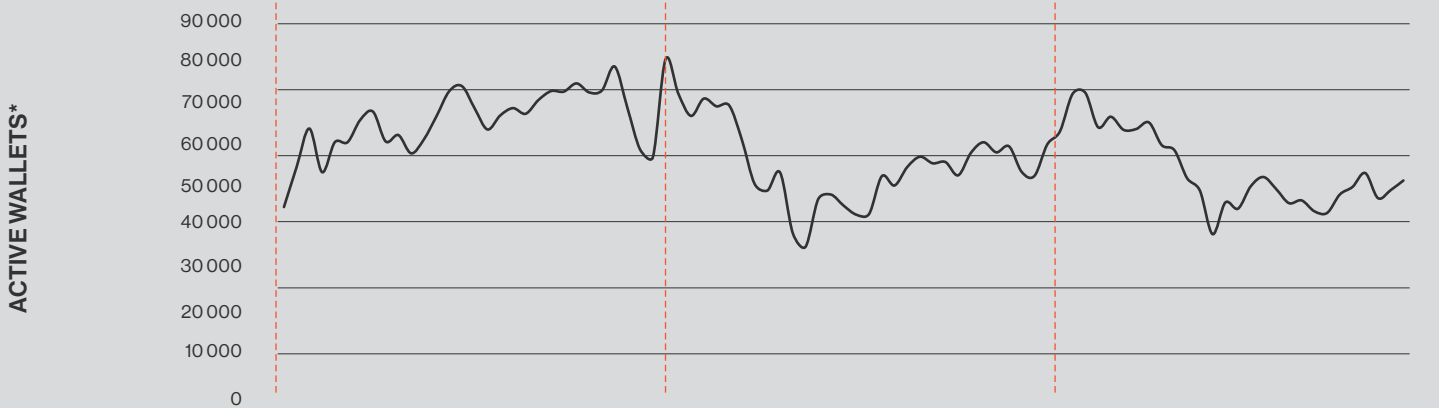
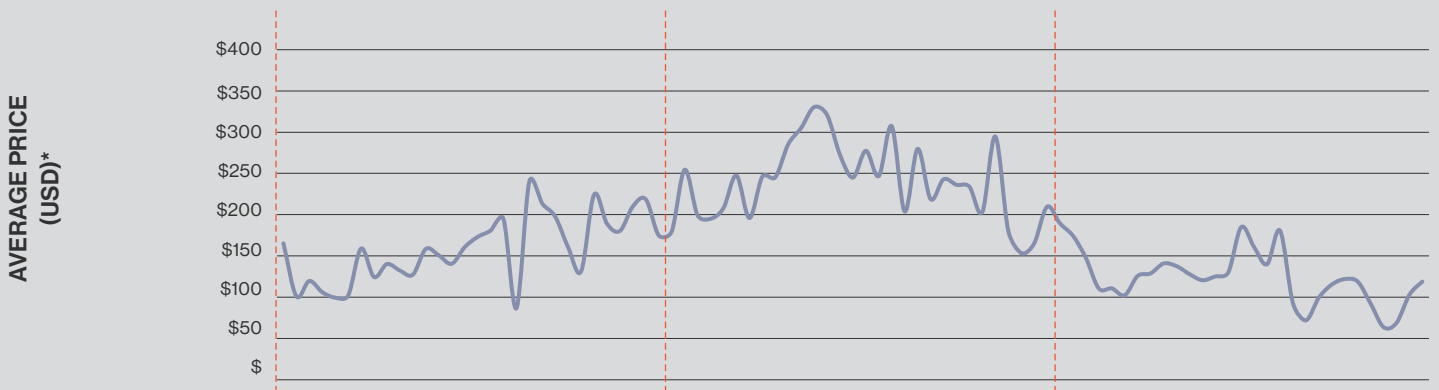
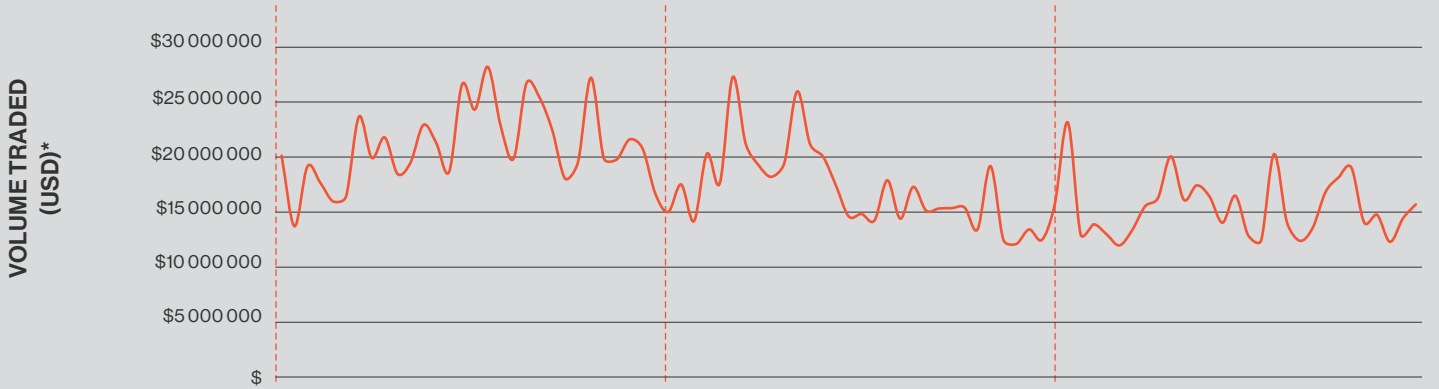
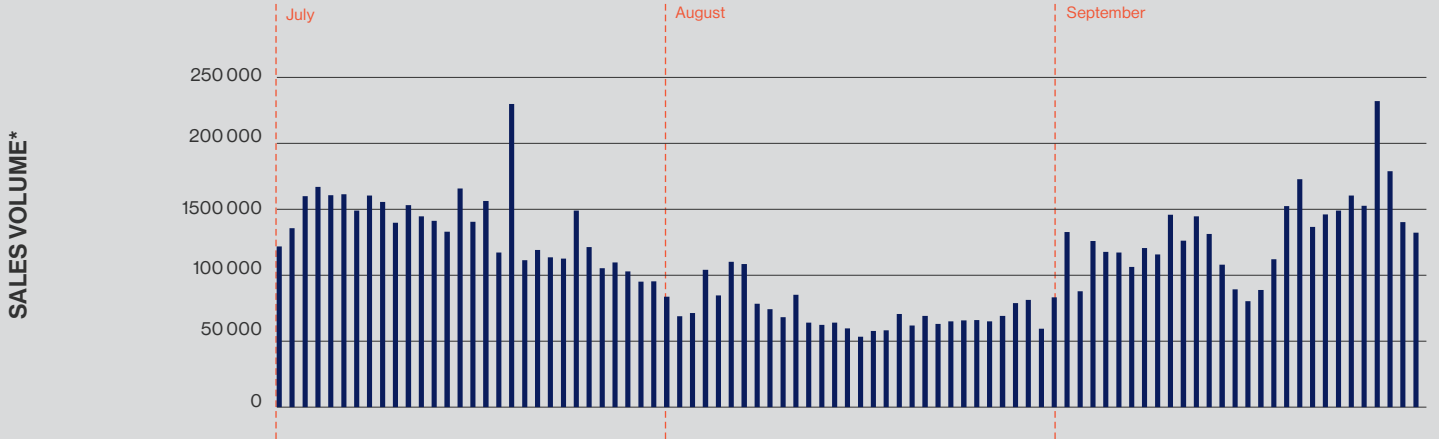


