Monart Art Trading Platform Token Offering

White Paper

February 2020

Stay tuned to our token offering info by subscribing @

www.monart.art/subscribe

www.monart.art

Copyright © monart 2020
15.2.1.1 Risks related to trading or holding of crypto-assets
15.2.1.2 Risks related to the Blockchain
15.2.2 Specific information on Monart token risks
15.2.3 Important warning about the white paper and economic model
1. Warning

General readers and prospective investors are forewarned that the Executive Summary shall be read as an introduction to the whitepaper and should not be solely relied upon for the purpose of deciding whether or not to invest in the Virtual Financial Asset proposed by the Issuer. Any decision to invest in the Virtual Financial Asset proposed in this whitepaper should be based on consideration of the whitepaper as a whole.

Prospective investors are further warned that the offering of virtual financial assets does not constitute an offer or solicitation to sell financial instruments and that any such offer or solicitation of financial instruments will be made only by means of a prospectus or other offering documentation in terms of any applicable Maltese law.

Without prejudice to instances where the Issuer is civilly liable for damage sustained by an investor on account of the provision of untrue statements in this whitepaper or any other recognized channel of communication, provided that such untrue statement is misleading or otherwise inaccurate or inconsistent either willfully or in consequence of gross negligence, civil liability attaches to those who have tabled the summary including any translation thereof, and applied for its notification.

This warning is brought to your attention in terms of clause 4(1)(a) of the First Schedule of the Virtual Financial Assets Act, Chapter 590 of the Laws of Malta.
2. Executive Summary

Art is no longer just a medium of expression of ideas, thoughts, feelings or portraying the injustice and inequality. It has transformed into a medium of investment with enormous potential.

There are $3 trillion illiquid art assets worldwide\(^1\) but most of the population has no access to them yet. Monart aims to disrupt the exclusive global art market with the aim to capture a 1.8% market share by offering individuals access to the $67 billion in 2018 and growing\(^2\) art market.

Monart is a digital art marketplace and art trading platform that democratizes access to the art market. The blockchain-based platform allows artwork collectors, art enthusiasts, as well as institutional and retail investors to buy and sell fractionalized shares of artwork or collections. With fractionalized ownership through tokenization, Monart’s trading platform provides liquidity to art assets worldwide, while reinventing how people experience art. It aims to create a borderless digital infrastructure for artists, artworks and the art community worldwide.

Monart utilizes blockchain technology to enable more inclusive participation in the world of arts. On the global platform, art lovers will get the opportunity to visit and explore artists’ studios and art galleries through Virtual and Augmented Reality. They can then trade or invest in artwork or shares of it, regardless of the user’s physical location or purchasing power. The platform also contains AI tools to create artworks and paintings for users.

As part of the project, Monart mints a native token called MART, a revenue-sharing Virtual Financial Asset (VFA) designed in accordance with Maltese Virtual Financial Assets laws which will be legally tradable on existing crypto exchanges. This whitepaper, and by extension, the MART token is currently being reviewed by the Malta Financial Services Authority, Malta’s single financial services regulator.

MART is a revenue-sharing token, which can be considered a utility token within its community, since it also acts as a means of exchange in the art marketplace.

Revenues for token holders consist of:
- 100% of the added value from the Monart art collection plus
- 10% of the total marketplace transaction fees.

The revenue projection is expected to grow at an average of ~280% over the next 5 years which will see a massive appreciation in the token price for the token holders.

---
\(^1\) Source: The Hiscox Online Art Trade Report 2017
3. Purpose of Monart’s IVFAO

The purpose of Monart Limited’s Initial Virtual Financial Asset Offering (IVFAO) is twofold:

1- **Funding of development an art platform** that will provide a space for the art community and marketplace. The platform will be open to art lovers, artists, creators, galleries, curators and will create new business models, allowing purchase and trading of artworks or collections of artwork shares. Token holders will also enjoy a ten per cent share of the large Monart marketplace transaction gross profits.

2- **Half the proceeds will be invested in the purchase of a large art collection**, the gross profits from the revenue of which shall be returned to the token holders.

In addition, token holders will benefit from a number of privileges on the Monart platform, participation in which shall be available only to ‘MART’ token holders. Benefits of participating in the Monart platform includes private sales, discount sales, exclusive art collection creation, VIP event invitations and many other perks.

By revolutionizing the art experience and the art business model, the Monart platform will seek to address a number of problems currently being faced by artists, art lovers and buyers alike.
4. The art market

Art does not solely represent a higher value in itself as an expression of man’s creative genius, but it has transformed into an extremely profitable market. In fact, as the wealth management industry moves toward a more holistic asset management model, 85% of wealth managers believe that this shift is the strongest argument for including art and collectibles in a wealth management service range.³

Overall, the art market has presented a positive growth trend for over 20 years. Big auction houses have grown 14.5% annually since 2000, as shown in Figure 2.1., with Contemporary art representing the segment with the biggest growth.

![Figure 2.1.: Growth of big auction houses since 2000 per art segment](image)

Over a 20-year period, post war & contemporary works of art delivered a compound annual return (CAR) of 10.7 %, above the S&P total return of 8.3%.⁴

Sales in the global art market reached $67 billion in 2018, up 6.3% from 2017 and 12% from 2016⁵. Post War and Contemporary art was the largest sector by value in 2017, accounting for 46%, followed by Modern art (27%).⁶

---
⁢³ Deloitte Art & Finance Report, 2017  
⁢⁴ Deloitte Art & Finance Report, 2017  
⁢⁵ The Art Market 2018, Art Basel & UBS Report  
73% of wealth managers expect their client to include art and collectibles as part of their overall wealth reporting (up from 58% in 2014 and 40% in 2012). 7

Online art market estimated at $6 billion in 2018, up 11% from 2017.

17% of HNW bought an artwork online for $100,000+, 4% $1 million+, 93% of millennial HNW collectors bought online! $9.1 billion is the estimated value of the online art market by 2021 $9.1 billion is the estimated value of the online art market by 20218.

However, the growing contemporary art market is highly illiquid and only accessible to a limited number of wealthy individuals and institutions to this very day, despite it representing higher values and a medium of investment.

7 Deloitte Art & Finance Report, 2017
8 The Hiscox Online Art Trade Report, 2017
5. Business model

Monart has built a unique digital art marketplace and trading platform that democratizes access to the art market. The blockchain-based platform opens the art market to artwork collectors, art enthusiasts, as well as institutional and retail investors, that can now buy and sell fractionalized shares of artwork or collections on the monart platform.

Monart is a multi-sided platform which is set to revolutionize the $67 billion in 2018 and growing global art market, of which Monart aims to capture a 1.6% market share in the next 5 years.

