WHITE PAPER
ARTEFACT

ISSUER INFORMATION

The issuer of **$ARTF** tokens is **The ARTEFACT OÜ**, a Private Limited Company registered under Estonian law, with registration number 17241541, incorporated on 15.05.2025, having its registered office at **Estonia, Harju maakond, Tallinn, Kesklinna linnaosa, Pärnu mnt 139e/2-8, 11317.** contact email address is **contact@art-e-fact.com**, with investor queries responded to within five business days.

The management body consists of:

Nikodem Stachulski - President of ARTEFACT OÜ

Nikodem Stachulski - Chief Executive Officer

Robert Krasowski - Vice President of ARTEFACT OÜ

Konrad Szeląg - Chief Technology Officer

Konrad Szeląg - Lead Blockchain Developer

E-Advisors OÜ (11761802) - Head of Legal

OVERVIEW

OVERVIEW

From now on, each of you can become a collector of the real works of art ...
You can have them. You can profit from them.
This is not the privilege of the chosen few. This is the new reality.

The art market is a large, wonderful, and complex world in which artists, collectors, dealers, auction houses, galleries, and museums meet to present, exchange, sell, or buy works of art. The motive for these processes should not only be an overwhelming desire to see or ultimately acquire a beautiful object that arouses admiration and joy of possession, or pure investment pragmatism resulting from the conviction that one cannot lose on such an investment of capital, but only gain. However, being active on the art market also requires knowledge of the works, their creators, eras, and the circumstances of their creation—knowledge that needs to be constantly supplemented and verified.

In fulfilling this postulate, the ARTEFACT Platform decided to expand the spectrum of knowledge about art, evaluation, opinions, and analysis of works that no one had ever studied before, creating a side history of art without names. This is why the outstanding Swiss art historian Heinrich Wolfflin sought to define his theory of art history without names.

The project creators will implement this social education through publications (including multimedia projections), activating discussions about the exhibited works, supervising research and popularization work, both in the area of theoretical foundations of analysis and formal aspects of the work itself.

Both the most ancient patrons of art, i.e. rulers, members of royal families, aristocrats, wealthy merchants, church hierarchs, as well as contemporary collectors, by commissioning and purchasing a artwork, not only became the owners of an object of artistic, historical or symbolic value, but also exploiters of the emotions contained in the work that accompanied the artist while creating it. Nowadays, the owners of artworks, by interacting with them, gain the opportunity to feel these emotions, in a way, becoming their owners.

All attributes of the work - iconographic, iconological, historical, cultural or religious - become the property of the next buyer, as do the personal characteristics of the creator emanating from the art object. It is not only the artist's talent and the degree of mastery of the creative workshop, but also the hours, days and years of effort put into achieving the final effect.

Therefore, with the work we become the purchaser (not only in the symbolic but also in the sensual dimension) of a fragment of the artist's life: gestures, brushstrokes, traces of excitement, dilemmas, emotions, thoughts.

OVERVIEW

In launching the ARTEFACT Platform, we have borrowed its operating method from a long-forgotten tradition of selling works of graphic art. To guarantee the value of the declared edition, created from matrix prints, it prevented the production of additional reprints, which, when they appeared on sale, would lower the unit price of the graphic. If the edition was, for example, 100 pieces, the matrix was divided into the same number of elements. In order to guarantee the purchaser the high value of the work, a piece of the matrix form from which the prints were created was attached to it. The customer was certain that there would be no more graphics, but also became a co-owner, together with the other 99 purchasers of the "mother work".

ARTEFACT used a similar scheme here, except that the method of cutting the matrix into a given number of parts was replaced with blockchain technology, or more precisely, tokenizing the work and dividing it into a certain number of Digital Certificate of Ownership (DCOO).

The developments in science and advances in digital technology have enabled the project's creators to combine sales methods from the classical art market, based on an auction house-led bidding process, with blockchain technology, which brings us closer to an auction-based economic market. It involves the purchase of shares (DCOO), entitling one to ownership of
an artistically valuable artwork. The platform's procedure does not force the bidding of an artwork, the price of which could eventually rise to amounts unattainable for bidders, limiting the group of buyers to the wealthiest. The method proposed by ARTEFACT for the creation of private collections, in the auctioning of artworks on the open digital market, is also accessible to collectors who do not have a lot of money at their disposal. ARTEFACT's method of acquiring artworks is based on the principle of accessibility for every user.

