Artis Aes

AES COIN OFFERINGS

WHITE PAPER

Rel. 1.0.3 - May 2019

WHEREAS the project to build is presented by Artis Aes Ltd (Artis Aes) which is located at 20-22 Wenlock Road N1 7GU - London, United Kingdom, and is a AES token issuer and provider of various services into the Figurative art field, under the brand name “Artis Aes” (hereinafter – “Artis Aes”, “we”, “us”);

WHEREAS, you (“you” or the “User”) are an individual or entity that uses AES token and currency;

WHEREAS, https://artisaes.it/ (the “Website”, with all the third derived domains) is the official website of Artis Aes;

WHEREAS, https://aes.artisaes.it/ (the “CO Website”) is the official website of the CO of Artis Aes;

Disclaimer - Legal Notice

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This document is written by Artis Aes ltd (henceforth abbreviated as ‘Artis Aes’).

Please read this entire section and do not take any actions until you finish it. This white paper is a summary of Artis Aes’ business model, technology, and a brief introduction to Artis Aes’ fundraiser principles. Artis Aes fundraiser is a reward-based, crowdfunding campaign. Detailed terms and conditions of the fundraiser have been released at the end of June and published on Artis Aes’ CO Website.

This paper outlines Artis Aes’ current vision for the platform, and we intend to realise this vision. However, our vision is dependent on numerous factors, and it is entirely possible that the platform will not foresee as outlined in this paper.

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2. Introduction

The aim of this document is to present the future developments of Artis Aes ltd on the Blockchain technologies and the related Coin Offering actions (henceforth abbreviated as CO) that will be launched to facilitate and accelerate the new development domains and services.

2.1 Artis Aes - Today

Artis Aes is the first portal that offers at the same time consulting, mediation and buying and selling services in the art world.

So, what is Artis Aes?

What is Artis Aes today?

- It is a platform for investments in art
- It is a complete art banking consultancy service
- It is an online marketplace to promote the market of artworks, using online sales and auctions
- It is a platform for promoting artists, including the showcase of their artworks
- It is a platform and services for organizing, provisioning and promoting exhibitions and events
- It is a consulting services company for the evaluation and enhancement of heritage in art
- It is an information channel of news and events related to the art world.

Therefore Artis Aes offers custom services for identifying investment opportunities in the art world, with the objective of guaranteeing the right price for the artworks to buyers and sellers. At the same time Artis Aes offers news and services on the art world in order to stimulate awareness and interest and disseminate art in all its manifestations: painting, sculpture, graphic art, applied art, jewellery, photography, video art, design, antiques, etc.

The last financial crisis has led many people to try to sell their owned artworks and at the same time the globalization has exponentially expanded the market. So, with the increase of the offer, the price of the mid-level artworks has been lowering while the prices of high-end works have been growing.

Hence the idea of a portal that professionally combines the needs of art sellers and buyers, artists, art collectors, art lovers, etc.

2.1.1 The company

Artis Aes ltd is a young company made up of people with more than twenty years of experience.

It is registered in London to open it to the international art market and its objective is to build networks among all the actors in the art market, such as art lovers, art collectors, art historians, market experts and financing operators.

In 2018 the founders invested and channelled their business into the company.

Currently the company is scouting for works, collectors and artists of interest for the platform.

Artis Aes has a long list of collaborators. They are spread over a territory that has no boundaries and covers all areas from the consulting (with estimation and evaluation services) to the promotion and dissemination of artists and their works. The consultants' list that is published into the web site is the consolidated historical core.

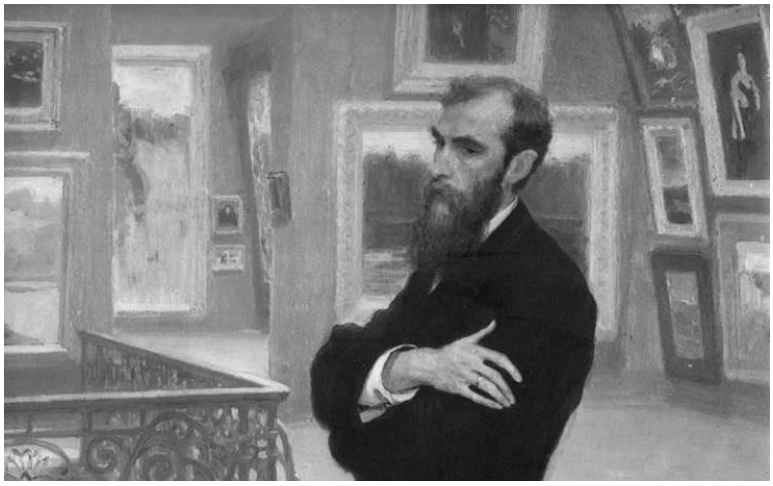
2.1.2 Stakeholders and clients

The Artis Aes services are oriented to protect the value in artworks and are addressed to:

- art collectors,
- artworks sellers and shopkeepers,
- artists,
- banks and banking foundations involved in art assets,
- insurances involved in art assets,
- public bodies,
- all those interested in being informed about the art world.

2.1.3 Art banking

Aware that an artwork may represent, both an emotional investment and an economic investment, Artis Aes aims to be a point of reference for everyone and about everything related to the art world, from the viewpoint of the art market and the dissemination and promotion of art, artworks and artists.



Therefore, Artis Aes offers exclusive services for identifying investment opportunities in the art market.

It starts its own business from the role of the Art Advisor, which combines specific skills in the field of art history and criticism with the knowledge of the market and the value of artworks. In this way, it advises its own clients to better evaluate the artworks, both in the purchase phase and the sale.

The offered services on Art Banking field can be grouped in:

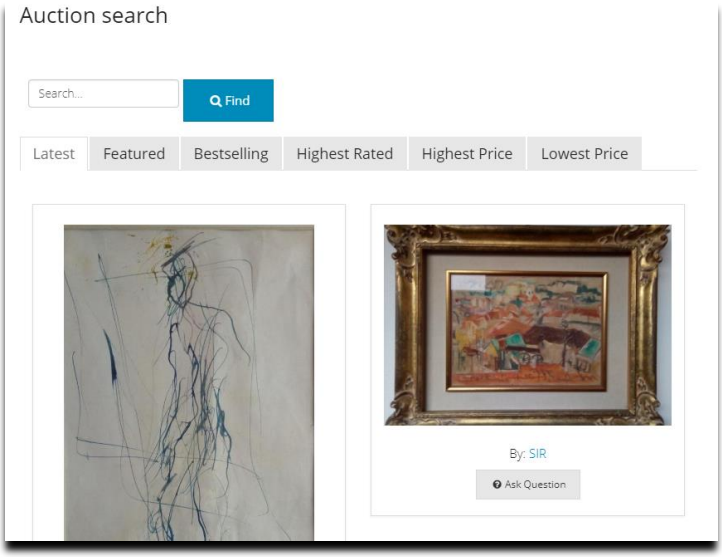
- Advices on investments in Art
- Legal and fiscal consulting

- Other services.

2.1.4 Auctions and sales

Through the Auction and Sales channel, it is possible to sell the owned artworks, simply by inserting an advertisement in the platform.

The structure of the channel is customized to sell and buy artworks, divided by various categories, artistic and historical periods movements; everything aimed to ensure order and greater ease of success in the search by the potential buyers.



In this way it is possible to make the advertisement visible on a global level, intercepting art lovers and collectors; so, the client can find artworks at a fair price, both for the seller and the buyer.

2.1.5 Artists promotion

Artis Aes offers to the artists the opportunity to take advantage of a series of services for increasing the circulation and dissemination of their artworks. One of the primary actions for doing it is by carrying out a scouting action for young artists.

So, aiming to ensure maximum effectiveness in terms of visibility, circulation and dissemination of the works of the individual artist, Artis Aes offers services for creating virtual galleries, organizing national and international exhibitions and events, mediation and connections with merchants.

2.1.6 Exhibitions and art events

Artis Aes offers services aimed at setting up exhibitions and organizing events, including:

- Creation and rental of art events
- Consulting and services for physical and organizational security
- Organizational consulting
- Logistic consulting
- Exposure within our platform for exhibitions and events.



2.1.7 News, Events and Information

The Artis Aes information channel offers news, events and other info on the art world in order to raise awareness and disseminate art in all its manifestations: painting, sculpture, design, etc.

Among these services Artis Aes offers:

1. A news portal, divided by arguments and territories
2. A calendar of art events, divided by cities
3. A newsletter service
4. An intranet for club members.

3. Evolution on the blockchain platform

3.1 Development opportunities

Currently, the art market on Internet presents a number of problems and consequent development opportunities:

1. *Need of financial mediators*. The classical marketplaces need banking institutions to offer services for exchanging (selling and buying) expensive assets and guaranteeing the happy conclusion of every transaction. So, the banking institutions are still the only actors that are legally adequate to offer transaction services. Here, the process of economic intermediation is the prerogative of giants such as PayPal and transaction costs are kept very high.
2. *Confidentiality*. The classical systems of monetary exchange on the marketplaces do not guarantee confidentiality, because personal data are too tied to the transaction ones and the possible security breaches on the web platforms can easily cause data thefts, losses and dissemination.

3. *Excessive centralisation of information*. The information about artworks, artists, ownership and their changes need to be decentralized because the excessive centralization is neither secure nor democratic.
4. *Artworks authenticity process*. The process of authenticity of the artwork and the enhancement and preservation of documents related to it are inconsistent and fragmented and the actors do not dialogue with their users through standard communication interfaces and protocols.
5. *Communication channels for exchanging documents*. There is not a hub for surely and safety exchanging documents that relate to artworks among actors as artists, collectors, owners, vendors and buyers.
6. *Methods for financing art.* The methods of financing artists and their production and conservation are few, costly and not accessible to most. Moreover, forms of micro patronage do not exist in practice.
7. *Opportunities for direct and social fruition of art*. The diffusion of media and web technologies among the primary means of communication of art tends to keep its users away from artists and their works, thus the market needs parallel opportunities for direct and social fruition.

