

Vassily Kandinsky, *Composition 8*



# Whitepaper

January, 2019

# Executive summary

Arteïa is an independent Swiss-based company that provides a professional cataloging system for Fine Art Collectors in a SaaS model. Arteïa has already developed an application, launched in October 2018 and adopted by a wide range of customers. The Company has raised over 3 M\$ in seed capital, has been selected by KPMG Luxembourg fintech incubator, The KHUBE, and is a member of Luxembourg's based Fintech Innovation Hub, The LHoFT. Arteïa's team gathers long-term specialists in Art, Finance, and Entrepreneurship, and is working with well-recognized advisors and business partners.

The art market is one of the last vastly unregulated markets still barely touched by the digital revolution. Art is a very profitable asset class, and art sales have been booming in the past years in part due to the gradual introduction of online sales and online-only auctions. However, this market suffers from three main problems: the lack of transparency, liquidity and provenance. Data is centralized and hard to obtain, reselling artworks is a difficult process complicated by the scarcity of information about the existence, authenticity and history of artworks.

The nature of these problems paves the way for blockchain technology to make a critical and long-lasting impact on the industry by bringing more trust and liquidity to the art market, therefore allowing new entrants to expand.

Arteïa aims to develop innovative decentralized peer-to-peer services for artists, collectors, and professionals of the fine art ecosystem, forming a comprehensive platform that serves the needs of all players in the art market.

The platform will enable matching between the various actors of the art ecosystem, and create an immutable provenance tracker and a peer-to-peer lending platform. ARTK tokens will be the fuel for smart contracts running on the platform, while peer-to-peer transactions will be mediated in a pseudonymous manner and allow for use of popular cryptocurrencies such as ethers. This solution will help bring much-needed transparency and liquidity to the art market and reduce transaction fees.

To accelerate its development Arteïa is launching a sale for its token, ARTK, which will act as a utility token on its future platform. The funds raised will be used for the development of our solution, marketing operations, new partnerships and team expansion.

We believe technology brings value, transparency, and efficiency to the art market. It will aggregate some existing and new innovative solutions into a complete platform allowing users to work efficiently within this fast-evolving ecosystem. In this way, Arteïa puts the relationship between collectors and artists at the heart of the art market.

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# The Art Market

*“The global online art and antiques market was estimated to have reached a new high of \$5.4 billion in 2017, up 10% year-on-year and accounting for 8% of the value of global sales” (Art Basel & UBS)*

Art trade is one of the most important components of the art market. There were 39 million sales reported in 2017, amounting to \$63.7 billion, up 12% from 2016 [1]. Of that total amount, 83% were sold in only three markets: the US, China and the UK.

The online art and antiques market is one of the fastest-growing segments in the industry, having reached a new high of \$5.4 billion in 2017, up 10% year-on-year and accounting for 8% of the value of global sales [1]. This growth is driven by all the actors in the art market. 64% of dealers sell online while 16% plan to do so soon [3]. Interestingly, 56% of the online sales generated by dealers in 2016 were made to new clients that had never been to their gallery or met them in person [2]. Similarly, 41% of those buying online at second-tier auction houses were new buyers; in top-tier houses, they averaged over 40% [1].

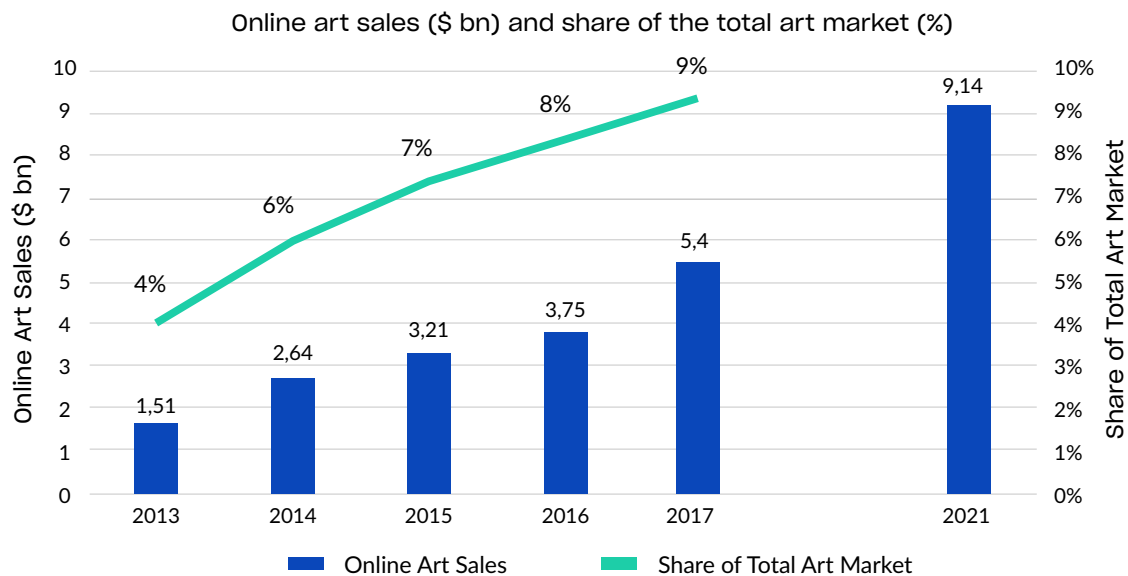
*“Over the past decade, the art industry has seen a growth rate of 212% and is also quickly becoming an asset class to be reckoned with” (Forbes)*

Traditional auction houses also made the shift towards online sales. The biggest actors of this type have increased their online sales in 2016: Sotheby's – 19%, Christie's – 34%, Auction House – 1.3%. Those three companies combined online sales of around \$700 million in that year [2]. This increase resulted in part from the possibility to bid online, but also due to the strong growth of online-only auctions – for instance, Christie's increased this type of auction by 84% in 2016 [2].

However, hesitant art buyers remain unconvinced about buying online – the online conversion rate remains static, but existing online art buyers have been increasing the quantities purchased. Nevertheless, online sales are dominated by pieces priced below \$5,000 [2]. The main concerns brought by hesitant art buyers are the lack of physical inspection, worries about the work's condition, authenticity and the seller's reputation.

Art trade is principally conducted by auction houses, dealers, and galleries, while direct sale from artists remains marginal. Art dealers and galleries form the fabric of the art trade, but some trade goes unreported due to the small size of most of those sellers. At the higher priced end of the market profitable private dealers operate as “arts establishments”. Some of the biggest actors in the art market include auction houses: Christie's and Sotheby's [3].





It is estimated that there are about 600,000 mid to high-level collectors worldwide, half of which own more than 500 pieces [4]. Additionally, OTC art collectors represent more than 40 million households buying 3-4 pieces per year [12]. In the US alone, 35% of High Net Worth Individuals (HNWI) were active in the art and collectibles market in the last two years, while an estimated 1.1 million of them purchased works of art or antiques in that period [9].

The size of collections and collector's other activities often require them to turn to third parties to help them with their management. Seeking third-party help is usually done by family offices, wealth managers or private banks. However, only 61% of family offices and 13% of private banks acknowledge that their clients maintain an updated inventory of their collection [4]. This shows that many art collectors are not fully aware of what they have in their possession and lack critical information about their own artworks. That is why most art collectors ask for additional help with art-related issues [4]. This help is usually linked with the main feature of the art market: trade.

*“One sector seems firmly resistant to the convenience of the click: the buying and selling of fine art” (NY Times)*

# Market Imperfections

The art market is a very conservative one that has shown little evolution over the centuries. Several aspects create difficulties for new collectors or investors that mostly come down to the following four issues: the lack of transparency, counterfeiting, liquidity and the need for a trusted environment.

## Lack of Transparency

A limited number of main actors own most of the market's data. This is especially true relating to price information as it is only available through public auction sales. Price setting mechanisms are mostly opaque and hard to comprehend from an external point of view. Similarly, being able to spot an emerging artist is often restricted to a few well-introduced figures in the market. Exclusivity granted to the gallerist, and their efforts to create scarcity and hype around "their" artists leaves a large chunk of the art market oblivious to the rationale behind price setting mechanisms.

## Counterfeiting

Artworks' value resides in their uniqueness and authenticity or carefully controlled editions. As artwork prices rise, forgery becomes more and more profitable. Forged art has become a major problem in recent years, with experts saying as much as half of the art pieces on the international market could be fake [5]. Unsuspecting collectors end up paying vast amounts of money on counterfeited pieces.

Verifying the authenticity of an artwork is extremely hard and is rarely 100% accurate. The sector relies on experts whose knowledge can help attribute an artwork to a certain artist or on forensic analysis to verify whether the piece was crafted at a certain period. Unfortunately, these methods present some limitations and a margin of error. The safest approach is to have a certificate of authenticity (CoA) from the artist linked to the artwork. However, many artworks, especially those of deceased artists, do not have any CoA or may have a fake one.