Ethereum Name Service
pjfi.eth
 350 ETH
 \$463,197

24



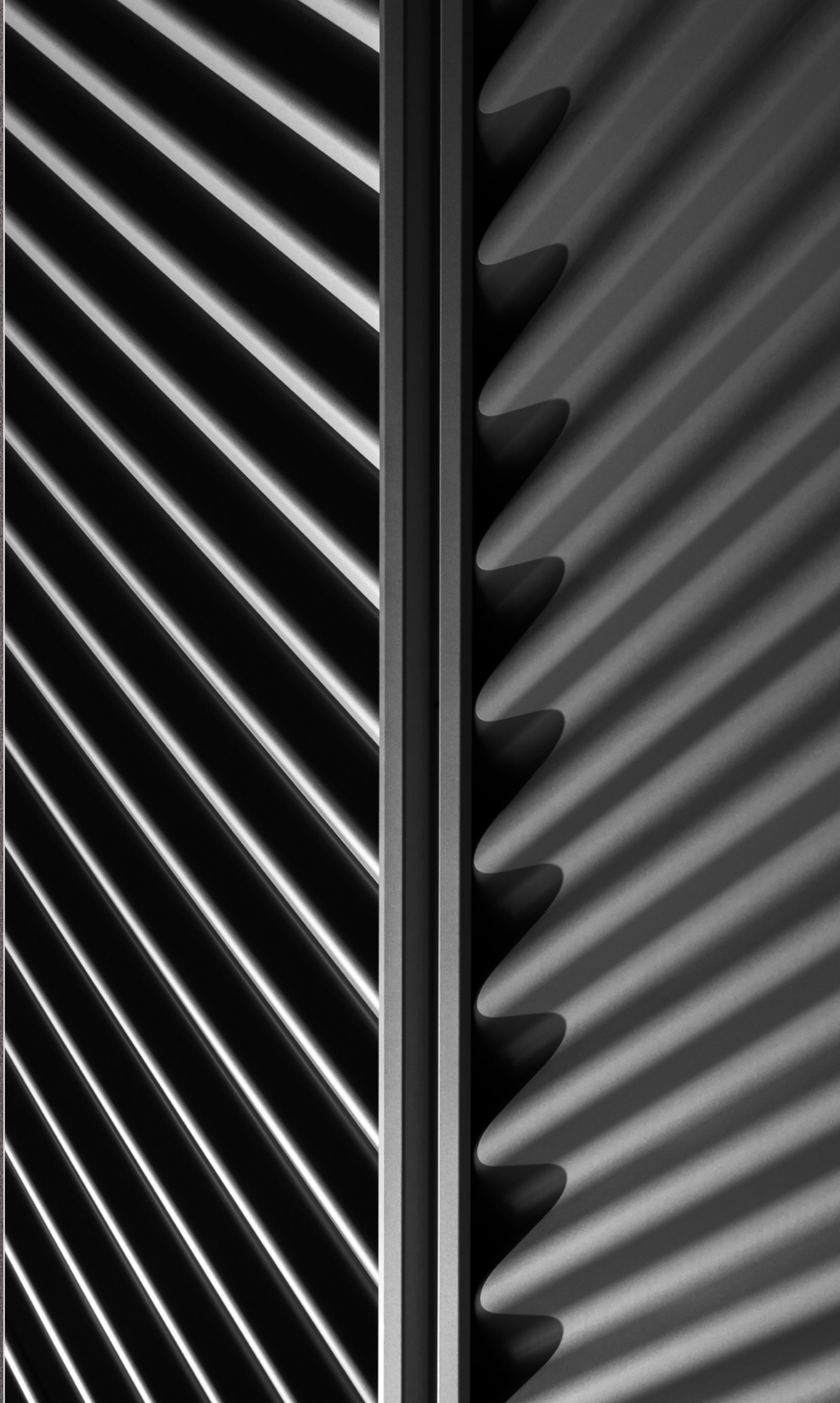
CryptoPunks
#7273
 370 ETH
 \$496,441



*Daily Volume Displayed

Global Performance

3



Q3 2022 performance



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for custom reporting

	Q2 2022	Q3 2022
Volume of USD Traded (total)	\$7 364 971 977	\$1 675 127 336 -77%
Volume of Sales	11 458 033	10 905 632 -5%
Buyers	1 158 445	903 259 -22%
Sellers	711 262	635 258 -11%
Active Wallets	1 415 297	1 173 650 -17%
Total Profit (at resell)	\$2 070 417 287	\$326 953 607 -84%
Total Loss (at resell)	-\$1 406 403 739	-\$783 340 664 -44%
Average Ownership Duration (days)	27.5	31.1 +13%
Active Smart Contracts	16 109	17 619 +9%
Average Price	\$643	\$154 -76%

How do we interpret these results?

While the second quarter showed a drop of about 25% compared to the first quarter, it must be admitted that the drop was more severe in the third quarter with a drop of more than 75% in the volume of dollars exchanged.

The most notable drop by far is the total volume of resale profit, which collapsed from \$2 billion in the second quarter to only \$326 million over the period, a division of profit by 6.

At the same time, the volume of resale losses also declined, from \$1.4 billion to about \$780 million in resale losses. Although this volume was almost halved, it was not enough to make NFT trading a profitable business this quarter. In fact, for the first time ever, NFT trading recorded a quarterly loss, with just over \$450 million in total losses (Profit - Loss).

The average price of NFTs was also greatly impacted by being divided by 4 between the second and third quarters, to stabilize at around \$150 per NFT.

Beyond these trading-oriented indicators, it is interesting to note that the size of the community has changed relatively little, with an average drop of 17% in the number of active wallets. Similarly, the volume of sales has stabilized slightly above the 10 million trades per quarter mark.

We can observe here a market that has strongly retreated into itself from a trading point of view, but whose one million active wallets per quarter continue to make the heart of the NFT industry beat, with more than 120,000 daily transactions.

Metrics definition

- **Volume of USD traded** – Total volume traded when buying or reselling NFTs. Includes primary and secondary markets.
- **Volume of sales** – Number of NFT sales during the year. Includes primary and secondary markets.
- **Buyers** – Number of wallets that purchased at least one NFT during the period. A single person can own multiple wallets.
- **Sellers** – Number of wallets that sold at least one NFT during the period. A single person can own multiple wallets.
- **Active wallets** – Number of wallets that bought or sold at least one NFT during the period.
- **Total losses (at resell)** – Cumulative volume of dollars lost when reselling assets on the secondary market (difference between the purchase price and the resale price).
- **Total profit (at resell)** – Cumulative volume of dollars earned when reselling assets on the secondary market (difference between the purchase price and the resale price).
- **Average ownership duration (days)** – Average number of days between the purchase and resell of a single NFT
- **Active Smart contracts** – Total number of “Smart Contracts” enabling NFT transactions. A single project can use several Smart Contracts.
- **Average price (USD)** – Average price in dollars observed on the markets of all NFTs traded during the period. Includes primary and secondary sales.



UPLAND



Upland is the leading web3 metaverse based on the real world that brings together strategy, entrepreneurship and true ownership. It has built the “platform moment” for Web3, showing the largest growth in organic community initiatives and new business opportunities for both players and brands.

With sold-out city releases and a record breaking 83 mints per second, Upland has been recognized as one of Fast Company’s Next Big Things in Tech due to the platform’s community-based commerce where players and businesses define gaming, earning, and connecting.

Recent updates include the launch of the Upland Developer Network, supported by the release of 3rd party developer tools. With Upland ‘Dev-Shops’ it’s open game for creators to incorporate Upland’s cities, economy, and digital assets into their creations. Best of all, creators don’t need any blockchain or web3 experience. If they can build it, they can connect it to Upland with Community Dev Tools. This includes 2D, 3D, and even virtual reality (VR) experiences. Developers don’t even need to build something new for Upland – we encourage them to launch existing games and other programs.

In parallel, the development of Metaventures continues with player owned and operated shops, NFT factories and showrooms within the Upland Metaverse. Supported by a robust economic model, they allow metaverse entrepreneurs to shape a new economy. Each Metaventure owner builds their own

unique brand to create, manufacture, and sell NFTs, act as a broker on behalf of other players, lend in-game assets, and more!

The much anticipated metaverse cars arrived in Upland with a sold-out June launch of Metaverse Motors, Upland’s very own car brand that will be introduced with our flagship showroom in Santa Clara, CA. A full car economy is now gearing up for a massive new transportation system of vehicle NFTs, real-time travel and ride-sharing, racing, and a wealth of new metaventure opportunities. Every car drop has been sold out in seconds, while community initiatives of race-tracks and leagues are taking shape across the Upland map.

While delivering these economy-boosting product features, Upland is also executing on products with exciting brand partnerships such as NFLPA Legits, Soccer Legits with various football clubs, working with world-renowned artists and local brands on immersive experiences.

With over 300,000 property owners and nearly 4M properties minted, Upland is quickly becoming the largest and most dynamic blockchain-based economy.

A CLOSER LOOK AT UPLAND BY THE NUMBERS

*essential - 558,699
 structure - 68,550
 structornmt - 45,048
 blkexplorer - 34,300
 spirithlwn - 21,315
 memento - 14,483
 landvehicle - 751
 outdoordecor - 359

Total - 743,505

- Number of unique land owners: **300,796**
- How much players earned in USD: **\$8,403,720**
- How much UPX has been purchased: **46,869,852,362 UPX**
- Number of minted NFT assets besides properties* (explorers, NFLPA legits, Spirit legits, structure ornament NFTs): **905,831 total, 20,077 unique NFTS**
- Number of properties minted in-game: **3,838,993**
- Avg daily transaction volume in UPX: **342,888,093 UPX**
- Total Primary Market Transactions: **4,222,383**
- Average Daily Transactions: **per day 18,072**
- Total Secondary Market Transactions: **All time - 2,841,487**
- Average Daily Secondary Market Transactions: **6,701 trades**

Detailed Performance

4



Research volume

The search volume on Google around the theme “NFT” continued to decrease in the third quarter.

At the end of June 2022, the search volume was back below the search threshold reached in October 2021. Remember that this is a relative scale, created by Google, which presents the search volume via a value between 1 and 100.

Mid-September, this score recorded its lowest value of the last 12 months with a score of 12. This represents a division by two of the search volume between June and September.

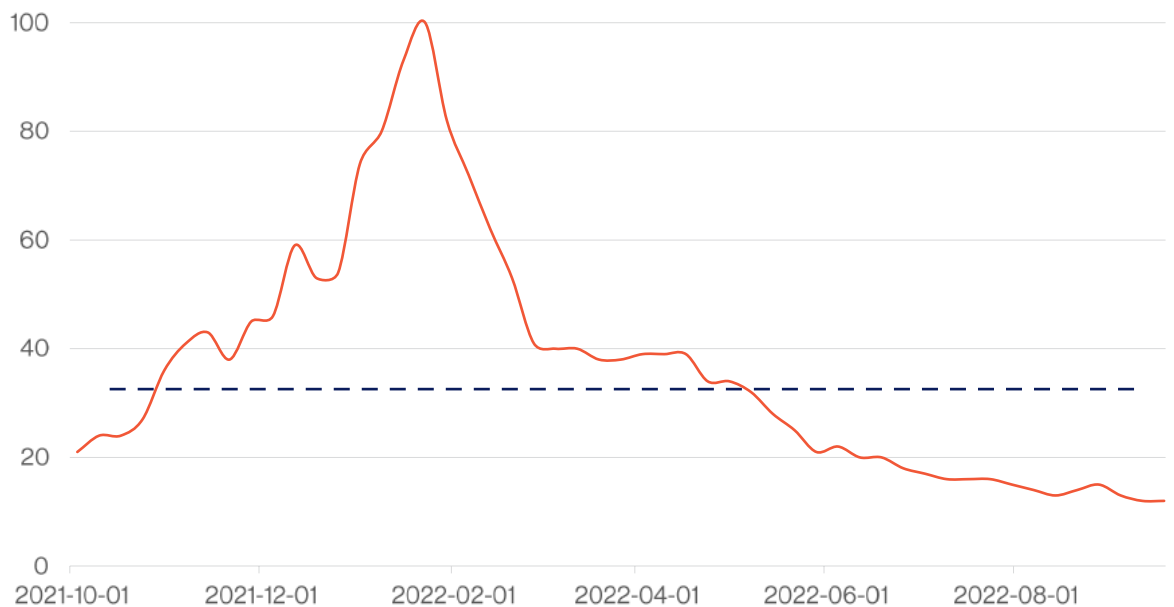


Fig. 01 – Search volume around “Non Fungible Tokens” Topic. Source: Google Trends


China is by far the number one country in terms of search volume on Google. This definite interest in NFTs is at odds with the official discourse of the country which presents itself as opposed to crypto currencies and any kind of deregulated assets. Four of the five countries with the highest search volumes are in Asia. The only non-Asian country to make the top 5 is Nigeria.

Although crypto-currencies and more specifically Bitcoin are banned there, the Nigerian population has always shown a strong interest in crypto- currencies and more recently NFTs, which appear to be a necessary alternative to a weak currency and slowing economy.

It is interesting to note that “official” bans tend to have the opposite effect on the population, which becomes all the more interested in the banned subject.

