



TOKEN
METRICS

Otherdeed for Otherside Investment Memo

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Fundamental Scorecard (all categories scored out of 10)

Community	Team	Utility	Innovation	Smart Money Wallets	Smart Money Twitter	Distribution Allocation	Liquidity	Investors	Total Score
10	10	8	7	7	10	7	10	10	90%



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Thesis

Overview

Otherdeed for Otherside is a land NFT in Yuga Labs's Otherside metaverse. Otherside is both a metaverse and a MetaRPG, blending mechanics from massively multiplayer online role-playing games (MMORPGs) and web3-enabled virtual worlds.

Bored Ape Yacht Club Brand and Network Effects

BAYC is arguably the most well-known brand in the Web3 space, leading to its high visibility to the non-crypto population. There are at least 28 A-list celebrities who own a Bored Ape NFT including Serena Williams, Justin Bieber, Madonna, Jimmy Fallon, Snoop Dogg, etc. This means the BAYC has reached millions of fans; however, the vast majority of these fans are priced out of buying a BAYC, MAYC, or KAYC. With the introduction of Otherside, these millions of non-crypto fans can purchase a direct line to their favorite celebrities and creators. Due to the strong network effects of Yuga Lab NFT holders', the Otherside metaverse has the potential to cater to hundreds of thousands, if not millions, of people. This will vastly increase the demand and, in turn, price of the Otherdeed land NFTs as they are the building blocks of the Otherside metaverse.

Past Performance of Yuga Labs NFTs

All of Yuga Lab's NFT projects, BAYC, MAYC, and KAYC have performed exceptionally well: BAYC's floor price is up 1216x from mint price, MAYC's floor price is up 6.66x from mint price, and KAYC floor is 7.9 ETH as a free airdrop. Otherdeed should be at least 3x its mint price of 3.25 ETH (2.25 ETH in \$APE + ~1 ETH in gas fees).

At a current floor price of 3.19 ETH, Otherdeed's floor is cheaper than mint price and down 63.33% from all-time highs of 8.70 ETH on May 1st, 2022. If Otherdeed NFTs were to go back to all-time highs, that represents a 172.73% upside.

With a total of ~280K ETH volume traded, Otherdeed is the 4th most traded NFT project only behind CryptoPunks, Bored Ape Yacht Club, and Mutant Ape Yacht Club. In less than 3 weeks, Otherdeed NFTs have amassed more volume than every non-Yuga Labs NFT project.

Otherside versus Competitor Metaverses

Otherdeed land NFTs can also be compared to land parcels in other metaverses such as The Sandbox (also built by Animoca Brands) and Decentraland.

The Sandbox has 166.4K land plots at a floor price of 1.59 ETH. This represents a 264.5K ETH market cap. At Otherdeed's current floor price, it has a market cap of 319K ETH. Otherdeeds are priced at a 20.6% premium to The Sandbox plots.

Decentraland has 90.6K land plots at a floor price of 1.85 ETH. This represents 167.6K ETH market cap. Otherdeeds are priced at a 90.3% premium to Decentraland plots. Otherside, a part of the Yuga Labs ecosystem, is a much stronger brand with greater access to non-crypto users which explains its price premium.

Undervalued Artifacts

Only 21K Otherdeed NFTs contain Artifacts, valuable treasures and tools, that will be essential for future gameplay. Out of the 200K total Otherdeeds that will be released, Artifacts have a 10.5% rarity. The floor price for an Otherdeed containing an Artifact is 4 ETH, only .81 ETH more than floor price for one without. Comparatively, with a supply of 10K, Kodas have a rarity of 5% and floor price of 21 ETH. Many of these Artifacts will never be able to be created again, making them scarce. Based on the future utility of Artifacts in the Otherside MetaRPG, scarcity, and the minimal premium to non-artifact NFTs, I believe that they are the most undervalued type of Otherdeeds. As Artifacts are decoupled from their respective Otherdeed land and turned into individual NFTs, they will be trading at a much higher premium than .81 ETH.