The ARTEFACT project aims to broadcast and popularise valuable artworks. It responds to the expectations of art lovers who would like to participate in the art market. Not every contact with art has to be sublime - sometimes it requires preparation or repeated encounters to evoke authentic emotions. ARTEFACT aims to change these relationships, offering an authentic and unforced experience of communion with the work. It wants to free recipients from the pressure of fashion or convention, allowing them to freely evaluate works and share their thoughts, also in discussions on the platform.

The ARTEFACT will enable the collection of works to be issued by the platform as DCOO, and the acquisition of an additional derivative token DCOO in a collectible version as NFT, and also create forms of rewards for users.

The ARTEFACT wants to combine a few elements, such as blockchain, the metaverse, IT technologies, and physical artworks. Everything will take place in the digital world, while connecting with the real one, through the reality of the artworks.

OUR MISSION AND VALUES

OUR MISSION AND VALUES

The ARTEFACT's mission is to create conditions for all interested parties to become collectors, in two dimensions: digital, by collecting shares in artworks purchased at cryptocurrency market auctions, and, ultimately, some physical works too.

ARTEFACT assumes that collectors' primary considerations are the joy and satisfaction of participating in the market, the opportunity to learn about unknown works, to bring them out of antiquarian obscurity and to make them available to others.

ARTEFACT will create digital visualizations of works in the form of a specified number of shares, and after specialists prepare descriptions and assessments of artistic value, the shares will be issued on the platform, allowing you to build your own art gallery based on the resources of Gallery ARTEFACT.

ARTEFACT is a future project, constantly in the "development phase", with no end date set. The platform will continuously reinvest in innovations that develop the project, new opportunities for its community, and the search and research of new works that will be prepared for publication.

ARTEFACT will keep the community informed about what it is using the funds for, so that the community (Investors and Collectors) will be convinced that this is a serious project by passionate people who are constantly looking for added value.

In the next stage, the ARTEFACT creators intend to organize meet-ups and various events where they will want to get to know their community and bring them closer to the project through the various educational activities.

ECOSYSTEM ARTEFACT

ECOSYSTEM ARTEFACT

3.1 Ecosystem Concept

ARTEFACT is a platform that aims to connect the art market with collectors, investors and enthusiasts through digitisation and tokenisation in the form of Digital Certificate of Ownership (DCOO) and collector-derived tokens as NFT (Non-Fungible Token). The creators of the platform will reconstruct and popularise the history of individual works, and the sum of this data will be used to build a new digital history of works hitherto unknown. ARTEFACT, through research and analysis, will authenticate the information about our collection and, through the openness of all activities, will show the transparency of the entire project.

The ARTEFACT platform ecosystem will consist of the following elements:

- **User account** - will serve as a collection of all purchased DCOO and its derivative tokens in NFT form. It will allow trading between all users and on NFT marketplaces. The mere creation of an account on the ARTEFACT platform allows the user to purchase a founding $ARTF token, which determines a user's status and associated benefits when investing in digital artworks.

- **The NFT and DCOO digitisation and tokenisation of works** - based on accurate scans in high-quality ultra-HD and innovative 3D digital technology, a given digital work will faithfully reproduce its physical form, preserving all painting details and the condition of preservation. Included with each DCOO will be its metadata, i.e. the entire history of the painting, technique, description, and other details. Each DCOO token will be linked to a unique derivative NFT token that reflects the token of the "collector's version". DCOO digital certificates are issued separately from $ARTF tokens. They represent ownership rights in specific artworks and may be acquired through the platform using USDC tokens as payment. DCOO can be purchased on the platform with a minimum status of Art Collector.

- **Blockchain technology** - use of popular standards (e.g. ERC-721 or ERC-1155) to issue DCOO and NFT tokens. The $ARTF token will be based on the Ethereum Blockchain.

- **Marketplace** - the ARTEFACT platform users will be able to trade NFT collectible tokens, which are part of the purchase of a DCOO token in a given artwork, both directly on the platform and on other popular NFT exchange platforms. Digital Certificate of Ownership (DCOO) tokens will be able to be sold only and exclusively on the ARTEFACT platform.