3.1.1 Creating decentralized platforms

The decentralized platforms (like the Decentralized Marketplace, the Decentralized Artists Galleries, the Decentralized Document Management System and the Art Tokenization System) are an emerging trend that is impacting the traditional online platforms that till today has been dominated by famous world companies and where Artis Aes has started its own business.

Implementing decentralized platforms

Instead, artists, art lovers, buyers and sellers are looking and opting for dealing directly among themselves to bypass expenses and fees and having centralized markets collect and misuse their personal and financial data. This is possible by using blockchain technology.

The Artis Aes' decentralized platforms will provide a way for its users to promote their artworks and trade directly with each other using a peer-to-peer network, then it will be run by its users who record every transaction on a public ledger.

Anyway, trusting an anonymous person online is a major concern. That will be Artis Aes role, to make the final decision on whether or not a transaction would go through or not if there was a disagreement. The role includes that:

- Artis Aes will handle every dispute
- Artis Aes will be trustworthy and vigilant to prevent escrow theft and scams
- Artis Aes will monitor the expenses, such as labour and risk, that will fall on the buyer and seller

- Artis Aes will operate to accelerate the trust and claim management processes.

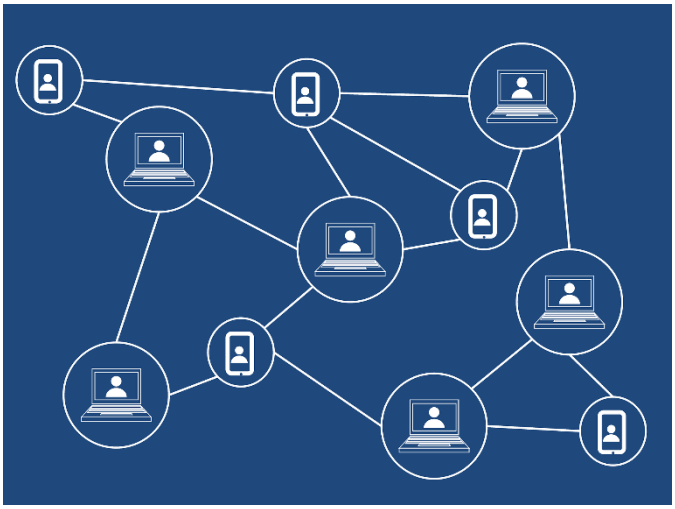
Fortunately, the creation and implementation of multi-signature consensus and transactions will make it possible to have a two-party escrow system that will help Artis Aes for fulfilling the role.

Additionally, Artis Aes will keep lists of trusted users and share reviews within the network to resolve issues on reputation systems and manage trust networks.

Moreover, community-based conflict resolution also will be put in place, meaning customer service reps won't be needed to deal with disputes between buyers and sellers. (In this case, a pool of community arbiters will work with the conflicting parties to reach a resolution.) Everything will be basically community-driven in a decentralized marketplace.

3.1.2 The advantages of decentralized platforms

Unlike the current centralized platforms, the decentralized ones offer a variety of advantages that are beneficial to users. These include:



- Lower fees and cheaper prices since the cost of a third party will be cut out.
- There won't be any economic limit on transactions.
- It eliminates fraud back charges, which is when a buyers makes a credit card purchase and reverses the charge.
- It will give to the sellers the opportunity to specify their own new terms and conditions.
- It won't be necessary to share personal information.
- Payments will be made directly between the client and vendor which replaces the "trustless" middleman.
- Dropshipping will become easier and more accessible.

While there are a number of other benefits that can be gained from decentralized networks, Artis Aes sees that three aspetcts in particular will help revolutionize its own online platforms.

3.1.2.1 Less vulnerable to shut down

One of the key advantages of a decentralized network is the high availability of network services. Decentralized networks are resistant to data centre failures since it operates on the blockchain. Typical data centres are engineered for high reliability, but all too often human errors occur, resulting in loss of data and money for their customers. With a decentralized network, however, network services will be available as long as some nodes are running.

The current Artis Aes platforms today are based on centralized servers, then a data centre failure can cause the platforms to go down entirely. But in the future the blockchain network, computing power and business services all can be provided by members of the community. As a result, the network service will be more resilient to failures.

3.1.2.2 Secure platforms based on trust

The decentralized platforms will run on the blockchain. This means that transactions will be transparent and able to be verified by members of the network. In addition, records will become immutable since it it will be difficult to change data without the peers on the network detecting tampering. Users will have confidence in the permanence of their records, along with a strong sense of data security.

Unlike credit card or other bank-oriented transactions, blockchain transactions are added cryptographically onto the ledger and are irreversible. Though blockchain is public, it completely discourages fraudulence in the infrastructure.

3.1.2.3 A Marketplace Built for Community

The decentralized marketplace offers the possibility that all participants will be able to share and essentially govern their own marketplace communities. Productive, active participation also is recognized and rewarded. Community-based conflict resolution also will be put in place, meaning customer service reps won't be needed to deal with disputes between buyers and sellers. (In this case, a pool of community arbiters will work with the conflicting parties to reach a resolution.) Everything will be basically community-driven in a decentralized marketplace.

3.2 The involved actors

The new Decentralized Apps will manage and serve number of different actors. Here is the main list.

The actors

1. *Owners, collectors and vendors*. Owners, collectors and vendors are people that own and sell artworks and will find in the DApps functions for publishing, directly selling, launching auctions and monitoring transactions.
2. *Artists*. The artists will find modules and functions for presenting themselves and their own artistic productions.
3. *Buyers*. People who are looking for investments in art, will find lots of artworks and luxury goods with customized search and select functions for locating and choosing the best of them.
4. *Consultants and experts*. The art consultants and experts, if connected with the Artis Aes' platform, will find a new space for meeting the clients of their services.
5. *Foundations*. The platforms will expose interfaces, methods and functions for communicating with the archives of the art foundations that will accept to be connected with Artis Aes.

6. *Public bodies*. The public bodies that owns and invest in art heritages, will find in Artis Aes' decentralized platform the space for choosing and accessing to the right services to preserve the value of their assets.
7. *Art lovers*. The art lovers will find in Artis Aes' new spaces and services for meeting collectors and stakeholders involved into the art development, promotion and market.
8. *Club members*. The art lovers and collector will find into the Artis Aes' Club new service area for meeting and matching their interests.
9. *Supporters.* Everyone who believes in Artis Aes' vision and business will be able to support it with ideas, services proposals, particular needs and funds, everything in a new decentralized and democratic way.

3.3 The new domains and services

To address the needs previously discussed, during and after the CO, Artis Aes will develop some new domains and their connected services that are based on Blockchain technologies and are:

The opportunities

1. A token coin to use for the CO and the future implementations, with a smart contract customized for art sales and a decentralized application for managing some functions related to the token coin (pseudo-stability in primis)
2. A Decentralized Document Management System (DMS) for managing, certifying, storing and exchanging artworks documents
3. A Decentralized Marketplace for publishing and exchanging (selling and buying) artworks
4. A Decentralized Art Galleries System and an Art Tokenization System for presenting, promoting and financing artistic assets and productions and the related events
5. A Decentralized Application for offering intranet services to art lovers, organize and manage events for them in connections with museums, galleries and private collectors.

3.3.1 The Artis Aes' token coin and smart contracts

The smart contracts increase the level of trust between the transaction participants, as they prevent frauds verifying the conditions before releasing goods and money to the parties. Neither party can alter the contract which is monitored by all other users in the system. The time and costs needed to make a smart contract are greatly reduced due to the absence of middlemen, while all processing is done through programming.

Creation of a private decentralized marketplace will involve the use of the Artis Aes crypto currency (AES), that will help to further decentralize the network and will be a way to add certain features that the other crypto generally lack.

Custom smart contracts

In the Artis Aes blockchain marketplace, integrity will be one of the key issues. Secure cryptocurrency management will be

achieved through a custom blockchain-based wallet used for sending and receiving AES that will take into account the following features ensuring the maximum security of the customer's assets:

- Support of both major mobile platforms (iOS and Android)
- Management of public and private keys enabling end users to control their wallets
- Support of multiple cryptocurrencies to ensure flexibility of the marketplace transactions

Therefore, these will be the distinguishing characteristics of the projected smart contracts:

1. No middleman will control the trade between buyers and sellers
2. The terms of trade will be determined by buyers and sellers, and Artis Aes will rarely intervene
3. The terms of trade will be open, transparent, and immutable
4. No tampering of transactions will be possible
5. Payment between buyers and sellers will be direct, and no intermediary will have any role to play
6. Transactions will require no third-party payment system
7. Transactions will be instantaneous, without depending on a third-party
8. The marketplace will be global as soon as it will be up
9. It will transform the marketplace in permanent so that no one will be able to destroy it
10. No personal sensitive data will be needed
11. Cryptographic hash functions, data encryption and blockchain consensus will make the system secure.

The smart contracts for the management of the AES, when developed, will have management functions in order to try to stabilize it and therefore for its attractiveness with respect to the needs of the art market. These functions will initially be managed entirely manually but, once the algorithms within them have been refined properly, they will be automated or almost automated. It will therefore be possible that quantities of tokens in circulation are burned in order to maintain a fair stability of their value. This is in order to reassure that art buyers and sellers, who will use this exchange medium for artworks transactions, are not subject to speculation and loss of value. However, these mechanisms will not be adopted before the end of the ICO and will be suspended during the SCO.

3.3.2 The Artis Aes' decentralized document management system

At the base of a valid information architecture there is an adequate document management system (DMS) platform.