Monart is active in the largest markets, which account for 94% of global sales annually - Europe, USA and China. Contemporary Art - a $6.2 billion segment of the art market - is the main focus of Monart. The market for works by living artists reached $2.6 billion in 2017, up 19% year-on-year, a more substantial rise than the wider Post War and Contemporary sector.

Monart generates two main revenue streams which are:

1. **Marketplace transaction fees**
   a. 1-5% on peer-to-peer trading of artwork shares on the platform;
   b. 10-35% on sales of artwork from galleries or artists on the platform.

2. **Services** to the art industry, including blockchain advisory, promotion and white label solutions.

Monart is currently post-revenue as it has obtained initial limited sources of revenue from close collectors and advisors.

5.1. Platform stakeholders

A key challenge that Monart has identified is the high barrier of entry into the market from the buyer’s side. A sizable investment is often required to purchase a collection of artwork and benefit from growth in the art market. Artists also struggle to get publicity and recognition. Monart is a multi-sided platform, connecting artists, art enthusiasts, art dealers and investors. It aims to set a global standard and create a contemporary and new art ecosystem.

The sides of the platform are:

- **Art enthusiasts** that can discover, enjoy, promote artworks and receive better deals to buy, sell, rent, and invest in art collection shares.

---

10 The Art Market 2018, Art Basel & UBS Report
- **Artists** that have their pieces of art widely promoted during large international events and online, and participate in the community marketplaces where their artwork or shares of their artwork are purchased.

- **Art dealers** that participate and sell their artist’s artworks or shares of them offline and online and with special promotions benefit from the monart community of art buyers, which represent a new market.

- **Investors** that benefit from early purchase opportunities of artwork and of shares of pieces of art and collections. They also benefit from the organization of large promotional events to enhance the global reputation of artists and their artworks.

It is also important to distinguish between two types of artists on the platform:

- **Artists promoted by Monart.** In this case, Monart takes responsibility to organize events and exhibitions that promote pieces of their art and the artists themselves. This is done both physically and online. If a piece of art is successfully sold, then Monart retains a 35% commission from the sale price of the artwork. 10% of the total transaction fees are paid proportionally to the token holders. The remaining 65% is the revenue given to the artist. The commission charged by Monart is much lower than that of the galleries.

- **Artists NOT promoted by Monart,** but selling their artworks on the marketplace. The commission charged is from 5-15% of the price depending on the transaction size and the artist.

Artists are entitled to the resale rights if agreed at the time of the artwork’s placement on the platform.

Monart has already achieved several prospects, which include 10.000+ potential art buyers, 1.000+ regular art buyers in Monart’s network including art collectors and institutions, 200+ mega art collectors with many owning thousands of artworks already and 130.000+ followers on Monart’s social networks.

### 5.2. Financials

Monart’s sales, which include sales from the art collection, artworks owned/represented, transactions on artwork sales, rental and other art services, are expected to grow at an average of ~ 240% for 5 years.

The expense analysis also grows steadily with respect to the sales at an average of ~ 160% over the next 5 years with cost of sales contributing to a large share value in the analysis.

A trend analysis of this sales vs expense graph shows that Monart is set to breakeven from year two with sales outperforming the cost every year after the breakeven. The first years until the break-even will be attributed to initial investments and development of the platform after which the growth stage starts and it will entail an increase in revenue in double digits.
Monart is expected to grow at an average of ~24% over the next 5 years in terms of revenue generation. With wide adoption of the Monart platform in the future, the sales from artwork owned/represented by Monart are projected to at least triple every year starting from the breakeven year. The projected estimates show that Monart will capture a market share of 1.6% of the International art industry.

Figure 3.1.: Monart’s financials
6. The monart platform and technology

Monart is a platform that aims to create an innovative digital and borderless infrastructure for investors, collectors, art lovers, artists, artworks and the art community worldwide. It offers both new experiences and creative business models to discover artists’ universes and participate actively in the art world. The project’s goal is to utilize blockchain technology to enable more secure and inclusive participation in the world of arts.

Collectors, art lovers and investors can purchase artworks and/or parts of them on the trading platform, making the art market more liquid.

There are **three types of possible investments** on the Monart platform:

- **100% of artworks**: the purchase is considered to be done not only from an investment perspective but also from art admiration. The buyer gets all the rights on the piece of art, can collect it and keep it at home.
- **Shares of an artwork**: the purchase is considered to be primarily an investment. Co-owners of the artwork have a decision power on when and under what conditions to sell the art. These conditions are decided on a case by case basis and set in place before purchasing the share. Figure 4.1. Illustrates the page to buy shares of a piece of art.
- **Shares of Monart-proposed art collections**: the motivation behind this is firstly financial, along with additional fame for the buyer. The Monart selection committee takes responsibility for all of the buying and selling decisions, as well as artwork and artist selections. Bespoke collections can be created for interested investors.

The committee consisting of experts from auction houses, galleries and artists is initially set up to select artists that will be promoted and sold by Monart. It will also select pieces of art that will be a part of the Monart permanent art collection.

Once the platform is live, community members will also have an opportunity to join the committee and participate in decision-making. A person holding the amount of MART equivalent to €100.000 for at least 1 year will receive special privileges, as illustrated in section 7.5..

Monart also develops a beautiful, technology rich environment and innovative experience to promote artists and their creations worldwide, including new tools such as Augmented Reality, 3D virtual worlds and 3D views to experience and discover the artists’ galleries and exhibitions, enabling users to truly experience their universes.

AI & Neural Networks based technology verifies the authenticity of each art piece automatically once its picture is uploaded to the platform.

---

12 For more information regarding the technology please contact Monart
All artworks and transactions are registered and stored on the Ethereum Blockchain using the non-fungible ERC721 token standard and audited smart contracts. Artwork Collections are also based on the ERC721 non-fungible token, allowing to group the ERC721 from each artwork.

Blockchain technology allows for clear and easy traceability of transactions related to a specific artwork. Smart contracts navigate automatic payment of the resale royalty to the artist.

Payments on the Monart platform are flexible. It is possible to buy artwork with fiat currencies, cryptocurrencies and/or native MART tokens.

![Figure 4.1.: an example of the share buying page for one artwork](image)

### 6.1. The Art trading platform

Monart’s platform also serves the purpose of trading art, with the goal to revolutionize the currently extremely illiquid art market. The interface will tend to match existing traditional trading platforms, as seen in Figure 4.2. The art trading platform is set to be launched during the second semester of 2020.

Monart’s platform distinguishes itself because it allows users to trade not only artwork, but also shares of pieces of art and shares of art collections. Collectors, art lovers, investors can trade parts of artworks or parts of art collections as simply as buying an artwork.