- **Quality assurance of object knowledge** - cooperation between the specialists who make up our expert team (collectors, art historians, conservators and museologists with professorial titles) will guarantee extensive knowledge about the works and their condition of preservation.

ECOSYSTEM ARTEFACT

3.2 ARTEFACT Community

Our philosophy is:

"I believe that art is the only form of activity in which man shows himself to be a true individual and is capable of going beyond the animal state, because art is an outlet towards regions which are not ruled by time and space."

~ Marcel Duchamp

ARTEFACT creates a never-ending story that each of you can join as a collector, as an artist, as an art lover, as an investor or as an ordinary user. The community is made up of people who believe in this project and also feel the need to introduce changes to the art market, which is why they are looking for new forms of exchanging experiences and contact with artworks.

No individual exists on his own, without community. Community is the main foundation for great change, new stories, and important discoveries.

Peter Paul Rubens said:
"My passion comes from the heavens, not from earthly musings."

Therefore, let us create this community together with passion, reaching deeply into the ideological assumptions of the project.

ECOSYSTEM ARTEFACT

3.3 The ARTEFACT Platform Concept

The ARTEFACT platform is the project heart. It has its ecosystem, regulations and policy. It will be possible to purchase the works issued in the form of a Digital Certificate of Ownership (DCOO) token, along with its derivative token in a collector's version as an NFT. On the platform, we will be able to manage our user account, where we will find our own purchased tokens. The user account will be able to be directly connected to your external wallet (in the initial phase of Metamask; the list of available wallets will be gradually expanded). The platform will allow the user to enter the world of the metaverse, which is the original and unique Gallery ARTEFACT, equipped with various interesting functions related to the project's theme. All events and news, or entries about the issues of work and other information about the project will be placed on the platform. Both the platform and Gallery ARTEFACT will have a built-in Gallery Guide, which will guide the user through the entire Gallery and tell the stories of all the works.

Gallery Guide - is an AI assistant that takes on the role of a guide. On the ARTEFACT platform, its role will be to introduce the user to the platform itself, and in the Gallery ARTEFACT, it will be a living guide in the metaverse world.
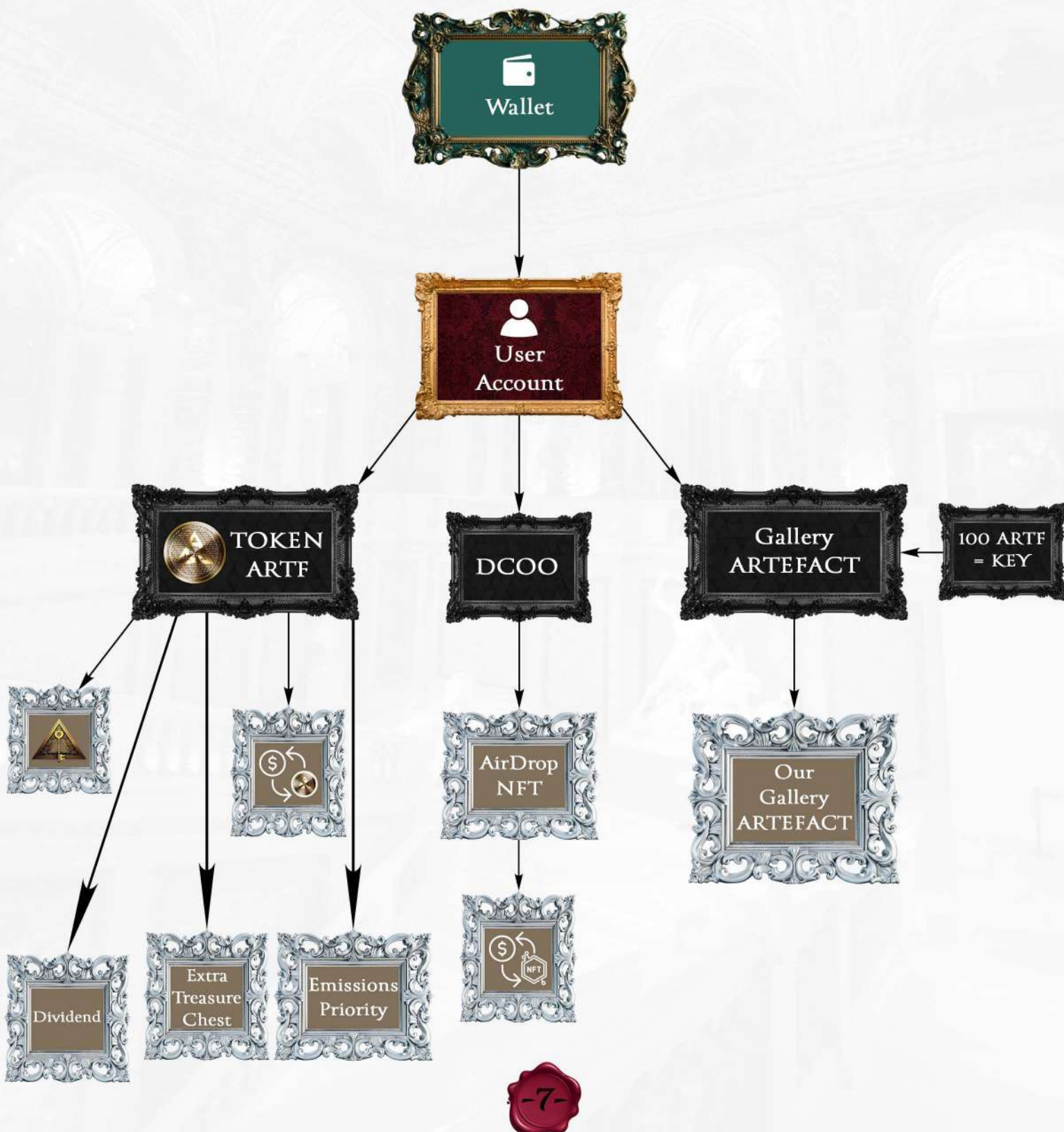
3.4 Purpose of issuing the Digital Certificate of Ownership (DCOO)

