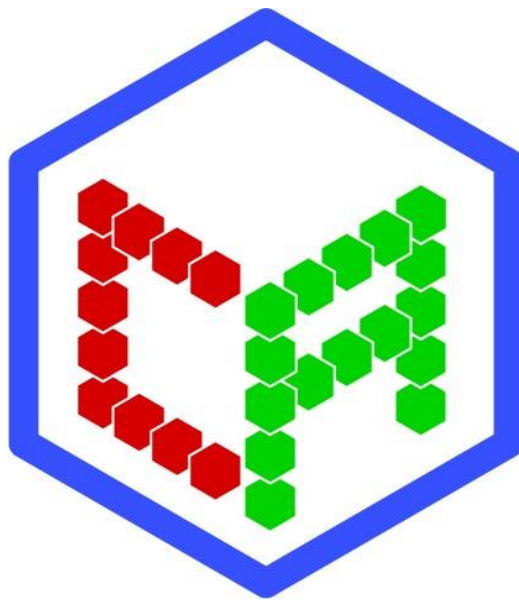


CoArt Tokensale White Paper

Short version 3.0 Eng



Vilnius, August 13, 2021



Summary

CoArt is a blockchain platform dedicated to the art market needs.

Having been developing the project for over three years, we have created a complete ecosystem architecture. And now - during the NFT revolution, which is reversing the traditional understanding of the value of art objects, we present a unique opportunity to divide NFT into derivatives or so called crypto-fractions.

The NFT standard, which we created on the basis of Symbol Mosaic (from the NEM Group), allows us to divide the Art-NFT of any blockchain into fractals, which we call **coart-id**. Such fractals, backed by the value of the asset, can be sold on the secondary market separately from the art object itself.

In other words, you can come to us with your Art-NFT of cryptopunk¹, the cheapest of which today, August 11, costs 46.68 ETH (152,191.27 USD)². And fractals will release 1000 crypto-fractions of your NFT artistic asset for you, some of which you can sell without letting this asset out of your hands!

We are building **CoArt VR Space**, a metaverse that includes the **CoArt NFT Marketplace**, **CoArt Auction** where you can sell crypto fractions in art assets, and the **CoArt Exchange** for secondary circulation of such coart-id.

The NFT marketplace and VR space (Unity) are linked through a blockchain platform. This allows you to simultaneously see art objects both on monitors and screens of mobile devices, and in virtual space using a VR headset.

Unlike Sandbox, Decentraland, Somnium space and Cryptovoxeles, we are using the new Symbol blockchain launched in March this year and based on the environmentally neutral DPoS + protocol.

¹ <https://www.larvalabs.com/cryptopunks>

² <https://docs.symbolplatform.com/concepts/mosaic.html>



Advantages

Key benefits enabling **CoArt** to become the market leader:

1) NFT standard that allows you to divide crypto-certificates of any blockchain into many fractal **CoArt-id** and trade it on the secondary market (**CoArt Exchange**).

2) A unique method of creating NFT certificates for physical art, while all existing NFT marketplaces only offer this for digital art.

3) **CoArt VR Space** and **CoArt NFT Marketplace** represent a single blockchain ecosystem, unlike other VR platforms where buyers have to switch to third-party resources to purchase art.

IPFS³ is used to store digital twins of physical art objects and original digital art files. This ensures that the artistic asset is always identifiable, but never altered without the owner's permission.

To identify objects of physical art, we are developing our own fingerprint technology using blockchain and AI, based on the use of art object data from IPFS.

We have developed a decentralized art consulting (DAC) module based on the Collective Intelligence (Ci)⁴ methodology to analyze the artistic value and determine the objective value of new art objects, as well as to predict the possible dynamics of changes in the price of an art asset for 5 years ahead.

³ <https://ipfs.io/>

⁴ <https://www.thortspace.com/> <https://unanimous.ai/> <https://www.enswarm.com/>



Blockchain

We have been developing the CoArt ecosystem since 2018.