Instead of trading an artwork, users are presented with the total price of the artwork or of the collection, the partial price and the number of remaining parts. The opportunity to do so enables
users to have fractionalized ownership of art and of Monart’s collection, rendering the market liquid.

Payments can be made by wire transfer, credit card, Paypal or cryptocurrency, including Bitcoin, Ether and monart tokens.

Trading will also take place on the blockchain and all transactions will be verified with smart contracts, which are automatic and digital executions of a binding agreement between two or more parties.

6.2. Augmented Reality and 3D Tools

Monart revolutionizes the art experience by including Augmented Reality tools on its online platform. These tools enable users to place any artwork in their home through a tablet and phone app, which is compatible with iOS and Android, before buying the piece, as illustrated in Figure 4.3..
Furthermore, Monart intends to replicate reality in 3D tools. 3D virtual worlds and 3D views to experience and discover the artists’ universes will be integrated on Monart’s digital platform to create a unique way to experience art, as seen in Figure 4.4.

Monart is also creating a huge virtual 3D artscape, close to 3.000 m2, as seen as this initial small test version in Figure 4.5. to present themed collections to be sold by shares and the monart permanent art collection for users to visit, discover and enjoy.
6.3. The monart token (MART) on the platform

Monart’s token empowers users to participate in the growing art market and to have a stake in the success of the Monart platform.

10% of transaction fees and 100% of revenues from artwork sales out of the Monart art gallery are used to buy back tokens from the market which are then distributed to the MART holders.

Furthermore, MART acts as a means of exchange in the art marketplace. A user can also freely buy and sell pieces of art and convert tokens to fiat money. MART can be used to buy artworks, pieces of art, pieces of collections, products or services on the Monart platform or partner sites.

6.4. Token technology

Monart Token (MART) is based initially on the current and most used blockchain standard Ethereum ERC20. The MART token relies on the Ethereum protocol to provide the safest environment and ecosystem for all art related transactions and activities.

Monart uses two token standards:

- **The MART tokens are based on ERC20 token standard.** ERC20 are fungible tokens, which means that they are all represent the same thing, like banknotes.

- **Tokenized Artwork is based on the ERC721 token standard.** These non-fungible tokens are used to represent unique artwork proposed or presented on the monart platform. One ERC721 Monart token can represent one or more pieces of art. Each ERC721 Monart token can be the property of one person or of a group of individuals sharing the same artwork or groups of artworks, entailing the fractionalization of
ownership. As an extension of the ERC721, Monart uses the ERC998 to define artwork collections.

6.5. Artist Verification and Certification

Monart guarantees the authenticity of each piece of art and the identity of each artist, by using proprietary enhanced KYC methods. The artwork is certified using proprietary technology and high definition pictures taken by Monart’s large network of certified professional photographers worldwide, encrypted in the blockchain to be tamper-proof.

Physical artwork is secured by the creation of a digital footprint by monart’s worldwide network of certified photographers that will be registered with a military grade digital hash in the blockchain transaction. An RFID - NFC tag and an ID tag will be integrated in the artwork, depending on its nature. In regard to digital artworks, the footprint is produced and registered in the blockchain transaction, enclosed in a secure shell that may be executable only upon ownership.

6.6. Benefits of a Blockchain-based platform

Blockchain is a Distributed Ledger Technology (DLT) representing a worldwide accessible database. It enables the recording of all data exchanges or transactions in real time. Unlike centralized systems siloed and managed by a single authority, blockchain is based on a consensus mechanism where the member nodes in the blockchain network validate transactions and changes in the database. This removes any reliance on central counterparties, reducing transaction costs and time.

As a decentralized, immutable database, Blockchain can benefit the art world in a number of ways:

- Higher market transparency and security
- Ownership tracking and provenance
- Access to a wider audience globally
- An infrastructure for tokenization and thus access to fractions of artwork
- Smart contracts to automate transaction management
6.7. Monart Art Accelerator Initiative (AAI)

The Monart Art Accelerator Initiative’s mission is to support, promote and finance innovative creations which unite art and technology, to be sold exclusively on the Monart platform. The initiative will provide grants, promotion and exhibition to selected artists worldwide.

Monart plans to develop the art world in parallel with a strong social responsibility to promote a global and inclusive art community. The Initiative will be managed in monart tokens. The company will reserve a percentage of the initial token sale and of each transaction to the monart Art Accelerator Initiative (AAI).
7. Competitor analysis

Due to Monart’s diverse offering, its competitors can be defined as all of the possible players in the art industry that create a market to exchange, buy or sell pieces of art. The Table 5.1. compares Monart to Sotheby’s and Christie’s, Maecenas and Art Investment Funds, as they are all possible alternatives to Monart’s digital art marketplace.

<table>
<thead>
<tr>
<th></th>
<th>Monart</th>
<th>Sotheby’s and Christie’s</th>
<th>Maecenas</th>
<th>Art Investment Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum Investment</td>
<td>$100</td>
<td>$100 to $400 million depending on artwork</td>
<td>Depending on Dutch auction results</td>
<td>min. $500k</td>
</tr>
<tr>
<td>Accessibility</td>
<td>Globally</td>
<td>Locally, HNWIs</td>
<td>Globally</td>
<td>HNWIs &amp; Institutions</td>
</tr>
<tr>
<td>Scalability</td>
<td>Very high</td>
<td>Limited</td>
<td>High</td>
<td>Limited</td>
</tr>
<tr>
<td>Transaction fees</td>
<td>1 - 35%</td>
<td>12 – 30%</td>
<td>3 - 8%</td>
<td>2% - 20%</td>
</tr>
<tr>
<td>VR Art Gallery</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Portfolio Diversification</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Liquidity</td>
<td>High</td>
<td>Low</td>
<td>Medium</td>
<td>Low</td>
</tr>
<tr>
<td>Own Art Collection</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Revenue Participation</td>
<td>Everyone with MART Token</td>
<td>Private</td>
<td>Substantial investors only</td>
<td>Large investors only</td>
</tr>
</tbody>
</table>

Table 5.1.: Analysis of Monart’s competitors

Monart differentiates itself as the first art trading platform and through the large international art community and additional services provided on its platform, such as virtual galleries and tours, as well as AI applications. Additionally, it provides other services such as organizing art events for investors and worldwide promotion of the artists on its platform.

Monart requires a low minimum investment giving it a significant advantage to attract smaller buyers over its competitors. In terms of accessibility, Monart operates on a global scale, like Maecenas, while Sotheby’s, Christie’s and Art Investment Funds target High Net Worth Individuals (HNWIs) and tend to have closer ties with local institutions.