The project will include works from different eras (not excluding contemporary works) and link them to a digital cryptocurrency market. Blockchain technology will make it possible to develop a digital representation of a tangible artwork and post it on the platform with the fullest possible information. ARTEFACT is erecting a historic new bridge that will connect the traditional art market and expert knowledge with the digital market, new forms of collecting and interacting with artists' achievements. Through analytical, comparative, historical, provenance and other research, derived from classical art-historical and conservation methodologies and conducted by the ARTEFACT research team, it creates a new platform of knowledge about works hitherto unknown. It is through the ARTEFACT Community that the world will come to know them.

ECOSYSTEM ARTEFACT

3.5 Ecosystem Mechanism - ARTEFACT Account

The $ARTF founder token will have functions that are illustrated in the diagram below. Its utility functions are written in a smart contract, for which the ARTF DApp is responsible. The $ARTF tokens, when using some functions, will require a process (burn), for example in the case of purchasing a "redemption key". Both in the ARTEFACT account and in his/her wallet, the user will also have access to all DCOO and the NFT that he/she has purchased.

Wallet

User Account

TOKEN ARTF

DCOO

Gallery ARTEFACT

100 ARTF = KEY

Dividend

Extra Treasure Chest

Emissions Priority

AirDrop NFT

Our Gallery ARTEFACT

ARTEFACT
IDEOLOGY

ARTEFACT IDEOLOGY

4.1 ARTEFACT Consultants

ARTEFACT OÜ collaborates with a network of distinguished advisors whose professional expertise lies exclusively within the fields of art history, visual culture, design, museology, and conservation. The role of these consultants is entirely focused on ensuring that the platform maintains the highest standards of accuracy, authenticity, and cultural value in the presentation and categorisation of artworks and related digital content.

These advisors include respected art historians, museologists, designers, and art conservators who possess decades of combined experience in academia, cultural heritage preservation, and professional practice. Many have served as lecturers or professors at recognised universities, participated in the management of museums and cultural institutions, or contributed to the leadership of national and international art associations. Others have curated exhibitions, managed private collections, or authored scholarly publications on ancient and contemporary art.