## Liquidity

It is a natural concern for any investor allocating capital in art to consider its relative illiquidity when compared to most other traditional financial vehicles. Art is an illiquid asset because selling an artwork is not an immediate process regardless of the type of mechanism used. Dealers, auction houses, and galleries usually incur complex processes to complete a transaction. Purchase and resale fees can be so high that an investor needs to wait several years before reselling just to recoup their initial investment. Furthermore, the market rarely appreciates when an artwork reappears in the secondary market too quickly as it can be perceived as opportunistic ('flipping' an artwork runs the risk of tarnishing the collector's reputation, hence their future ability to access prime artworks).

Another issue linked to liquidity is the high rate of late and cancelled payments. This is an important problem in certain sectors and segments of the market, leading to cashflow problems for smaller businesses that cannot absorb the risks. In the primary market it also has a deflecting impact on artists, who are usually paid at the very end of the chain. This problem is particularly visible on the Chinese market where the non-payment rate at auctions reached 49% by June 2017 [1].

Sales figures of art surveys shows that 25 artists' works concentrate nearly 50% of auction sales value worldwide. This greatly illustrates the inefficiency of the market.

## Trust / Friction

Trust plays a key role in the art market due to information discrepancies between actors. On one hand, the buyer needs to trust that the seller is providing them with a genuine work of art at a fair price. On the other hand, the seller trusts that he will receive the money for the sold piece. As transactions usually happen between individuals who have no prior connection, thus no basis for trust, they require a third party into the bargain. Individuals do not have to trust each other anymore; it is sufficient that they both trust the third party – most often an auction house, a dealer or a gallery. These intermediaries perform more functions: artist promotion, valuation, expertise, transaction handling, authentication, media coverage, etc. Unfortunately, it has occurred many times that these supposedly trustful intermediaries did not play fair with their customers, as several lawsuits attest [11].

Another service very much looked-for in the art market is that of the assurance of anonymity. Prices for each artwork can vary greatly and are somehow arbitrarily set. Knowing the identity of the buyer can prompt the seller to set a price that is based not only on the value of the artwork, but also on information on the buyer. To avoid overpaying or simply not to let anyone know who bought or sold a piece of art, actors in the art market sometimes require anonymity which can be obtained using trusted intermediaries. The creation of a trusted environment and additional services offered by intermediaries bring many additional costs to the transaction; costs that can reach up to 50% of the sale price.

*“Much of the best art never produces monetary gain, either for the artist or those who promote them, because corporations take the bulk of profits.” (Forbes)*

## Our Solution

In October 2018, Arteia introduced a SaaS solution for collectors, providing them with a cataloging application to manage their artworks and other collectibles. This solution is already used by artists, collectors and institutions alike, with more than 30 000 artworks already onboarded. It will become the foundation for a decentralized platform allowing the actors within the art ecosystem to interact more efficiently and access a range of distributed services:

- Artists and collectors will primarily use our Arteia Collect solution to manage their artworks;
- Dealers, galleries, auction houses, art experts, art foundations, museums, but also art shippers, storage companies, insurers, private bankers, family offices and other professionals will have access to the platform to interact and offer their services to other users.

Blockchain technology can solve several challenges related to the art market. The two biggest ones being the inefficient handling of provenance records and a non-deterministic delay in processing payments.

Arteia plans to develop an artwork provenance tracker leveraging blockchain technology to create an immutable, shared registry of the artwork lifecycle. This digital ledger, secured by state-of-the-art modern cryptography, will serve as a tool to help assert the authenticity of an artwork and help to establish the value of the piece. Dealing with artworks with a verifiable digital identity will also bring about higher trust in the platform. Furthermore, this will enable the creation of immutable digital “catalogues raisonnés” listing all artworks attributed to a given artist.

This provenance tracker is enhanced by two additional services run using smart contracts: matching and lending. Matching pseudonymously puts two users in contact over a predefined set of interests. This allows peer-to-peer transactions between collectors using popular cryptocurrencies such as ethers or bitcoins. Once the transaction occurs, it will automatically update the provenance tracker. Lending works similarly, as it is used to lend artworks for exhibitions or other types of events, automatically updating provenance.

So far trust has always been achieved through intermediaries which acted as guarantees for a successful transaction process. However, some of those physical intermediaries can be replaced by a protocol that can be trusted due to its decentralized verification. Smart contracts deployed on the blockchain can perform that role by enabling transactions only when a set of conditions are met. These contracts act as agreements between two or multiple parties, based on declarative logic. Therefore, trust is delegated to the cryptographic consensus-driven protocol which creates an intrinsically secure environment for the exchange of value. This environment has means to be further enhanced by implementing reputation systems which would disincentivize malicious actors.

Pairing a provenance tracker with matching and lending brings considerable benefits to the whole art ecosystem. Leveraging smart contracts facilitates transactions between peers, enhances the privacy of parties involved and allows artists to benefit from *droits de suite* – improving overall liquidity in the market.

## Why Blockchain?

Blockchain is made of data nodes connected with each other in one dispersed network. It is decentralized, which means that nodes operate on the same-shared state to accomplish goals, rather than under the influence of a centralized ordering influence. It's also distributed, as nodes communicate and coordinate their actions by passing messages. Due to its decentralized and distributed nature, it lacks sensitive points, providing exceptional security and integrity of data.

The technology has the potential to revolutionize the art market. Previously, parties involved in a transaction had to trust each other to make sure the traded piece was authentic. The transaction was often facilitated by a third-party. However, once the identity of an artwork is created on the blockchain, trust between the parties is no longer needed as it will be replaced by trust in the immutability of blockchain history.

Arteia's range of decentralized services relies on provenance to provide a trusted environment to its users by keeping an ownership track of the artworks being used in the system. Being able to trace the history of artworks in the system gives users confidence in the existence and value of the piece they are consulting. Each interaction between users of the platform is enabled by the ARTK token, making it an indispensable part of our solution.

Initially, Arteia aims to release its set of decentralised services as a prototype on the Ethereum blockchain. The end goal of the project is to deliver a permissioned blockchain network with established art industry leaders as members. This will enhance the quality of provenance records and create a one-of-a-kind, reliable ecosystem for the art market.

## Permissioned Blockchain

Further down the line, Arteia's strategy is to migrate to a permissioned blockchain as a basis for its decentralized platform. To provide a secure, working environment for provenance and other types of transactions, we consider opting for a proof-of-authority consensus mechanism. Arteia would then create a network of nodes with art ecosystem partners willing to participate in this project and bring transparency to the fine art ecosystem (insurers, audit companies, art foundations, professionals, etc.). Those partners should then be able to benefit from such an open solution. Part of the data stored on the blockchain should be encrypted to ensure the anonymity of the platform's users. Users will need to apply to a basic KYC for using our SaaS platform, and a full KYC before being able to make any transactions involving money or ownership transfer. Interactions



on the platform between users might be further helped by a reputation system to ensure further confidence and trust in other parties. In parallel, Arteia is working on means to link the digital signature to the artwork.

## Arteia Collect: Collection Management

Arteia Collect is an already working platform for collection management, available as a web application, supported by a mobile app to offer full versatility for users. The application is a state-of-the-art tool for collection management providing various functionalities offered by high-end competitors at an affordable price. The application is aimed not only at large collectors but also at artists, museums, galleries and newly-starting collectors thanks to its highly customizable interface. This results in one application to suit the needs of all the actors of the art world.

Arteia Collect combines several features related to the management of collectibles.

- Its inventory management interface enables users to have a clean and precise look into the state of their collection. Users can choose from a variety of editing options to manage information related to their artworks – description, dimensions, location, literature, pictures, etc. The variety of information fields and their customizable nature allows the platform to fit the needs of a wide range of users.
- A highly developed event management tool enables users to record all the history of their artworks: acquisition, exhibitions, loans, conservation, valuation or insurance.
- Users have access to a complete financial dashboard of their collection, such as the collection's value over time, the amount invested per artist, sale revenues or expiring insurances.
- Users can share their passion with friends, clients, colleagues or the wider public. The application lets them create online viewing rooms to exhibit their artworks. Users choose between a public website or a password-encrypted version to ensure the highest level of security.
- Users can create, edit and print a range of reports such as location reports, inventory sheets, stock sheets or catalogues.
- The platform offers full flexibility being accessible from a laptop, tablet or a smartphone.

Arteia Collect, publicly released in October 2018, has already attracted several well-known collectors as well as the attention of the art world. A number of the largest European art collectors and foundations are using the platform, along with representatives from the art insurance sector. The already-functioning application serves as a basis for additional services using blockchain technology.

## Provenance

In the art market, provenance is a term used to define the historical record of ownership of a work of art. It represents not only the economic and market conditions governing the sale or transfer of the artwork, but also a record of changing tastes and collecting purposes. Most importantly it helps establish the current value of the art piece by providing information about the events that shaped its lifetime. A complete and reliable provenance record can be used to certify the authenticity of a work of art by having better insights on its lifecycle.

Provenance remains a major issue in the art market. Most artworks lack a clear chain of ownership, making it complicated to establish whether the piece has not been tampered with. We believe that we can offer the best tool for providing trustworthy, sensitive information about artworks.