In terms of provenance and transparency, Monart guarantees that not only each piece of art’s provenance is verified but, by using the blockchain, it assures transparency and security, unlike major auction houses and art investment funds.

Finally, on the contrary of its competitors, Monart guarantees revenue participation to each MART token holder, effectively democratizing the access to the art market.
8. The management team

Monart’s team is comprised of more than 20 professionals from various fields including the arts, innovation, technology, business, and finance. The team brings a multicultural experience through its members coming from various countries including France, the United States, Malta, and China.

8.1. Partnerships

Diversity and strength of the partnerships are key to the Monart’s success. Monart has surrounded itself with blockchain experts, technology and innovation enthusiasts, a community of artists and has partnered with an auction house.

As seen in Figure 6.1., Monart’s partners include:

- **Smile Expo**: Leading international blockchain conference organizer;
- **Chainsecurity**: Swiss security and audit specialist;
- **Talium**: IT, middleware, backoffice platform, experts in developing blockchain and smart contracts
- **Cornette de Saint-Cyr**: one of the leading European auction houses based in Paris;
- **798 district**: Leading Chinese art district in the heart of Beijing, China;
- **FilmFestivals**: leading media covering movies, animation & new media events worldwide since 1995;
- **Global Times**: leading Chinese daily newspaper published in Chinese & English;
- **Club Génération CEO**: an international organization that connects European and Asian leaders to foster and strengthen the economic and cultural ties between Europe and Asia.
Figure 6.1.: Logos of Monart’s partners
9. The monart MART token offering

MART, Monart’s native token is a revenue-sharing Virtual Financial Asset (VFA), which is currently under review by the Malta Financial Services Authority (MFSA), the financial services regulator in Malta.

As defined by the MFSA, VFAs are any form of digital assets that can be used as a digital medium of exchange, a unit of account or store of value.

Revenues for MART token holders combine:
- **100% of added value from the monart art collection** (the collection is purchased with half of the token sale proceeds).
- **10% of the marketplace transactions fees**.

The total number of tokens to be minted are 1 billion monart tokens (MART), with an initial token price of €0.04, which, depending on market supply and demand, is expected to appreciate in value over time.

The offering presents a Soft Cap of €1M and a Hard Cap of €20M.

Token Offering phases:
1. **Private token sale**, estimated to take place until the end of 2019, where 30% of tokens are planned to be sold and investors will benefit from a bonus of 50% free tokens;
2. **Public pre-sale** beginning October 2019;
3. **Token sale**, where the rest of the tokens will be sold on a selected exchange platform, starting in October 2019.

In accordance with Maltese law, the token sale requires KYC and AML to be conducted on investors, but since Virtual Financial Assets are not considered to be security tokens, they can be listed on crypto exchanges as regulated utility tokens.

The allocation of the token will be the following:
- Private sale: 66% of initial tokens
- Community and advisors: 17%
- Founders (1-year lock up): 8%
- Platform reserve: 7%
- Monart Accelerator Initiative: 2%

Collected funds from the token offering will be used for the following purposes, as seen in Figure 7.1.:

- 50% will be used to purchase the art collection
- 50% to cover operational expenses, which allow for a dynamic 2-year launch:
  - 44% of these include sales and promotion expenses,
  - 18% of R&D expenses,
7% for Scouting and artist expenses,
○ 31% for General & Administrative expenses. G&A expenses also include the rental and the operations of 3 art spaces in Beijing, Paris and New York, which are important for the promotion of collections worldwide, that is the basis of the monart business model and of the token holder revenues.

9.1. The function of the token

MART token has the following functionalities:

- **MART can be considered a utility token within its community.** Token ownership allows for many benefits, including early access to special deals and free entry to Monart-sponsored events, like art exhibitions and meetups.
- **MART acts as a means of exchange in the art marketplace.** A user can also freely buy and sell pieces of art and convert tokens to fiat money. MART can be used to purchase artworks and products or services on the Monart platform or partner sites.
- **MART is a revenue-sharing token.** It is backed by cash flows generated by platform transaction fees and sales of artwork from the collection. The main incentives for investors to purchase MART, besides an admiration of beauty and creativity, are the price appreciation of the underlying asset and growth in the number of transactions on the marketplace with the distribution of revenues.
9.2. Tokenomics

Monart Token (MART) is based on two major sources of revenues.

As illustrated in Figure 7.2., revenues for token holders combine:

- **100% of added value from the monart art collection** (the collection is purchased with half of the token sale proceeds).
- **10% of the marketplace transactions fees.**

![Figure 7.2.: MART token holder revenue streams](image)

In addition, token holders benefit from many privileges including private sales, discounts, the creation of an exclusive art collection, invitations to VIP events and so on.

Revenue payments to token holders are available any time the token holders wish to request for them, provided there is a minimum amount of revenues to be shared. Monart publishes on a regular basis the minimum to redistribute. Revenues are paid in monart tokens, directly to the token holder’s wallet.

9.3. Distribution of funds

There are various streams of revenues for art investors on the Monart platform.

First of all, there are the revenues of a traditional market or an art gallery. If an individual buys an artwork or share of it in EUR, USD, BTC, ETH or MART and then waits for it to appreciate, when she decides to sell it, she receives full revenue from the sale with only platform fees held back by Monart. Therefore, the revenue stream comes from the art’s value appreciation.

However, if an investor holds MART token, it entitles her to additional revenue streams.
Token holders can receive up to 100% of the added value from the Monart collection that is distributed back proportionally to the token holders. The collection is managed by the committee like a fund: artworks are bought and sold with the purpose of revenue generation.

The second revenue stream consists of 10% of the total transaction fees that are paid proportionally to the token holders.

### 9.4. Forecasted revenue streams from the token

The forecasted revenue streams from the monart token in the years 1 to 5, based on the token offering hard cap (€20M), are expressed in the Figure 7.3.

<table>
<thead>
<tr>
<th>ROI</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Total (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues for token holders</td>
<td>184 948</td>
<td>1 029 450</td>
<td>6 713 925</td>
<td>16 590 625</td>
<td>58 429 250</td>
<td>83 948 198</td>
</tr>
<tr>
<td>10% of platform artwork sales transaction fees</td>
<td>206 250</td>
<td>123 750</td>
<td>544 500</td>
<td>1 691 250</td>
<td>6 930 000</td>
<td>9 495 750</td>
</tr>
<tr>
<td>100% of added value from the sale of the artwork collection</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subtotal revenues of token holders</td>
<td>391 198</td>
<td>1 153 200</td>
<td>7 258 425</td>
<td>18 281 875</td>
<td>65 359 350</td>
<td>92 443 948</td>
</tr>
<tr>
<td>Estimated value of art collection after 5 years</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collection value</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>21 130 000</td>
</tr>
<tr>
<td>Potential value &amp; revenues after 5 years</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>113 573 948</td>
</tr>
</tbody>
</table>

*Figure 7.3.: Forecasted revenue streams from the MART Monart token*

The holder of the monart tokens earns his revenue from two sources. The entire value added (100%) from the Monart art collection is paid to the token holders. Also, Monart buys back tokens from the market to pay the token holders. The buyback also keeps the supply and demand of the tokens intact. The second source that 10% of all monart marketplace transaction fees are paid to the token holders as well.