The function of the ARTEFACT advisory group is strictly non-financial and non-investment in nature. They do not provide, and are not intended to provide, any form of cryptocurrency-related consulting, trading advice, investment recommendations, portfolio management, or financial intermediation—whether regarding blockchain assets or any other type of security or investment instrument. Instead, their contribution is centred on:

Advising on accurate description, categorisation, and contextualisation of artworks for presentation in the ARTEFACT platform's database and user interface.

Providing guidance on historical authenticity and provenance verification methods, where applicable.

Supporting the development of educational and cultural content that accompanies artworks in the platform.

Ensuring that the digital representation of artworks adheres to professional standards in colour accuracy, image quality, and descriptive metadata.

Helping establish ethical and curatorial principles for the inclusion of works on the platform.

By transferring their knowledge and experience into a digital environment, the ARTEFACT consultants help create a bridge between the art world and the technological framework of the platform, while maintaining a clear boundary from any form of regulated investment or financial service. This structure ensures that the platform benefits from world-class cultural expertise without engaging in activities that would require specific financial or crypto-related licensing.

ARTEFACT IDEOLOGY

4.2 Maintaining History and Education about Deceased Artists.

The ARTEFACT project is intended to be a treasury of fascinating knowledge about artists and their works available to everyone. The history of each work that appears on this platform will be immersed in the history of art. Revealing its affiliation to specific historical or stylistic formations, such as the Renaissance or the Baroque, we will often indicate its characteristic features that manifest connections or direct borrowings from the greatest achievements of ancient Greek and ancient Roman art.

Pointing out their classical roots will allow for the popularization of the greatest achievements of old art: anthropomorphism with realistic reproduction of reality, including ideal proportions of the human body rendered using the principles of perspective mastered to perfection by Renaissance masters, or the brilliant manipulation of light characteristic of Baroque masters. Thanks to the ARTEFACT project, works that are little known or not known at all will gain a new life. Discovered after hundreds of years, thanks to digital techniques, they will be available to thousands of visitors to the ARTEFACT platform. We will bring forgotten artists back to life, and the first to be able to get to know their work will be the community creating the cryptocurrency market. It is the history of these objects that will create a new history of European art, popularized among lovers of the virtual world.

4.3 Perpetuum ARTEFACT

"Let this work last, even though our days pass. Let everyone who looks at it understand that beauty and truth are immortal. We are leaving, but the soul of ARTEFACT remains here, enchanted in the digital world, art, places and ideas. What we have created is eternal ...
What we have created is for you ... "

~ Creators ARTEFACT

The creators have uploaded a DAO (Decentralised Autonomous Organisation) system throughout the project. Decisions regarding the development of the project will be made by the entire Community according to their voting power, which Users will acquire with the number of $ARTF tokens they hold. The platform has defined smart contracts that will govern the system's operation.

The ARTEFACT has based digital heritage on blockchain, placing key documents, contacts, and ciphers in the vaults containing digitized works of art on it. It has secured the data using advanced cryptographic algorithms such as AES-256 and distributed the data across different geographic locations.

Created AI-based bots and scripts for various tasks, such as managing project content, making backups and system updates.

The physical works are stored in company hiding places, accessible only to the trusted ARTEFACT confidants.

Throughout the project duration, ARTEFACT will engage with the entire community, giving it a say in deciding on opportunities to purchase works by contemporary artists.

The ARTEFACT has also introduced a system of contingency plans to prevent server-wide failures.

TOKENOMICS ARTEFACT

TOKENOMICS ARTEFACT

5.1 Tokenomics $ARTF

Interest is the most valuable resource on earth. The ARTEFACT is an area of interest that creates a global liquid market for interest, turning it into value.

Anyone can provide value to the platform, but access requires the $ARTF token. ARTEFACT's distribution network demonstrates a flywheel effect, where as more collectors join the platform, user demand grows, further fueling the platform's growth and increasing its value.

The ARTEFACT's deflationary tokenomics, activity-based benefits, utility, and tiers from casual user to Elite Art Collector create an ecosystem where token value adjusts to platform growth and user engagement. In this way, the most active members earn the most over time.

