WELCOME THE FUTURE OF FINE ARTS

ARTEX
BLOCKCHAIN BASED ART EXCHANGE PLATFORM
What We Believe

We believe in a world where not only the lucky and privileged people but every person can also invest in first-class artworks. Blockchain is the safest way to achieve this, and our vision is to provide the necessary products and services with great transparency to ensure that investing in artworks becomes the new trend of the crypto world. The future of finance is a democratic distribution. Power is in everyone's hands.
What is Artex?

Artex is the first and only in the world; Artex is a new generation art investment platform, where everyone can invest in first-class works of art any time and any amount and manage these investments easily. The first-class works of art which are insured with transparent pricing by art experts from various countries are tokenized on the blockchain technology according to their insurance value. Thanks to smart contract technology, people can buy and sell the amount they want from the artworks listed in the market and the pre-sale process.
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The introduction of blockchain technology, which promises to take power and information control from an elite class and distribute it among individuals, together with Bitcoin in 2009 brought great changes in the financial sector. In just ten years, the market value of Bitcoin reached $1 trillion, proving where the world and financial markets are evolving. Furthermore, this value, together with other blockchain networks and alt-coins, is now over $2 trillion.

Let’s take a look at a few important statistics on this topic;

The global (fiat) FX market has a daily trading volume of $5-7 trillion dollars. Although the daily trading volume of the cryptocurrency market is relatively low ($150-200 billion dollars), there are 116 unique fiat currencies in the world and the total number of cryptocurrencies is more than 4000 (continues to increase day by day).

These show us that the cryptocurrency market will continue its upward trend.

The art market can be defined as a market where artworks meet their buyers and the main elements of this art market are galleries, auction houses, collectors, sponsors, artists, and art lovers. And today, according to Statista (2021) data, the annual market volume of the global art market is around $60 billion. Again according to the data, the annual volume of this online art market is estimated to reach $9.32 billion in 2024. With our new generation market model, which provides a democratic distribution between people, we believe that there will be significant changes in these statistics. Thanks to Artex, the public offering of artworks that are tokenized using the blockchain infrastructure will ensure great changes in the volume of the global art market.

“Art enables us to find ourselves and lose ourselves at the same time.”

-Thomas Merton-
02. Business Plan

Nowadays, we are going through a period where the prices of crypto money, which are created with smart contract technology and do not have any physical equivalent, increase hundreds of times. In this sense, the idea of tokenizing a work of art with physical value and ownership is very important. Imagine that you can buy a Munch or Basquiat piece which only an elite few can buy with huge sums of money as if you were buying the shares of a company within your budget.

Which would sound better; buying 0.1 Bitcoins or buying 0.1 Picasso's artwork of the Algerian Women? If your choice is in favor of Picasso, let’s explain the working model of the project by going into a little more detail about how this is possible.

2.1. The Art Exchange

Nowadays, artworks such as paintings and sculptures change hands through auctions or direct purchases. It has always been a difficult task for artists to bring their artworks to the right buyers. Their marketing skills are lagging since they prefer to focus on creativity. At this point, galleries and collectors fill this gap. Artworks purchased from artists change hands at very high prices thanks to good marketing or the increase in popularity of the artist over time. According to current intellectu-
al property rights laws, in such cases, artists and legal heirs cannot claim any rights over a previously sold artwork. For the investors who want to invest in artworks securely, the options are very limited; auctions and art galleries. These institutions rightly receive relatively high commissions in return for their services. Carefully preserving, preserving, and exhibiting works of art are very laborious and costly procedures. Auction houses usually get 12-25% commission per sale while galleries can take 6-10% commission per sale. In the face of this traditional and cumbersome structure, today the art community needs a truly transparent and liquid market.

The working model of Artex, which has been meticulously designed in line with the views of investors, artists, auctions, and galleries and within the framework of common interests. It promises to provide the liquidity, security, transparency, and easy access that the sector needs by paving the way for democracy in art investments.

### 2.2. Listing Artworks

Requests by artists, art galleries, and collectors to list first-class works of art are evaluated by an independent commission through the platform. Members of this commission are artist academics from various universities around the world and leading curators of the art community. The financial value of the artwork is determined as a result of the evaluations of the commission. The artwork insured at this value is tokenized on the blockchain according to its insured value and becomes ready to be listed on our platform for pre-sale.

For instance, suppose the Independent Review Commission assessed Andy Warhol’s Double Elvis $60 million. This number of artworks is tokenized and offered for sale with a total supply of 60 million for $1. As the value of tokens increases as a result of the supply and demand balance, the value of the artwork also increases. In response to the decrease in the value of the tokens, price balancing is achieved with the auction to be held every year.
2.3. Physical Ownership
Artworks are listed under two scenarios in Artex;

1. Public offering of 100% of the artwork:
In this scenario, Artex is physically hosting the artwork. In this case, insurance, storage, and maintenance costs are entirely owned by Artex.

2. Public offering of 49% of the artwork:
In this scenario, the entire insurance value of the artwork is tokenized and 51% of the tokens are locked on the owner for 1 year with smart contracts. Thus, it is guaranteed that only 49% of the artwork will be traded on the platform. This is called physical ownership. In this case, the ownership, insurance costs, and maintenance costs of the artwork will be borne by the collector. The key points in this scenario are:
   • The fact that 51% of the tokens are locked is a guarantee that no tokens other than those circulating on the platform can be exchanged.
   • The fact that the locking process is for one year is because the insurance will be renewed every year at the current value.
   • Before each insurance renewal, the “physical ownership” part will be auctioned live on the auction system on the platform over its current value, and the artwork can change
hands physically. Thus, when the price of each token being traded is multiplied by the total supply, it will express the value of the entire artwork, while the price verification will be made with the auctioning of 51% of the item annually.