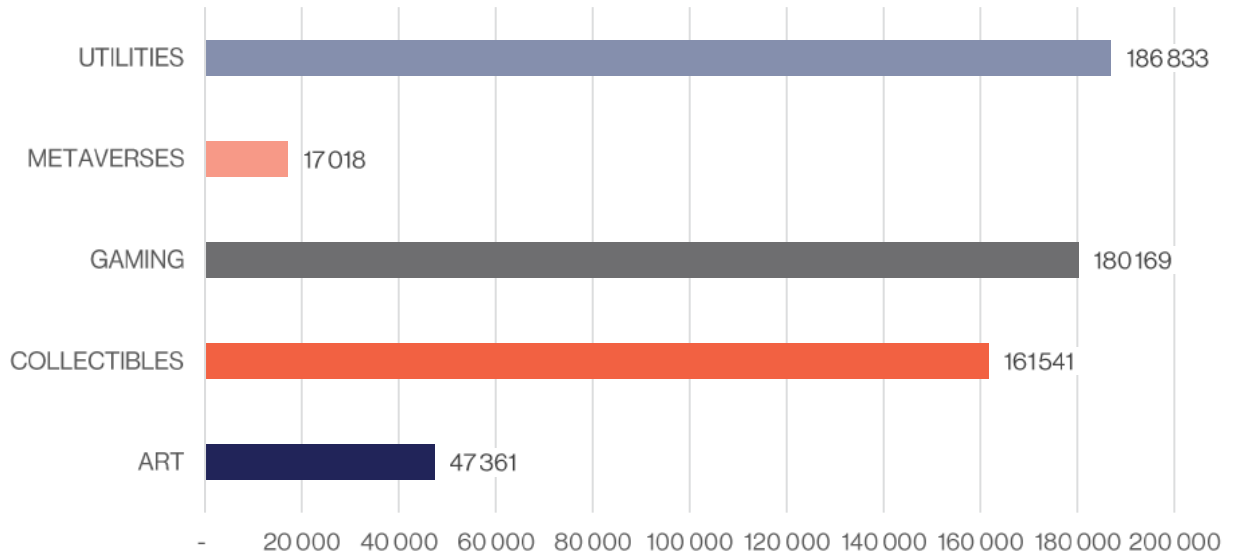
	Country	Interest Score
01	China	100
02	Hong Kong	59
03	Nigeria	51
04	Singapore	45
05	South Korea	39
06	Myanmar (Burma)	29
07	Lebanon	28
08	Georgia	28
09	Philippines	26
10	Sri Lanka	26
11	United Arab Emirates	26
12	Morocco	24
13	Pakistan	24
14	Taiwan	24
15	New Zealand	21
16	United States	20
17	Switzerland	20
18	Canada	20
19	Japan	20
20	Portugal	20

Fig. 02 – Ranking of the 20 countries with the most search volume around the theme of “Non- Fungible Tokens” during Q3 2022.
Source: Google Trends

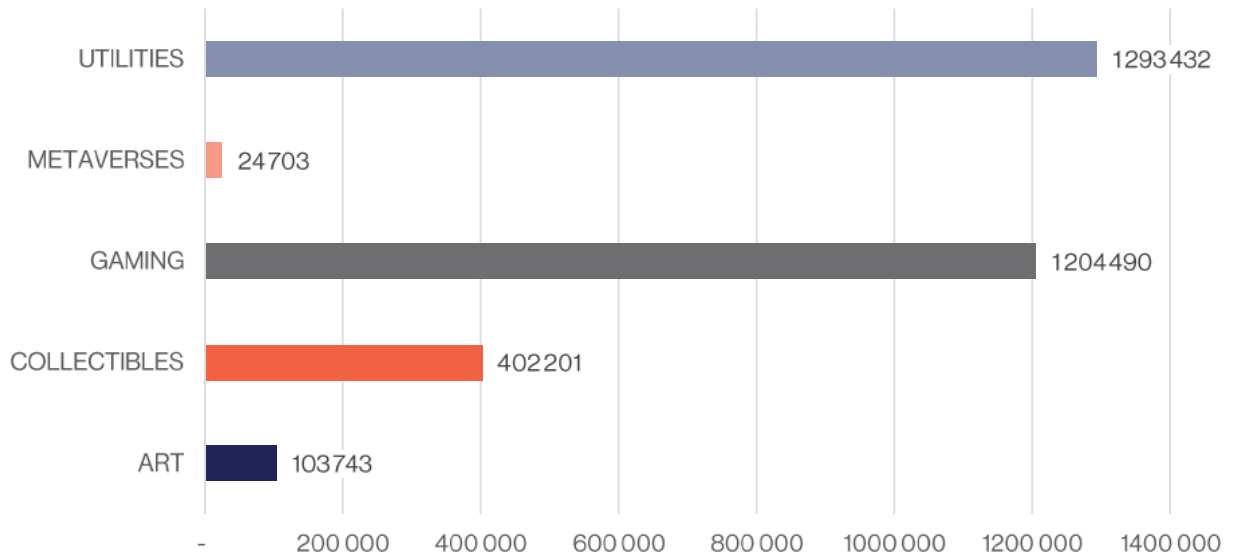
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Performance by segment

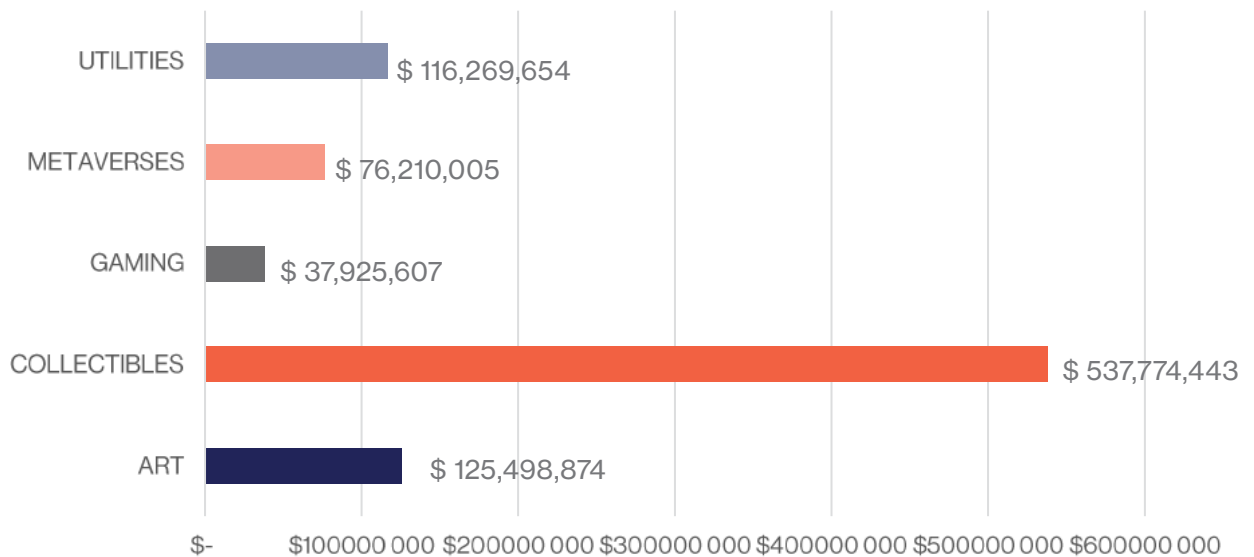
ACTIVE WALLETS



SALES VOLUME



USD VOLUME TRADED



Collectibles

The Collectibles segment has left its place as the dominant segment to the Utilities in terms of the number of active Sales and Wallets.

On these two indicators, Collectibles is now only in 3rd place.

Remember that Collectibles are historically the most active segment in the industry, but also the most speculated about. In terms of volume of dollars traded, the Collectibles segment remains largely dominant with more than half a billion dollars traded over the quarter (7 times less than in the previous quarter)

Gaming

Despite a significant drop, the number of crypto-gamers seems to be holding at a good level considering the context. The volume of transactions has even increased significantly (+150,000) compared to the previous quarter. These two rising indicators are struggling to compensate for the trading volume which was simply divided by 10 between the second and third quarters.

Art

The crypto art segment is also experiencing some decline in all respects, but is performing well compared to the overall market.

The number of collectors who bought or sold a piece of art has been halved, while the volume of trades is down 38%.

Metaverses

The previous quarter was marked by the exceptional performance of the Otherdeed for Otherside presale. With a slow secondary market and virtually no new assets coming to market, the trading volume of the segment was divided by 16 between the second and third quarter.

Utilities

Last but not least, the Utilities segment is without a doubt the segment that surprised the most over the period, with a net growth in trading volume (+60%), an almost identical number of active wallets (-2.3%). From a USD standpoint though, the trading volume was down by 74%.