The aim is to create a comprehensive provenance database of works of fine art. The blockchain holds a record of all the important events related to an artwork's lifetime: changes of ownership, participation in exhibitions, any literature mentioning the piece, etc. This data has a significant impact on value but is often dispersed, missing or hard to obtain.

In order to create a reliable provenance database, Arteïa focuses on the most trustworthy source of information there is: the artists. We want to provide each artist with an opportunity to create his or her own catalogue raisonné on the blockchain, regrouping the totality of his work, as well as proving ownership and authenticity of artworks for each creator. This would not be limited to living artists, but also to deceased ones whose legacy is carried on by various foundations or estates. These foundations are in charge of certifying the authenticity of the artist's works.

Every user is able to provide additional provenance information, which will be verified by selected validators who will be able to hide incorrect submissions and disincentivize users from submitting them. Once an artwork has been recorded on the ledger, its future changes of ownership will be traceable, providing it with an ongoing and unalterable provenance record.

Ownership changes are anonymous by default in order to protect the identity of the parties, but users can choose to reveal their identity to improve the quality of the provenance record. The possibility to anonymously enter data should attract wary collectors and incentivize them to contribute.

## Raisonline with Cahiers d'Art Digital

In October 2018 Arteïa joined forces with Cahiers d'Art, the celebrated publishers of catalogues raisonnés by Pablo Picasso, Ellsworth Kelly and soon Frank Gehry, to create a new standard for the creation of digital catalogues raisonnés embedded on the blockchain. A number of renowned artists, such as Adel Abdessemed, have already expressed interest into creating their own catalogue using Raisonline.

This is the first solution of this type available on the market and it benefits from the premium content and art expertise of Cahiers d'Art combined with the technological edge of Arteïa. The quality, renown and prestige of Cahiers d'Art is a magnet for eminent artists and institutions to follow this new standard.



## Service for artists

Arteia aims to become the preferred platform not only for collectors, but for artists too, providing them with key tools to help them with their creations. The first step, on which Arteia is currently working, is to offer a special cataloguing solution, based on Arteia Collect, tailor-made for artists. It will support artists with the planning and management of their work. Later, we will offer a tool for each artist to create their own Arteia catalogue raisonné to keep a record of all the certified artworks created by a given artist.

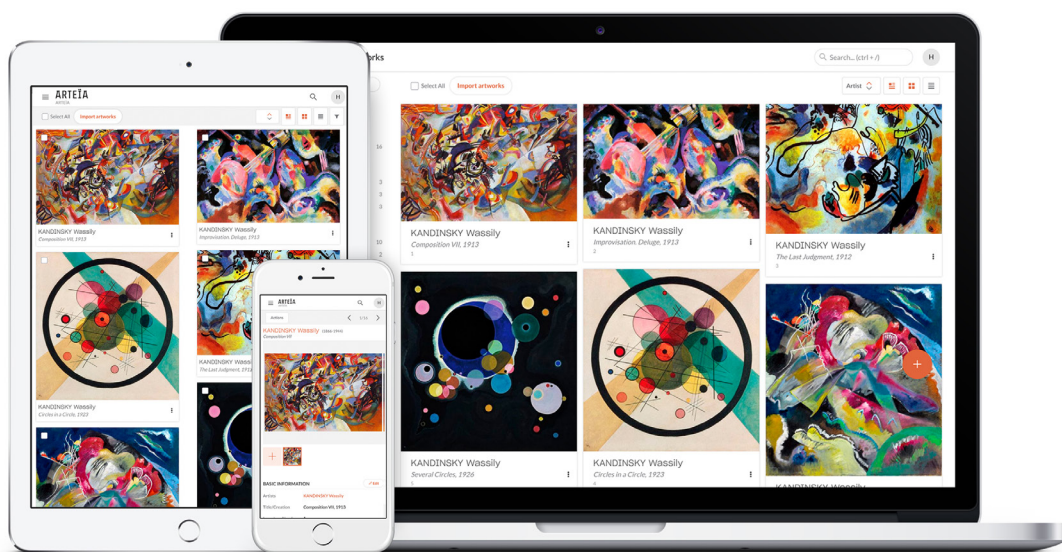
## Matching

The illiquidity of art comes from the many hurdles existing on the way to monetizing an artwork. Multiple intermediaries and commissions make it nearly impossible to quickly sell an art piece. Intermediaries justify these fees by the need for their expertise to appraise the artwork, promote it and find possible buyers. However, a matching system where prospective buyers and sellers can meet directly and pseudonymously could greatly optimize this process. This will ensure collectors and artists have better control over their pieces while reducing the costs linked to using a physical intermediary. Fewer intermediaries and easier online promotion will greatly increase the liquidity in the art market. This matching platform will not only benefit collectors but also help artists gain recognition and allow them to promote their art themselves.

Artworks registered on the provenance tracker enable the biggest added-value brought by the platform to its users – the ability to access the history of the artworks they are viewing in the system. Pairing a matching system with provenance allows users to better assess the value of the artwork displayed.

Arteia aims to create a safe environment where prospective buyers and sellers of artworks can match with each other. This will allow both parties to pseudonymously agree on the details of a transaction thanks to smart contracts which will provide a secure and trusted environment. The ARTK token will be necessary to facilitate access to the matching functionality available on the platform.

Thanks to matching, art collectors will be able to easily find people interested in their artworks without incurring excessive fees and a lengthy sale process. This decentralized service brings a variety of new works to the art market, instantly tapping into the resources of each collector.





## Online Showcases

Showcasing, or online exhibitions, is another service that is provided by the platform. Users can create online viewing rooms where they reveal some of their artworks to a private audience or a larger public. Using this tool, any collector can also become a curator and share their passion with others.

This functionality is useful not only for users who just want to share what they own. Artists will also benefit from it as they will be able to promote their work to users that are genuinely interested in art. This will bring them recognition and add value to their artworks, while new talents may be discovered in this way. Most of those showcases will be limited in time. However, some users might be willing to maintain a permanent showroom, up to date with the state of their collection. This holds true for galleries, art foundations or museums. This use can thusly benefit all the actors of the art ecosystem.

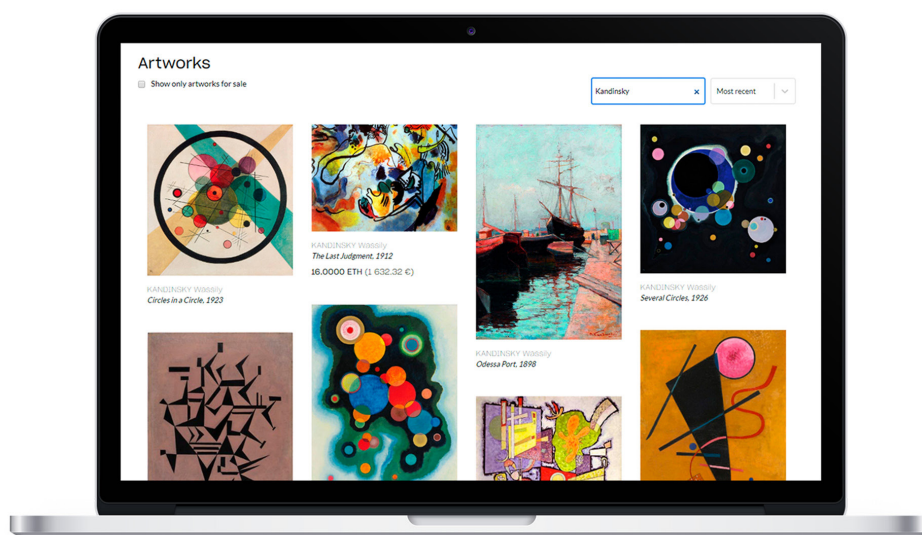
Arteia public showcases: <https://albums.arteia.com>

## Lending

A provenance record of artworks is also the basis for a lending use case, where collectors can lend their artworks for exhibitions. This provides a huge opportunity for museum curators all over the world as it enables them to create completely new exhibitions with artworks never seen before in public.

Event or exhibition curators issue a “call for artworks” on the platform with details about the event. Collectors interested in the renting or lending of their privately-owned pieces can then get in touch with curators and have their artworks exhibited. This offers an easy tool for curators to organize original exhibitions by contacting collectors directly and making sure the artworks submitted for the event are verified on the blockchain.

Curators will have access to an immense pool of new, verified artworks to be exhibited, while other actors can receive significant benefits too. Artists will be able to gain visibility, collectors be able to protect their pseudonymity and increase the value of their artworks by exhibiting them in museums, and the general public to enjoy artworks never exhibited before.



## Ecosystem

Arteia's ecosystem will gain reliability and credibility with each new adopter from the art market joining it. That is why several specificities have been set up to encourage people to use our innovative solution.

The partnership with Cahiers d'Art puts Arteia at the forefront of a new niche: digital catalogues raisonnés. The premium content of Cahiers d'Art, along with its numerous connections in the art world will act as a magnet for artists and their estates to join a new standard. This will be further enhanced by the possibility for artists of getting rewards for each reading of the provenance of their artworks – providing them with an additional revenue source.

