.ART

THE ART WORLD'S ONLY DOMAIN

BUSINESS PRESENTATION

October 2020

"Every Man is An Artist"
Joseph Beuys

EXECUTIVE SUMMARY

OUR MISSION

- Support the artistic community, protect and strengthen digital identity of its members and generate value from art. .ART fosters creativity in a variety of forms through sponsorship of innovation in art and tech industries, sponsoring various awards and special projects.
- Make museum depositories accessible to everyone.
- Save physical objects by the creation of .Art Digital Twin related to Fourth Industrial Revolution by Klaus Schwab.
- Protect social media users and their content (e.g., MySpace and Google+ disappeared over time, as did the information in them). .ART will enables you to store and save everything in decentralized platforms. A website based on a .ART domain becomes a personal "treasure box" for the owner and makes it possible to structure and separate content in a way that adds/preserves value.
- Throughout the 3 years of .ART's existence, we have complied with the ICANN contract, built associations with partners, and developed our own infrastructure. We are now ready to embark on global market expansion.

OUR UNIQUE ASSETS

- Registry agreement with ICANN
- Additional Registration Data Directory Services (RDDS) Data Fields
- License from China Ministry of Industry and Information Technology
- .ART Trademark #87102055
- .ART Digital Twin Patent US 10,805,263
- .ART pricing model & Big Data algorithm

.ART

- The .ART project was launched in December 2016 by UK Creative Ideas Limited (UKCI) – a separate legal entity established to become the operator of .ART under an exclusive agreement with ICANN.
- UKCI Limited, based in the Isle of Man, UK, with offices/staff in the UK, the USA, Russia, and China, is the exclusive operator of the .ART Top-Level Domain Registry (TLD).
- .ART was in the top 3 of most suught-after TLDs from among 2000+ new gTLDs applications received by ICANN:
  - .WEB by STRAAT Investments
  - .APP by Google
  - .ART by UKCI
- .ART has agreements in place with more than 249 registrars in 163 countries, including all major registrars such as GoDaddy, Alibaba, Google, Namecheap, Tucows, OVH, GMO, Reg.ru, Ru-center that account for more than 99% of the global domain market share.
- Prominent institutions, individuals and brands from the art, luxury, entertainment, hi-tech and corporate worlds have joined the ranks of those using .ART domain names as an official website, including Ars Electronica, Artport Tel Aviv, The Berlin International Film Festival, Bank of America art fund, Galerie Canesso, The Cleveland Museum of Art, Elephant, Harvard Art Museum, Institute of Contemporary Arts London, Los Angeles County Museum of Art, Louvre
- .ART has sold over 120,000 domains since its official launch in February 2017, learned during our initial business phase of trying out various strategies and approaches.
- .ART is in the Top 20 fastest growing new gTLD out of 1,238 other after only two years of 'General Availability'.
- .ART obtained all the necessary government permits to operate in China in 2018 the world`s second largest art market (>15% of .art sales to date).
- The majority of .ART domains are acquired by creative individuals; about a quarter go to businesses.
- 56% of .ART customers are artists who bought 'personal names' domains (namesurname.art), 69% are artists, photographers, designers, and 26% are schools, universities, art studios, shops, web studios, galleries, web portals (Appendix 10).

.ART

WHAT MAKES US EXCEPTIONAL?

Back in 2017, WIX has acquired DeviantArt (our former competitor for acquiring the .art domain) – a resource which now has nearly 50 million registered accounts. These types of highly specialized online resources, where art-oriented communities congregate, have huge amount registered accounts between them.

If we take a broader look, the 1+ billion Instagram accounts are potential .art clients who posted more than 50 billion photos, videos and other content, some portion of the content posted by each Instagrammer (YouTube blogger, Tik-toker, etc.) has cultural value. The hashtag #art alone is present in nearly 800K Instagram publications. In addition, there are related hashtags like #photographer (183K) and #tattoo (140K). In that sense, .art has a monopoly position in the creative community, as so much of the content submitted online can be broadly defined as art.

However, the sheer volume of photos and videos posted online drowns out individuals artistic expression, which could happily live on a .art domain. A website based on a .art domain becomes a personal “treasure box” for the owner and makes it possible to structure and separate content, while choosing to exhibit only high-quality material. This perspective leads to an estimated market size of a billion .art domains and websites.

Moreover, there are approximately 2 billion objects in the physical and digital space with an estimated value of $10 trillion (Hiscox online art trade report 2018). Combined with the sharp rise of digital art and online viewing rooms, we can safely say this number of potential .art domain uses will continue to rise.

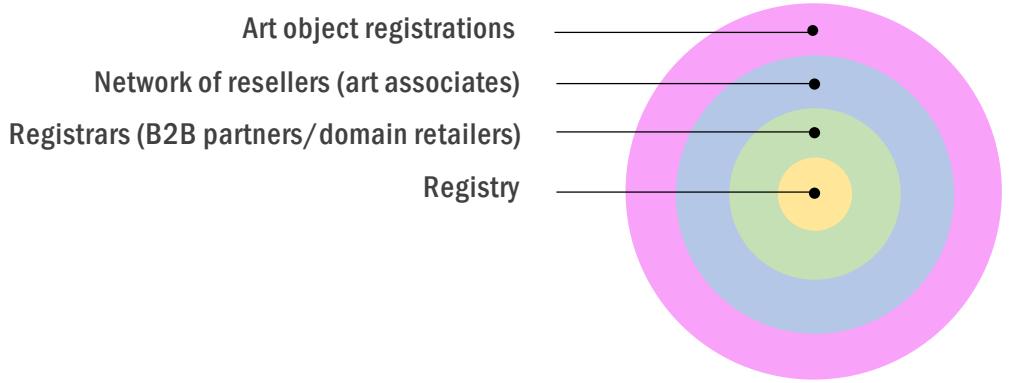
.ART became the first top-level domain (TLD) in the history of the Internet to be granted a permission by ICANN to extend WHOIS or Registration Data fields for the purpose of identifying assets (see Appendix 6), enabling the creation of .Art Digital Twin.