Distribution of the market by project

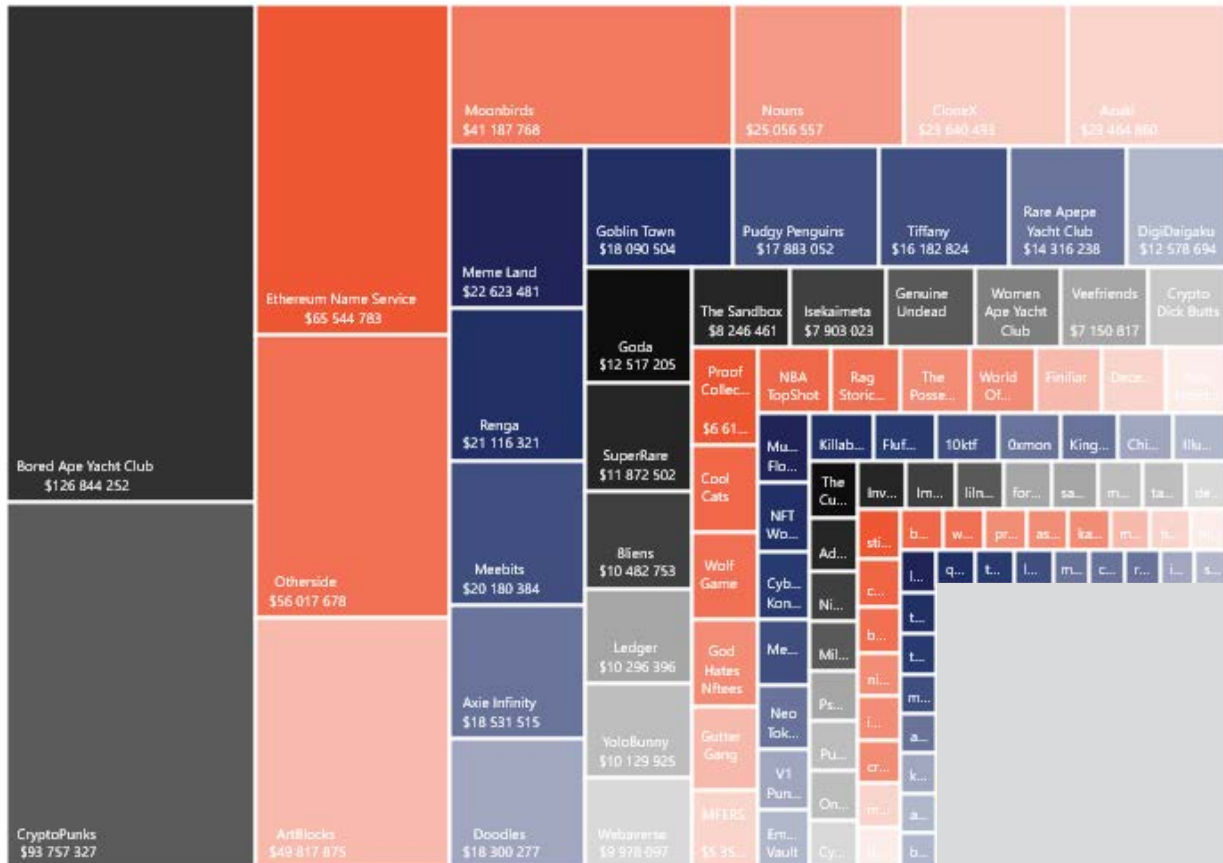


Fig. 03 – Market share per project – Q3 2022

Otherside and Bored Ape Yacht Club, represented more than \$2 billion traded in the second quarter, they now represent only \$182 million in the third quarter.

The second quarter had been very marked by an ultra centralization of the market activity around Yuga Labs projects (CryptoPunks, Bored Ape Yacht Club, Otherside & Meebits), with more than 30% of the total activity. This phenomenon seems to have largely dissipated in the third quarter, with Yuga Labs' projects accounting for "only" 17% of the total market.

It is worth noting that Ethereum Name Service is now in 3rd place (+11 places compared to the previous quarter) while its trading volume has remained almost the same.

Primary and secondary markets

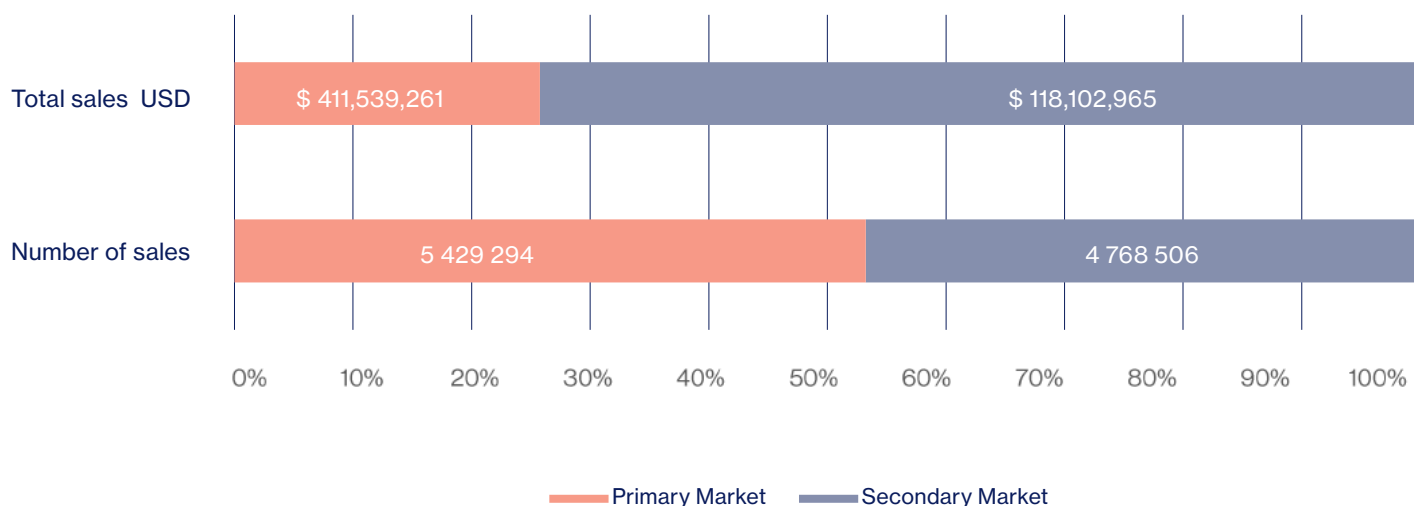


Fig. 04 – Volume of sales and dollars traded. Primary market and Secondary market (Q3 2022)

The trend observed in the second quarter is confirmed here, with the secondary market continuing to decline. It has progressively gone from 90% of the volume of dollars traded to 80% to finally reach a threshold of 75% in the third quarter.

In terms of the number of sales, the secondary market represented 70% in the first quarter, then 48% in the second and finally 46% in the third quarter.

In a context where most of the assets in circulation on the secondary market have lost their value, owners prefer to keep them in their wallets rather than putting them up for sale at the risk of losing money. These same collectors continue to build their collections via the primary market.

New buyers will also prefer to buy “promising” new collections rather than buying the remains of sometimes abandoned collections from the first NFT Bull Run.

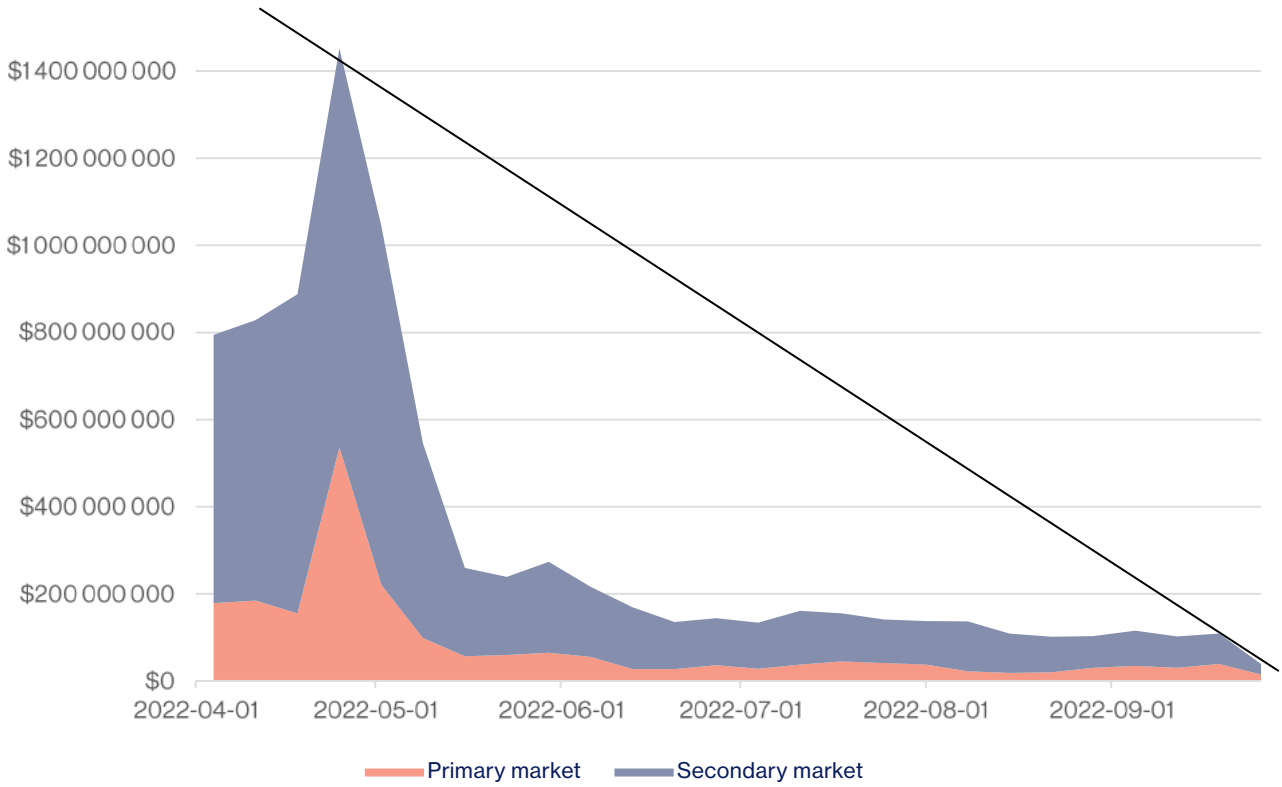


Fig. 05 – Breakdown of the volume of dollars traded between the primary and secondary markets (Q2 & Q3 2022)