The Document Management System

Numerous advantages are derived from the DMS. Though achieving such advantages depends on its architecture, at present no unique understanding of the architecture dimensions and specifications is available. Therefore, the aim of Artis Aes is a systematic review of architecture perception of the electronic art record.

During the future years, the electronic art record will be the information source for artworks in most of the art environments and will have a considerable effect on their evolution. Establishing an electronic art record model at international level is faced with such problems as expansion and content variability of record data, difficulty in providing a specified and standard structure for the record due to variation and structure multiplicity and lack of common terminology.

For Artis Aes, providing answers to such problems is very important and involves type of designing (architecture) of the electronic art record. In fact, establishing a framework for successful implementation of the electronic government in the art sector requires architecture of the electronic record.

The distributed Artis Aes file system will have the following features:

- the standard of definition of the electronic art record by Artis Aes will be public
- any document attached to a work of art may be binary or paper-based
- in the case of a binary document, it must be of a photographic or semi-photographic nature (pdf, for example) and the hash of this must be calculated and converted into a barcode, which must be printed on each paper copy of the original document to certify its conformity
- in the case of a paper document, a binary scan must be made which allows the same treatment as for the digital format
- the binary documents will be stored in a decentralised manner on a network of servers.
- the participation in the network of servers will be democratic so that anyone who has the utility to participate can do so according to the rules defined and dictated by Artis Aes
- the hash of each document will be printed on the blockchain to make it unique
- the search and storage protocols will behave as if the main file system were not the only file system on the network, which will make it possible to network, logically, other DMS belonging to other networks (for example, in the case of archives digitized at artist foundations), once they have been conformed to the protocols and interfaces defined by Artis Aes.

3.3.3 The Artis Aes' decentralized marketplace

Making the Artis Aes peer-to-peer marketplace with blockchain can be a rather challenging task involving a number of components specific for this technology. Let's look at the main points that will need to be addressed while building a marketplace on blockchain.

The Marketplace

In the Artis Aes blockchain marketplace, a seller will be directly connected to the buyer, and their transaction will be performed without any third-party acting as middlemen. There are some major details that will make this platform attractive to both buyers and sellers:

- All payments will be made directly with no third-party institutions in-between. The result is that payments will be processed instantly.
- No payment system will be involved. Instead, all transactions will be affected in cryptocurrency. This way, blockchain networks can charge very low transaction fees or, sometimes, no fee at all. (NB: Traditional peer-to-peer marketplaces can charge as much as 15% of the transaction amount.)
- Terms of sale and marketplace usage will be determined or completed by the users rather than third parties.
- The blockchain platform won't require any personal data. Compared to traditional ecommerce platforms, such approach can be regarded as more secure. With no individual data stored in the system it won't be compromised in case of a breach. Only for Anti Money Laundering reasons, the user will be identified at the registration moment, but his personal data will be stored elsewhere and only Artis Aes will know how to connect them with the blockchain records.
- Sales terms will be stated and regulated by smart contracts. Smart contract terms can be hardly amended ensuring greater trust and reliability. At the same time, in traditional marketplaces, trade terms are established by third parties owning the platform and can be changed from time to time.

3.3.4 The Artis Aes' decentralized artists galleries and tokenizing platform

The Artists Galleries platform of Artis Aes will be enriched primarily by the acquisition of the decentralization model, which will ensure the benefits described above.

Art Tokenization

At the same time, Artis Aes will adopt the tokenization engine in order to finance artists' activities through separate targeted crowdfunding campaigns.

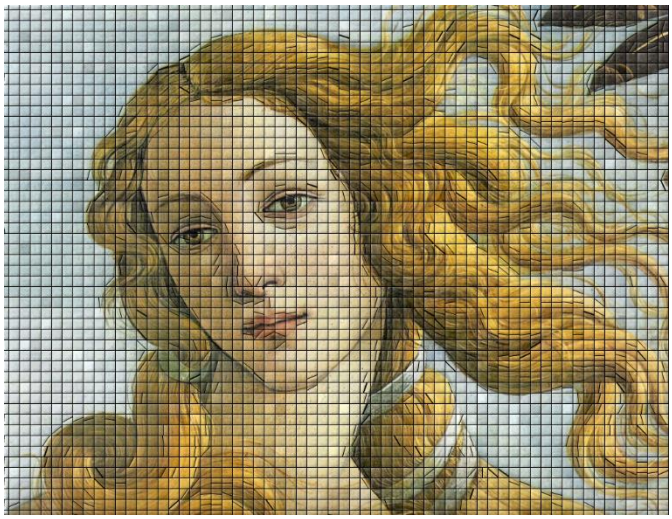
For Artis Aes, tokenizing of an artwork means that the cost of ownership of the art is ascertained, then the property rights are digitized into multiple tokens and sold to interested buyers. Since each token is supported by the value of the art and the right of ownership, this implies that the client owns a part of the artwork for that particular value. Tokens guaranteed

by artistic assets have an upper limit as to the number of units of tokens they can sell, so the amount is limited, and the value increases over time without being diluted.



The main advantage of tokenizing an artwork is that it lowers the entry barrier for all those who might be interested in buying the work of art, but might not have the funds to buy the work of art. The concept of token art allows a group of individuals to invest collectively in the artist and/or its artworks by purchasing a few of the tokens that are equated with some value. Owners of these tokens can exchange (buy or sell) the tokens in exchanges of assets that support them in order to make profits.

The tokenized artworks will be exchanged using the Artis Aes' Tokenizing engine. Throwing the artwork will allow its artist to potentially thrive without depending on multiple layers of intermediaries because they can directly choose to work with the tokenizing engine to symbolize their artwork. This ensures that the artist's work is recognized, that the real value is evaluated in a transparent way and that the artist derives the maximum benefit from it. Art tokens have the potential to change artists' lives, so they can focus on creating more works that they can sell directly to their clients, without fear of funds being exhausted.



Therefore, the Artis Aes' decentralized artists galleries and tokenizing platform will offer the possibility to create, market and distribute the artworks tokens to interested investors. The integrated features will allow Artis Aes and every involved artist to conduct custom initial token offer and, in this way, to finance the artist work and to enhance the artwork value.

Adopting the tokenization engine, the current Artists Galleries platform of Artis Aes will be transformed to implement

- the robustness and security of decentralised platforms
- the functions offered by the decentralized data management system engine.

In this way, the artists will access to an environment more suited to for being promoted and that will allow them

- to receive funding
- to uniquely accredit and certify their works of art,

- to make accessible this certification in a unique automated way.

3.3.5 The Artis Aes' art club services

Overall, the platform will be a highly customizable and democratized social news platform, built on the blockchain Ethereum, an alternative to the generalist social news platforms.

The Club

The human dimension of the relationship between the individual and art is the basis of the business of Artis Aes. For this reason, the web platforms created by us do not neglect the need for the individual and the community to interact directly and socially with artistic production.

The approach of the individual to art for Artis Aes must be direct but it cannot only be solitary but must also be possible in a context of encounters and socialization.

For this reason, the organization of art events is not secondary to the proposal of highly automated telematic services; on the contrary, the latter are for Artis Aes a modern tool to bring people closer to art and to make it differently usable.

This is where the need arises to bring together the users of the platforms of Artis Aes in a club of art lovers that enhances and enhances the experiences and points of view of individuals while simultaneously meeting their needs in terms of access to art.



As illustrated below, any form of business developed and conducted by Artis Aes requires a substantial proportional investment in terms of enhancement, communication and dissemination, and production of ad hoc events of encounter between users of the artistic production concerned.

This is absolutely crucial because through events (also itinerant) of meeting and sharing it will be possible to increase the visibility and the value of the artworks and, in exponential progression, the probability of sale and maximum Return on Investment (ROI).

So Artis Aes means:

- organize and promote events and exhibitions, with a dedicated section in its news platform
- temporarily acquire artistic assets with a view to earning them a living in the context of the above events and their promotion.

3.4 The promotion and development actions

The Coin Offerings includes a number of main actions related to the promotion and development activities, which are briefly described below.

Actions

3.4.1 Launch on social platforms

Through its social channels Facebook, Twitter, Medium, Reddit and Telegram, Artis Aes will carry out a series of promotional activities aimed at raising public awareness of those interested in the world of art in its various areas. In this way it will be possible to give references at a click on the existence of the Coin Offerings and their potential.

3.4.2 Coin Offerings advertisements

The existence and characteristics of the Coin Offerings will be advertised during the three phases of the offer itself and the intermediate ones, through precise announcements on different specialized sites. A part of what will be collected in the first and second phases (Pre-ICO and ICO) will be used for further information and awareness campaigns.

3.4.3 Call for interested developers and testers

All software developments that will be funded by the CO will be published as open source and suitable for decentralised teamwork.