.ART Digital Twin is a solution, based on DNS and Website infrastructure, technology and protocols, that stores information for the identification, collecting, preservation, “belongingness” related to any particular object: in art, culture or any other human creation.

“Ownership of an idea becomes a viable commercial proposition: it can be bought and sold in the same way as ownership of a physical painting. The physical manifestation of a work of Conceptual Art is not so much a work of art as a record of the idea of that work of art. Such records of the physical manifestations of pieces of Conceptual Art can also do duty as “tradeable” objects, standing in a similar relationship to the idea as a print to the original painting that it reproduces, or the bronze cast to the original sculpture. But sometimes it is simply a certificate that changes hands, a bit like a share certificate, to be framed and traded on at a profit in due course.”
Breakfast at Sotheby's: An A-Z of the Art World

PRODUCTS & SERVICES

.ART TRADITIONAL BUSINESS MODEL:



“Every Man is An Artist”
Joseph Beuys

Products:

- **Standard domains** – regular domain names with maximum price of $9 per annum (see page 4)
- **Premium domains** – short, memorable, easy-to-spell and art community specific names. These domains are priced higher than standard domains, because they are more likely to drive traffic to a website (see page 5)
- **.Art Digital Twin domains (regular sales will start in 2022)** – an innovative classification for domains that stores critical information for an object in a Digital Letter of Authenticity (Appendix 8). Pricing strategy has yet to be developed. We are seeking recommendations and assessment to realize maximum value
- **Third-level domains** - the part of a domain name or website address that comes before the second-level domain name. For example: art.art.art, is a third-level domain, art.art is a second-level domain. Pricing strategy has yet to be developed. We are seeking recommendations.

Additional future services:

- Public email. **Needs assessment** (Appendix 2)
- Hosting. **Needs assessment** (Appendix 3)
- Website builders, website security, backup, SEO consulting and online marketing. **Needs assessment** (Appendix 4).

- Additional services such as public email and hosting will be activated in 2022.
- Hosting services are in high demand among artistic individuals who often publish high-resolution images, videos and other "heavy" files.
- The purchase of additional services result in high domain renewal rates, providing year-on-year revenue, given that art objects and cultural heritage objects ought to be digitally preserved.

PRODUCTS & SERVICES: STANDARD NAMES

‘Standard’ domain names

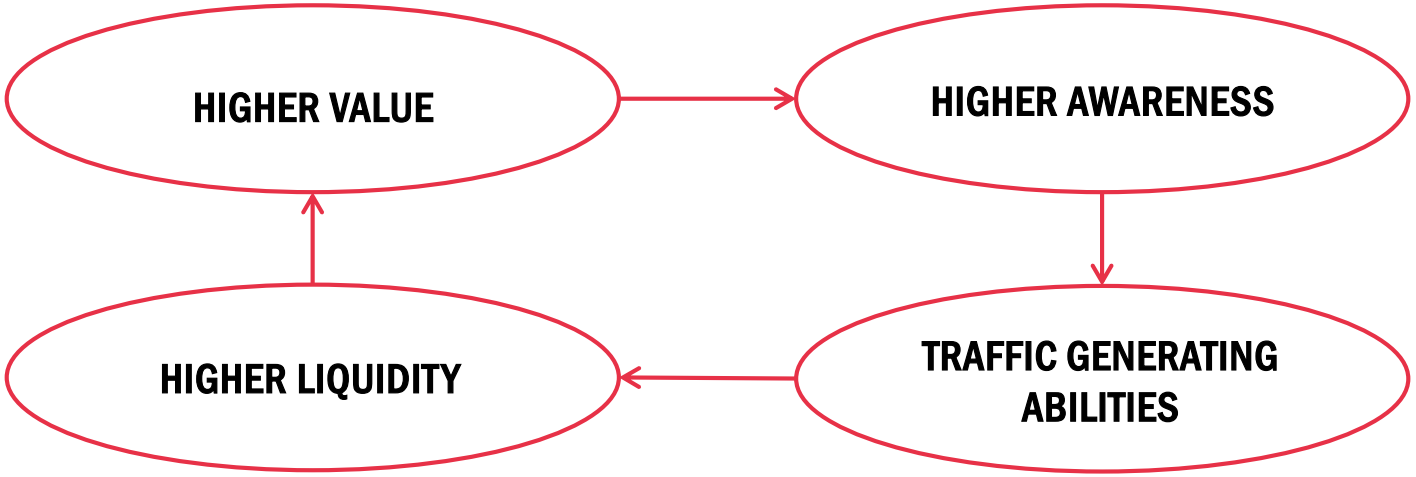
- All domains in this product line are sold and distributed (including renewals) exclusively through the network of distributors, i.e., registrars
- We can direct sales through our .ART-operated store, get.art, which is in the Top-10 sales of our registrars
- .ART has sales agreements in place with more than 249 registrars in 163 countries, including all major registrars such as GoDaddy, Alibaba, Google, Namecheap, Tucows, OVH, GMO, Reg.ru, and Ru-center that account for more than 99% of the global domain market share
- Current adoption modes: ‘name and surname’ domains for artistic individuals; as a connotation of success in any field (e.g., health, fashion, activity, beauty bloggers and influencers, etc.), and for general, public-facing businesses. An estimate of the audience size is presented in Appendix 8
- The market includes huge numbers of “art-lovers” and museum annual visitors. Needs assessment
- The .ART standard domain model is fully competitive with other major TLD registries:
  - $9 per each domain
  - $9 for its renewal per year (subscription model)
  - Available globally through all major registrar (retail) channels.
- Standard names:
  - Constitutes 95% of all .ART domain names sold to date (Appendix 11)
  - Constitutes 37% of overall .ART domain names sales revenue to date
  - Average 62% renewal rate to date.