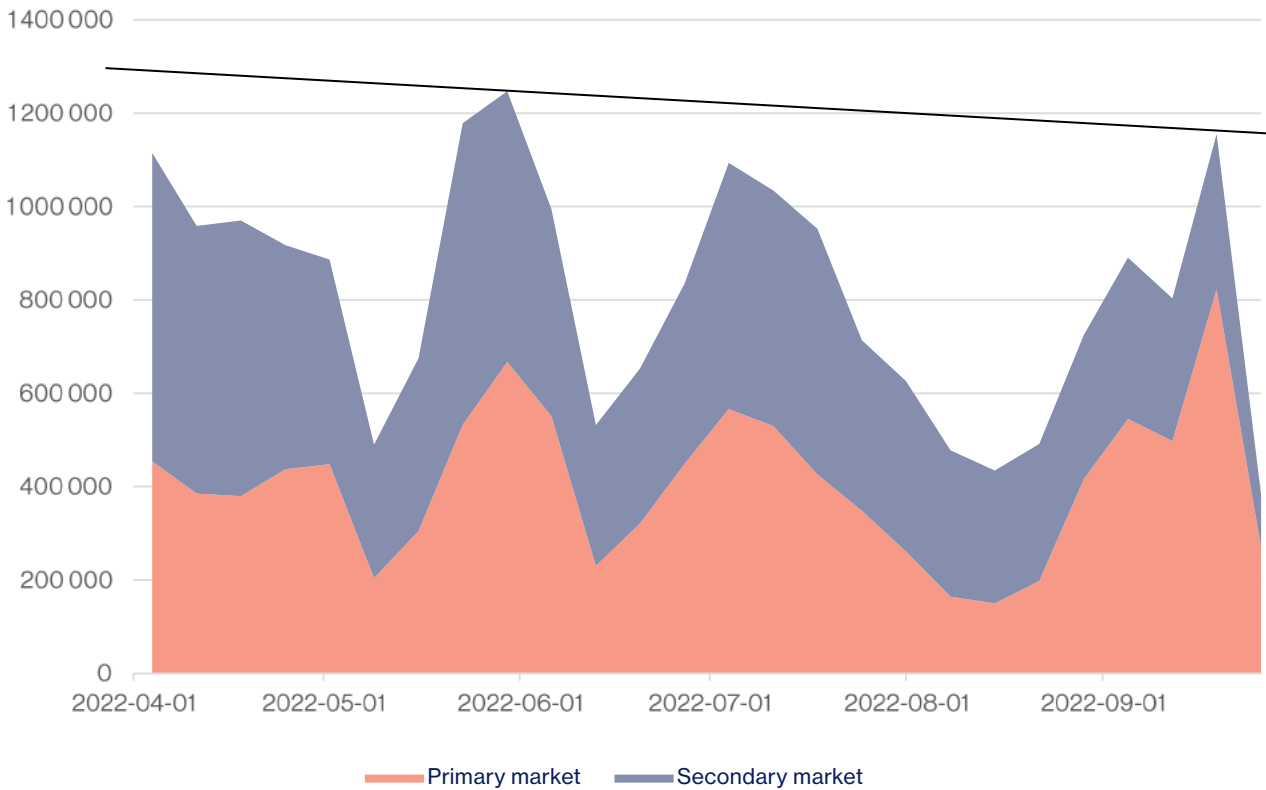


Fig. 06 – Breakdown of sales volume between the primary and secondary markets (Q2 & Q3 2022)

Since the peak in May related to the OtherDeed for OtherSide sale, the market has seen a gradual and very marked decline to a low of about \$100 million dollars traded per week.

From the point of view of dollars traded, it can be noted that no major spike or movement has occurred in the market since July.

On the other hand, the market seems particularly agitated if we refer to the number of weekly sales. There is no major decrease in this indicator, and the period is marked by a series of peaks of more than one million transactions per week, followed by lows generally at 500,000 transactions per week.

These movements can be partly explained by the launch of new collections (at relatively low prices), which generates a large number of sales without necessarily being visible in the market from a financial point of view.

At the same time, these movements also reflect a form of instability in the market, which is reorganizing and teeming, but essentially among small holders, whose activity is not weakening even though it only concerns relatively modest amounts.

Average NFT price evolution

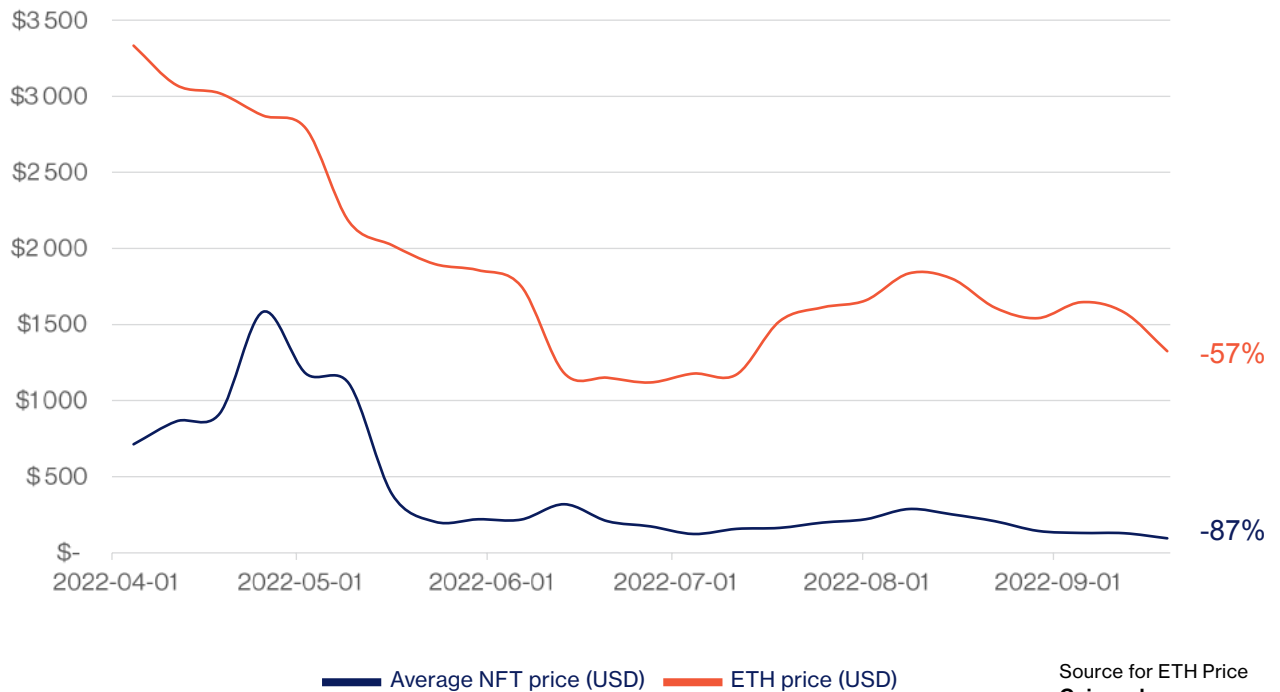


Fig. 07 – Average price of an NFT vs. Average price of Ether

To begin with, we can note that the Ethereum Merge that took place on September 15th, although long awaited, had no major impact on the price of Ether or on the price of NFTs.

Between the beginning of April and the end of September, the price of Ether has decreased by 57% while the average price of NFTs has decreased by 87%.

We explain this major drop in the price of NFTs by a double trend:

- The drop in the price of Ether mechanically lowers the price in USD of the assets
- The decrease in the hype around the assets and the deception of a large number of NFT traders leads to a phenomenon of resale at a loss which we will analyze in more detail in section 5 of this report: “Profits and losses on NFT Markets”.

Active wallets

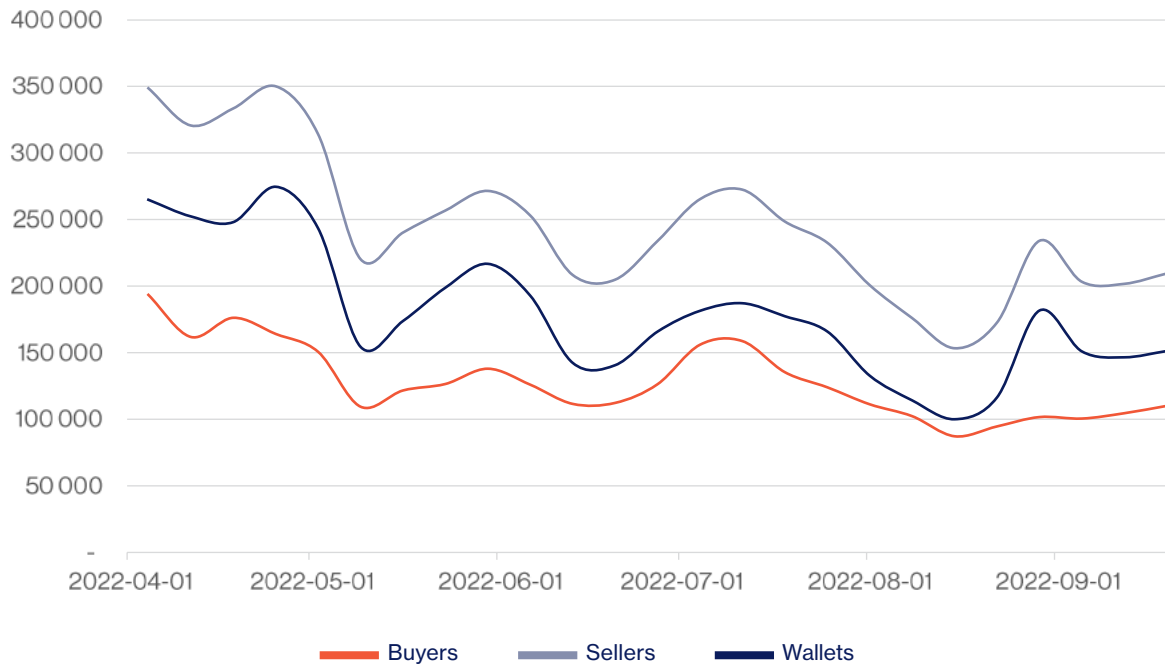


Fig. 08 – Buyers, sellers & total active wallets volume (weekly basis)

As a reminder, the NFT markets had approximately 450,000 active wallets per week in January 2022. At the end of September, there were approximately 200,000 active wallets. Although this decrease may seem significant, it remains relatively limited compared to other indicators (e.g. asset prices or volume of dollars exchanged).

There are still more buyers than sellers with a ratio of about 1.3 buyers to 1 seller. This ratio was the same in the second quarter, and about 1.6 at the beginning of the year.

The volume of buyers and sellers seems to be stabilizing at around 150,000 buyers for 110,000 sellers at the end of the third quarter.



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Supply & liquidity

	Total supply per segment			Percentage of increase over the quarter	
	04/01/2022	07/01/2022	10/01/2022	Q2 2022	Q3 2022
Art	1 889 387	2 002 389	2 120 557	5.98%	5.90%
Collectibles	8 195 275	8 583 806	8 894 712	4.74%	3.62%
Gaming	22 635 899	22 742 730	23 011 207	0.47%	1.18%
Metaverses	538 644	658 101	661 443	22.18%	0.51%
Utilities	1 700 636	2 410 804	3 475 638	41.76%	44.17%

Fig. 09 – Total volume of assets identified by segment and evolution of supply by quarter.

This indicator proves to be extremely interesting because we can decipher the sub-trends specific to each segment.

In the end, the art market seems to have been relatively unaffected in its development by the Bear Market. Even if the average price of works has fallen, we can see that the number of new works remains stationary with a growth of about 5% of the total number of works over the quarter. Collectibles are down as expected, with an increase in volume of less than 4%. Gaming, on the other hand, with its extraordinary volumes, is slightly accelerating its growth with almost 400,000 new assets put into circulation.

The biggest drop was undoubtedly in Metaverses, where the second quarter was marked by the release of 100,000 OtherDeed for OtherSide plots. This collapse in growth should be analyzed in the light of this unusual presale.

Finally, the Utilities sector does not seem to be in crisis, with an acceleration of their asset issuance at a very steady pace: +44% of new assets in the quarter.