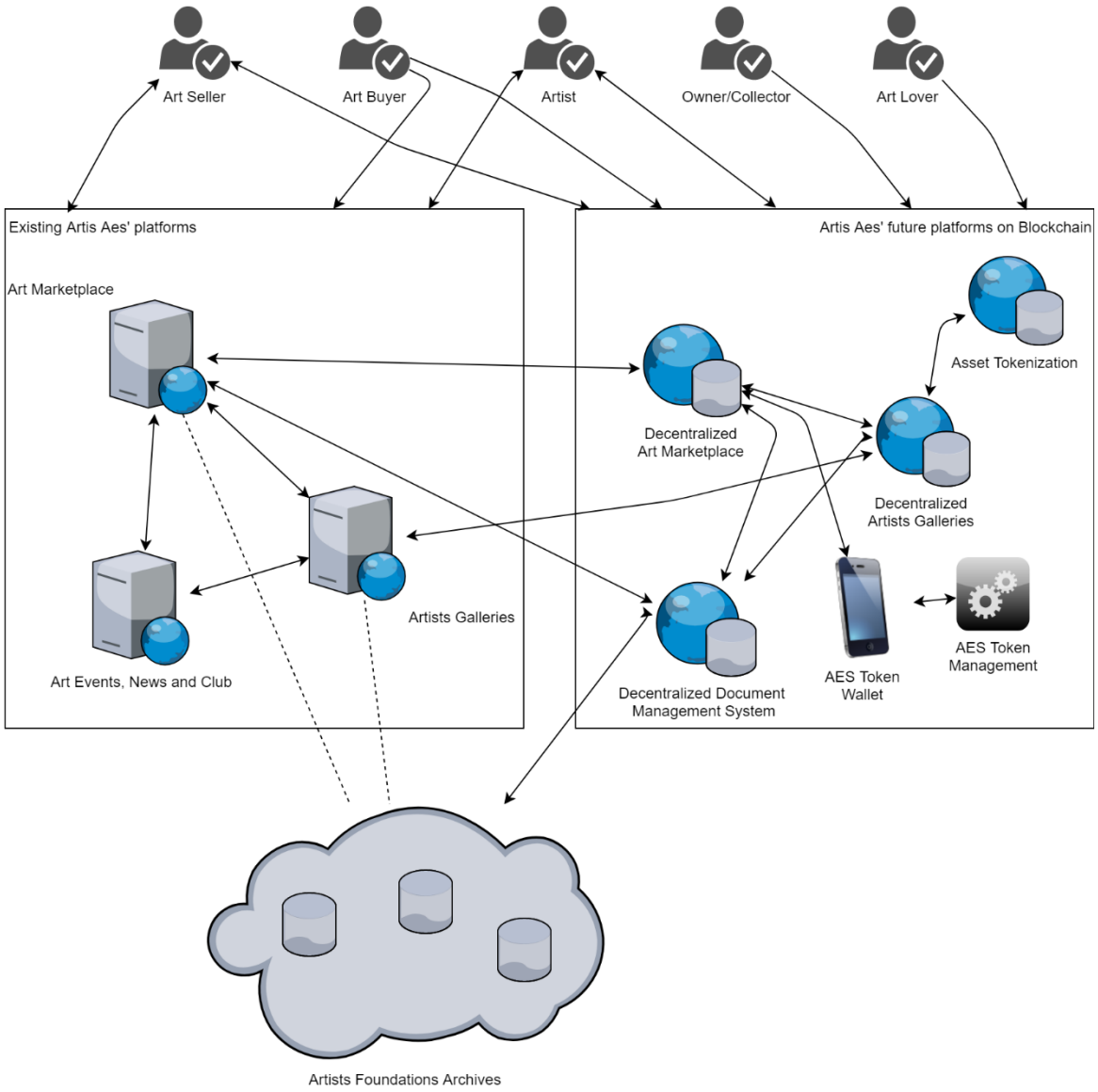
In parallel to the awareness actions on social channels, Artis Aes will open its own channels Github and Discord to receive the interest and availability of developers and testers for the development of distributed applications and interfaces that are planned. Those selected among them will be rewarded according to what is done with a maximum established by a precise percentage of the amount collected.

3.4.4 Development team building

The professional figures selected for the development and testing activities will be involved in the various stages of realization, under the constant direction of Artis Aes. The project plan will be completed, kept up to date and properly communicated following the results of the individual phases of the offer.

At the same time, at the beginning of the development phase, the bounty program will be launched, which will follow what is described below.

3.5 The new software modules



The chart above summarises the current infrastructure of the Artis Aes platform and its future extensions. The main future modules that compose it are described below.

The Artis Aes blockchain platforms will be built on the Ethereum blockchain.

3.5.1 The wallet and payment gateway

The payment platform will be built to simplify payments made with cryptos, easy to use and intuitive. The platform will let the user to pay for products and services using cryptos as simple as a traditional payment method with fiat currencies. Risk-free, completely secure with provable results.

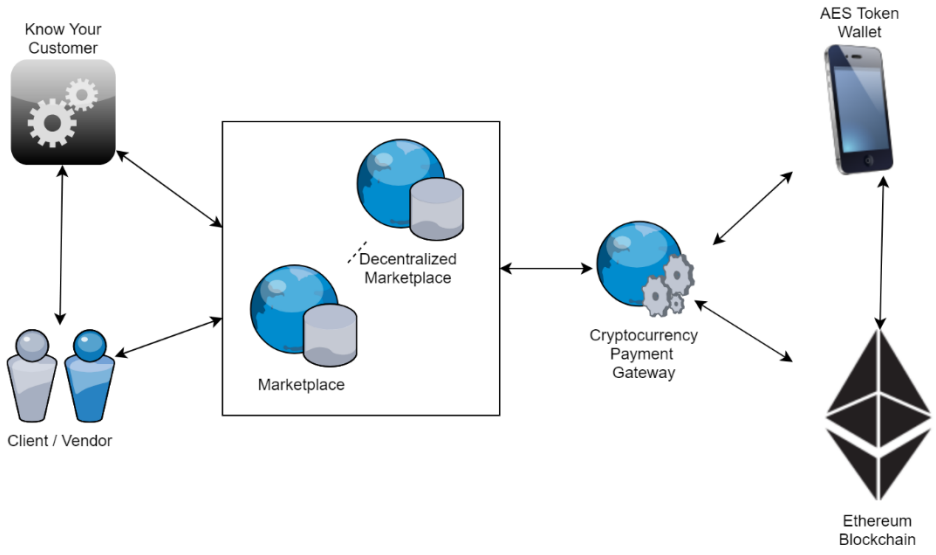
Wallet and payments

The payment platform will provide complete safety of every transaction for the buyer as well as for the vendor.

The Wallet module will be the first to be developed and will allow the currency conversion of the distributed tokens. During the development phase and following the ICO campaign, Artis Aes will communicate the reference exchanges.

Through the wallet module, the users will also be able to manage service requests such as, claims, general requests, FAQs, etc.

Below is a schema of the module infrastructure.



3.5.2 The personal Data management system

Compared to the current platform, but in accordance with the policy of Know Your Customer (KYC), the management of user data needs a radical revision. There will be three distinct areas when it is fully operational:

The personal data management

1. general personal data
2. the data needed in the KYC process
3. the financial flow data.

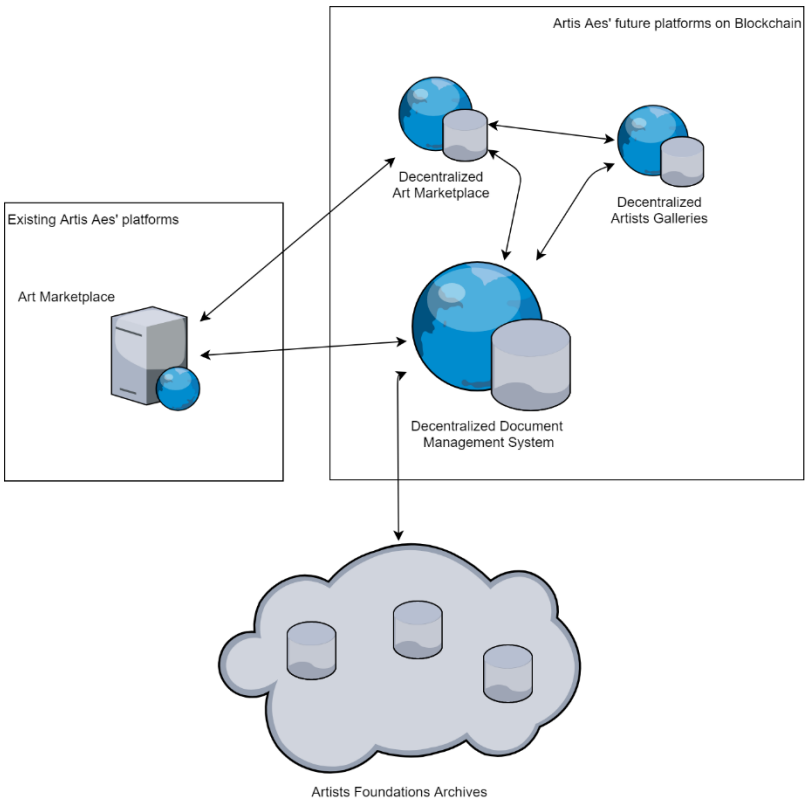
The only link between these areas will be only through pseudonymisation functions, in accordance with the GDPR.

The schema in the previous paragraph illustrates how the personal data of the marketplace platforms (current and decentralized) will be separated from the modules related to the economic transactions on the blockchain and to the KYC process. For this reason, the match between personal data and addresses on the blockchain will pass only through the platforms themselves, ensuring the maximum confidentiality.