The revenue projection is expected to grow at an average of ~280% over the next 5 years which will see a massive appreciation in the token price for the token holders. We will also have another component which will be the estimated value of the art collection after 5 years which will account for roughly $\frac{1}{5}$ for the total revenue generated for the token holders.
9.5. Token holder privileges

MART Token holders that purchase the token when it is minted or that hold onto it for one year or more benefit from a series of privileges, as illustrated in Figure 7.4. below.

MART token holders are classified in three categories, each of which have different benefits based on the value in EUR (€) of the tokens purchased. The three categories are: Silver, Gold and Platinum.

<table>
<thead>
<tr>
<th>Required hold period</th>
<th>Silver</th>
<th>Gold</th>
<th>Platinum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Required tokens in EUR €</td>
<td>10 000</td>
<td>100 000</td>
<td>500 000</td>
</tr>
<tr>
<td>Art collection committee participation</td>
<td>/</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Private sale</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Invitations to monart and partner events</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>VIP artists &amp; events</td>
<td>/</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Exclusive collection</td>
<td>/</td>
<td>/</td>
<td>Yes</td>
</tr>
<tr>
<td>Exclusive artists visits</td>
<td>/</td>
<td>/</td>
<td>Yes</td>
</tr>
<tr>
<td>Discounts on artworks owned or represented by monart</td>
<td>2%</td>
<td>3%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Figure 7.4.: MART token holder privileges

Silver token holders fall into this category if they purchase a number of tokens worth €10’000. This category benefits from the access to the private sale and from invitations to monart and partner events. They also receive a 2% discount on artwork owned or represented by monart.

The Gold category consists of token holders that have purchases a sum of tokens worth €100’000. These individuals benefit from participation in the art collection committee, access to the private sale, invitations to monart and partner events and VIP access to certain artists and events. They are given a 3% discount on pieces of art owned or represented by monart.

The final category is Platinum. Only token holders that have purchased €500’000 worth of MART tokens fall into it and have the opportunity to participate in the art collection committee, to access the private sale and to be invited to monart and partner events, along with having access to exclusive collections and artists’ visits. This category also benefits from the highest discount on artwork owned and represented by monart, consisting of 5%.
10. Roadmap

During 2018 and the first semester of 2019, monart worked to develop the monart art platform. In June 2019, Monart launched its MVP Alpha 3 at Art Basel. On that version of the platform monart achieved its first sale of parts of artworks, its first VR artwork exhibition and added features, such as 3D visits to artists studios, AI for artwork creation and an app, called monart AR, available on iPhones and Android phones, which enables additional content when pointing the phone’s camera at the artwork. The platform was by invitation only initially.

In Summer 2019, Monart improved its MVP by readying the Alpha 4 version, which includes the Monart art cube and Augmented Reality to display artworks on walls. This new version introduced the possibility of purchasing parts of art collections and purchasing artworks in fiat currency and cryptocurrency.

In October 2019, Monart launched its MVP Beta 2 version at FIAC Paris. The art marketplace was live, accessible to all and included also the art token platform and additional solutions.

The MVP Beta 3 version was launched in November 2019, in occasion of the Global Times in Beijing.

In March 2021, when the Armory Show will take place in New York, Monart plans to launch its Full V1, which is the first complete platform with the final versions of all of the platform features. Therefore, the art marketplace will be complete and will allow its users to experience art through the different technologies incorporated in the platform.

Finally, in 2021, Monart will launch its Version 2, which will become the reference art marketplace, in which the MART token will be widely adopted, and the company will start providing white label services to galleries worldwide.
Figure 8.1: Monart marketplace and trading platform roadmap
11. Monart activity in Malta

Monart develops a large international online and offline art community and marketplace. Monart is already actively working with the vibrant Malta art scene to promote internationally Maltese artists, to sell their artworks to collectors worldwide and to promote and collaborate with Maltese art institutions.

Work with Malta art institutions

Monart is already working with different Malta art institutions to develop many collaborations including:

<table>
<thead>
<tr>
<th>Valletta Contemporary and the Meta Foundation</th>
<th>MUZA</th>
</tr>
</thead>
<tbody>
<tr>
<td>With Joanna Delia, artistic director of the foundation, Malo Girod de l’Ain, COO of Monart, (picture) work on artist presentation, promotion and 2019 events to be co-organized by Monart and Valletta Contemporary.</td>
<td>Monart is working with Alexander Debono, head of MUZA, currently under renovation (picture), to create an innovative event relying on the Monart online community.</td>
</tr>
</tbody>
</table>

Work with Maltese or Malta based artists

Monart is already starting to work with Maltese or Malta based artists including:

<table>
<thead>
<tr>
<th>Tom Van Malderen</th>
<th>Kelsey May Connor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tom Van Malderen is a UK artist based in Malta since 17 years. His work is inspired by his architect background.</td>
<td>Kelsey May Connor is a Maltese artist creating artworks using various techniques.</td>
</tr>
</tbody>
</table>

Purchase of artworks

Half of the proceeds of the Monart ICO will be dedicated to create a large art collection. Artworks from Maltese or Malta based artists will be purchased and promoted internationally.
Planned work with Malta art education institutions

Monart plans to work also with Malta art education institutions including:
- Malta School of Art, Robert Zahra
- MCAST, Mr Tyrone Grima
- And more

Monart active participation to the Malta cryptocurrency ecosystem

Monart participated to:
- the Delta Summit, October 4 & 5 2018
- the Malta Blockchain Summit, November 1 & 2, 2018
- the Malta Blockchain Summit, May 23 & 24, 2019

Monart Malta team

In addition to monart’s director coming to Malta every month at this stage, Monart has hired a Maltese Director and a Maltese secretary for administrative and accounting.

In addition, monart hired, part time initially, an artist relation person, Justine Navarro, in charge also of the search for Malta suppliers for artwork printing & framing, artwork storage, shipping and insurance.

With the growth of the business and the planned ICO, the team will be increased shortly, namely with art professionals.