	Q2 2022		Q3 2022	
	Volume of NFTs circulating	% of the supply	Volume of NFTs circulating	% of the supply
Art	120 128	6.00%	74 389	3.51%
Collectibles	683 130	7.96%	287 577	3.23%
Gaming	742 718	3.27%	651 058	2.83%
Metaverses	87 059	13.23%	18 988	2.87%
Utilities	711 296	29.50%	1 185 038	34.10%

Fig. 10 – Volume of assets in circulation and percentage of the entire supply per segment over Q2 and Q3 2022

While liquidity had already dropped significantly in the second quarter, it reached a new historical low with 4 out of 5 segments showing liquidity below 5%. It is worth noting that the liquidity observed in the Metaverse segment during the second quarter was mainly due to the excitement surrounding the presale of OtherDeed for OtherSide.

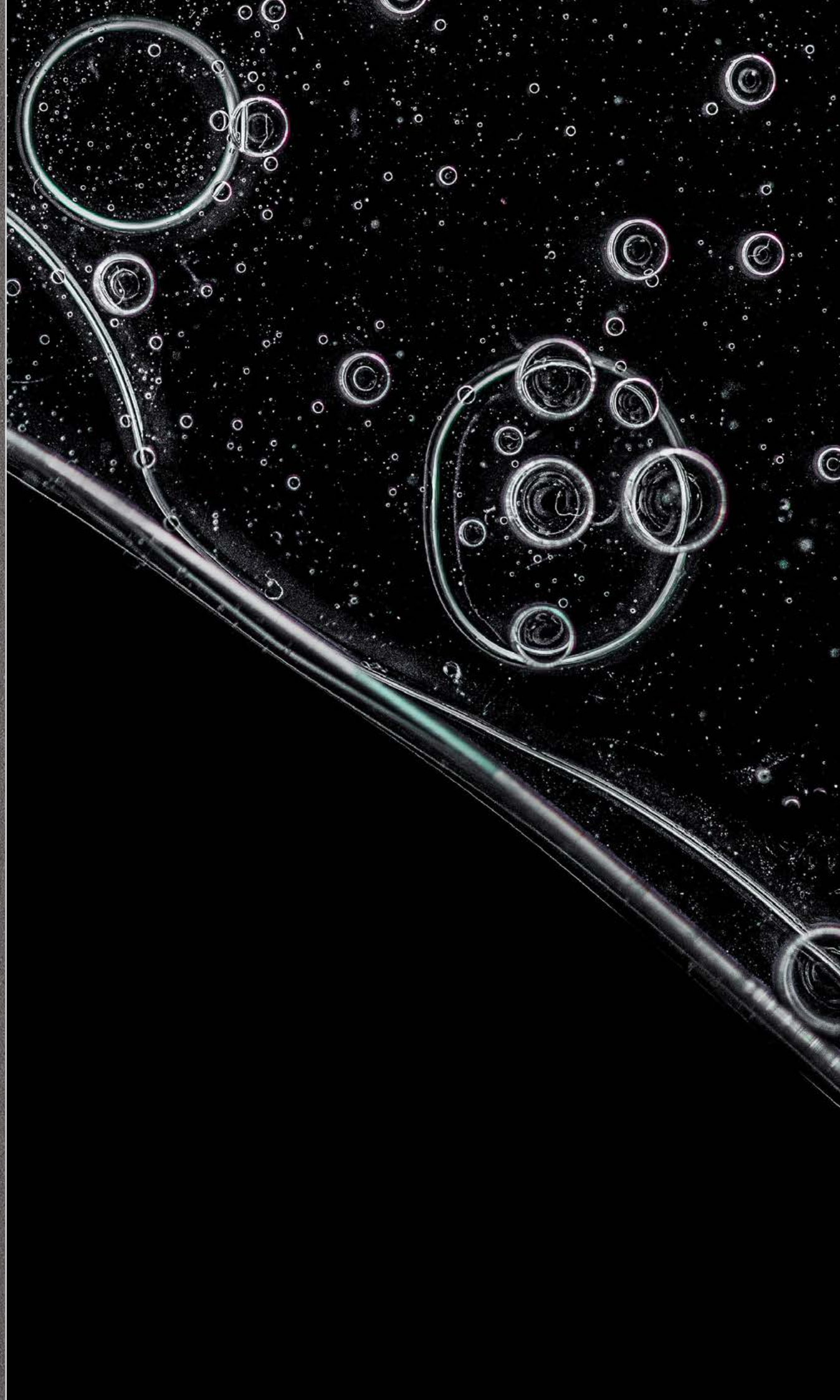
The Utilities segment is also in a class of its own with liquidity up 5% to 34%.



Methodological point

The volumes presented here correspond to assets that have been sold at least once between two wallets over the period analysed.

Profits and Losses on NFT Markets ၆၇



Global performance of NFT trading

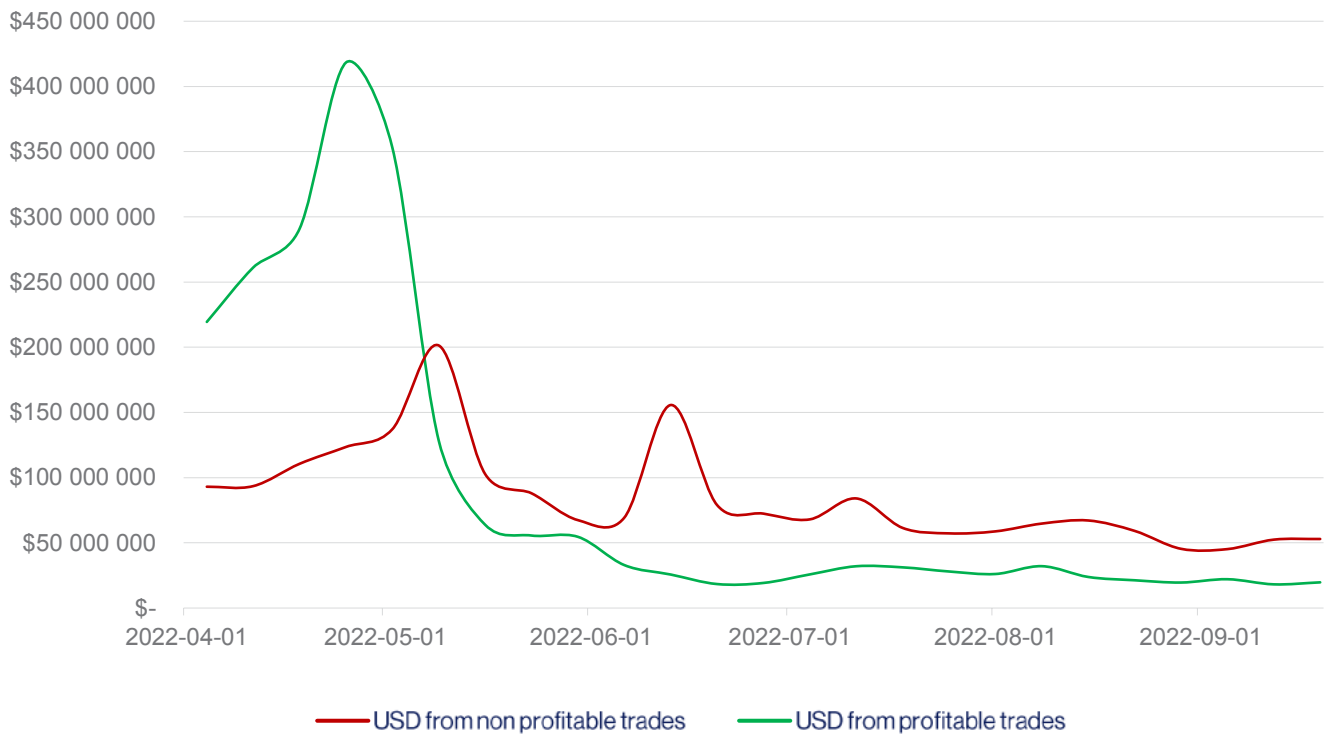


Fig. 11 – Weekly evolution of the volume of profit and loss when reselling NFTs

Since the week of May 9, 2022, NFT trading has ceased to be a profitable activity for the majority of the industry's players. The weekly loss volume tended to drop slightly over the end of the period to stabilize at around \$50 million in losses per week. At its peak, this amount came to more than \$250 million in losses during the week of May 9th.

At the same time, the volume of profit generated on the resale of assets is particularly stable and shows a performance of about \$20 million in weekly profit. However, the balance remains in deficit with a loss (profit - loss) of about \$30 million per week on the resale of assets. This phenomenon is closely related to other indicators analyzed earlier in this report: the decrease in liquidity, the decrease in prices and the increase in the average length of ownership of an NFT.

Most owners prefer to hold their assets for a long time rather than expose them to such market conditions, and the unlucky ones are forced to re-sell, and more often than not, sell for less than the purchase price.

Profit and loss per segment over time

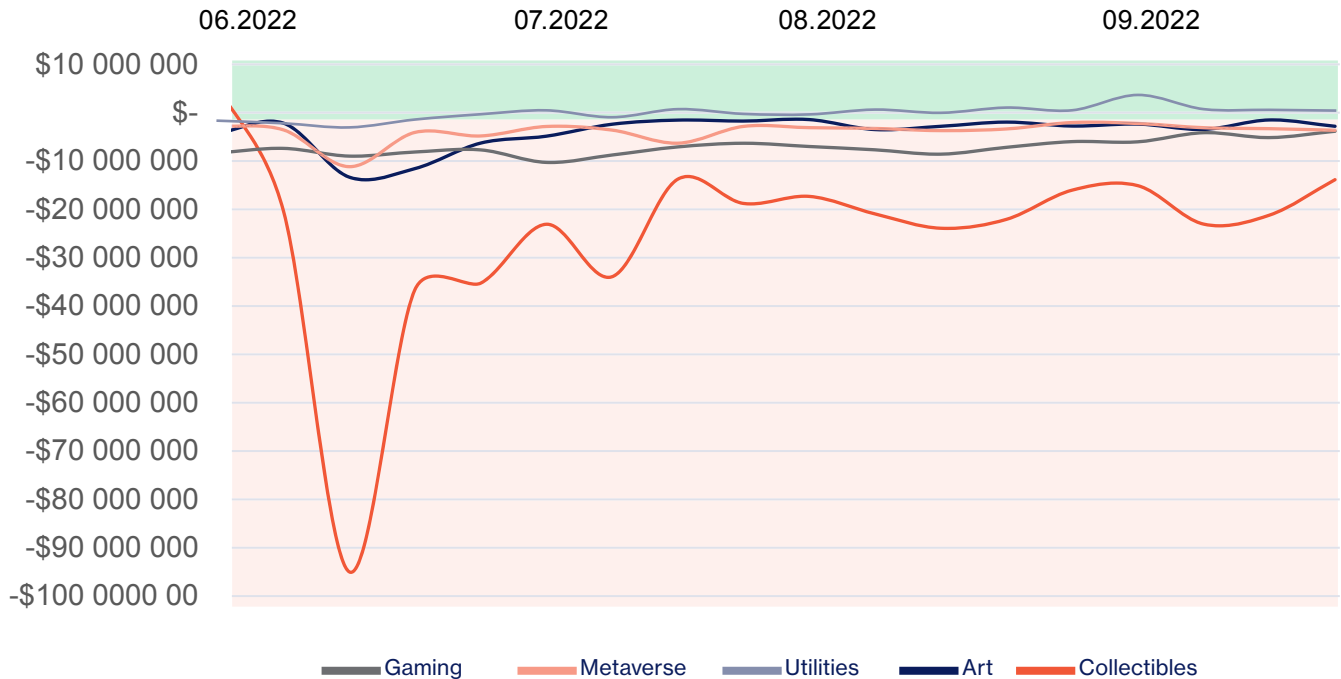


Fig. 12 – Weekly evolution of profit / Loss volume by segment (at resale)