Market Size

Otherdeeds for Otherside can be considered as being in both the Metaverse and Gaming sectors. In Q1 2022:

- 53% of active crypto NFT wallets or 910,380 wallets were used for Gaming/Metaverses.
- 56% of NFT sales or 4,138,827 transactions were for Gaming/Metaverses.
- Only 13% of volume traded or \$1,018,773,116 was for Gaming/Metaverses.

There seems to be an opportunity based on this data from nonfungible.com: Gaming/Metaverses active wallets and transactions make up the majority of all NFT active wallets & transactions; however, they only represent 13% of all NFT volume traded. I project the NFT industry to shift toward blockchain gaming and metaverse as it matures leading to much more cash inflows to the Otherside.

The total current NFT market size is [\\$10.7 billion](#). The NFT market size is expected to grow to [\\$147.24 billion](#) in 2026 with a CAGR of 35.27% during the forecast period. The

metaverse market size is expected to be [\\$947.118 billion](#) by 2030 with a CAGR of 38.8% during the forecast period. The total gaming market is set to be [\\$203 million](#) in 2022, and the blockchain gaming industry is worth about [\\$21 billion](#).

Assumptions

Otherside will decouple all Kodas and Artifacts from the Otherdeed lands, providing holders with free airdrops of their Kodas and Artifacts as individual NFTs. Holders will be able to resource farm on their lands, earning \$APE or other in-game assets. “Invasive species” NFTs will be airdropped to holders and a native Otherside marketplace will go live. A P2E game will be released as well as the other 100K land parcels will be airdropped to holders. These future airdrops and resources will provide recurring returns to an investment in Otherdeed land.

Otherside will be the largest metaverse, onboarding hundreds of thousands of users to crypto and blockchain gaming. The P2E game and user experience will work flawlessly with Improbable’s technology. The NFT community will continue to view Yuga Labs’s ecosystem as the number one blue chip. Yuga Labs and Animoca Brands’s all-star team will deliver on their promises.

Risk

Since there will be 200K Otherdeed NFTs, the game must be popular enough that demand exists to maintain the price of each plot of land. This will require tens of thousands if not hundreds of thousands of users which is a large feat.

Although the gameplay looks very solid it is important to note that there is a major difference between a game’s demo and actual gameplay. It is still very early and other metaverses like Decentraland and The Sandbox have been in development for years. The game could be non-intuitive or boring, which would deter users from entering the Otherside.

Otherside has numerous competitors including Decentraland, The Sandbox, Zepeto, Somnium Space, and Cryptovoxels which have all been tried and tested. Not to mention, Meta’s metaverse which cost more than [\\$10 billion](#) in 2021.

Not much is known about the four founders, Greg Solano, Wylie Aronow, and pseudonymous EmperorTomatoKetchup and Sass. At any time, there could be harmful information that comes up about them causing mistrust in the project.

The Otherdeed mint caused a lot of friction and mistrust in the crypto community for Yuga Labs. Yuga Labs had promised to optimize gas fees for their contract; however, the fees were extremely high the entire mint. Some users paid from 2.6 ETH to 5 ETH to complete their transactions. A total of [55.843 ETH](#) was burned due to the high gas fees. There were also hundreds of failed transactions that left a bad taste in investors' mouths ([these were refunded](#)).

Verdict

Otherdeeds for Otherside scored a 90% on our NFT fundamental review. As the Otherside metaverse and game develops, thousands of non-crypto users will be onboarded to the game, and the demand and price of land will increase. Holders of Otherdeeds are projected to receive a second Otherdeed as an airdrop, harvest renewable resources on their land, earn \$APE/in-game items as NFTs in P2E games, and construct buildings on their land. With a potential upside in floor price and dividends from Otherdeed, an investor should expect to return at least 3-5x from their initial investment.