Monart Malta offices

Monart rent space for its Director and secretary at 152, Office No. 9, Naxxar Road, San Gwann SGN9030 Malta.

Monart is looking to rent larger office spaces to host its team and also special storage places to securely store the purchased artworks of its own art collection and the art collections of its clients.
12. Conclusion

Monart aims to democratize the $67 billion in 2018 and growing\textsuperscript{13} art market by facilitating access to it through its blockchain-powered multi-sided digital platform. Monart’s marketplace opens up the art industry by providing liquidity to $3 trillion of illiquid art assets worldwide\textsuperscript{14} through fractionalized shares of artwork or collections that can be bought using fiat currencies, cryptocurrencies or the monart token (MART), which will be launched in Q4 of 2019. Platform users can also virtually visit artists’ galleries and exhibitions thanks to virtual reality, allowing them to truly experience art. AI & Neural Networks based technology verifies the authenticity of each art piece automatically once its picture is uploaded to the platform. All artworks, transactions and collections are registered and stored on the Ethereum Blockchain using the non-fungible ERC721 token standard and audited smart contracts.

Monart’s revenue streams are from two different types of marketplace transaction fees, which consist of 1-5% on peer-to-peer transactions and 10 - 35% on sales of artwork, and from the services it provides to the art industry, including blockchain advisory, promotion and white label solutions.

Monart will continue to mint a native token called MART, a revenue-sharing Virtual Financial Asset (VFA) designed in accordance with novel Maltese blockchain laws overseen by the Malta Financial Services Authority law, which will be legally tradable on existing crypto exchanges. Monart will mint 1 billion MART, with an initial token price of €0.04, which, depending on market supply and demand, are expected to appreciate in value over time. MART is a utility token within its community, since it acts as a means of exchange in the art marketplace.

Revenues for token holders consist of 100% of the added value from the monart art collection and of 10% of the total marketplace transaction fees. The revenue from the token is expected to grow at an average of ~280% over the next 5 years which will see an impressive appreciation in the token price for the token holders. MART Token holders that purchase the token when it is minted or that hold onto it for one year or more benefit from a series of exclusive privileges, including but not limited to a discount on artwork owned or represented by Monart.

Monart is expected to grow at an average rate of ~24% over the next 5 years in terms of revenue generation. With wide adoption of the Monart platform in future and the launch of Version 2 in 2021, the sales from artwork owned/represented by Monart are projected to at least triple every year starting from the breakeven year. The projected estimates show that Monart will capture a market share of 1.6% of the International art industry.

\textsuperscript{13} Source: The Art Market 2018, Art Basel & UBS Report
\textsuperscript{14} The Hiscox Online Art Trade Report 2017
13. Monart corporate

Monart Limited is a Maltese limited liability company, a wholly-owned subsidiary of Monart SAS Paris. Monart Limited is registered with the Malta Registry of Companies with registration number C 88973, and was incorporated in the Republic of Malta on 23 October 2018. Monart Limited has its registered office at 152, Number 8, Naxxar Road, San Gwann, SGN 9030, Malta.

Monart’s IVFAO shall be conducted in or from within Malta and every aspect of the IVFAO is therefore regulated by Maltese law. Artists’ management and artworks operations shall be run through Monart Limited. This whitepaper is being registered with the Malta Financial Services Authority in terms of Article 3 of the Virtual Financial Assets Act.

In terms of Monart Limited’s Memorandum of Association, the main objective of the company is to sell, purchase and distribute art pieces and work of art, and the development and facilitation of the provision and management of crypto assets in relation to the company’s main objective.

Monart Limited is owned by Monart SAS, a French (Paris) based company, the two main shareholders of which are Malo Girod de l’Ain and Pauline Houl. Members of the team, advisors and Business Angels joined monart as shareholders to provide the means to develop this large international project.

Monart White Paper

Persons responsible for the whitepaper
- Malo Girod de l’Ain – Co-Founder and President of Monart SAS
- Pauline Houl – Co-Founder and CEO of Monart SAS

The persons responsible, duly authorized by Monart Limited to appear on behalf of the said entity as the Entity’s persons responsible for this whitepaper, declare that to the best of knowledge of the undersigned, the information contained in this whitepaper is in accordance with the facts and that the whitepaper makes no omission likely to affect its import.

The persons responsible declare that to the best of their knowledge, none of the information contained herein is untrue, misleading or otherwise inaccurate or inconsistent by way of gross negligence or willful supply of fraudulent information.
The persons responsible further declare that to their knowledge and belief, all information contained herein is true and undertake to immediately give reasonable public notice in terms of the law where it becomes apparent that any statement contained herein is untrue.

Monart IVFAO Functionaries

1. **VFA Agent**: Lexnode Limited, a company registered in the Republic of Malta with registration number C 88903, has been appointed as Monart’s Limited VFA Agent in terms of Article 7 of the VFA Act.
2. **MLRO**: Mr. Simon Ciantar, Director of Monart limited.
3. **Auditing of smart contracts**: ChainSecurity, expert security company based in Zurich, Switzerland.
4. **Auditor**: Monart is currently in the process of engaging a Maltese certified auditor that shall be responsible for the accounting auditing functions of the company.
5. **Systems Auditor**: Monart Ltd is currently discussing with 2 Maltese companies for the provision of the system audit report in terms of the rules and guidelines issued by the Malta Financial Services Authority and the Malta Digital Innovation Authority (MDIA).
14. About Monart Limited

Monart Limited is a Maltese limited liability company, a wholly-owned subsidiary of Monart SAS Paris. Monart Limited is registered with the Malta Registry of Companies with registration number C 88973, and was incorporated in the Republic of Malta on 23 October 2018.

Monart Limited has its registered office at 152, Number 8, Naxxar Road, San Gwann, SGN 9030, Malta. Monart’s IVFAO shall be conducted in or from within Malta and every aspect of the IVFAO is therefore regulated by Maltese law. Artists’ management and artworks operations shall be run through Monart Limited.

This whitepaper is being registered with the Malta Financial Services Authority in terms of Article 3 of the Virtual Financial Assets Act. In terms of Monart Limited’s Memorandum of Association, the main objective of the company is to sell, purchase and distribute art pieces and work of art, and the development and facilitation of the provision and management of crypto assets in relation to the company’s main objective. Monart Limited is owned by Monart SAS, a French (Paris) based company, the two main shareholders of which are Malo Girod de l’Ain and Pauline Houl. Members of the team, advisors and Business Angels joined Monart as shareholders to provide the means to develop this large international project.