The Collectibles segment remains the one with the highest weekly losses, with a loss rate of nearly \$20 million per week between August and September. As a reminder, the total volume of loss, all segments included, amounts to approximately \$50 million. In other words: 40% of the loss volume comes from the Collectibles segment.

Once again this quarter, Utilities surprised with a good performance. This is the only segment where asset resales remained profitable overall during the period, with a peak of more than \$3 million in profits in mid-September.

The other segments struggled to post positive results, with losses ranging from \$1 million to \$5 million per week, depending on the segment. Gaming is more often in the \$5 to \$8 million range of weekly losses.

The most profitable projects

Segment	Project	Total Profit / Loss	Total Profit	Total Loss	Average Profit at resell	Rate of resell at profit	Average Ownership duration (days)
Utility	Ethereum Name Service	\$26 112 694	\$30 880 232	- \$4 774 787	\$243	10.0%	10
Collectible	Rare Apepe Yacht Club	\$4 838 425	\$6 289 845	- \$1 451 444	\$473	55.5%	9
Collectible	Digi Daigaku	\$4 777 893	\$5 558 880	- \$780 986	\$5 190	43.7%	4
Collectible	Yolo Bunny	\$4 764 200	\$4 870 864	- \$106 665	\$3 576	11.9%	4
Collectible	Meme Land	\$4 451 208	\$5 393 036	- \$941 829	\$935	41.6%	6
Utility	Goda	\$3 411 388	\$4 317 730	- \$906 345	\$1 050	37.8%	5
Collectible	Renga	\$2 709 042	\$3 840 987	- \$1 131 958	\$583	36.4%	3
Collectible	Crypto Dick Butts	\$2 144 005	\$3 092 828	- \$948 822	\$3 020	67.9%	134
Art	SuperRare	\$2 074 158	\$2 855 393	- \$781 238	\$7 303	16.6%	77
Collectible	Yolo Holiday	\$1 755 116	\$2 055 271	- \$300 191	\$314	41.2%	4

Fig. 13 – Performance of the top 10 most profitable projects – Q3 2022

Despite a very complicated context for Collectibles trading, 7 of the 10 most profitable collections come from this segment. This indicates two key things:

- The volume of losses on the other collections of Collectibles is extremely important
- Even in a Bear Market environment, speculation on this asset class continues, the level of risk is simply higher

Ethereum Name Service is once again the standard bearer of the Utilities segment and occupies the first place in the ranking with a net profit (Profit - Loss) of over \$26 million. The average profit on this asset class is however quite low compared to the collectibles projects, which suggests that the volume of sales that have been profitable is particularly massive.

The most profitable sales






NFT	Project	Days since purchase	Purchase Price (USD)	Resale Price (USD)	Profit (USD)	Profit (%)	
	Punk #2924	CryptoPunks	684	\$71 513	\$4 463 712	\$4 392 200	6 142%
	Ape #5383	Bored Ape Yacht Club	381	\$246 183	\$1 475 050	\$1 228 867	499%
	Ape #6588	Bored Ape Yacht Club	1	\$117 735	\$1 189 272	\$1 071 537	910%
	Ape #6388	Bored Ape Yacht Club	377	\$107 000	\$1 083 512	\$976 512	913%
	Xcopy - Don't Panic	SuperRare	701	\$4 358	\$818 177	\$813 819	18 674%

Fig. 14 – Top 5 most profitable sales in Q3 2022

Blue chips remain the assets on which it is possible to make the most profit on resale.

With the exception of one case, these are sales that take place after long ownership (between 1 and 2 years). This ownership duration explains these very high profit rates.

During this quarter, only 3 sales managed to generate more than 1 million profit for the seller, which is 1 sale more than in the previous quarter.



Methodological point

The resale of Ape #6588 is currently being researched at NonFungible.com to identify whether any suspicious or malicious activity is related to this transaction.

Conclusions

In today's environment, it seems that the question most traders are asking themselves is not "how do I keep making money" but rather "how do I limit my losses". For many, the answer is to hold these assets longer.

The Collectibles segment which was historically the NFT "golden goose", the object of all speculations but also of all derives, continues to undergo a significant correction that represents 40% of the weekly losses on resale. Alternatively, the Utilities segment surprised with an outstanding performance (considering the context) and even managed to position itself as the only profitable segment of the quarter.

Despite this challenging environment, some sellers managed to post record profits of over \$1 million per sale. The final metric gives a measure of the market for NFT traders and collectors:

the number of wallets that generated more than \$100,000 in profit over the quarter:

Q1 2022:
4,536

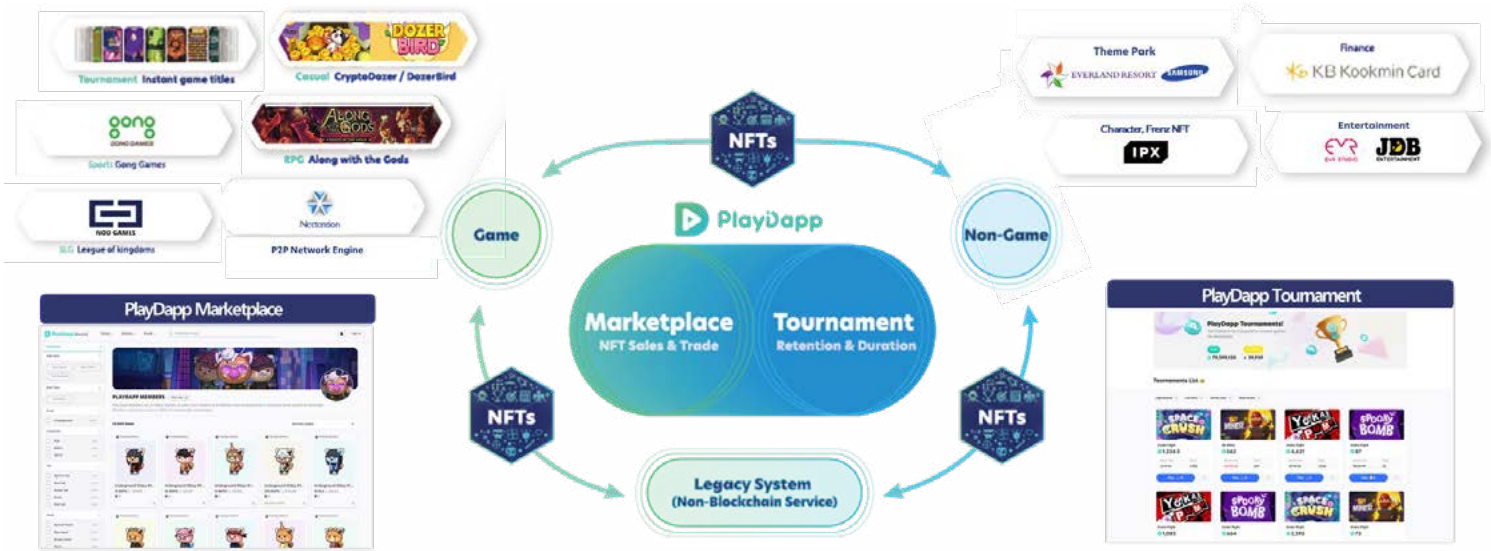
Q2 2022:
2,583

Q3 2022:
272



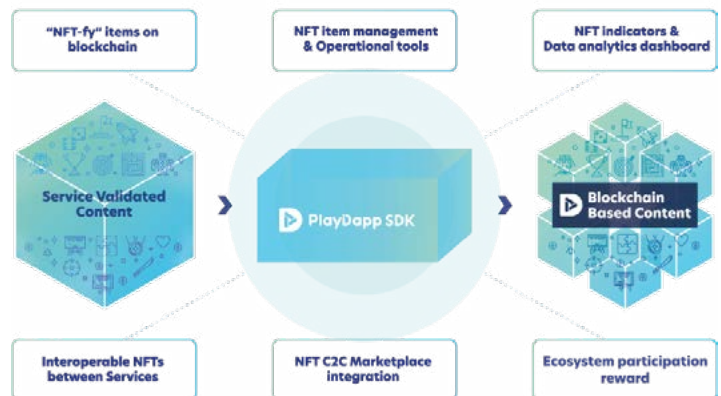
What is PlayDapp?

The C2C Marketplace and the PlayDapp Tournament are the two main features of the PlayDapp’s dApp service platform. All PlayDapp users are able to enjoy a portfolio of interoperable PlayDapp service content through their non-fungible tokens(NFTs). Empowered by the PlayDapp Ecosystem, developers are able to transform apps to dApps and “dApp-ify” their digital assets to gain interoperability between different games, metaverses, and even between the online and offline spheres.



Interoperable NFTs & PlayDapp SDK

Interoperability is at the heart of PlayDapp's identity. Empowered by the PlayDapp SDK, developers are able to transform apps to dApps and “dApp-ify” digital assets to gain interoperability between different games, metaverses, and even between the online and offline spheres. PlayDapp’s Membership+ NFT is the key to unlocking the features of the entire PlayDapp ecosystem and also the services of strategic partnerships. The PlayDapp SDK and interoperable NFTs will lead the way to true ownership of digital assets for everybody.