On the other hand, the matching and lending platform will be catering for the needs of a wide variety of actors. Attracting those who are interested in transactions involving artworks as well as providing an ecosystem for collectors to get rewarded for loaning their pieces to exhibitions.

The main actors to benefit from this platform are artists, as they could receive a portion of all the future sales of their works. For instance, artists who track their works on Arteia will be able to claim a fee on all the future sales of their artwork (*droit de suite*). It will also allow them to reduce the risk from counterfeits, having a secure platform to monetize their work.

All these aspects are additionally enhanced by the support of showcases. Those will attract an additional public to the platform, increasing interactions and the value of the art presented in the ecosystem.

## KYC Process

Users willing to take part in interactions in Arteia's ecosystem will need to go through various KYC/AML checks depending on the degree of their involvement. This will ensure that any fraud or abuse could be punishable and provide greater confidence between parties when conducting a transaction.

For simple blockchain interactions such as subscription, provenance reading, showcase publishing or receiving showcase rewards, users will simply have to go through a wallet address verification, requiring to send a signed transaction.

For users who wish to use more advanced services on our platform (provenance changes, matching and lending), an additional step of KYC/AML would be required to provide additional security against fraudulent activities. For exhibition curators, a different procedure will be introduced to ensure that they really represent a cultural organization.



# Use Cases

## 1. Subscription

Arteia Collect is a subscription-based SaaS art collection management system. Users will pay a monthly or yearly subscription to join the platform, build their portfolio and manage their art collection. The service can be covered monthly or yearly with ARTK tokens (a valid wallet and email address is required). For users who do not want to use blockchain functionalities, an option to subscribe for fiat is also available.

## 2. Provenance

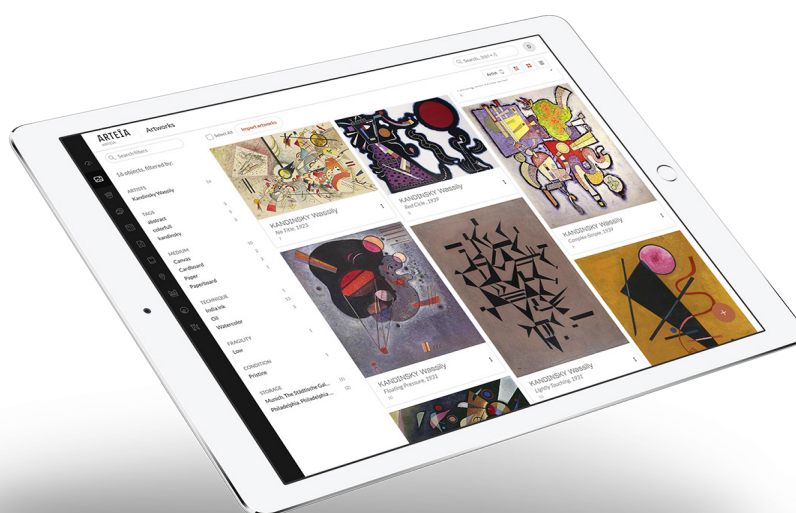
### 2.1. Adding provenance details

The solution supports adding provenance details about the artworks by the users. This requires additional checks in place to mitigate the possibility of false information being introduced to the system. These checks are carried by selected validators as a post-moderation and managed autonomously through smart contracts. This process will look as follows:

1. A collector submits a new entry to the provenance tracker;
2. The entry is validated and moderated on the smart contract level;
3. In case of the data being flagged as incorrect, it is excluded from the registry.

### 2.2. Consulting provenance

Anyone can see which artworks are featured in the provenance database, along with basic information about them. However, to access more detailed information, such as ownership changes, exhibition history or any other information that the entry creator deemed valuable, they might need to submit a request to read that data. The consultation cost is covered with ARTK tokens. This could also provide a reward scheme for the creators of provenance entries, as future developments will allow for a part of the fee to be redirected to them.



### 3. Matching

Arteia aims to become the first platform to create a safe environment where prospective buyers and sellers of artworks can pseudonymously match with each other. This will allow both parties to agree on the details of a transaction in a secure and trusted environment provided by smart contracts, powered by the ARTK token. Transactions will take place outside of Arteia, directly between parties involved.

Thanks to matching, art collectors will be able to easily find people interested in their artworks without incurring excessive fees and a lengthy sale process. The peer-to-peer matching can also bring a variety of new works to the art market, tapping into the resources of each collector.

The matching platform will draw information from the provenance tracker for those artworks that are registered there. It will provide more confidence to users about the authenticity and value of the artworks they are seeing in the system. Once a change of ownership is acted, the provenance database will be automatically updated (or a new entry will be created if it didn't exist before) to certify the history of the artwork.

In order to publish a listing, the owner of an artwork will need to undergo advanced KYC checks. Once those are done, the matching process will look as follows:

1. The owner of the artwork will deposit a fixed token fee to trigger the smart contract putting his piece on the matching platform. Note that this deposit will be refunded if the offer is cancelled.
2. The owner of the artwork decides about details and specifics of the transaction when creating the listing.
3. Interested people can then match with the listing creator by paying a matching fee in ARTK.
4. If both parties agree on it, the provenance database is later updated with the change of ownership.

### 4. Lending

*"Lending your art to a museum or gallery has many positives. You get to share your passion and art collection with the community, increase your contacts in the art world, and may even be eligible for a tax break. It's also a great way to keep your art safe and cared for, if you no longer have room on your walls" [10]*

Some private collectors are willing to lend artworks but have no idea who to contact to do so. This willingness often stems from the fact that exhibited artworks gain visibility and value. On the other hand, museums and curators have trouble getting access to privately owned art pieces. That is why Arteia will be providing a system to link exhibition organizers with those who own artworks.

The lending process will work as follows:

1. The organizer of the exhibition sets up a listing with details about the upcoming exhibition by depositing ARTK to a smart contract;
2. Users interested to lend their artworks pseudonymously send information about their artworks to the event organizer;
3. The organizer approves selected art pieces and finalize details of the lease with owners;
4. When the exhibition takes place, owners of artworks featured are rewarded from the ARTK deposit made by the organizer;
5. Featured artworks get updated with details about the exhibition in the provenance database.

## 5. Showcase

Users of the platform will be able to create both public and private showcases to display the artworks they own. This will enable them to gain recognition and share their passion for art. Showcases can also be a tool for collectors or galleries to expose artworks they are willing to sell or trade, thus attracting a greater number of potential clients. Users will be able to create public (visible for anyone) and private (restricted viewers only) showcases.

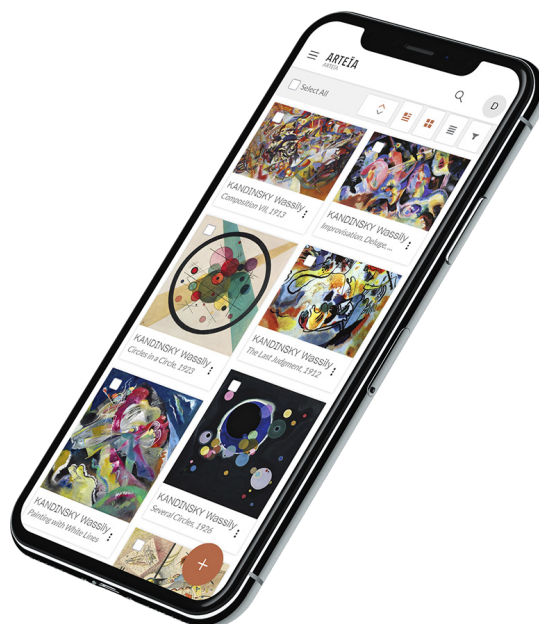
### 5.1. Public Showcase

Each month, a pool of ARTK tokens will be devoted to reward creators of the most popular showcases of the month. This works as an incentive for the creation of meaningful and user-engaging content on the platform, leading to greater traffic and the democratization of the access to art.

- A user of Arteia Collect wants to create a virtual showroom to display some of the artworks they own. They decide that anyone can view this virtual showroom.
- This adds value to our ecosystem; therefore, Arteia wants to incentivize these users.
- The most popular showcases will see their creators rewarded from a monthly ARTK token pool. This will serve as an incentive for sharing data on the platform, therefore creating transparency and value.

### 5.2. Private Showcase

- A user of Arteia Collect wants to create a virtual showroom to display some of the artworks they own. They want only a few selected people to be able to access this virtual showroom.
- Each user will have a limited number of private showcases available, to increase that limit, he will need to spend ARTK tokens.
- On the SaaS platform, the user first creates an album of the artworks they wish to share, selects who could access it and activates the showcase.
- Arteia creates a temporary website displaying this album. This temporary website is encrypted and access is only granted to the people authorized by the creator.