At first, like many others, we focused on the capabilities of Ethereum, but recognized vulnerabilities associated with network congestion and rising transaction costs.

So we welcomed EOS and participated in the EOS Lithuania team, but the launch of the EOS Mainnet also fell short of all expectations.

As a result, we created a platform based on the Symbol blockchain, having gained experience of interaction with the NEM Group, jointly working on the creation of the LBCOIN⁵ project for the Bank of Lithuania in 2019-2020.

Compared to the Ethereum network, it has a number of fresh technological solutions that allow one to create and use new types of assets on the blockchain network at minimal cost.

To track ownership of art objects, we created a Provenance ledger based on the Symbol blockchain explorer⁶.

The **CoArt wallet** was created by us on the basis of the Symbol wallet⁷.

The ecosystem's payment token is Symbol XYM.

CoArt-NFT allows royalty payments to be made automatically. In developing such a mechanism, we relied on the study by Amy Whitaker and Roman Kräussl "Blockchain, Fractional Ownership, and the Future of Creative Work"⁸.

We will present our know-how in a dedicated Technical Paper and on GitHub after the launch of the alpha version of the **CoArt NFT Marketplace**.

⁵ <https://www.lb.lt/en/news/bank-of-lithuania-issues-lbcoin-the-world-s-first-digital-collector-coin>

⁶ <http://explorer.symbolblockchain.io/>

⁷ <https://docs.symbolplatform.com/concepts/mosaic.html>

⁸ [Blockchain, Fractional Ownership, and the Future of Creative Work](#)



Business Model

CoArt financial model includes traditional economic components related to the current state of the Art market and innovative components introduced by tokenomics. Incoming cash flow consists of one-time and operating income, as well as income from the sale of services within the CoArt ecosystem.

These incomes include:

- payment for the creation of new VR showrooms in the form of multisig accounts
- fee for creating NFT-certificates of art objects
- fee for **Decentralized Art Consalting (DAC)**
- 10% commission is charged only from sellers of art objects
- commission for the release of cryptofractions of the art asset
- small transaction fees in tokens from all operations
- payment for setting up VR showroom space
- payment for the purchase of additional VR volume for showrooms
- payment for the purchase of 3D avatars for **CoArt VR Space**.

From the moment of the launch of the beta version of the project, income from the activities of **CoArt Auction** and **CoArt Exchange** will be added to the incoming cash flow.

The **CoArt NFT marketplace** is targeted at a wide audience and ensures the transparency of transactions and the protection of the interests of sellers and buyers through the use of reliable protocols.

The unique product offering is combining online art examination options in one account, creating NFT certificates, tracking asset ownership, identifying assets, issuing cryptographic asset fractions, and accessing **CoArt VR Space**.



Roadmap

In August, we will launch an alpha version of **CoArt** in RAT⁹ format.

Marketing, PR, Law	Date	Technical, Financial
Together with MITA ¹⁰ and Simonavičius University ¹¹ , the creation of a business model for the CoArt ecosystem for participation in the EIC Accelerator program Launch of Kickstarter crowdfunding campaign as part of PR to launch CoArt VR Space	21 3Q	Launch of alpha versions of CoArt NFT Marketplace and CoArt VR Space Connecting crypto and fiat payment systems Launch of NFT certification of physical art objects Whitelisting, pre-sale and listing of CAV BEP20 on PancakeSwap
Application for participation in the EIC Accelerator Horizon Europe 2021-2027 ¹² program to fund CoArt innovative elements in the amount of € 500,000.	21 4Q	Launch of mobile DApp CoArt CoArt NFT Marketplace Beta Launch
Entering the American market Roadshow begins at the Clio Art Fair (Los Angeles, California) ¹³	22 1Q	Launch of the beta version of CoArt VR Space as a metaverse related to platform tokenomics
North America Roadshow - participation in art events and blockchain conferences	22 2Q	Launch of a specialized CoArt exchange for free trading of shares in art assets

A more detailed version of the roadmap will be available on our website shortly after the launch of the alpha version of the **CoArt NFT Marketplace**.