PRODUCTS & SERVICES: PREMIUM NAMES

'Premium' domain names

- High value generic name domains identifying art forms, art terms and art professionals for both individuals and institutions – example are www.guggenheim.art; www.tate.art; www.fine.art; www.beyonce.art; www.book.art; www.picasso.art; www.magritte.art, etc.
- Prior to launch of the .ART TLD, UKCI undertook extensive research to identify the core audience, i.e., the community of art professionals and established art organizations & businesses. UKCI commissioned Deloitte to perform the marketing research that provided consistent information about the 'premium' .ART domain names market:
  - **55,000** museums in 202 countries (ICOM) (see Appendix 8)
  - **600,000** art-organizations (Deloitte)
  - **4,000,000** recognized high-profile art-professionals (Deloitte)
  - The US alone produces **130,000** art graduates annually. For the majority of artistic job applications, having a portfolio is a pre-requisite
  - Huge number of semi-professionals – needs assessment
  - Billions of accounts in Instagram, YouTube, Tik-tok, etc.
- Based on this information, the number of domains estimated and created for the 'premium' domain category stands at 3.5MM
- The inventory of 'premium' domains potential market value is $600M+ (according to .ART Big Data Model, see Appendix 5)
- Domain prices vary, starting from $70 to $10,000 per domain (and can be millions depending on privileged status of domains relative to their potential users). This high-value segment is priced on average at $300 per domain and $30 per year for renewal
- High retention category – annual renewal rate is significantly higher for the holders of this type of domains – currently stands at 85% during the period of .ART establishment
- Sales in this category accounted for 63% of total revenues and 5% of total sales to date (Appendix 11)
- Projected target sales of 1,000 domain names per day going forward.

THE TOTAL REVENUE FROM 3,5M PREMIUM DOMAIN SALES IS PROJECTED AT $600M+. IN ONE SCENARIO, WE COULD EXCHANGE THIS REVENUE IN RETURN FOR A 10-YEAR REGESTRATION (i.e. A FREE ONE-YEAR REGISTRATION WHERE THE REGISTRANT BUYS THE NINE-YEARS OF RENEWAL) FOR THE RESELLER WHO WILL DISTRIBUTE OUR PREMIUM DOMAIN. IN THAT CASE .ART WILL RECEIVE THE RENEWAL REVENUE OF $945M FOR THE 10-YEAR REGISTRATION UP FRONT (3.5M PREMIUM NAMES X $30 RENEWAL PAID PER YEAR X 9 YEARS). COGS IN 10-YEAR REGISTRATION WILL BE $27M (3.5M PREMIUM NAMES X ($0.625 CENTRALNIC FEE PER DOMAIN X $0.25 ICANN FEE PER DOMAIN) X 9 YEARS)



The more recognizable the name is, the more awareness and traffic it generates, and the more valuable it becomes. This makes the domain a more liquid digital asset, desirable for domain holders within and outside the art community, domain investors and industry leaders.

That is why www.monalisa.art and other relevant domains names are valued much more highly than a standard domain names.

.ART has invested significant resources to determine the scope of the premium inventory (number and value of names) using a unique ”big-data” collection and algorithmic analysis approach that: (1) gathered hundreds of millions of words and word-combinations from online and static sources; (2) determined a relative value for each word combination using scoring against 23 unique attributes (e.g., word length and frequency of Google search; (3) then determined a monetary value by comparing the inventory against all past premium sales. Among 150 million possible combinations, only about 2% were determined to have significant value for the art community. These 3.5 million names were identified as premium names.

The first 3 years during the .ART launch allowed the .ART registry to test its approach against the complicated structure of ICANN procedures, obtaining approvals where required and measuring impact in the domain industry. A significant amount of time was also invested in carefully testing the .ART approach and products with the .ART target audience.

On 15th of May 2019, the .ART Big Data model and pricing were updated, considering all findings to date and accommodating the preferences of our distribution channel (and thereby increasing their marketability).

PRODUCTS & SERVICES: .ART DIGITAL TWIN (PATENT US 10,805,263)

(regular sales will start in 2022)

Official license. .ART became the first domain zone in the history of the Internet to be granted a permission by ICANN to extend WHOIS or Registration Data fields for the purpose of identifying assets (see Appendix 6), enabling the creation of .Art Digital Twin.

Proven approach. The augmented information fields now include the artist's name, title, medium, dimensions and other identifying information. These parameters are based on the ObjectID™ standard that was developed by the Getty Trust and ICOM and has been adopted by organizations such as UNESCO and INTERPOL.

Authenticity. As the object transfers ownership, so will the domain name, providing a chain of custody, evidence of trustworthiness and provenance that will enhance its value and establish ownership credentials. In addition, DNS records such as websites, data files and images will provide additional indicia of authenticity and value. Digital Twin thus can be considered as a letter of authenticity for a particular object.