# Market Fit

Blockchain technology found itself a great niche in the art market, by providing much-needed provenance to a market that has always been fighting with illegal trade, stolen goods, and counterfeit works. Blockchain provides an immutable ledger, recording the owners of an artwork and other events related to it. This technology addresses the traditional problems the art world has been facing for centuries. Although many companies aim at serving the needs of the art market, no-one provides a comprehensive platform that captures all the essential services in one place. Existing blockchain solutions either focus on a pure provenance approach, on art securitisation or art trade over the blockchain. Arteia's goal is to become an integrated, comprehensive platform for the whole art ecosystem. We will redefine collection management services, a peer-to-peer marketplace, a lending service, online showcasing, a peer-to-peer network and a provenance module into a platform easily accessible by anyone. Therefore, Arteia will be the first platform regrouping all the services needed by actors in the art ecosystem, addressing numerous market imperfections and putting collectors at the heart of the market.

## Token Sale Details

To help get resources and allow users to make full use of its blockchain services, Arteia will conduct a token sale in 2019. Arteia will create an ERC20 token (ARTK) on the Ethereum platform that will be offered during the sale.

### Sale Terms

The total pool of tokens is fixed at 400,000,000 (four hundred million) ARTK. In aggregate, all publicly available rounds will amount to 50% of total minted tokens. With the pre-sale amounting to 35% of the tokens (140,000,000 ARTK – one hundred and forty million) and the main sale will amount to 15% of the total minted tokens. Token prices will be fixed shortly before the pre-sale and the main sale due to BTC and ETH volatility.

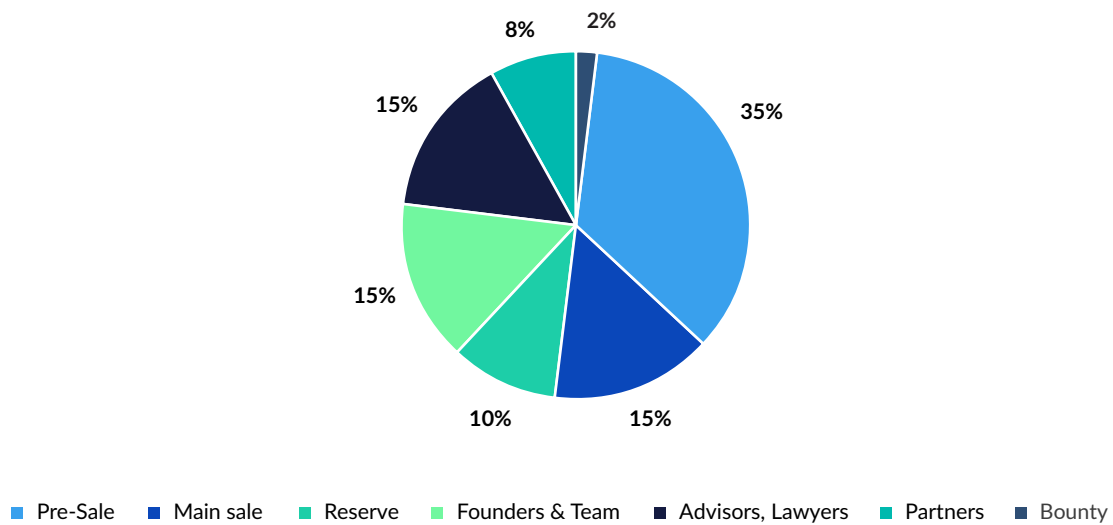
*Soft cap: \$3.5 million*

*Hard cap: \$15 million*

### Main Sale

60,000,000 (sixty million) ARTK will be sold during the main sale. The main sale will last for two months, and if there is too much demand, tokens will be allocated on a first come, first served basis. Early buyers will be granted a discount.

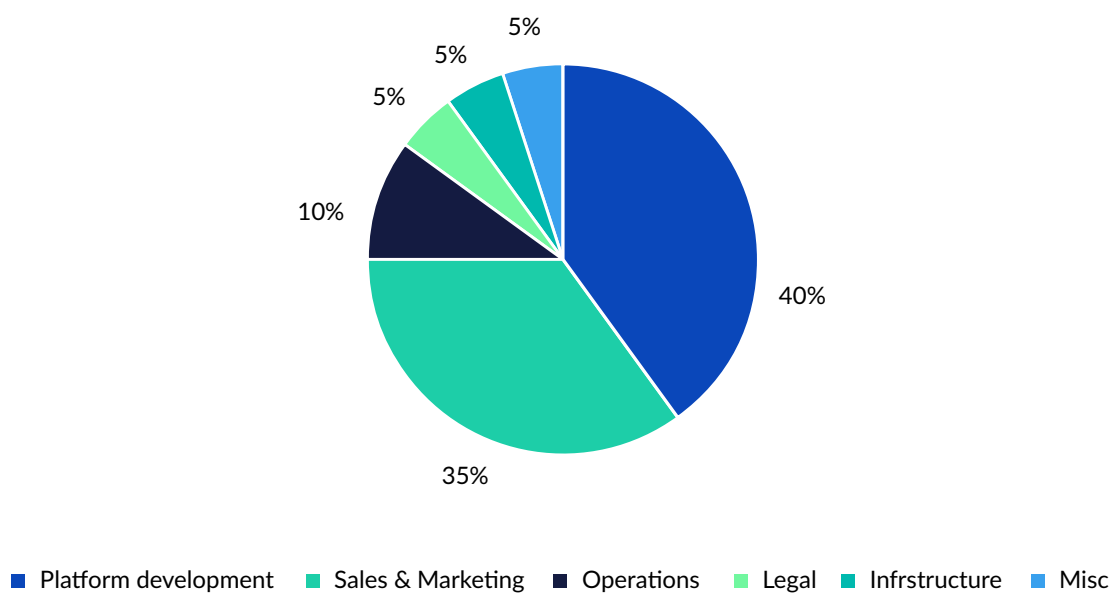
## Token Allocation



In total, 50% of minted tokens will be made available to the general public. Of the remaining 50%:

- 10% will be allocated to reserves and used for incentive mechanisms;
- 15% will go to founders and the team with a one-year vesting period;
- 15% will be allocated to advisors;
- 8% will go to partners;
- 2% will be used as bounty rewards.

## Proceeds Distribution



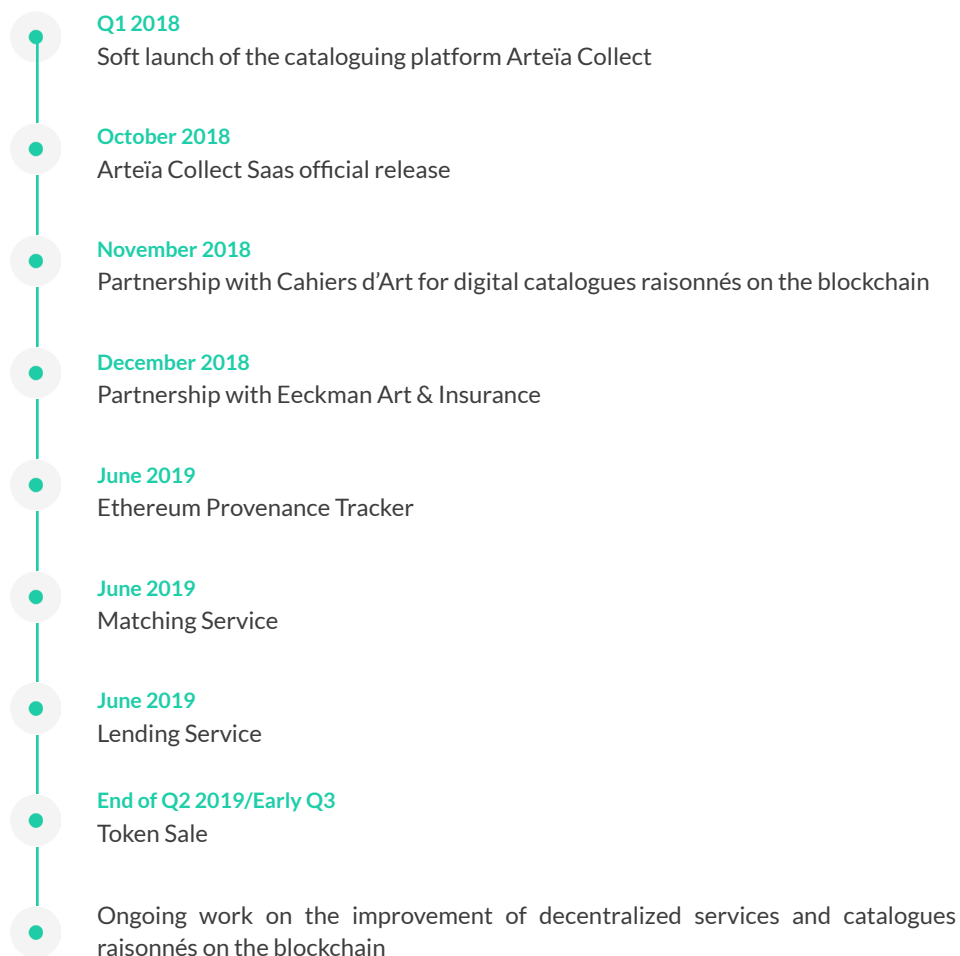


Funds raised during the token sale will be used for the following purposes:

- Research & Development: improving blockchain solutions for provenance, peer-to-peer matching and lending, as well as introducing AI while integrating them into the existing collection management platform.
- Sales & Marketing: introducing blockchain to a conservative art market requires a substantial effort in terms of customer education and platform promotion.
- Operations: part of the raised funds will be used to cover day-to-day operational costs such as office space rental and salaries.
- Legal: dealing with IP rights and new regulations (such as GDPR) will require substantial legal expertise.
- Partners: those funds will be used to foster partnerships with important art market actors.