15. Risks and Disclaimer

15.1. General Information

The Purchaser understands, accepts and acknowledges that the MONART token’s utility, value or application is not restricted solely to the acquisition of goods or services. Therefore, the Purchaser acknowledges that the MONART token is not a ‘Virtual Token’ within the definition thereof under Article 2 of the VFA Act. The Purchaser understands, accepts and acknowledges that the MONART token is not designed and/or used for the sole purpose of and/or result in the transferring of credit risk from one party to another, and in this respect, the MONART token is not a financial instrument within the meaning under Directive 2014/65/EU on markets in financial instruments (hereinafter ‘MiFID II’). The Purchaser understands, accepts and acknowledges that the MONART token does not give the Purchaser an economic exposure which can be long or short to the difference between the price of an underlying asset at the start of the contract and the price when the contract is closed, and/or an economic exposure, which can be long or short, to the difference in the price of two underlying assets, and in this respect, the MONART token is not a contract for difference within the meaning under MiFID II. The Purchaser understands, accepts and acknowledges that the MONART token is neither termed as an option nor has features equivalent to options within the meaning under MiFID II. Furthermore, the Purchaser understands, accepts and acknowledges that the MONART token is neither termed as a future/forward rate agreement/forwards nor has features equivalent to such; and that the MART token is neither termed as a swap nor has features equivalent to swaps; and that the MART token
is not any other type of derivative contract as may be designated under MiFID II. The Purchaser understands, accepts and acknowledges that the MONART token has no maturity at issuance. The Purchaser understands, accepts and acknowledges that the MONART token does not give the Purchaser the right to participate in the capital of the issuer; a right to receive proceeds from the liquidation of Monart in excess of nominal value; entry in the register of shareholders; a right to a principal amount due of fixed sum with fixed/variable maturity; entry in the register of debenture holders; a right to acquire or sell as a transferable security; and/or a right to an amount settled in cash determined by reference to transferable securities, currencies, interest rates or yields, commodities or other indices or measures. The Purchaser understands, accepts and acknowledges that the MONART token is not a transferable security within the meaning under MiFID II and/or the Investment Services Act, Chapter 370 of the Laws of Malta. For clarity, MONART tokens do not give access to the ordinary or extraordinary general meetings of Monart. The Purchaser understands, accepts and acknowledges that the MONART token is not issued by Monart on receipt of funds at par value, and nor is it redeemable at par value by Monart upon request of the Purchaser. Therefore, the MONART token shall not be deemed to be electronic money within the meaning of Directive 2009/110/EC on the taking up, pursuit and prudential supervision of the business of electronic money institutions (‘E-Money Directive’). The MONART token does not give the Purchaser a claim against Monart’s assets arising from the funds originally placed against the issuance of the MONART token. Furthermore, the MONART token is and shall not be used for the purpose of making payment transactions, as defined in point 5 of Article 4 of the Directive 2007/64/EC, as amended from time, and which is accepted by a natural or legal person other than Monart. The Purchaser understands, accepts and acknowledges that save in the circumstances provided for specifically in the VFA Act and any rules issued thereunder, the sale of MONART tokens is final and non-refundable. The Purchaser of MONART tokens understands, accepts, acknowledges and is aware that MONART tokens issued by Monart operate on a decentralized and generally unregulated market, save to the extent where the IVFAO and its interoperability with the greater distributed ledger technologies is regulated by the VFA Act in terms of Maltese law. The information provided by Monart in this Whitepaper and elsewhere, relates solely to MONART tokens, and the Purchaser of MONART tokens understand that no specific European regulatory framework regulates comprehensively this IVFAO. The Purchaser understands, accepts and acknowledges that consequently, he only benefits from the protections afforded in terms of the VFA Act, a Maltese legislative and regulatory framework, and that the applicability of such framework is solely limited to the jurisdiction of the Republic of Malta. The Purchaser of MONART tokens understands, accepts and acknowledges that he has carefully reviewed this Whitepaper and the website and/or other means of communication through which the MONART token is being offered to the public and fully understands the risks, costs and benefits associated with purchasing MONART tokens and the services and Systems offered by Monart.

15.2. Risks

15.2.1 General information on the risks associated with crypto-assets
15.2.1.1 Risks related to trading or holding of crypto-assets

The Purchaser acknowledges, understands and is aware that the crypto-active markets are decentralized and generally highly unregulated markets. The MONART tokens issued and the services and/or Systems offered by Monart therefore concern unregulated markets which are not governed by any specific European framework. In other words, unlike "traditional" financial assets, any corrective measure that could protect the value of crypto-assets in the event of a crisis or issue more assets on the markets shall only depend on whether such provision is provided for in the relevant Maltese regulatory framework The Purchaser understands, accepts and acknowledges that the crypto-active markets are determined by supply and demand and that these markets are dynamic and the corresponding prices are often extremely unpredictable and volatile. Crypto-active prices are generally not transparent, highly speculative and susceptible to market manipulation. In the worst-case scenario, assets may be reduced to zero value. Furthermore, the Purchaser of MONART tokens and/or any person making use of Monart’s Systems and/or services understand, accept and acknowledge that it shall be their sole responsibility to be, at all times, aware that crypto-assets, due to their lack of regulation, save where such regulation in this respect is in place within the Maltese jurisdiction, are likely to be misused for illegal activities because of the anonymity of transactions. Law enforcement and financial market regulators are therefore likely to investigate suspected illegal activities, which could affect the Purchaser. The Purchaser accepts that no liability shall rest on Monart where the Purchaser is negatively impacted by such regulatory measures. The Purchaser understands, accepts and acknowledges that the crypto-assets market is a high-risk market and any purchase of MONART tokens shall be conducted with extreme cautiousness, awareness and understanding of all risks that may be involved, and that the purchase of MONART tokens shall, in no way, be construed and/or deemed as a promise that the value of MONART tokens shall remain as it was at the moment of purchase. The Purchaser understands, accepts and acknowledges that the value of MONART tokens may increase or decrease, such that the Purchaser may very well incur substantial financial losses. Furthermore, the Purchaser understands and accepts that Monart shall, in no event whatsoever, be held liable for any losses incurred by the Purchaser – whether or not the Purchaser has acted with caution, awareness and knowledge at the moment of purchase. The Purchaser therefore understands that he should not purchase MONART tokens unless he has the necessary knowledge, expertise and understanding of the characteristics of the MONART token, the Whitepaper and his exposure to the high risk involved in any such transaction.