Object placeholder on Internet. Basically, .ART has created a new category of domain names that, instead of identifying an organization, business or person (e.g., https://art.art), ties the domain name uniquely to an artwork or art object.
We have been developing direct relationships with TOP 50 museums in the world**: Now, having become a member of ICOM on August 18, we aim to work with all 55,000 museums.**

Monetization. Streaming art. The long-term goal of .Art Digital Twin service is democratization of the art world, enabling broad access where viewing opportunities have been restricted. For example, if you cannot afford a David Hockney piece, you will be able to afford to rent its streamed, high-quality digital copy, (similar to Netflix or iTunes), lowering the hurdle for art collecting while delivering more revenue to the artist than he would have made from selling one piece. (Appendix 12)

Reference. The .Art Digital Twin can contain a link to any identification system, for example, a museum inventory number, we implemented a link to ENS, it took less than 1 week and only $2000. This was a test case for us which confirmed endless possibilities of integration.

Ethereum name system (ENS). ENS offers a secure & decentralized way to address resources both on and off the blockchain using simple, human-readable names.
Benefits:

1) No long addresses. With ENS, you'll be able to send money to your friend at 'aardvark.eth' instead of '0x4cbe58c50480...'
2) Secure. You can be confident names you enter work the way their owner intended.
3) Truly distributed. ENS operates in a distributed fashion for both its infrastructure and governance. (Appendix 7)

Current status. .ART Digital Twin certificates registration is launched at ip.art with backend at Alibaba Cloud, improvement works are ongoing.

ORGANIZATION & MANAGEMENT

UKCI HAS 5 OFFICES IN CITIES THAT ARE INTERNATIONAL ART-HUBS:

- Isle of Man – Directors
- London, UK – legal team, financial management representatives and Strategic Planning Board and executive Chairman
- Los Angeles, USA – legal & ICANN relationship management and Strategic Planning Board
- Moscow, Russia – representative office in the CIS and Eastern Europe, tech development and back-end
- Beijing, China – subsidiary company (Asia, China, Pacific region)

COMPANY STRUCTURE:

- Chairman and Strategic Planning Board which forms plans and the overall company strategy:
  - Ulvi Kasimov (2 votes) – Chairman of the Board
  - Reykhan Kasimova – Member of the Board
  - Kurt Pritz – Member of the Board
  - Andrey Chuykov – Member of the Board
- Directors:
  - Andrew Brian Byers
  - Sandra Agnes Georgeson
- Team – 25 people (15 people – full-time, 10 people – part-time)

CURRENT FINANCIAL METRICS AND SALES STATISTICS:

- **Currently .ART is financially self-sustainable and cash flow positive**
- Annual Revenue for 2020 is estimated at $2M and the company breaks even
- 250 distributors (representing >99% market share) accredited by ICANN are officially selling .ART domain names in 155 countries in the world
- Have obtained all relevant government permits to operate in China in 2018 (>15% of .art domains to date)
- Adding Art Record fields for .Art Digital Twin domains was officially approved by ICANN in September 2017, with the first market implementation having taken place in March 2019.

APPENDIX 1

DNS INDUSTRY FACTS

- The market for TLDs (including gTLDs) is virtually limitless — there are currently more than 370M domain names in the World
- With the average price for a standard domain name at $10, the annual turnover in the industry stands at around $3.5B
- The average operational profit of ‘standard’ domain names is around 60% whereas profitability margins for ‘premium’ domain names are substantially higher as there are no marginal costs tied to price
- Amazon purchased .BUY for $4.6M and owns 55 other TLDs amongst which are — .BOOK, .LIKE, .PAY, .NEW, etc. including more than 39K domain names - https://icannwiki.org/Amazon
- Google purchased .APP for $25M and owns 45 TLDs amongst which are — .ADS, .DOCS, .MAP, .PAGE, including more than 400K domain names - https://icannwiki.org/Google
- GMO Registry purchased .SHOP for $41.5M and operates several TLDs amongst which are — .TOKYO, .NAGOYA, .YOKOHAMA, including more than 900K domain names - https://icannwiki.org/GMO_Registry
- STRAAT Investments (NU DOT CO), which was chiefly funded by market-dominant Verisign, purchased .WEB for $135M. - https://icannwiki.org/.web
- The most popular new gTLD is .ICU with almost 5M registrations (mostly because of their chosen sales strategy of free or 1¢ registrations) - https://namestat.org/icu
- .COM has over 149M domain names.

.ART

APPENDIX 2

PUBLIC EMAIL SERVICES (for reference)

#	Service	Addresses*	Free*	Paid per year, $	Revenue per year, $	Market Capitalization of Parent company, B$
1	Yahoo! Mail	146 500 000	56%	49,99	3 200 000 000	236.9
2	Outlook.Com	124 300 000	36%	69,99	5 600 000 000	1 620
3	Mail.ru	90 300 000	9%		–	6.4
4	Gmail	60 200 000	11%	60,00	3 200 000 000	1 060
5	Yandex.Mail	23 600 000	2%	36,00	828 200 000	19.7
6	AOL Mail	21 200 000	44%	59,88	709 300 000	236.9
7	rambler.ru	16 000 000	60%		–	-
8	GMX	9 300 000	35%	48,00	289 400 000	7.5
9	Web.de	8 300 000	20%		–	-
10	Lycos	5 900 000	77%	19,95	26 600 000	-
	Avg.	50 600 000	35%	49,12		
	ART AUDIENCE (FREE/PAID)	**1 000 000**	**35%**	**50**	**37 500 000**	
	ART AUDIENCE (PAID)	**1 000 000**	**0%**	**50**	**50 000 000**	