3.5.3 The decentralized Marketplace

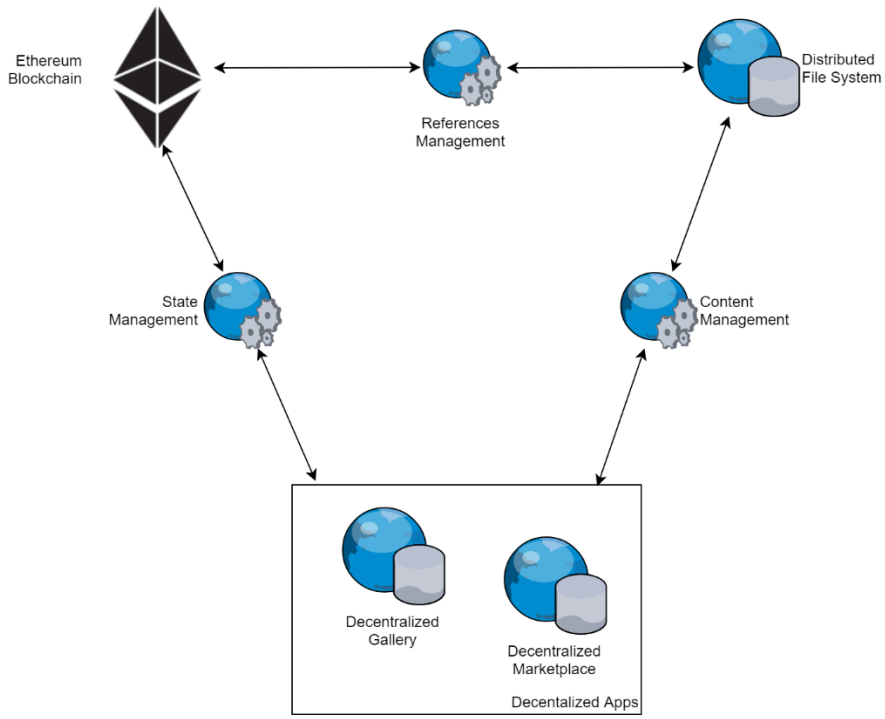
As previously mentioned, the current marketplace will be rethought to offer services closer to the decentralized infrastructure from which it will inherit its nature. In the first period the two platforms of commerce will live together but will tend, in the medium to long term, to a sole one multifunctional. The key features of the new platform will be: the native integration with the crypto token AES distributed by Artis Aes, the interface with the future new platform for artists' galleries and the native integration with the decentralized document management system.

3.5.4 Artworks Document Management System



The above schema shows the positioning of the decentralized DMS for the artworks. This software module will communicate with the existing marketplace platform and with the decentralized applications to be realized (marketplace and artist galleries). In addition, it will expose interfaces and communication protocols to the galaxy of artists' foundation archives.

3.5.5 The artworks documents exchange, validation and certification system

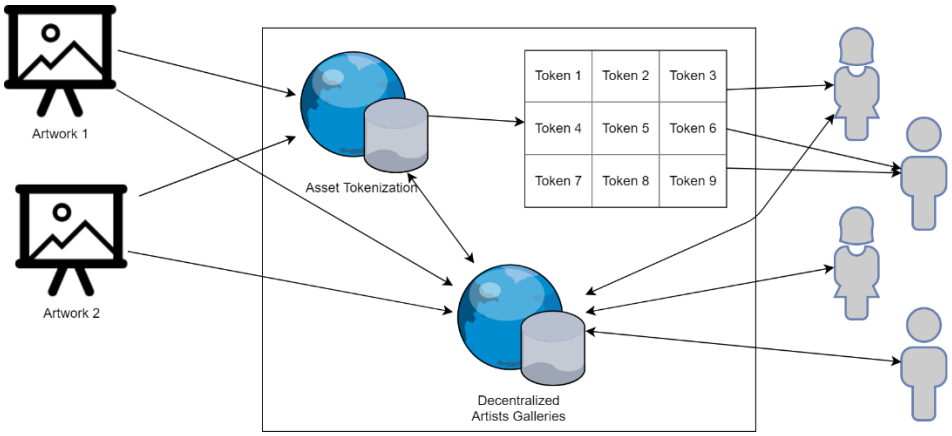


The drawing above illustrates the main architectural features of the distributed database designed for the documentation attached to the artworks. The decentralized applications will use the blockchain to make the digital documents unique through their hash and will record their status. Through the distributed DMS mentioned above, these documents will be registered with a guarantee of security and will be associated with their certification of uniqueness.

Documents certification and exchange

3.5.6 Decentralized artists' galleries

The artists' gallery platform will evolve into a decentralized version in order to comply with the future new marketplace and decentralized DMS, and to natively adopt the AES token distributed by Artis Aes and with which direct services can be paid for.



At the same time, the platform will be enriched by the already described tokenization engine that will allow to financially promote the artworks on exhibition and the work of the specific artist.

3.5.7 The interfaces for the artists' foundations

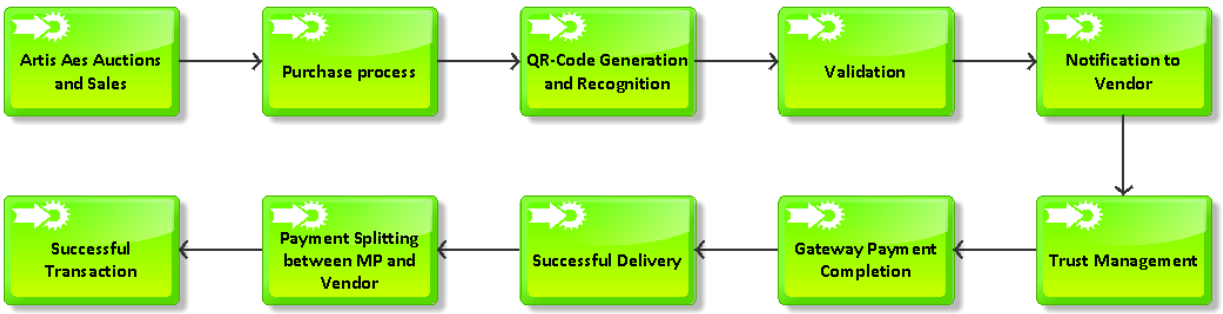
As previously affirmed, the software modules of document management and visibility and sale of artworks will be integrated with the web service of communication with the archives of the artist foundations in order to confirm the authenticity of the works. Through these interfaces, it will be possible to access the services provided by the foundations, obviously with the availability of similar interfaces and communication protocols at the involved archives. During the development phase of these modules, Artis Aes will engage the first foundations for an experimental phase of the service, and then proceed with a commercial policy.

3.6 The workflows and schemas

Below are listed and represented some workflows that will be implemented in the decentralized platform and its software modules.

3.6.1 Marketplace transactions management

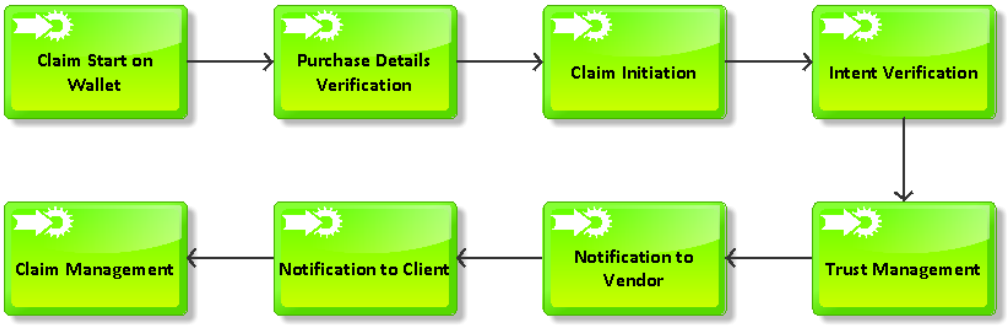
The marketplace platform, the smart contract for transaction management, the payment gateway software module and the wallet will be structured to obey the following application phases.



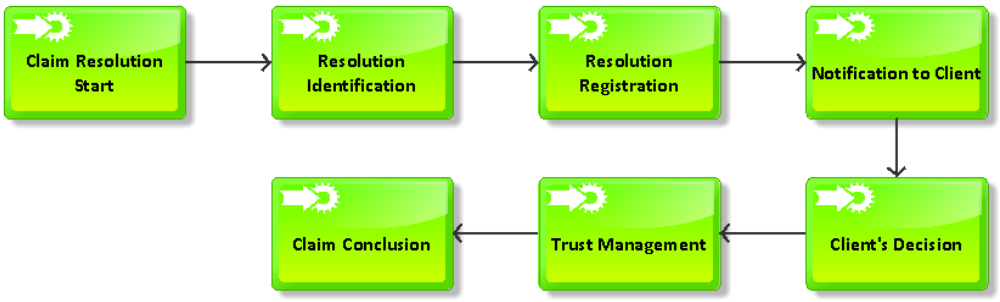
3.6.2 Claims management

At the heart of the management of transactions in artworks, especially because the platform will be decentralized in nature, it will be extremely accurate the workflows of claim management, ie both the submission and resolution ones.

3.6.2.1 Submission



3.6.2.2 Resolution



4. Sales and Marketing

4.1 Market positioning and strategy

The global art market counts various online marketplaces, both with auctions and sales. Meanwhile the public attention to the market is growing because,

- the art is seen as a safe haven and its value is more durable than other capital investments
- at the same time, an increasing number of people are trying to convert this value into cash in order to deal with contingent situations.

Strategies

The majority of Artis Aes' major competitors are focused on classical market approaches, because they merely offer auctions or sales using the web as a remote alternative to the auction houses, presenting fees and commissions that are comparable with them. Nevertheless, they have revenues ranging between $5 and $120 million per year.

But the art market presents other spaces where it is possible to develop and offer many new and attractive services, where Artis Aes is developing its own strategic position:

- conjugating the marketplace together with the art information
- involving the artists in a path that starts from their promotion to the access to the market and the sales
- opening itself to the niche artistic productions
- offering greater competitiveness, increasing efficiency and reducing costs
- avoiding the forced adoption of elastic search logics and simplifying and making more efficient the selection and search algorithms
- attracting a more selected quality of artworks
- involving art collectors and art lovers in new services of custom private events
- offering consulting on heritages, strongly connected to the art market
- connecting the artworks to the precious and luxury assets.

Meanwhile Artis Aes is focused on new blockchain technologies where it expands its own vision and strategic position:

- rethinking the marketplace infrastructure and services in a decentralized focus
- building smart contracts customized for the value assets exchange (sale, purchase and ownership transfer)
- offering a crypto token currency that is designed specifically for the art market
- rethinking the artists galleries and their services in a decentralized focus
- offering services of assets tokenization (art tokenization) for funding artists and artworks value
- affording the problems related to the artworks document exchange, validation and certification into a decentralized infrastructure
- offering network protocol and interfaces to automate the communications among the artists foundations and artworks owners
- managing the decentralized trust and reputation for the users to strengthen the network effect.