The ARTEFACT offers an innovative staking model with a 3.5% return rate. Users who lock their tokens in the form of staking not only earn passively, but also gain a guarantee that they will not lose benefits on the platform. An active user is one who has at least 100 $ARTF tokens locked in the form of staking on the platform. The user can terminate staking of their tokens at any time, but this is equivalent to losing the status of an active user, which results in the loss of all privileges and the inability to invest in new works of art. This mechanism is intended to exclude speculators from the ARTEFACT Community, as well as to generate demand for the $ARTF token. The users earn maximum rewards by staking and actively participating on the platform. Staking levels (number of $ARTF tokens held) and activity levels serve as quantifiable indicators of alignment with the ecosystem and partners, unlocking rewards, providing additional benefits such as governance rights and other unique opportunities that are described and visible on the platform.

Transactions involving $ARTF tokens or NFT minting on the ARTEFACT platform require payment of Ethereum network gas fees. These fees vary based on transaction complexity and network congestion at the time of execution and are payable by the user in ETH.

The $ARTF tokenomics is based on the following principles:

• Total supply exclusive 100,000,000 $ARTF tokens.

• The value of a user's role on the platform is:

o =< 200 000 $ARTF – Elite Art Collector

o =< 100 000 $ARTF – Senior Art Collector

o =< 100 $ARTF – Art Collector

• The $ARTF token burning mechanism.

TOKENOMICS ARTEFACT

The value of a user's role is determined by the number of tokens held and locked in the form of staking on the platform. Art Collector can purchase artworks in the form of DCOO and NFT, ownership digital certificates. Senior Art Collector has the guarantee and privilege of purchasing artworks in pre-sale (earlier than the other platform users), and with each work purchase, receives one Extra Treasure Chest. The Elite Art Collector participates in the distribution of rewards from the sale of artworks on the platform (20% of the rewards from a given artwork that ARTEFACT issues are to be distributed to users who have Elite Art Collector status).

Eligible Elite Art Collectors may receive loyalty-based community reward distributions, subject to DAO governance decisions and platform revenue performance. These distributions are discretionary, not guaranteed, and do not constitute any form of financial return or profit entitlement.

5.2 ARTEFACT token as a utility token

The $ARTF token creates many possibilities, such as access to unique editions of works or priority to buy them. It also acts as a special key that takes the user to the world of the metaverse, the Gallery ARTEFACT. Enables holders to participate in receiving rewards. Another attractive benefit is that by owning the $ARTF founder token, the user has the right to buy out all shares of a given work in order to apply for the publication of the work in physical form. The condition is to purchase 100% of shares (DCOO). ARTEFACT, in the interests of safeguarding the user, who is to receive the work in physical form, leaves a 1% DCOO with the platform on every work it issues. This is a procedure that will allow the creators of the project to prepare all the logistics for the release of the work and to complete all the formalities, so that the user is the rightful and sole owner of the work they have acquired by purchasing 100% of the shares.

The final benefit of owning a Founder Token is the Extra Treasure Chest. This is a bonus AirDrop received with every DCOO purchased.

Any user who wishes to purchase a work on the platform must have at least 100 active $ARTF tokens in their wallet.

$ARTF tokens are freely transferable between holders, subject only to applicable law and technical restrictions inherent in the smart contract or platform implementation. $ARTF tokens themselves are not redeemable for fiat currency or physical artworks.

$ARTF token functionalities, including staking benefits, NFT marketplace access, Treasure Chest reward eligibility, and DAO governance voting, will become active upon the public launch of ARTEFACT Marketplace v1.0, scheduled for Q4 2025, with phased rollouts for staking rewards beginning in Q1 2026.