Source: https://gruss.cc/files/uafmail.pdf

.ART

APPENDIX 3

HOSTING SERVICES (for reference)

#	Service	Sites count*	Market Share*	Paid per year, $ (avg.)	Approx. Revenue per year, $	Market Capitalization of Parent company, B$
1	GoDaddy	10 000 000	19,30%	115,20	1 150 000 000	13
2	Amazon Web Services	1 700 000	3,23%	36,00	60 300 000	1 600
3	1&1	1 600 000	3,19%	104,40	172 800 000	-
4	HostGator	1 200 000	2,28%	79,20	93 700 000	0.8
5	BlueHost	1 100 000	2,21%	94,92	108 900 000	0.8
6	OVH.com	1 000 000	2,02%	79,32	83 100 000	-
7	Google Cloud Platform	893 000	1,72%	36,00	32 100 000	1 060
8	Wix Hosting	861 000	1,66%	216,00	186 000 000	15.5
9	Squarespace	846 000	1,63%	315,00	266 400 000	-
	Total	19 300 000	37%	119,56		
	ART SITES COUNT	**1 000 000**		**120**	**120 000 000**	

Source: https://hostadvice.com/marketshare/

APPENDIX 4

WEBSITE BUILDERS (for reference)

#	Service	Sites count	Market Capitalization of Parent company, B$
1	Wix	110 000 000	15.5
2	Squarespace	-	-
3	Weebly	50 000 000	-
4	Duda	15 000 000	-
5	GoDaddy builder	-	13
6	WordPress	-	-
7	Shopify	800 000	128
8	BigCommerce	-	5.7

Source: https://www.cnet.com/news/best-website-builder-for-2020-squarespace-wix-and-more-compared/

APPENDIX 5: .ART BIG DATA MODEL

Note: The .ART premium names strategy is based on a unique algorithm – an exhaustive "big-data" collection and analysis approach that gathered hundreds of millions of words and word-combinations from online and static sources. This occurred over months of online data collection and included billions of q ueries. Each word combination was scored through a 14-dimensional matrix, against such criteria as word length and frequency of Google search in order to create relative values. T hese values were compared against every prior premium domain sale in the past, and, after appropriate normalization, a prospective market value was calculated for each of the poss ible domains.

.ART Big Data Model

150 million words and word combinations from 250 dynamic and static web sources were analyzed (among them: Adwords.google.com, Wordstat.yandex.ru, Wikipedia trends, Google Adwords, Encyclopedias and Dictionaries such as wikipedia.org, Britannica, World Art Directory and different research files such as Top Art Generic Names, .com and .net zone files).

- 62M+ keywords collected
- 423K+ art keywords
- 1M+ wiki categories
- 10B+ links inside DB
- 23 ranking factors
- 1,5TB+ imported data

As a result, there were identified 3.5 million art-related words and word combinations which offer value and meaning to our target audience and therefore can be uniquely priced.

3.5 million Premium names were checked against a multi-parameter matrix with 23 parameters such as:

- Frequency (i.e. how often the word is used in different sources: e.g. the article "the" is one of the most frequently used words):
  - Art-relevance (i.e. how often this word is used in combination with ART-word or in articles about ART)
  - Popularity of term or phrase in .COM, .NET .RU, etc.
- Importantly, all previous sales in other domain zones were analyzed, what names are on sale now, what prices are set and the current market trands were considered
- As a result, the algorithm identified **3.5 million Premium names** with an overall value of **$600M**
- In the out years, the inventory of **3.5M Premium names with a $30 renewal fee per year is worth = $105M per year in subscription cash.**

APPENDIX 6 — WHOIS PROTOCOL AND .ART DIGITAL TWIN

WHOIS AND DIGITAL TWIN. DESCRIPTION AND USE

The WHOIS protocol is widely used to provide information services to Internet users. While originally used to provide "white pages" services and information about registered domain names, current uses offer a broad range of information services. The protocol delivers its content in a human-readable format. Internet operators use WHOIS to identify individuals or entities responsible for the operation of a network resource on the Internet.
Over time, WHOIS has evolved to serve the need of many different stakeholders, such as domain name registrants, law enforcement agents, intellectual property and trademark owners, businesses and individuals. Stakeholders use the WHOIS service for a variety of purposes, including to:

- Determine whether a domain is available
- Diagnose registration difficulties
- Contact web administrators for resolution of technical matters associated with a domain name
- Obtain the real-world identity, business location and contact information of an online merchant or business, or generally, any organization that has an online presence
- Associate a company, organization, or individual with a domain name, and to identify the party that is operating a web or other publicly accessible service using a domain name, for commercial or other purposes
- Contact a domain name registrant for the purpose of discussing and negotiating a secondary market transaction related to a registered domain name
- Notify a domain name registrant of the registrant's obligation to maintain accurate registration information
- Contact a domain name registrant on matters related to the protection and enforcement of intellectual property rights etc.
- In this way, anyone wishing to register a domain name must provide contact and technical information for display in the WHOIS database; WHOIS data is actually a subset of the information due at the time of registration. Registrars and registries are obligated to provide access to WHOIS data through registration data publication services.

APPENDIX 6 — WHOIS PROTOCOL AND .ART DIGITAL TWIN

.ART DIGITAL TWIN DOMAIN VISUAL

WHOIS

Domain info.....