Into the market, Artis Aes is not the only company that proposes innovative solutions. At the moment, there are consolidated and startup companies that offer some of the services that Artis Aes intends to realize on the blockchain, that is:

- custom smart contracts for the purchase and sale of valuable assets
- asset tokenization
- decentralized marketplace platforms
- decentralized exhibitions galleries
- decentralized file systems
- art document certifications.

For Artis Aes, the limit of these projects is that they are offered as singles, without any prospect of integration. Our paradigm shift, here, is to adopt an overall vision so that, while maintaining a modular and not monolithic structure, all the elements are of mutual service, with the same technology, with common interfaces and protocols and a homogeneous development path.

In addition, Artis Aes enters this context starting from its owned technologically consolidated platforms, from which it can evolve to enrich its portfolio of services.

This scenario puts Artis Aes in a unique leading position as the only centralized platform that evolves on the blockchain in an integrated evolutionary project. The resulting advantage over any hypothetical or real competitor can be quantified in 1-2 years, during which Artis Aes will be able to further enrich itself with new services and evolutionary proposals.

4.2 Porter's 5 forces

Starting from the above perspective, the industry structure analysis, according to Michael E. Porter (also called the Porter Five Forces Analysis), determines the attractiveness of Artis Aes based on the five components of the sector structure ("Five Forces"), for the present and the future. The scale for each component of this analysis can be from 1.0 (very unattractive) to 5.0 (very attractive).

		Scale				
		1: very unattractive 5: very attractive				
Components of the industry structure	Viewing time	1	2	3	4	5
Intensity of competitive rivalry	Today In five years				x x	
Threat of new providers	Today In five years			x	 x	
Bargaining power of suppliers	Today In five years			x	 x	
Bargaining power of buyers	Today In five years		x	 x		
Threat of substitutes	Today In five years			x		 x

The Artis Aes' Porter Five Forces Analysis gives a total value of 3 in the present and up to 4 for the year 2024. These total values show that we are working in a very interesting and strongly growing market.

5. Team

The Artis Aes' team is composed of the core company, its own consultants, its own advisors.

Our team

5.1 Artis Aes ltd

As previously said, Artis Aes ltd is a small new company, the result of the union of two long-standing professionals and their respective businesses, together with their strict consultants and advisors.

For a consultation of their working curriculum and references, please visit the website https://aes.artisaes.it.

Daniele Farci



Co-founder, CEO & CTO

Daniele Lastretti



Co-founder & CIO

5.2 Consultants and associates

The following are the main consultants who work with Artis Aes and will continue to work in the medium term. Are excluded those who have participated in the development of the current platform and that, in their experience, are not very suitable for the next stages. Subsequent updates on the website https://aes.artisaes.it will allow those interested to have a better understanding of it.

The references of the consultants listed below are available on the site. Some photos are not available due to an express wish for privacy.

The order is exclusively alphabetical.

Ilaria Attuoni

Architect

Raffaella Carta



Archaeologist, medievalist and ceramologist

Enrico Paolo Deplano



Art historian, expert in architecture

Silvia Ledda



Art historian

Alessandra Loche

Art historian

Alberto Marci



Restorer, expert in restoration of graphic works

Marzia Marino



Art historian, expert on the twentieth century

Mauro Marras



Restorer, expert in wood restoration and painting

Francesca Mele



Gemologist

Patrizio Martorana



Photographer

Paola Meloni



Expert in material science and technology

Giorgio Murgia

Restorer, expert in ancient and modern clocks and watches

Alessandro Ponzeletti



Inheritance historian and court expert

Rita Rocconi



Cultural planner, expert in valorisation
and marketing projects for cultural heritage

Gianfranco Sanna

Expert in decorative arts of the 20th century

5.3 Advisors

The following are the legal and fiscal advisors who support and follow Artis Aes in its various activities and developments.

Maria Paola Fenu

Legal advisor

Ettore Cinus



Legal advisor

Francesca Nocera



Accountant & fiscal advisor

5.4 Technological team

The current centralized platform was created by Artis Aes by out sourcing on the market, with the significant engagement of the company's shareholders.

The technical team for the development and testing of the new modules will be formed on call and its size will depend on the financial outcome of the crowdfunding campaign.

Anyhow, Artis Aes will build a development and test team with following skills:

1. UI/UX, to design the interfaces that buyers and sellers will use.

2. Blockchain distributed apps (DApps) and smart contract development, to build the marketplace using blockchain;
3. Testing;
4. Project management with experience in blockchain development projects.

5.5 Technological partners

The following are the technological partners who support and follow Artis Aes in its future developments.

Their support will be of a logistical and experiential nature and will be requested in proportion to the funding received and will be paid on the basis of the effort spent.

Kolos Services ltd



TeTrakTis S.r.l.



6. Crowdsale and Tokenomics

This section describes various aspects of the Artis Aes' Coin Token Sale.

6.1 Purpose

The purpose of fundraising is to finance all-or-part of the infrastructure and services described in chapter 3, that Artis Aes intends to offer to its users and the market.

The larger the amount collected, the greater the possibility for Artis Aes to be a leader in its own market, in a totally open and borderless environment.

The project that is the basis of this crowdfunding campaign is ambitious, important and robust. The challenge is to put in place truly winning infrastructure and services

- for widening the audience of users, enthusiasts and lovers of figurative art,
- for financing emerging art,
- for financing dissemination and meeting events,
- for financing the restoration and income generation of valuable artworks,
- for increasing security and the average level of authenticity of art,

- for offering more effective, efficient and cost-effective payment methods.

6.2 Benefits

The crowdsale

As already clarified, The AES token is not a security, because it is not a core part of the Artis Aes' intrinsic business value and it does not offer any success warranty.

The AES token is a means to be part of the realization of the above purposes, and also to be part, in the future, of the Artis Aes' life, its services and all interested art.

The more successful this crowdfunding operation will be, the greater the value that the AES token will acquire, the greater the benefits that will be obtained by the participants in this campaign.

At the end of the period for each stage, the owners of AES tokens will be able to decide to convert them into value or acquire Artis Aes services, in which case he or she will once again demonstrate that believes and shares in the success of the business.

6.3 Description

Considerable thought and a huge amount of time have been spent on finalising the economics of the Artis Aes' Coin, which provides long-term stability and growth. The vision is to attract long-term investors through the coin sale.

The Artis Aes crowdsale and the corresponding token creation process has been issued by Artis Aes ltd, an UK Limited Liability Company, and is organized around smart contracts running on Ethereum. Participants willing to support the development of the Artis Aes Project can do so by sending Ether currency to the designated address. By doing so, they are purchasing Artis Aes Tokens (AES) starting from a rate of 100 AES per 1 ETH that will be sent to their wallet.

- The accepted currency during the Coin Offerings is Ether.
- The creation for the Pre-ICO will be capped ("Hard Cap") upon sale of AES fixed on 2.000.000 AES. This amount is subject to change before the Token Creation event.
- The Token Creation period will last the 31st of March 2019, if Hard Cap is not reached sooner.
- The creation for the ICO will be capped ("Hard Cap") upon sale of AES fixed on 10.000.000 AES. This amount is subject to change before the Token Creation event.
- The Token Creation period will last 30 (thirty) days, if Hard Cap is not reached sooner.
- The creation for the SCO will be capped ("Hard Cap") upon sale of AES fixed on 40.000.000 AES. This amount is subject to change before the Token Creation event.
- The Token Creation period will start the 1st of September 2019 and last 30 (thirty) days, if Hard Cap is not reached sooner.

- Token Creation has a theoretical limit: upon achieving this cap, token creation will stop and no further contributions will be accepted. The limit is 100.000.000 (one hundred million) AES. The AES tokens not for sale in the CO are reserved by Artis Aes for other aims.
- Tokens for sale that are not sold during the CO will be reserved by Artis Aes and will be used for other aims, as liquidity needs and token asset management.
- The management of the unsold AES tokens could be the scope of new future smart contracts.

6.4 Phases

The Artis Aes' team requires significant funding to develop, launch, and grow Artis Aes' network and services. Artis Aes must develop all the software required: the referral network, user interfaces and apps, partner network, software for third-party wallets and exchanges to support the Artis Aes coin, integrations with other data storage software, tooling for web applications and blockchain software. Artis Aes must also expand the referral network to facilitate its growth to a larger scale. Artis Aes need to market its product, onboard candidates, referees and employers. Artis Aes also need to bring on key partners for its ecosystem.

In addition, Artis Aes must maintain the framework built and above all must create and manage opportunities for profitability by carrying out a series of interventions for the income-earning of artworks and artists of which Artis Aes will become a patron.

The crowdsale is divided into three phases. This is for the urgency to start the development process. NB. If the pre-ICO crowdsale campaign does not reach its above minimal capital goal, there will be a possible delay before to start the other CO phases.

6.4.1 PRE-ICO

Phases

Artis Aes understands the risk that early believers would be taking to participate in this sale. However, the initial phase of this sale would be rewarding for all participating investors & early believers.

During pre-ICO only 2% of the total tokens will be issued to finalize the initial part of Artis Aes' components on the Blockchain during the full CO and start the related actions. The pre-ICO will be used to re-phase the soft cap and the AES tokens during the following ICO and SCO.

The price of AES tokens during the Pre-ICO is 0.01 ETH per token.

The minimum purchase amount per investor is 20 AES.

6.4.2 ICO

Most of the proceeds from the earlier round would be invested into Artis Aes' sales and marketing for its ICO. The amount targeted, will assure to Artis Aes that the project deliverables could be completed on time and that the Company has enough resources to support it.

The price of AES tokens during the ICO is 1/85 ETH per token.

The minimum purchase amount per investor is 10 AES.