## Roadmap

Each use case defined above will be available at TGE, allowing instant usage and demand for the tokens.



# Team & Advisers

## Founders

Arteia was created by collectors, entrepreneurs, and professionals from the art market and the computer industry.



**Philippe Gellman,**  
Co-founder, CEO

After graduating with a master's degree in management from Paris Dauphine University, Philippe Gellman mainly worked in France in the financial markets. In 1997, after working for several major banks (Crédit Lyonnais, Société Générale), he founded Bourse Direct, which was the first independent online broker to be listed on the Paris stock exchange.

He remained at the head of the company for 7 years and then went on to found and direct companies and invest in numerous sectors including the fashion and healthcare industries and several startups.

His experience in creating companies, financing packages, business plans and mobilizing teams of experts is only equaled by his passion for contemporary art.



**Marek Zabicki,**  
PhD, Co-founder, CTO

Marek Zabicki, Ph. D. in control & optimization of decentralized systems, has more than three decade's experience in developing complex information retrieval systems, modeling financial derivatives and developing art management platforms.

After a short period of academic career at the Polish Academy of Science, he moved into a startup world and across the time participated or himself launched eight technology startups, among the others he was CTO of CEDROM, the company that developed French first CD-ROM, CTO of the GL Trade, world leader in the financial software. He was the founder of LexMedia and Neurosoft, the company behind Musnet and GCOLL/2 art management systems. During the last 3 years Marek is focused on applying blockchain, smart contracts and crypto economics to diverse real-life problems.

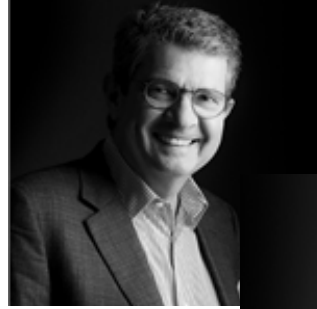


## **Olivier Marian,**

Co-founder, CSO

Holding a computer engineer diploma (EISTI), a Master of Computer Science (Florida Institute of Technology) and Master of Business Administration (Sciences Po Paris), Olivier Marian is an entrepreneur and an investor. After working at Marvin Software (Reuters) and Microsoft, Olivier Marian co-founded e-marketing startup Endromis in 1998.

For some ten years, Olivier Marian has been investing in various, mainly technological companies. As he was born into a family of art collectors, when he couldn't find a satisfactory solution on the market he quite logically created his own tool for managing the collection. He joined Arteïa at its creation as a shareholder and was directly involved in its development, applying his IT expertise and knowledge of the art market.



## **Hugues Taittinger and Reine-Marie Fontaine Taittinger,**

Co-founders, Board members

Contemporary Art collectors, founders of the Tokyo Art Club and Thaillywood Artist Residency. Hugues Taittinger is also president of IP/Nexia, a Belgian telecommunication Company.

## Team

### **Marianne Magnin**, UK Managing Director

Brings a unique set of skills with 10 years in the art sector (entrepreneur, consultant, curator) following 16 years of international corporate experience at senior level (Royal Dutch Shell, PwC). Art critic, collector and philanthropist.

### **Ania Bywanis**, Executive Director

Law graduate, entrepreneur, and digital marketer. Supports early-stage startups as a Google Launchpad Mentor. Passionate about modern and contemporary art.

### **Wiktor Tendera**, Lead Developer

Graduate in Computer Sciences from the Jagiellonian University, he is passionate about cryptocurrencies and the blockchain and has years of experience in IT and team management.

### **Mateusz Kmiecik**, Full-Stack Developer

Computer Science graduate involved in the development of Arteia platform since its inception, he specializes in web development.

### **Patryk Konior**, Full-Stack Developer

Computer Science graduate involved in the development of Arteia since its conception. He specializes in blockchain technology and architecture design.

### **Stanisław Tombiński**, Product Owner

A modern art enthusiast with graduate diplomas in International Business Administration, European Economic Studies and Applied Computer Sciences. Has experience working at IBM and providing business consulting to startups.

## Advisers

### **Anish Mohammed, PhD**, Blockchain Advisor

Technologist with multidisciplinary background who is passionate about technology. Worked as a researcher in security/cryptography both in industry and academia, with deep expertise in Blockchain and Cryptography.

### **Dr Jean-Claude Marian**, Investor, Art and Development Advisor

Founder and former CEO of ORPEA, a leading European player in global dependency care. A renowned art collector, with interests ranging from Antiquities to Primitive Art, Modern Art and Contemporary Art.

### **Ruth Catlow**, Art Market & Blockchain Advisor

Internationally-recognised expert in art, technology and collaborative practices. Co-director of the UK's first dedicated digital arts organization, Furtherfield. A leader in blockchain development for the cultural sector, she has over 30 years of experience producing public art programs and academic research projects investigating network cultures.

**Frédéric-Charles Petit**, Investor, Data Technology Advisor

Founder of Toluna and art collector. He brings insight on the latest research and technology for decision making and consumer insights. A renowned art collector.

**Louis-Christophe Laurent**, Business Advisor

Successful entrepreneur and Co-founder and President of GL Trade, the world's leading provider of financial trading software. A leading figure in European finance, he is also a passionate art collector.

**Piotr Warchol, PhD**, Data Science Advisor

Theoretical physicist and data science practitioner. Brings experience working on business-oriented data science projects and gives a course on machine learning at the Faculty of Physics, Astronomy and Applied Computer Science at the Jagiellonian University in Kraków.

**Tomasz Korwin-Gajkowski**, Blockchain Advisor

Software developer highly involved in the DLT/Blockchain and cryptocurrency space since 2011. Co-founder of Crypto@Cracow and P2P.Systems. Blockchain Team Lead at KodakOne.

**François Blanc**, Art Market and Communication Advisor

Founder and CEO of Communic'Art, a communication agency specialized in the art market. Has deep knowledge of the specificities of the art market.

**Christophe Gaillard**, Art Market Advisor

Founder and CEO of the International Art Gallery Christophe Gaillard in Paris. Has an extensive knowledge of the art market and developments in art sales.

**Richard Kastelein**, ICO Advisor

Founder of Blockchain News, partner at CryptoAssets Design Group, director at Blockchain Partners and ICO Expert at ICObench. Award-winning publisher & entrepreneur bringing experience in the ICO field.

**Elizbeth Frost**, Art Market Advisor

Curator, activist, public speaker and writer, Elizabeth has extensive experience working in the art world across many spectrums. She is currently the Founder and CEO of H2A International, an arts advisory firm that brings businesses and arts organizations together for impactful and meaningful philanthropic partnerships and collaborations.

**Franck Levy**, Business Advisor

With 10 years of experience in finance markets under his belt, he became entrepreneur and investor. Partner of an aesthetic laboratory and European distributor of their product Silhouette-lift, in charge of team management and sales. Strongly interested in cryptocurrencies and ICOs.



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# ARTK token and initial coin offering

## General information

The Arteia token (hereinafter referred to as “ARTK Token”) does not have the legal qualification of a security, since it does not give any rights to dividends or interests. The sale of ARTK Tokens is final and non-refundable. ARTK Tokens are not shares and do not give any right to participate to the general meeting of Arteia International AG, a company incorporated in Zug, Switzerland (hereinafter referred to as “Arteia”). ARTK Tokens cannot have a performance or a particular value outside the Arteia Platform. ARTK Tokens shall therefore not be used or purchased for speculative or investment purposes. The purchaser of ARTK Tokens is aware that national securities laws, which ensure that investors are sold investments that include all the proper disclosures and are subject to regulatory scrutiny for the investor’s protection, are not applicable.

Anyone purchasing ARTK Tokens expressly acknowledges and represents that she/he/it has carefully reviewed this White Paper and fully understands the risks, costs and benefits associated with the purchase of ARTK Tokens.

## Knowledge required

The purchaser of ARTK Tokens undertakes that she/he/it understands and has significant experience of cryptocurrencies, blockchain technology and services, and that she/he/it fully understands the risks associated with the Initial Coin Offering (“ICO”) as well as the mechanism related to the use of cryptocurrencies (incl. storage).

Arteia shall not be responsible for any loss of ARTK Tokens or situations making it impossible to access ARTK Tokens, which may result from any actions or omissions of the user or any person undertaking to acquire ARTK Tokens, as well as in case of hacker attacks.