Registrant info.....

Registrar info.....

WHATIS™

Art Record.....

Art Record.....

Art Record.....

Art Record.....

Art Record.....

Art Record — Reference*

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[whois.nic.art]
Domain Name: YUGEN.ART
Registry Domain ID: D75555424-CNIC
Registrar WHOIS Server: whois.nic.art
Registrar URL: http://www.nic.art
Updated Date: 2018-09-03T11:57:03.0Z
Creation Date: 2018-08-31T15:06:43.0Z
Registry Expiry Date: 2019-08-31T23:59:59.0Z
Registrar: UK Creative Ideas Limited
Registrar IANA ID: 9999
Domain Status: ok https://icann.org/epp#ok
Registrant Organization:
Registrant State/Province:
Registrant Country: GB
Registrant Email: Please query the RDDS service of the Registrar of Record identified in this
output for information on how to contact the Registrant, Admin, or Tech contact of the queried
domain name.
Admin Email: Please query the RDDS service of the Registrar of Record identified in this output
for information on how to contact the Registrant, Admin, or Tech contact of the queried domain
name.
Tech Email: Please query the RDDS service of the Registrar of Record identified in this output for
information on how to contact the Registrant, Admin, or Tech contact of the queried domain name.
Name Server: ZARA.NS.CLOUDFLARE.COM
Name Server: LOGAN.NS.CLOUDFLARE.COM
DNSSEC: unsigned
Billing Email: Please query the RDDS service of the Registrar of Record identified in this output
for information on how to contact the Registrant, Admin, or Tech contact of the queried domain
name.
Registrar Abuse Contact Email: requests@art.art
Registrar Abuse Contact Phone: +44.1179069425
Art Record - Type of Object: a moving-image
Art Record - Materials & Techniques: digitally processed film shot on camera
Art Record - Measurements: 1920x1080 px
Art Record - Title: Yugen
Art Record - Date or Period: 2018
Art Record - Maker: Martha Fiennes
URL of the ICANN Whois Inaccuracy Complaint Form: https://www.icann.org/wicf/
>>> Last update of WHOIS database: 2019-08-19T13:57:46.0Z <<<
```

*Ethereum blockchain address – 0x40symbols(0-9a-f)

.ART

APPENDIX 7 — BLOCKCHAIN, ex. ETHEREUM NAME SYSTEM (ENS)

(regular sales will start in 2022)

Domain name as an address to Ethereum name system wallets.

ENS offers a secure & decentralized way to address resources both on and off the blockchain using simple, human-readable names. Benefits:

1. **No long addresses.** ENS eliminates the need to copy or type long addresses. With ENS, you'll be able to send money to your friend at 'aardvark.eth' instead of '0x4cbe58c50480...', interact with your favorite contract at 'mycontract.eth', or visit a Swarm-hosted site at 'swarmsite.eth'.
2. **Secure.** ENS is built on smart contracts on the Ethereum blockchain, meaning it doesn't suffer from the insecurity of the DNS system. You can be confident names you enter work the way their owner intended.
3. **Truly distributed.** ENS operates in a distributed fashion for both its infrastructure and governance. Anyone can register a .eth domain name for themselves by participating in an auction process, mediated by the blockchain.

TLDs that supports ENS and start of ENS domains registrations.

- .XYZ – September 2018
- .LUXE – November 2018
- .ART – October 2019

What’s the benefit of pairing a domain name with an Ethereum wallet?

- You can now use your domain name as an identifier for your wallet. So, for example, you could use your domain OurARTwallet.art to reference your wallet instead of a standard wallet address like 0xf7004095d2d81fe3b5937241c106aace6d6e8e4a.