6.4.3 SCO

This phase of the sale is important for two reasons. Firstly, any funds raised would speed up the development and expansion of Artis Aes' ecosystem which would ensure that we stay well ahead of its competition. Secondly, it would enable to Artis Aes to reach out to the recruitment community to create a market buzz about its ecosystem.

The price of AES tokens during the SCO is 1/75 ETH per token.

The minimum purchase amount per investor is 10 AES.

6.5 AES Tokens

The coin created and offered by Artis Aes is the AES token and is an Ethereum-based token of value. The token is a digital asset, bearing value by itself based on its underlying assets, properties and/or associated rights.

ERC20 standard was chosen to ensure the upmost compatibility to form, and quickly execute partnerships with both exchanges, and other companies down the road as this project continues to seek out ways to offer value added features to its users and the community as a whole. It has been designed with 18 decimal places to comply with the encouraged but not compulsatory standard for ERC20 tokens.

The AES token creation will be limited to 100 million token coins, this amount of coins reflects strategic calculations to support, first and foremost, the ideal scale of the trading platform where it performs optimally in respect to volume of managed assets. This ensures that the scale of managed capital will always remain within the optimal ratio relative to overall market cap to continue producing quoted returns to users. The number of tokens also included calculations to achieve the dispersal to what we consider an ideal sized user base, allowing for the coins to be traded at exchanges and kept in circulation with an initial value that would promote wide spread and adoption of the token. The low cost of entry along with the necessity of the coin to participate in the features of Artis Aes is intended to first drive large user base implementation while also maintaining initial and expanding demand for the token.

The AES tokens

Ethereum-based tokens rely on a well-established Ethereum infrastructure, benefiting from several advantages:

- Security and predictability (as opposed to, for example, having to run an independent blockchain network).

- Use of robust and well-supported clients (Ethereum-based tokens can be managed with official Ethereum clients).
- High liquidity (interchangeable with other Ethereum-based tokens or Ether), easier listing on exchanges with infrastructure already in place.

More detailed info about the ERC20 standard can be obtained from: https://eips.ethereum.org/EIPS/eip-20.

All coins allotted for the pre-ICO (initial coin offering), a total of 2 million, the ICO, a total of 10 million, and SCO (secondary coin offering), a total of 40 million, that are not sold during the coin offering actions, will be temporaly removed from the total available supply. 38% of the total supply will be owned by Artis Aes in the company wallet, which will be used for future project capital and liquidity and the bounty program (around 1% or less of the total supply and not more than 6% of the total sold). The remaining 10% of tokens will be in a separate vault wallet to act as reserves for paying the consultants and partners effort.

Following the completion and closing of each coin offering phase (ICO and SCO), there will be an audit activity. During this time, all purchases and balances of AES tokens in Artis Aes hosted wallets will be reconciled and checked for accuracy.

While users will be able to view their AES token balance in their Artis Aes hosted wallet shortly after ICO and SCO until the completion of the above-mentioned audit period. The next step will be the dispersion period. Dispersion of coin offering purchased AES tokens works as follows; the Artis Aes hosted wallets will go live for use by the wallet owner at the start of this phase. Once the wallets are live, Artis Aes will accept the exchange of the AES tokens after the SCO and the users will be able to leave the AES tokens in their wallet or exchanged. As exchanges begin to accept AES tokens all users will be notified.

6.6 Bounty program

The users can earn Artis Aes tokens (AES) by joining its bounty program. Please note that all Artis Aes tokens earned throughout the bounty program will be available to withdraw after the Coin Offerings period ends.

After each assignment the will user complete, he or she will need to create an application inserting it by the form that Artis Aes will provide. We will only consider submissions that submitted application towards bounty rewards.

The user must be aware that only one account can be registered per email/telegram address. Once the user will join, he or she will have the option to view his or her current Artis Aes' bounty list in his or her personal area into the CO website.

The bounty program

The rewards will be given:

1. By registering in the Artis Aes' Coin Offerings website (https://aes.artisaes.it), to the first 1000 (one thousand) members, Artis Aes will give 2 AES tokens.
2. (Linkedin) The user shares an Artis Aes' Linkedin company page post in public and let his or her Linkedin connections know about it. The posts the user shares need to be on his or her wall till the end of the Artis Aes' Coin Offerings period, then Artis Aes will reward him or her with 5 AES tokens in his or her account. This is only valid for the first 1000 users mentioned above. Requirements are that: he or she chooses any post he or she likes from Artis Aes' company page posts. The shared posts need to be public, so Artis Aes can check the results. This is only applicable to Linkedin users who have more than 200 connections. He or she should attach his or her thoughts to the shared Artis Aes' post. The posts need to stay on his or her wall till the end of the Artis Aes' Coin Offerings period.
3. (Facebook) If the user clicks the "Like" button on the Artis Aes' Facebook page https://facebook.com/artisaes and shares one of this page posts, so he or she will earn 3 AES. This will be giving out to the first 1000 users mentioned above. The Artis Aes' Facebook page will be used to announce Artis Aes' related news. Requirements are that: he or she chooses any post he or she likes from Artis Aes' Facebook page posts. The shared posts need to be public, so Artis Aes can check the results. This is only applicable to Facebook users who have more than 200 connections. He or she should attach his or her thoughts to the shared Artis Aes' post. The posts need to stay on his or her page till the end of the Artis Aes' Coin Offerings period.
4. (Twitter) The user follows and retweets a Tweet from the Artis Aes' Twitter account https://twitter.com/artisaes and gets 3 AES. This will be giving out to the first 1000 users mentioned above. He or she needs to follow Artis Aes' Twitter account till the end of the Artis Aes' Coin Offerings period. He or she needs to have more than 60 followers. Retweet must be appropriate and positive about Artis Aes. The retweet bounty will be rewarded when the Artis Aes' Coin Offerings period is over.
5. (Telegram) Every 50 (one hundred) posts into the Artis Aes' Telegram channel, Artis Aes will be giving 5 AES tokens. The posts need to be original, different among them, coming from the user's thoughts and more than 100 characters long.
6. (Medium) The first 1000 followers mentioned above, that will follow the Artis Aes' Medium blog (https://medium.com/@ArtisAes) too, will earn 2 AES. Artis Aes will post product updates and related articles on Medium.
7. (Bugs) In order to make the website more useful, Artis Aes tries to engage its community to find bugs on its Coin Offerings site (https://aes.artisaes.it) by giving AES tokens. Bugs already found by others, will not be considered. In this way the web application will be more reliable, and the developers will have a chance to fix bugs that could not be seen before. The rewards will be: 50 AES for a high priority bug, 25 AES for a medium priority one, 10 AES for a low priority one.

The user must be sure to submit every application to claim every bounty reward in the Coin Offerings website (https://aes.artisaes.it).

In any case, in order to protect as much as possible the purchasers of AES tokens, the budget for the bounty program can not exceed 6% of the total AES sold.

6.7 Budget

The following is a forecast of expenses and appropriations in relation with what is expected to be collected

The budget

Field	Portion of budget	Activities and costs
Legal	10%	Company establishment, contracts with merchants, etc.
Product Development	15%	Product development according to development roadmap. Here are the main expenses: 1. The new smart contracts, £ 20.000,00 2. The decentralized DMS, £ 100.000,00 3. The decentralized Marketplace, £ 100.000,00 4. The decentralized Artists Galleries, £ 100.000,00 5. The decentralized Art club services, £ 80.000,00
Operations	30%	The management, the salaries of the employees, the costs of maintaining the systems for a period of two years. The minimum budgeted costs are 200% of the development costs.
Art club activities	25%	Organization of events, rental of artistic assets, mobility of exhibitions. Setting in income of assets.
Marketing, sales, merchant acquisition & partnerships	20%	Expenses for attracting merchants, making partnerships with payment providers, bounty program

6.8 Resume

The following is a summary of the crowdfunding operation

Issuer	Artis Aes ltd
Jurisdiction of Issuance	UK

Legal qualification	Utility Coin, not a security
AES created per ether	100 AES (pre-ICO), 85 (ICO), 75 (SCO)
Hard Cap	2 000 000 AES (pre-ICO) 10 000 000 AES (ICO) 40 000 000 AES (SCO)
Desired minimal goal	2 000 ETH (pre-ICO) 20 000 ETH (ICO) 80 000 ETH (SCO)
Maximum number of tokens generated	100 000 000
Maximum % of tokens generated to Artis Aes	10%
Maximum % of tokens generated for Artis Aes	38%
Maximum % of tokens generated to Crowdsale participants	52%
Date of crowdsale start (pre-ICO)	15th of March 2019
Date of crowdsale end (ICO)	30th of April 2019
Date of crowdsale start (SCO)	1st of September 2019
Date of crowdsale end (SCO)	30th of September 2019

7. Roadmap

The main phases and milestones of the Coin Offerings are listed below.

NB. Artis Aes has decided that the dates will be flexible

- to better respond to certain market needs that may arise

The roadmap

- to better acknowledge the results achieved in every milestone.

Any updates to the roadmap will be published on the website https://aes.artisaes.it/.

Date	CO Milestones	Description	Other activities
01/11/2018	Project start	The project for the new evolution on the blockchain has started	
01/02/2019	CO definition	The Coin Offerings aspects are defined	
24/03/2019	Pre-ICO start	The Pre-ICO starts	
31/05/2019	Pre-ICO stop	The Pre-ICO ends and the first dev phase starts, including the wallet, the payment gateway and their implementation. The call for building the dev team starts	
01/06/2019	ICO starts	The ICO starts	
01/07/2019	ICO stops	The ICO ends and the second dev phase starts, including the Decentralized Marketplace and the Artworks Document Management System. The tests start on the first releases of the modules regarding the previous phase. The tuning of the token starts.	Artis Aes decides if the following milestones need to be tuned
01/10/2019	SCO starts	The SCO starts. The tuning of the token pauses.	
31/10/2019	SCO stops	The SCO ends and the third dev phase starts, including the Decentralized Artists Galley and the Artworks Documents Exchange System. The tests start on the releases of the modules regarding the previous phases. The tuning of the token restarts.	