⁹ [Riskiest Assumption Test](#)

¹⁰ <https://mita.lrv.lt/en/>

¹¹ <https://ksu.lt/en/>

¹² https://eic.ec.europa.eu/index_en

¹³ <https://www.clioartfair.com/who-is-clio>



Tokenomics

As with other Metaverse projects, we have utility tokens and virtual land. But for this we do not use ERC-721 tokens, but accounts with several signatures that can bind to three-dimensional coordinates and contain a different number of VXL service tokens, of which the entire volume of virtual space directly consists.

We call these combinations VR showrooms. They allow you to own parts of the Metaverse, place art objects of any genre, invite and meet guests in person, interact through 3D avatars and make transactions using NFTs without leaving the virtual space of the Metaverse.

CoArt VR Space has a limited volume of 900 million cubic feet, each represented by one VXL volume token.

In this way, we are not offering flat plots of virtual land tied to NFT tokens, but the volume of VXL tokens, which is equal to VR cubic feet.

As multi-signature accounts, VR showrooms can be owned by multiple users at once, allowing a portion of the showroom to be sold as a business case, as well as DAO-based showrooms to be shared.

It can also facilitate the emergence and development of a new type of DeFi-based art investment funds.

You can only purchase VXL with CAV tokens ($CAV : VXL = 1 : 10$). Therefore, the issue of CAV utility tokens is 90,000,000.



Tokens Distribution¹⁴

Category	100.0%	90 000 000	Vesting
Angel round	7.0%	6 300 000	3 % release in 3 month after TGE, 48 % after 9 months, 50 % after 18 months
Pre-sale via Whitelist (gleam.io)	7.5%	6 750 000	50% release at TGE, 50 % after 3 months (max 5 BNB allocation for 1 wallet)
Public round	12.5%	11 250 000	100 % release at TGE
Staking pool (included rewards)	12.0%	10 800 000	Releasing continuously with staking APY Rate Rule to the wallet
Company reserve (included burns)	25.0%	22 500 000	3 months lock, (can be burned if needed) 2 % per month thereafter.
Liquidity pool	15.0%	13 500 000	Included Marketmaking funds
Ecosystem and community development	9.0%	8 100 000	10 % release in 1 month after TGE; 10 % per month thereafter
Team allocation and Advisors	12.0%	10 800 000	4 % release in 3 month after TGE; 3 quarterly instalments after 6-month cliff for 96 %

¹⁴ <https://coart.biz/tokenomics/>



Crowdfunding

As our project is currently self-funded to accelerate the process of building the **CoArt ecosystem**, we are also using token sales and Kickstarter crowdfunding to fund the further development of our unique CI (Collective intelligence) algorithms and metaverse expansion.

Tokensale

Max Supply	90 000 000 CAV
Circulating Supply After TGE	14 625 000 CAV
Market Cap After TGE	1 316 250 USD

Kickstarter

We are launching a crowdfunding campaign based on our branch in Canada and are planning to raise \$ 250,000 within 3 months.

Each contributor will receive a **CoArt** multisig account as a gift and one cubic yard of virtual space, in which it will already be possible to display art objects of a suitable size.

All participants will receive unique 3D skins for **CoArt VR Space** in the form of NFTs, as well as collectible NFTs art objects released in a limited edition similar to the well-known CryptoPunks¹⁵.

Upon the completion of the fundraising on Kickstarter, a lottery will be held among contributors. Using Symbol Mosaic technology to split Art NFT into crypto-factions, **CoArt** will distribute such a **coart-id** of a specially selected art asset to all donors.

These crypto fractions can be sold on the **CoArt NFT marketplace** or saved in the donors' personal collections at **CoArt VR Space**.

¹⁵ <https://www.larvalabs.com/cryptopunks>