- Your wallet can take advantage of the power of the DNS when paired to your domain.
- Your domain has increased security options like DNSSEC, WHOIS privacy protection, and registrar/registry lock, adding even more security on top of your precious assets.

.ART – Pairing of domain name with ENS-enabled wallet.

Step 1: Register a .ART domain name at ip.art

Step 2: Associate the domain name to an existing 42-character Ethereum identifier filling a special field ‘Ethereum blockchain address’.

.ART ENS Enabled Registrars

.ART Digital Twin certificates registration is launched at ip.art with backend at Alibaba Cloud. Deployment at any capacity is possible.

.ART

APPENDIX 8. .ART DIGITAL TWIN

NUMBER OF ART AND CULTURE OBJECTS IN THE WORLD (for reference) – NEEDS ASSESSMENT

The approximate number of art objects owned & produced was estimated, as a result of an analysis of the number of professional artists, amateurs and museums. We concluded, at the end of 2018 there are:

- 55,000 museums in which about 1 billion items are stored
- 4.3 million professionals (according to Deloitte Tax & Consulting) who have now created about 90 million works
- 48 million amateurs (information about the number of DeviantArt live accounts and the number of works posted was used for the analysis, which at the end of 2018 was equal to 790 million images).

Taking into account only these statistics of the world of art, it can be concluded that the number of objects of cultural heritage in 2018 is at least **1.8M objects** in the physical and digital space, with a value estimated at **$10,200B** (estimated based on the report Hiscox online art trade report 2018).
The market size has increased by more than 2 times over the past 15 years. In 2003, it was about $ 4,300B(taking the number of artists & works growth rates into account). If the growth rate remains the same, it will be increased in value up to $ 20,180B with 3.8B objects.

		2003	2018	2025
Professionals	pers.	3 700 000	4 300 000	4 600 000
Amateurs	pers.	12 400 000	48 000 000	90 400 000
Museums	org.	40 000	55 000	64 000
Objects in Museums	items	726 500 000	1 000 000 000	1 100 000 000
Amateur art works	items	75 000 000	790 000 000	2 400 000 000
Professional art works	items	8 500 000	90 000 000	300 000 000
Total		**810 000 000**	**1 880 000 000**	**3 800 000 000**

APPENDIX 9

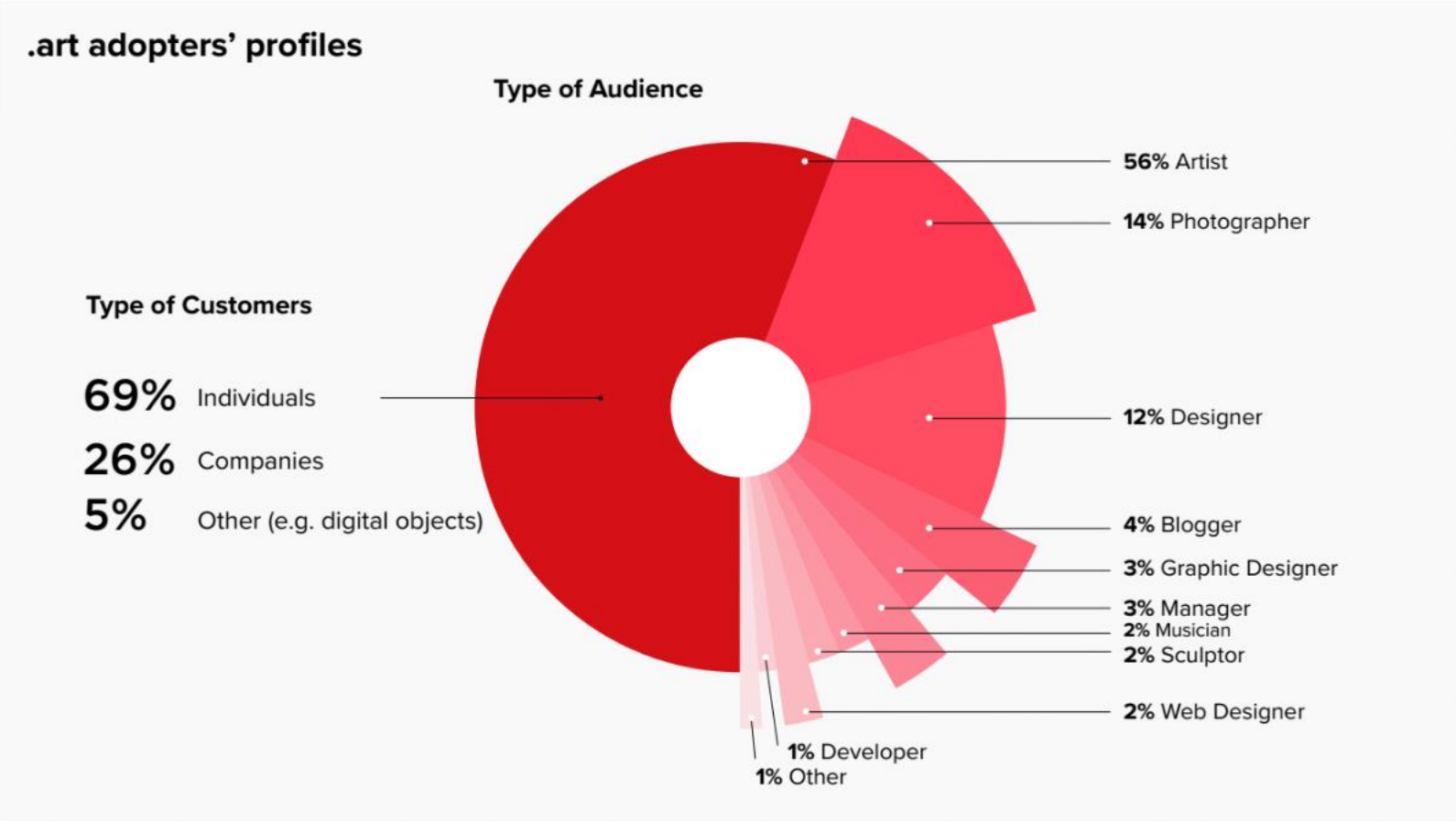
CULTURAL AND CREATIVE INDUSTRIES (CCI) (for reference)

CCI sectors	Revenues (US$B)	Employment (number of jobs)
Television	477	3 500 000
Visual arts	391	6 700 000
Newspapers and magazines	354	2 900 000
Advertising	285	1 900 000
Architecture	222	1 600 000
Books	143	3 600 000
Performing arts	127	3 500 000
Gaming	99	600 000
Movies	77	2 500 000
Music	65	4 000 000
Radio	46	500 000
Total (before removing double-counting)	**2 285**	**31 500 000**
Total (minus double-counting)	**2 253**	**29 500 000**

Source: Cultural times: the first global map of cultural and creative industries, EY, 2015

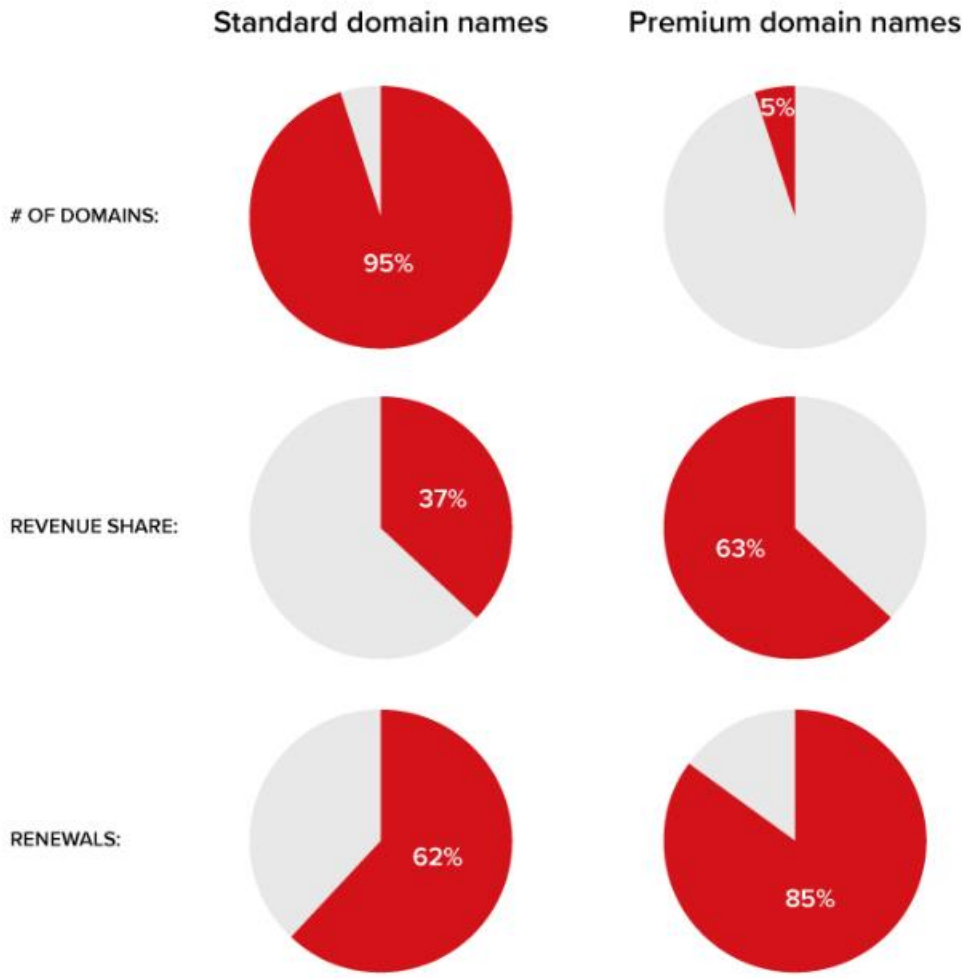
APPENDIX 10

.ART ADOPTERS



APPENDIX 11

.ART STANDARD AND PREMIUM DOMAINS



APPENDIX 12. STREAMING ART