7.1 Main channels for updating

Below are listed the social and information channels for in-depth analysis and updating on the CO of Artis Aes.

Type	Channel
Website	https://aes.artisaes.it
Information website	https://news.artisaes.it
Twitter	https://twitter.com/ArtisAes

Type	Channel
Facebook	https://www.facebook.con/artisaes
LinkedIn	https://www.linkedin.com/company/18917027/admin/
Telegram	https://t.me/joinchat/I1WgbUW41JeLkimeB0jarg
Pinterest	https://www.pinterest.it/artisaes/
Medium	https://medium.com/@ArtisAes
Reddit	https://www.reddit.com/user/artisaes
Discord	https://discord.gg/PhaYPJ
Bitcointalk	https://aes.artisaes.it/bitcointalk

8. Legal disclaimer

Here is a more detailed follow-up and in-depth analysis of what discussed at the beginning.

8.1 General information

The AES token does not have the legal qualification of a security, since it does not give any rights to dividends or interests. The sale of AES tokens is final and non-refundable. AES tokens are not shares and do not give any right to participate to the general meeting of Artis Aes Ltd. AES tokens cannot have a performance or a particular value outside the Artis Aes Platform. AES tokens shall therefore not be used or purchased for speculative or investment purposes. The purchaser of AES 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 investors' protection, are not applicable.

Anyone purchasing AES tokens expressly acknowledges and represents that she/he has carefully reviewed this white paper and fully understands the risks, costs and benefits associated with the purchase of Artis Aes.

8.2 Knowledge required

The purchaser of AES tokens undertakes that he or she understands and has significant experience of cryptocurrencies, blockchain systems and services, and that she/he fully understands the risks associated with the crowdsale as well as the mechanism related to the use of cryptocurrencies (incl. storage).

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

8.3 About Risks

Acquiring AES tokens and storing them involves various risks, listed below, in particular the risk that Artis Aes ltd may not be able to launch its operations and develop its blockchain and provide the services promised. Therefore, and prior to acquiring AES tokens, any user should carefully consider the risks, costs and benefits of acquiring AES tokens in the context of the crowdsale 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 the activity (incl. the risks related to the non-development of the Artis Aes platform) or any other risks as indicated in the Terms & Conditions of the crowdsale should not acquire AES tokens.

8.4 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 it be considered as an offering of securities in any jurisdiction. This white paper does not include or contain any information or indication that might be considered as a recommendation or that might be used as a basis for any investment decision. AES tokens are just utility tokens which can be used only on the Artis Aes platform and are not intended to be used as an investment.

The offering of AES tokens on a trading platform is done in order to allow the use of the Artis Aes platform and not for speculative purposes. The offering of AES tokens on a trading platform does not change the legal qualification of the tokens, which remain a simple means for the use of the Artis Aes platform and are not a security.

Artis Aes Ltd is not to be considered as an advisor in any legal, tax or financial matters. Any information in the white paper is provided for general information purposes only and Artis Aes Ltd does not provide any warranty as to the accuracy and completeness of this information.

Artis Aes Ltd is not a financial intermediary according to Swiss law and is not required to obtain any authorization for Anti Money Laundering purposes.

Acquiring AES tokens shall not grant any right or influence over Artis Aes Ltd’s organization and governance to the Purchasers.

Regulatory authorities are carefully scrutinizing businesses and operations associated to cryptocurrencies in the world. In that respect, regulatory measures, investigations or actions may impact Artis Aes Ltd’s business and even limit or prevent it from developing its operations in the future. Any person undertaking to acquire AES tokens must be aware of the Artis Aes Ltd business model, the white paper or terms and 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, purchasers and anyone undertaking to acquire AES tokens acknowledge and understand that neither Artis Aes Ltd nor any of its affiliates shall be held liable for any direct or indirect loss or damage caused by such changes.

Artis Aes Ltd will do its utmost to launch its operations and develop the Artis Aes platform. Anyone undertaking to acquire AES tokens acknowledges and understands that Artis Aes Ltd does not provide any guarantee that it will manage to achieve it. They acknowledge and understand therefore that Artis Aes Ltd (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 AES tokens, except in case of intentional misconduct or gross negligence.

8.5 Representation and warranties

By participating in the crowdsale, the purchaser agrees to the above and in particular, they represent and warrant that they:

- have read carefully the terms and conditions attached to the white paper; agree to their full contents and accept to be legally bound by them;
- are authorized and have full power to purchase AES tokens according to the laws that apply in their jurisdiction of domicile;
- are neither a US citizen or resident;
- live in a jurisdiction which allows Artis Aes Ltd to sell AES tokens through a crowdsale without requiring any local authorization;
- are familiar with all related regulations in the specific jurisdiction in which they are 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 crowdsale for any illegal activity, including but not limited to money laundering and the financing of terrorism;
- have sufficient knowledge about the nature of the cryptographic tokens and have significant experience with, and functional understanding of, the usage and intricacies of dealing with cryptographic tokens and currencies and blockchain-based systems and services;
- purchase AES tokens because they wish to have access to the Artis Aes platform;
- are not purchasing AES tokens for the purpose of speculative investment or usage.

8.6 Governing law and arbitration

Any dispute or controversy arising from or under the crowdsale shall be resolved by arbitration in accordance with the Rules of International Arbitration of the UK Chamber 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 London, UK. The arbitral proceedings shall be conducted in English.

9. Risks

9.1 Legal Risks

Regulatory risk: We fall short of a change in the requirements of crypto-currency organisations.

Mitigation: With the changing requirements of crypto-currencies, we are vigilant to new restrictions, concerns and risks. We have engaged our advisors as legal counsel on all legal and regulatory matters.

Rating: Likelihood: Low, Impact: Medium

9.2 Market Risks

Rejection risk: If the art community were to reject Artis Aes services, then the value of the token would fall rapidly to nil.

Mitigation: Artis Aes will proceed with the following countermeasures: constant reinvestment in terms of communication on the most suitable web channels, constant analysis of the market, updating of its portfolio of services to align with the needs of the market, reinvestment in art and events for the income of the finances collected.

Rating: Likelihood: Low, Impact: High

Competitor risk: Another blockchain company with more resource could enter the market and offer many of the benefits that Artis Aes does.

Mitigation: First to market will be critical and having Various services, both classic and new technology, differentiates us from potential new entrants. Any new entrant would have to build significantly more technology, services, network and relationships to be able to compete effectively. This barrier to entry offers us significant protection.

Rating: Likelihood: Low, Impact: Medium

9.3 ICO Specific Risks

Buggy smart contract risk: Errors in the development of the AES Token ecosystem could lead to financial losses and consequent loss of buyer confidence.

Mitigation: We are rigorously testing the contracts using experienced blockchain engineers and engage with smart contract testing specialists before going to market.

Rating: Likelihood: Low, Impact: High

ICO compromise Risk: A fake account presenting themselves as the official ICO takes currency from potential buyers.

Mitigation: Multiple components are being tested to avoid hacking, including the websites and social media channels. We identify likely compromises and address these through good practice (thoroughly testing the web site for security risks, switching off bots on Telegram, setting up a secure twitter account, etc.).

Rating: Likelihood: Medium, Impact: High

9.4 Execution Risk

Incumbent player risk: The power of a platform is in its use by players across the market. If incumbent players are slow to join the Artis Aes Platform, its value will not rise as fast.

Mitigation: By convincing key opinion leaders, demonstrating value and offering incentives, we make that outcome less likely.

Rating: Likelihood: Low, Impact: Low

Execution risk: The longer we take to get to market, the greater the risk of being beaten to it, so missing deadlines and milestones outside of business model discovery is a danger to the company.

Mitigation: We have set ourselves some challenging milestones and have ensured we will have the resources to deliver on them. However, should deadlines slip, we will reassess and re-plan milestones and share with buyers as early as possible.

Rating: Likelihood: Low, Impact: Low

9.5 Technology Risks

Scalability risk: The user-base grows so large that the architecture is not fit for purpose. We envisage that as the Artis Aes Platform evolves the user base will grow to very large numbers, well into millions, potentially a billion consumers of data. In this context choice of technology platforms and high-performance architecture design become critical success factors.

Mitigation: We will embed industrial-scale non-functional testing and capacity planning in the technology roadmap. In case results are not acceptable, we will consider switching to an alternative blockchain or cloud solution providers in order to accommodate higher transaction/data throughput volumes.

Rating: Likelihood: Low, Impact: Medium

Data Security risk: Data stored in the Artis Aes are highly confidential. In the event of breaches, the potential for serious legal/commercial problems is very high.

Mitigation: Using advanced cryptography, we are doing all we can to reduce the risk of a data breach. GDPR and other appropriate regulatory standards and safeguards will be a central focus of the technology design from the outset.

Rating: Likelihood: Low, Impact: High

9.6 Liquidity Financial Risks

Exchange listing risk: An exchange listing provides efficient price discovery and transaction matching, which in turn fosters liquidity. If the AES Token does not achieve this listing, liquidity may be affected in the short term.

Mitigation: We will allocate significant funds from the ICO and SCO to support achieving an exchange listing. In addition, we will be working with multiple trading desks to provide over the counter trading facilities in the short term.

Rating: Likelihood: Medium, Impact: Medium

Market maker risk: Market makers decide that there is insufficient volume in the AES Token to make 2-way prices.

Mitigation: Several Market Makers will be approached to support the token and incentive plans will be provided to further entice them to provide pricing both on and off exchange.

Rating: Likelihood: Medium, Impact: Medium