TOKENOMICS ARTEFACT

5.3 Distribution - Methodology of using funds

Total supply is 100,000,000 tokens of $ARTF
Ethereum Token Contract:

$ARTF TOKEN DISTRIBUTION

COMMUNITY 10%

CONTRIBUTORS 19%

TREASURY 51%
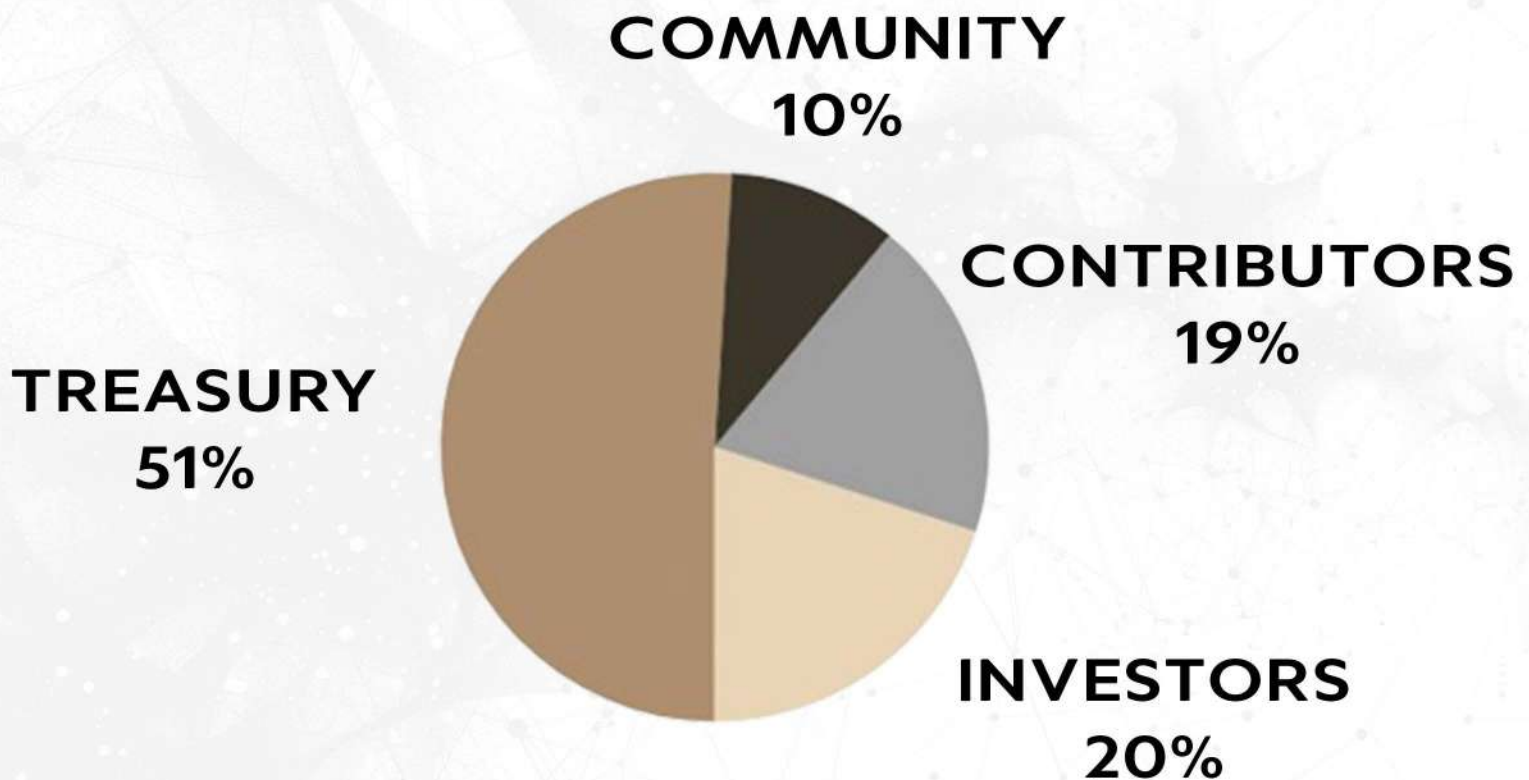
INVESTORS 20%

Investors: 20% (20 mln $ARTF)