## Risk

Acquiring ARTK Tokens and storing them involves various risks, in particular the risk that Arteia may not be able to launch its operations, develop its blockchain, and provide the promised services. Therefore, and prior to acquiring ARTK Tokens, any interested person should carefully consider the risks, cost and benefits of acquiring ARTK Tokens in the context of the ICO and, if necessary, obtain any independent advice in this regard. Any interested person who is not in the position to accept or to understand the risks associated with Arteia activity (incl. the risks related to the non-development of the Arteia Platform) or any other risks as indicated in the Terms & Conditions of the ICO should not acquire ARTK Tokens.

## Important disclaimer

This White Paper shall not and cannot be considered as an invitation to enter into an investment. It does not constitute or relate in any way nor should be considered as an offering of securities in any jurisdiction. The White Paper does not include nor contain any information or indication that might be considered as a recommendation or that might be used to base any investment decision. This document does not constitute an offer or an invitation to sell shares, securities or rights belonging to Arteia or any related or associated company. The ARTK Token is a utility token, which can be used only on the Arteia Platform and is not intended to be used as an investment.

The offering of ARTK Tokens is done in order to access the Arteia Platform, purchase services related exclusively to the latter and not for speculative purposes. The offering of ARTK Tokens on a platform is not

changing the legal qualification of the token, which remains a simple means for the use of the Arteia Platform and is not a security.

Arteia is not to be considered as advisor in any legal, tax or financial matters. Any information in the White Paper is given for general information purpose only and Arteia does not provide with any warranty as to the accuracy and completeness of this information. Given the lack of crypto-token qualifications in most countries, any person undertaking to acquire ARTK Tokens is strongly advised to carry out a legal and tax analysis concerning the purchase and ownership of ARTK Tokens according to her/his nationality and/or her/his/it place of residence or incorporation.

Arteia today is not a financial intermediary according to Swiss Law and is not required to obtain any authorization for Anti-Money Laundering purposes. This qualification may change in case Arteia will offer services, which will qualify as financial intermediary activity. In this case, Arteia shall be authorised as financial intermediary in Switzerland and the use of Arteia's services will require the positive conclusion of a Know Your Customer identification process according to Swiss Federal Act On Combating Money Laundering and Terrorist Financing.

The ARTK Token confers no direct or indirect right to Arteia's capital or income, nor does it confer any governance rights within Arteia; the ARTK Token is no proof of ownership or a right of control over Arteia and does not grant the purchaser any asset or share in Arteia, or in the Arteia Network. The ARTK Token does not grant to the purchaser any right of control or governance over Arteia's management or decision-making set-up.

Regulatory authorities are carefully scrutinizing businesses and operations associated to cryptocurrencies in the world. In that respect, regulatory measures, investigations or actions may impact Arteia's business and even limit or prevent it from developing its operations in the future. Any person undertaking to acquire ARTK Tokens must be aware that the Arteia business model, the White Paper or the Terms & Conditions may change or need to be modified because of new regulatory and compliance requirements from any applicable laws in any jurisdictions. In such a case, anyone undertaking to acquire ARTK Tokens acknowledge and understand that neither Arteia nor any of its affiliates shall be held liable for any direct or indirect loss or damage caused by such changes.

The Arteia Platform will function and provide access and services after the token according to the road map indicated the White Paper.

On concluding the commercial operation, the ARTK Tokens will be issued by a technical process referred to as "Blockchain". This is an open source IT protocol over which Arteia has no rights or liability in terms of its development and operation. The Token distribution mechanism will be controlled by a Smart Contract; this involves a computer program that can be executed on the Ethereum network or on any blockchain network that is compatible with Smart Contract programming language. Any person undertaking to acquire ARTK Tokens acknowledge and understand that Arteia (incl. its bodies and employees) assumes no liability or responsibility for any loss or damage that would result from or relate to the incapacity to use ARTK Tokens, except in case of intentional misconduct or gross negligence.

The ARTK Tokens are based on the Ethereum protocol. Therefore, any malfunction, unplanned function or unexpected operation of the Ethereum protocol may cause the ARTK Tokens to malfunction or operate in a way that is not expected. Ether, the native Ethereum protocol account unit may itself lose value in a similar way to the ARTK Tokens, and also in other ways.

## Representations and warranties

By participating in the ICO, the purchaser agrees to the above and in particular, she/he represents and warrants that she/he/it:

- have read carefully the Terms & Conditions attached to the White Paper; agrees to their full contents

and accepts to be legally bound by them;

- is authorized and has full power to purchase ARTK Tokens according to the laws that apply in her/his/ its jurisdiction of domicile/place of incorporation;
- is not a U.S. citizen, resident or entity (a "U.S. Person") nor is she/he/it purchasing ARTK Tokens or signing on behalf of a U.S. Person;
- is not a Chinese resident or entity nor is she/he/it purchasing ARTK Tokens or signing on behalf of a Chinese resident or entity;
- is not a South-Korean resident or entity nor is she/he/it purchasing ARTK Tokens or signing on behalf of a South-Korean resident or entity;
- lives in a jurisdiction which allows Arteia to sell ARTK Tokens through a ICO without requiring any local authorization and are in compliance with the local, state and national laws and regulations when purchasing, selling and/or using ARTK Tokens;
- does not live in a jurisdiction which is qualifying token issued through an ICO as securities;
- is familiar with all related regulations in the specific jurisdiction in which she/he/it is based and that purchasing cryptographic tokens in that jurisdiction is not prohibited, restricted or subject to additional conditions of any kind;
- will not use the ICO for any illegal activity, including but not limited to money-laundering and the financing of terrorism;
- has sufficient knowledge about the nature of the cryptographic tokens and has significant experience with, and functional understanding of, the usage and intricacies of dealing with cryptographic tokens and currencies and blockchain based systems and services;
- purchases ARTK Tokens because she/he/it wishes to have access to the Arteia Platform;
- is not purchasing ARTK Tokens for the purpose of speculative investment or usage.

## Governing law – arbitration

The purchaser acknowledges and accepts that the Arteia ICO operation is taking place within a Swiss legal environment that is still under development. The Parties agree to seek and amicable settlement prior to bringing any legal action. All disputes arising with the White Paper and any document provided in the context of the ICO, shall be resolved by arbitration in accordance with the Swiss Rules of International Arbitration of the Swiss Chambers of Commerce in force on the date when the Notice of Arbitration is submitted in accordance with these Rules. The arbitration panel shall consist of one arbitrator only. The seat of the arbitration shall be Zug, Switzerland. The arbitral proceedings shall be conducted in English.

# ARTK Token Sale

## TERMS AND CONDITIONS

The Terms and Conditions (the “T&C”) apply to the buyer of the Arteia Token (the ARTK Token”) and user of the Arteia Platform (the “User”). PLEASE READ THESE TERMS CAREFULLY BEFORE PARTICIPATING IN THE TOKEN SALE. THE T&C AFFECT YOUR OBLIGATIONS AND LEGAL RIGHTS, INCLUDING, BUT NOT LIMITED TO, WAIVERS OF RIGHTS AND LIMITATION OF LIABILITY. IF YOU DO NOT AGREE TO THESE TERMS, DO NOT PURCHASE ARTK TOKENS.

By purchasing the ARTK Tokens during the token sale period (the “Token Sale”), in the jurisdiction of Switzerland, you will be bound by these T&C, and all terms incorporated by reference. Your purchase of ARTK Tokens is subject to these T&C.

## Applicability

1. The following T&C constitute the agreement (the “Agreement”) between Arteia International AG (hereinafter “Arteia” or the “Company”), a Swiss Company Limited by Shares incorporated in Zug, and you with respect to the purchase of the ARTK Tokens and the use of the services offered on the Arteia Platform. By using the services of Arteia, you agree to be bound by the T&C in its latest version. You are aware that Arteia may change this T&C at any time at its sole discretion. Your continued use of the Arteia Platform or your continued hold of ARTK Tokens, means that you accept any new or modified terms.

## Services

2. The purpose of Arteia is to create a SaaS solution for collectors, providing them with a cataloguing application to inventory and manage their artworks and other collectibles. This will become the foundation for a decentralized platform allowing the actors within the art ecosystem to interact more efficiently.

3. Arteia’s goal is to create a network of nodes with art ecosystem partners willing to participate in this project and bring transparency to the fine art ecosystem like insurers, audit companies, art foundations, professionals and others.

4. The Arteia project is being made possible by contributions from the community in the form of a Token Sale. The proceeds from the Token Sale will enable the development of the Arteia platform (herein after referred to as the “Arteia Platform”). The Token Sale is therefore intended to give Users the ability to support and transact on the Arteia Platform.

5. The above Platform, in its final state within the blockchain, will combine several features related to the management of collectibles:

- The Inventory Management Interface enabling Users to have a clean and precise look into the state of their collection;
- The Event Management Tool enabling Users to record all the history of their artwork;
- The Complete Financial Dashboard showing Users the collection’s value over time, the amount invested per artist, sale revenues or expiring insurances;
- The Private and Public Showrooms allowing Users to share their collections with friends, clients or the wider public.