Art consumption is currently divided into two clear-cut strata, where one is low-cost sales under 50$, while the other is auction and private sales with millions in turnaround. Between is a huge gap and a potential audience, which consists of younger generations of millennials and the Generation Z. Recent research on the generation of millennials (born between 1980 and 1996) shows the replacement of material objects consumption by non-material, educational patterns. The study claims that millennials, who are currently economically active and whose role in the economy will only increase, not only value impressions and experience higher than things, but spend more and more time and money on obtaining them. By extension we know that the coming generations will be a lot less likely to invest in expensive art, the same as they don’t have the habit of buying expensive property – and yet they rent it for the experience. Similarly, the relation of the new generations with art industries where choice between owning and streaming is readily available speaks for itself. During the first half of 2018, sales of song downloads dropped 27.4% to 223.1 million, from 307.2 million during the same period in 2017. Meanwhile, streams surged to 403.4 billion during the six-month period, a jump of 41.6%. Moreover, in April 2018 music streaming overtook physical sales (CDs and records) for the first time in history. Easier streaming services have also put a dent in illegal downloading, gradually shrinking the percentage of pirated music. According to YouGov's 2018 Music Report, 10% of people in the UK used illegal downloads, down from 18% in 2013. A further 22% of them are not planning to be doing so in a five years’ time. While backdoors like LimeWire and torrents are still available, they are losing their popularity due to technological and ideological transition in the music industry, which provides a legal solution with strikes the right balance between accessibility, simplicity and price.

So, what do we have? On the one hand, a generation eager to consume the experience of art materially more than its predecessors. On the other, the example of creative industries that have already gone through the transition from often elitist, mostly physical and widely illegal ownership to streaming of digital versions widely available to all for very little money.

A recent David Hockney exhibition at the Met represented his work across all media, including painting, drawing, photography – and his digital art, which was shown on three big screens that constantly had a crowd hovering due to not being static. The benefit of it being digital lies not only in entertainment, but in the way it can be accessed and distributed. What does this imply for the future? That with the right framework, one would be able to rent David Hockney’s digital work from his website – to be able to show it at a private gathering, a party, or a small exhibition. The same framework will allow art to become a section on your Apple TV menu, which will allow users to stream artwork not just as a digital copy, but in a legal agreement with the artwork’s owner, be it the author or his curating gallery.

While we are talking about the same transition the music industry has already realized, the art world is still missing the necessary instruments and infrastructure. In order to facilitate a quick transition such instruments ought to be based on a well-established technology to which the world is already accustomed to, thus having very low psychological and financial barriers of entry. .ART offers .Art Digital Twin, a solution based on DNS, which is essentially the foundation of the Internet itself, with a decades long history and a consensus of 7 billion people around it. Eventually, .Art Digital Twin can become an ecosystem for various tech solutions and services for marketing and distribution, enabling commercial exploitation of digital art.

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