The Purchasers of MONART tokens and the user of the services and/or Systems offered by Monart understand, accept and acknowledge that Monart and this Whitepaper are in no way intended to substitute the Purchaser in the knowledge they must hold for the purchase of MONART tokens. Indeed, the Purchaser recognizes that the risk of loss in the purchase of crypto-assets can be considerable. The Purchaser must therefore carefully examine whether purchasing on this type of market is appropriate in view of his own financial situation and resources. The Purchaser understands, accepts and acknowledges that a total loss of MONART tokens and/or their value is highly possible and probable.
15.2.1.2 Risks related to the Blockchain

The Purchaser understands that the blockchain is a public peer-to-peer network that is currently highly unregulated within the European Union. The Purchaser further understands that the blockchain, not least the Ethereum blockchain, is not regulated and will not be regulated in terms of Maltese law unless such blockchain/s are certified by the Malta Digital Innovation Authority (‘MDIA’) in terms of the Innovative Technology Arrangements and Services Act, Chapter 592 of the Laws of Malta. The Purchaser further understands that while certain activities occurring on the blockchain may, subject to the applicability of the relevant laws, rules and/or regulations, be regulated in terms of Maltese law, the blockchain technology itself is not regulated. In this context, the Purchaser understands that errors, mistakes and/or violations that may occur on the blockchain can result in the loss of MONART tokens. The Purchaser understands and accepts that in such circumstances, Monart can and shall not be held liable for such loss. The Purchaser understands that he is bound and subject to any change and/or modification in the blockchain system/s and is subject to any applicable law that may, in the present or in the future, apply to the blockchain. The Purchaser understands, accepts and acknowledges that in the event that regulatory modifications are made, whether or not such modifications affect the Purchaser and/or his MONART tokens, the responsibility for being informed of such modifications shall rest solely on the Purchaser, and Monart shall only be liable to the extent that it fails to adhere to any regulatory requirements as may be prescribed from time to time. Otherwise, it shall not be the responsibility of Monart to inform Purchasers about legislative and/or regulatory changes that may occur. Monart gives no guarantee, express or implied, statutory or otherwise, regarding the functions, legislation in force and/or security in the Blockchain. For the purpose of this Disclaimer, the term ‘Blockchain’ shall mean to refer to any ‘innovative technology arrangement’, as defined in the Innovative Technology Arrangements and Services Act, Chapter 592 of the Laws of Malta.

15.2.2 Specific information on Monart token risks

The Purchaser understands, accepts and acknowledges that the acquisition and storage of MONART tokens involves various risks. Furthermore, while it is the intention of Monart to successfully implement the milestones laid out in this Whitepaper, the Purchaser acknowledges that the purchase of MONART tokens shall be construed as a promise that the Systems promised by Monart in this Whitepaper will be developed, and that the Systems proposed in this Whitepaper may not materialize if the funds required are not collected through this IVFAO. Accordingly, and before acquiring MONART tokens, all Purchasers acknowledge that they have fully considered the risks, costs and benefits associated with the acquisition of MONART tokens, the context of the IVFAO and, if necessary, have obtained the advice of a professional and/or legal specialist on this subject. Any prospective purchaser not being able to accept or understand the risks associated with the business (including risks associated with the non-development of the Systems proposed in this Whitepaper), undertakes not to buy MONART tokens.

15.2.3 Important warning about the white paper and economic model
This Whitepaper should not be considered as an invitation to invest. It does not constitute or relate in any way to an offering of securities. This Whitepaper does not include or provide any information or indication that could be considered by the Purchaser as a recommendation or incentive to invest.

The possibility of purchasing MONART tokens on trading platforms is intended solely to enable the use of the services and/or Systems offered by Monart and should not be an investment incentive. Furthermore, Monart should not be considered a legal, tax or financial advisor.

The acquisition of MONART tokens does not confer any rights on Monart’s activities or the activities of Monart’s parent companies, including but not limited to Monart SAS.

The Purchaser understands, accepts and acknowledges that national regulatory authorities may carefully examine companies and transactions associated with crypto-assets around the world. Consequently, regulatory measures, investigations and actions may affect the activities of Monart and even limit or prevent its development.

The buyer understands Monart’s business model and that, in the future, this Whitepaper and business terms may change due to new regulatory requirements. In this case, the Purchaser of MONART tokens acknowledges and understands that Monart shall not be liable for any direct or indirect loss or damage as a result of such changes.

These factors of change may include, among others:

I. A change in the political, social, economic and stock market conditions of the crypto-active market as well as a change in the regulatory environment in the countries in Monart carries out its operations and activities;

II. The risk that Monart may be unable to execute or implement its business strategy and future development;

III. Changes in interest rates and/or exchange rates of fiduciary currencies and crypto-assets;

IV. An anticipated change in growth strategy and expected organic growth;

V. A change in the availability and fees payable to Monart in connection with its business and operations;

VI. A change in the availability and salaries of employees that are required by Monart to operate its business and implement its operations;

VII. A change in the competitive conditions in which Monart operates;

VIII. A change in Monart’s capital requirements and funding availability;

IX. War or acts of national and international terrorism;

X. The occurrence of catastrophic events, natural disasters or any other event outside Monart’s control;

XI. Other factors beyond Monart’s control.

Monart will do everything possible to launch its operations and develop its platform and/or Systems. The Purchaser understands, accepts and acknowledges that Monart does not provide any guarantee on the objectives it wishes to achieve. Consequently, Monart, its organs and employees are not liable for any loss or damage resulting from the impossibility of using MONART tokens, except in the event of intentional fault or negligence on the part of Monart.
Thus, the Purchaser understands and accepts that nothing in this Whitepaper or the communication platforms employed by Monart, including but not limited to Monart’s website, can be considered as a promise or a commitment regarding the performance or future policies of Monart. The Purchaser understands and accepts that this Whitepaper may evolve at the discretion of Monart.

By participating in the IVFAO, the buyer understands and accepts the foregoing and in particular warrants to:

- Have carefully read and accept the entire content of this Whitepaper;
- Have the authorization and full powers to purchase MONART tokens through an IVFAO according to the laws that apply in the territory of his domicile;
- Reside in a jurisdiction that allows Monart to sell MONART tokens through an IVFAO without requiring authorization by the competent courts and/or regulatory authorities of the place of its domicile;
- No use the IVFAO for illegal activities such as (but not limited to) money laundering and terrorist financing;
- Have sufficient knowledge of the nature of MONART tokens and have significant understanding and experience with crypto-assets, blockchain-based systems, distributed ledger technology and innovative technology arrangements in general;
- Buy MONART tokens only to access the platform developed by Monart and/or its parent companies, including but not limited to SAS MONART.
- Not buy MONART tokens for investment and/or speculation purposes.

The Purchaser understands, accepts and acknowledges that in case of doubt regarding the purchase of MONART tokens, he must consult a competent legal, financial, tax or other professional advisor. Any person who purchases MONART tokens shall be deemed to have read this Whitepaper and Disclaimer, and to have fully understood all content therein.