Furthermore, Users can create, edit and print a range of reports such as location reports, inventory sheets, stock sheets or catalogues.

The protocols developed by Arteia will enable the matching of buyers and sellers. This service enables collectors to have greater control over the price of their artworks and the means of buying them in fiat or in cryptocurrencies. The collectors can meet and agree on transactions without having to pass through an intermediary.

6. Arteia does not allow the deposit, withdrawal or direct exchange of assets between Users of the service. Arteia is not a market-maker. All purchase and disposal of crypto assets by Arteia take place through third-party exchanges, platforms or agents.

## ARTK Token

7. The ARTK Token functions as a utility token on the Arteia Platform, which will allow Users the access of the Arteia Platform. Through the Token Sale, the Users acquire the rights to use the Arteia Platform.

8. The ARTK Token does not have the legal qualification as a payment token, since it is not intended to be used as a means of payment to acquire goods or services provided by third parties, or a means of money or value transfer. ARTK Tokens' purchase is final and non-refundable. The ARTK Token does not have the legal qualification as a security since it does not give any rights on dividends or interest. The ARTK Token is not a share and does not give any right to participate in the general meetings of the Company. ARTK Tokens cannot have a performance or a particular value outside the Arteia Platform. The purchase and use of ARTK Tokens shall therefore not be done for speculative usage.

9. The ARTK Tokens can be purchased during the Token Sale directly from the Company or after the Token Sale at the Company or any exchanger.

10. Any User purchasing ARTK Tokens expressly acknowledges and represents that she/he/it has carefully reviewed the T&C and fully understands the risks, costs and benefits associated with the purchase of this token as indicated in the T&C.

## Knowledge required

11. The User undertaking to purchase ARTK Tokens in relation to the Token Sale should ensure that she/he/it understands and has significant experience of cryptocurrencies, blockchain systems and services, and that she/he/it fully understands the risks associated with the Token Sale as well as the mechanism related to the use and custody of cryptocurrencies.

12. Arteia shall not be responsible for any loss of ARTK Tokens or situations making it impossible to access to ARTK Tokens, which may result in any actions or omissions of the User or any person undertaking to acquire ARTK Tokens.

## Voluntary Know Your Customer (KYC)

13. There will be a KYC procedure that any person undertaking to acquire ARTK Tokens shall perform in order to contribute to the Token Sale. The above persons accept that Arteia can refuse any payment which is not compliant with its internal due diligence.

## Risks

14. Acquiring and storing ARTK Tokens involves various risks, in particular that Arteia may not be able to further develop its platform. Therefore, and prior to acquiring ARTK Tokens, any User should carefully consider the risks, costs, and benefits of acquiring ARTK Tokens within the Token Sale, and, if necessary, obtain independent advice in this regard. Any interested person who is not in the position to accept nor to understand the risks associated with the activity of Arteia or any other risks as indicated in the T&C, should not acquire ARTK Tokens, at this stage or later.

## Important Disclaimer

15. The T&C shall not and cannot be considered as an invitation to enter into an investment. They do not constitute or relate in any way nor should they be considered as an offering of securities in any jurisdiction. The T&C do not include or contain any information or indication that might be considered as a recommendation or that might be used to base any investment decision. This document does not constitute an offer or an invitation to sell shares, securities or rights belonging to Arteia or any related or associated company. ARTK Tokens will be used as a utility token and is not intended to be used as an investment.

16. Any information in the T&C is given for general information purpose only and is relevant to the day it has been written and Arteia does not provide with any warranty as to the accuracy and completeness of this information now or in the future.

17. The offering of ARTK Tokens is done in order to access the Arteia Platform, purchase services related exclusively to the latter and not for speculative purposes.

18. Arteia is an operative entity managing the Arteia Platform. Arteia is not a financial intermediary according to Swiss Law and is not required to obtain any authorization for Anti Money Laundering purpose.

19. Regulatory authorities are carefully scrutinizing businesses and operations associated to cryptocurrencies in the world. In that respect, regulatory measures, investigations or actions may affect Arteia's business and even limit or prevent it from developing future operations. Any person undertaking to acquire ARTK Tokens must be aware that the Arteia business model and the T&C may change or need to be modified because of new regulatory and compliance requirements from any applicable laws in any jurisdictions. In such case, any person undertaking to acquire ARTK Tokens acknowledge and understand that neither Arteia nor any of its affiliates shall be held liable for any direct or indirect loss or damages caused by such changes.

20. Arteia plans to make its platform available at TGE. Users will be able to use their tokens on the platform.

21. Acquiring an ARTK Token shall not grant any right or influence over Arteia's organization and governance to the Users. These tokens will be issued by a technical process referred to as a "Blockchain". This is an open source IT protocol over which the Company has no rights or liability in terms of its development and operation. The token distribution mechanism will be controlled by a Smart Contract; this involves a computer program that can be executed on the Ethereum network or on another blockchain network that is compatible with the Smart Contract programming language. User acknowledge and understand therefore that Arteia (incl. its bodies and employees) assumes no liability or responsibility for any loss or damage that would result from or relate to the incapacity to use the ARTK Tokens, except in case of intentional misconduct or gross negligence.

22. The ARTK Token is based on the Ethereum protocol. Therefore, any malfunction, unplanned function or unexpected operation of the Ethereum protocol may cause the ARTK Token to malfunction or operate in a way that is not expected.

23. Employees of Arteia are allowed to operate with ARTK Tokens at market price if they are not in knowledge of information that may modify the price of the ARTK Token.

## Representation and Warranties

24. By participating in the Token Sale, the User agrees to the T&C and in particular, she/he/it represents and warrants that she/he/it :

- i. is authorized and has full power to purchase ARTK Token according to the laws that apply in his/her/its jurisdiction of domicile/place of incorporation;
- ii. is not an U.S. citizen, resident or entity (a "U.S. Person") nor is she/he/it purchasing ARTK Tokens or signing on behalf of a U.S. Person;
- iii. is not a Chinese resident or entity nor is she/he purchasing ARTK Tokens or signing on behalf of a Chinese resident;
- iv. is not a South-Korean resident or entity nor is she/he/it purchasing ARTK Tokens or signing on behalf of a South-Korean resident;
- v. lives in a jurisdiction which allows Arteia to sell the ARTK Token through an ICO without requiring any local authorization and is in compliance with the local, state and national laws and regulations when purchasing, selling and/or using ARTK Tokens;
- vi. does not live in a jurisdiction which is qualifying token issued through an ICO as securities
- vii. is familiar with all related regulations in the specific jurisdiction in which she/he/it is based and that purchasing cryptographic tokens in that jurisdiction is not prohibited, restricted or subject to additional conditions of any kind;
- viii. is not acting for the purpose of speculative investment;
- ix. will not use the Token Sale for any illegal activity, including but not limited to money laundering and the financing terrorism;
- x. is solely responsible for determining whether the acquisition of ARTK Tokens is appropriate for her/him/it;
- xi. is acquiring ARTK Token exclusively for use of the Arteia Platform;
- xii. understands the risks associated with the Token Sale (incl. the risks related to the non-development of Arteia Platform and operations);
- xiii. understands the use of cryptocurrencies and its associated risks, and
- xiv. acknowledges and accepts that the Token Sale is taking place within a Swiss legal environment that is still under development.

## Intellectual Property Rights

25. To the extent that copyright trademark or any other intellectual property rights exist in the Arteia Platform, such as software, know-how, analysis or programs, those existing and future copyrights and other intellectual and industrial rights (hereinafter "IP rights") belong solely to Arteia and its affiliated companies and you as a buyer do not and will not have any related rights in such IP Rights.

## Limitation of Liability

26. Arteia, as well as its officers, directors, agents, joint ventures, employees, suppliers and advisors and anyone on its behalf, assumes no liability or responsibility for any loss raised from the Token Sale, arising out of or related to the use of the Arteia Platform or any technical, interruption or malfunction of the Arteia Platform.

27. The limitation of liability set out above shall not be applicable in the event that Arteia, or an Arteia employee, has caused any damage by intentional misconduct or by gross negligence.

## Severability

28. If any of the provisions of the T&C or of the Agreement are deemed to be invalid, void or unenforceable, the remaining provisions shall continue in full force and effect.

## Applicable Law and Jurisdiction

29. The T&C are subject to and governed by Swiss Law to the exclusion of Swiss International Private Law and any International Treaties. Any User and Arteia agree to seek an amicable settlement prior to bringing any legal action. All disputes arising from or under these T&C and any other document related to the Token Sale shall be resolved by arbitration in accordance with the Swiss Rules of International Arbitration of the Swiss Chambers of Commerce in force on the date when the Notice of Arbitration is submitted in accordance with these rules. The arbitration panel shall consist of one arbitrator only. The seat of the arbitration shall be Zug, Switzerland. The arbitral proceedings shall be conducted in English.