🌐 Homepage



🎮 Marketplace



🎮 Tournament



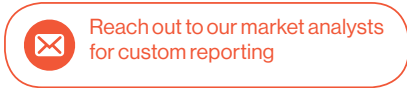
🎮 Members+



🎮 Along with the Gods

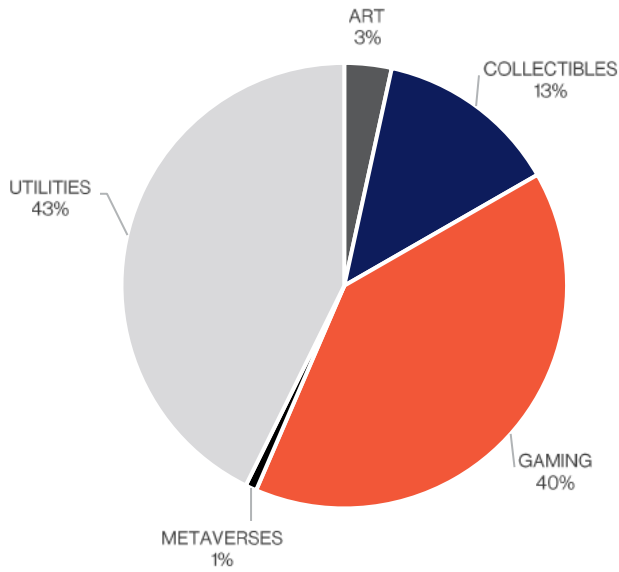
Focus per Segment



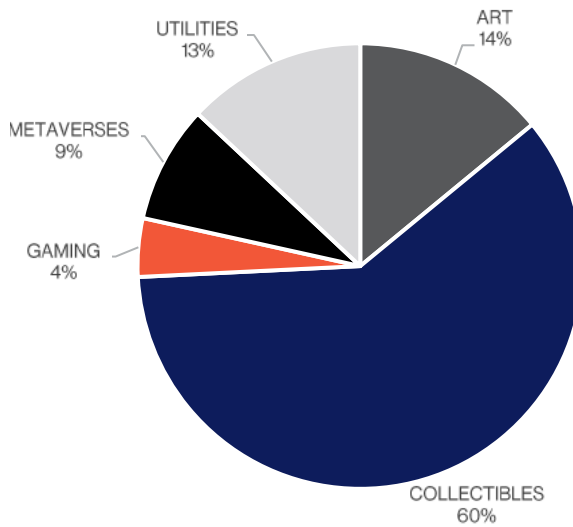


Breakdown of activity by segment

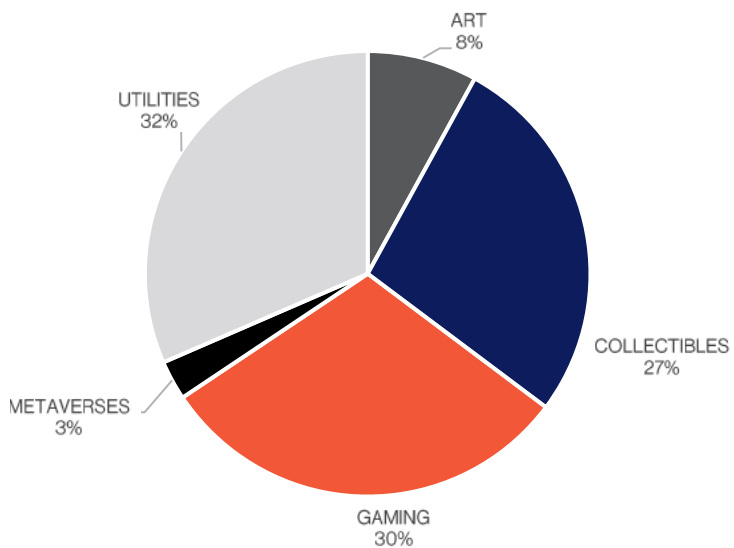
Number of sales



Volume of USD Traded



Active wallets



Key metrics - Crypto-Art in Q3 2022

Market

\$125,498,874
Total volume (USD)

-74.9%

103,743
Number of sales

-42.7%

Assets and profitability

\$1,209
Average price (USD)

-56%

\$60,102,074
Total profit

-57.4%

25%
% of profitable sales

-41.4%

\$65,396,799
Total loss

-55%

Community

63.6
Average ownership period (days)

+61.8%

47,361
Active wallets

-58%

Volume of artworks

126,724
New assets created

2,120,557
Total number of assets identified

+6.4%

74,389
Volume of circulating assets

-35.4%

Key metrics - Collectibles in Q3 2022

Market

\$537,774,443
Total volume (USD)

-87.2%

402,201
Number of sales

-64.3%

Assets and profitability

\$1,337
Average price (USD)

-64%

\$260,843,716
Total profit

-79.4%

27.92%
% of profitable sales

-34.6%

\$276,930,727
Total loss

+35%

Community

105.3
Average ownership period (days)

+138.8%

161,541
Active wallets

-52.6%

Volume of assets

311,016
New assets created

+120%

8,894,712
Total number of assets identified

+13%

287,577
Volume of circulating assets

-54.7%

Key metrics - Blockchain Gaming in Q3 2022

Market

\$37,925,607
Total volume (USD)

-90.9%

1,204,490
Number of sales

-4.87%

Assets and profitability

\$31.5
Average price (USD)

-90.4%

\$11,060,304
Total profit

-46.8%

19%
% of profitable sales

-20.7%

\$26,865,302
Total loss

-81.9%

Community

96.6
Average ownership period (days)

+22.6%

180,169
Active wallets

-43.2%

Volume of assets

268,477
New assets created

+151%

23,011,207
Total number of assets identified

+1.2%

651,058
Volume of circulating assets

-12.2%

Key metrics - Metaverses in Q3 2022

Market

\$76,210,005
Total volume (USD)

-94.3%

24,703
Number of sales

-81.9%

Assets and profitability

\$3,085
Average price (USD)

-68.5%

\$31,269,666
Total profit

-92.3%

29.1%
% of profitable sales

-55.5%

\$44,940,338
Total loss

-59.3%

Community

113
Average ownership period (days)

+375.18%

17,018
Active wallets

-74.9%

Volume of assets

3,378
New assets created

-97.2%

661,479
Total number of assets identified

+0.5%

18,988
Volume of circulating assets

-78.3%

Key metrics - Utilities in Q3 2022

Market

\$116,269,654
Total volume (USD)

-74.7%

1,293,432
Number of sales

+60.3%

Assets and profitability

\$89.9
Average price (USD)

-84.2%

\$58,979,662
Total profit

-51.9%

10.2%
% of profitable sales

-85.2%

\$57,289,992
Total loss

-7%

Community

31.14
Average ownership period (days)

+171.7%

186,833
Active wallets

-4.4%

Volume of assets

1,068,379
New assets created

+50.4%

3,479,183
Total number of assets identified

+44.3%

1,185,038
Volume of circulating assets

+66.3%

The situation by segment

Global

The Utilities and Gaming segments remain particularly liquid, partly due to their large supply and the type of assets that lend themselves to more circulation.

Collectibles still represent 60% of the trade volume (equivalent to the previous quarter) despite a considerable loss of speed in all respects. Art is positioned as the 2nd segment just ahead of Utilities with 14% of market share.

Art

The segment is slowing down overall, although its performance is respectable compared to the overall context: \$5M in losses, with 1 in 4 sales remaining profitable.

Collectibles

310,000 new collectibles were sold (note that this does not take into account assets that would have been put into “lazy minting”, in other words created but never sold). Collectibles continue to be issued in large numbers in the primary market despite significantly lower liquidity.

Gaming

Trade volume is in free fall with a drop of more than 90%, the average price of a blockchain gaming asset has been divided by 10 but this does not prevent the volume of assets from experiencing a real boom compared to the previous quarter (+151% of new assets issued).

Metaverse

The average retention period has dropped considerably (which is surprising in the context of a bear market). This figure can be explained by the issuance of 100,000 new plots by OtherSide in May 2022 which mechanically lowered the average holding period.

Utilities

It was mentioned earlier that the segment performed well in terms of profitability over the period, yet the overwhelming majority of sales are at a loss (90%). This implies that the losses are minimal compared to the gains made by the 10% of profitable sales.

The volume of the segment is exploding with +44% of new assets in circulation and liquidity also up 66%.

As mentioned earlier, this is also the only segment that has performed positively from a Profit & Loss perspective with a net profit of \$1,690,000 for the quarter.

Global Conclusions



Overall Conclusions

«This new generation of NFTs will either be useful or won't be»

Gauthier ZUPPINGER
NonFungible.com co-founder

The Collectibles boom brought with it lots of profit, but at the same time disappointed many investors while presenting a less than ideal image of NFTs to the mainstream markets. The fall in the Collectibles market managed to cement a negative opinion in the minds of those outside of traditional crypto circles.

So yes, some NFTs are dead and will not be returning, but that doesn't mean the industry itself is gone.

The era of NFTs where profit and speculation reigned supreme is probably over, and gradually a new page in the history of this technology is currently being written.

If we believe the trends observed over the previous quarter, it would seem that the usefulness of tokens takes precedence over the notion of financial investment. Notably, we found that major players from all walks of life and all industries are continuing to launch innovations related to NFTs: video games, finance, entertainment, fashion, sports and so on...

there isn't a sector in the world that doesn't now work officially or unofficially on their own NFT projects.

Collectibles have taught us that they are extremely efficient in rallying communities around a project and many are impacting traditional industries and businesses. Whether the mainstream is ready to admit it or not, NFTs are already part of our lives and the ecosystem is growing every day. Our belief is that the industry has learned lessons from the 2021 NFT craze, and is poised for the next wave of mass adoption in the future.

NFTs might have staggered at the beginning of the year, but the next boom is beginning to take shape. There is still time to prepare for it, but get ready because this wave will most likely be even more explosive and impactful than the era of "NFT Collectible".



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Thank *you.*

NonFungible.com is the world's first and largest NFT market analysis platform.

Every year since 2018, NonFungible.com has published various reports covering the different dimensions of the NFT industry. It analyses macro market trends and each segment's performance, and gives a voice to individuals, enthusiasts, investors and all those who are building this ecosystem day after day.

This report has been designed to support you in your discovery of NFTs, regardless of your knowledge of the industry: from the basics to the most advanced metrics.

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