2.4. Art Investment
The main purpose of the platform is to enable investors to invest in first-class artworks according to their budgets. In this sense, the Artex platform is designed with the classical stock market logic, allowing investors to buy and sell artworks with the local currency (fiat) or cryptocurrencies. In the platform, in addition to works of famous artists, who have already a place in art history, artworks of promising young artists are also listed. The listed artworks are exhibited at various global organizations each year and offered to major auctions. Thus, investor’s rights are always protected in the short, medium, and long terms.

Nowadays, one of the safest investment tools in the world is an art investment. Unfortunately, this investment tool is the playground of only an elite minority and other people who only participate as spectators by paying a fee. At this point, Artex aims to break that pattern by offering first-class artworks tokenized through blockchain technology to everyone, from elite minority to public. So how can this invest-
ment tool do that? Million-dollar artifacts are broken down into small financial units, allowing anyone to invest easily. Hence, the public can rise from being a spectator to a position of possession. To conclude, a democratic investment in art is everyone’s right, and the artworks of popular artists cannot be dominated by a particular group.

An investor who wants to own the entire artwork;
- If 100% of the artwork is offered to the public, the investor who purchases all of the shares in circulation becomes the new physical owner of the artwork.
- If 49% of the artwork is offered to the public, the investor who buys 51% of the artwork with the auction to be held, in addition to the number of shares in circulation, becomes the new owner of the artwork.
- In both scenarios, the investor, who holds all the shares of the artwork, can end the supply of the artwork in the market (delisting) if she/he wishes. In this case, all tokens belonging to the artworks are burned.

2.5. Auction System
The Artex platform also has an auction system. In this system, art owners can aim to generate income by listing their artworks in the auction system. Before artworks are listed, they are pre-approved, and fair price valuation is made by the Independent Evaluation Commission. The artwork insured by the owner is kept during the auction hosted by Artex. The bid of every investor participating in the auction and bidding is registered and guaranteed through a smart contract. At the end of the auction period, an investor who makes the highest bid becomes the new owner of the artwork. This ownership is registered on the blockchain infrastructure with the smart contract and the physical state of the artwork is delivered to the new owner.
03. Platform Technology

Artex uses blockchain infrastructure to generate protected digital certificates associated with artworks. The artworks are tokenized and recorded with smart contracts created on the Binance Smart Chain Network. In this process, all information is transparently presented to investors such as the identity of the artwork, its smart contract, total supply, and the wallets. When investors register on the Artex platform, they also have a BEP20 wallet and store all the tokens they receive through the platform in their wallets.

Our technology can convert traders’ local currencies (e.g. USD, EUR, TRY), and cryptocurrencies (e.g. BTC, ETH, BNB). When the platform is fully operational, artworks tokens will be traded in both local currencies and cryptocurrencies. In addition, investors will also be able to use Artex Token to avoid commissions and costs that will occur independently of the platform during the conversion of currencies. Undoubtedly, it will be very advantageous for the investors to use this token belonging to the platform in both auction transactions and trading processes.
04. Artex Token

The digital currency of the Artex ecosystem is Artex Token. When the Artex platform is fully operational;

- Production and approval of smart contracts,
- Participating in the pre-sale,
- Lower commission fees,
- Participating in auctions and bidding,
- Artex Tokens will be used for the function and shopping transactions of all privileged functions of the platform such as participating in international events such as Fairs, Biennials, and Exhibitions to be organized by Artex. Thus, as the platform gains worldwide popularity, the demand for Artex Tokens will increase at the same rate.

Furthermore, we aim to add value to the currency of the Artex ecosystem by ensuring that Artex Token is listed on top-level exchanges as soon as possible.
05. Earning Model

The earning model of the Artex platform is constituted by low commissions. The commission rates for the sustainability of the Artex ecosystem in terms of insurance, custody, and maintenance fees are almost negligible compared to galleries and auction houses. For each item listed on the platform, a commission of 0.02 for buy-side transactions and 0.02 for sales-side transactions of investors are charged. In addition, a 0.04 commission is charged on the sale price for each artwork listed in the auction system and successfully sold. A 50% discount is provided on all commission rates for payments made with Artex Tokens.
06. Tokenomics

Protecting the rights of our investors by ensuring the balance of supply and demand of Artex Token is the primary goal of the platform. In line with this mission, with the opinions of our financial experts, it has been decided to fix the maximum supply of Artex Token to 100,000,000 ($100 million) in an unchangeable manner. 40% of the total supply will be put into circulation in the first year. The remaining 60% supply will be put into circulation at pre-determined periods within 4 years.
07. Roadmap

Phase 1 / Q2 2021
- Website and whitepaper launch
- Private sale and new partnership
- Public sale and PancakeSwap listing
- Team expansion

Phase 2 / Q3 2021
- Coinmarketcap listing
- Coingecko listing
- Platform first demo launch
- Auditing
- Top exchange listing

Phase 3 / Q4 2021
- Launch of the testnet
- First artwork listing
- New partnerships
- Stake and farming

Phase 4 / Q1 2022
- First class artworks listed
- Launch of the mainnet
- AI art creation applications
- First exhibition announcement
- Launch of the mobile app testnet