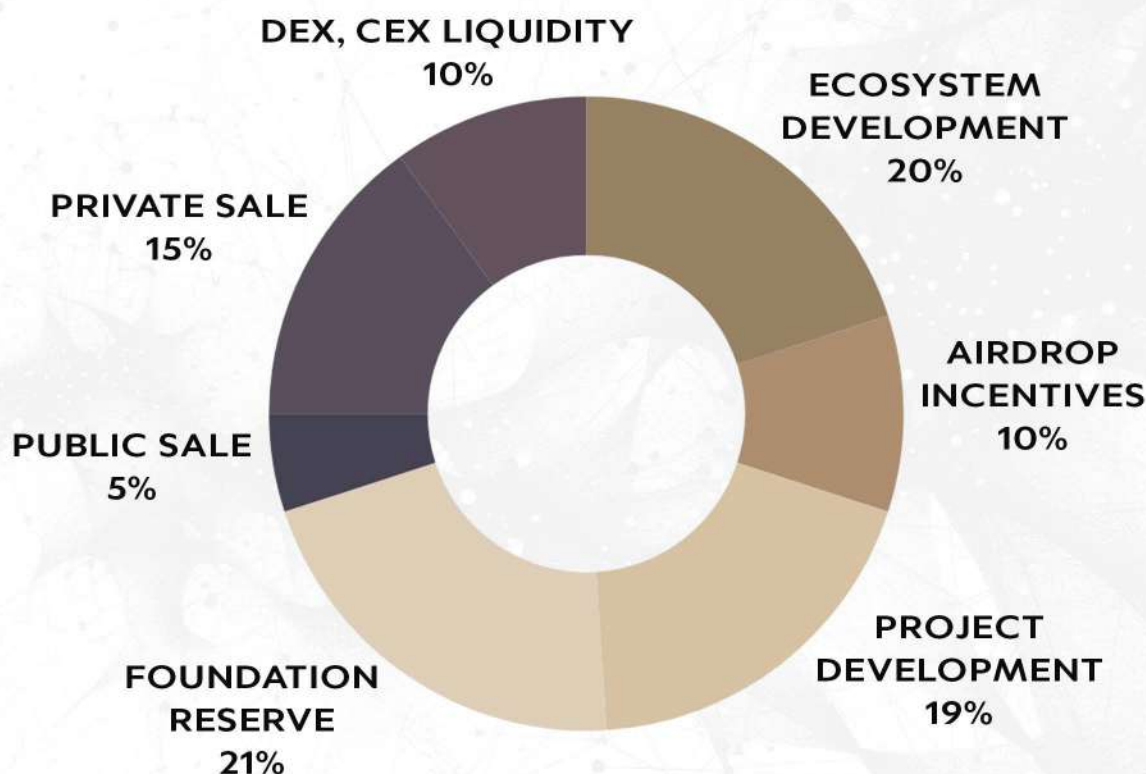Major Contributors: 19% (19 mln $ARTF)

Community: 10% (10 mln $ARTF)

Treasury: 51% (51 mln $ARTF)

TOKENOMICS ARTEFACT

Investors: 20% (20 mln $ARTF)

- **Privet sale: 15%** - 15 mln $ARTF – sale price 0.1 USDC/USD
- **Public sale: 5%** - 5 mln $ARTF – sale price 0.12 – 0.14 USDC/USD

    All tokens allocated to the investors who supported the development of the project at the initial stage are subject to a 2-year lock-in period through the vesting mechanism. No tokens will be unlocked during the first year. Through this deliberate restriction of the $ARTF token supply, early-stage investors in the project development will be rewarded with a 5% increased number of tokens purchased. Starting from the second year, 100% of tokens will be released for the year in a linear mechanism, distributed monthly at 8% of tokens and 12% in the last month. This gradual release schedule reduces the risk of large supply shocks that often occur when a significant percentage of tokens become available after an ICO/IDO (Initial CEX/DEX Offering).

DEX, CEX LIQUIDITY 10%
ECOSYSTEM DEVELOPMENT 20%
PRIVATE SALE 15%
AIRDROP INCENTIVES 10%
PUBLIC SALE 5%
PROJECT DEVELOPMENT 19%
FOUNDATION RESERVE 21%

Major Contributors: 19% (19 mln $ARTF)

The Major Contributors are the team involved in the creation and development of the project.

    All tokens allocated to the major contributors are subject to a 2-year lock-up period. No tokens will be unlocked in the first year. Starting from year two, 100% of tokens will be released for a year, distributed monthly at 8% of tokens and 12% in the last month. This gradual release schedule reduces large supply shocks that often occur when a significant percentage of tokens become available after an ICE/IDO (Initial CEX/DEX Offering).
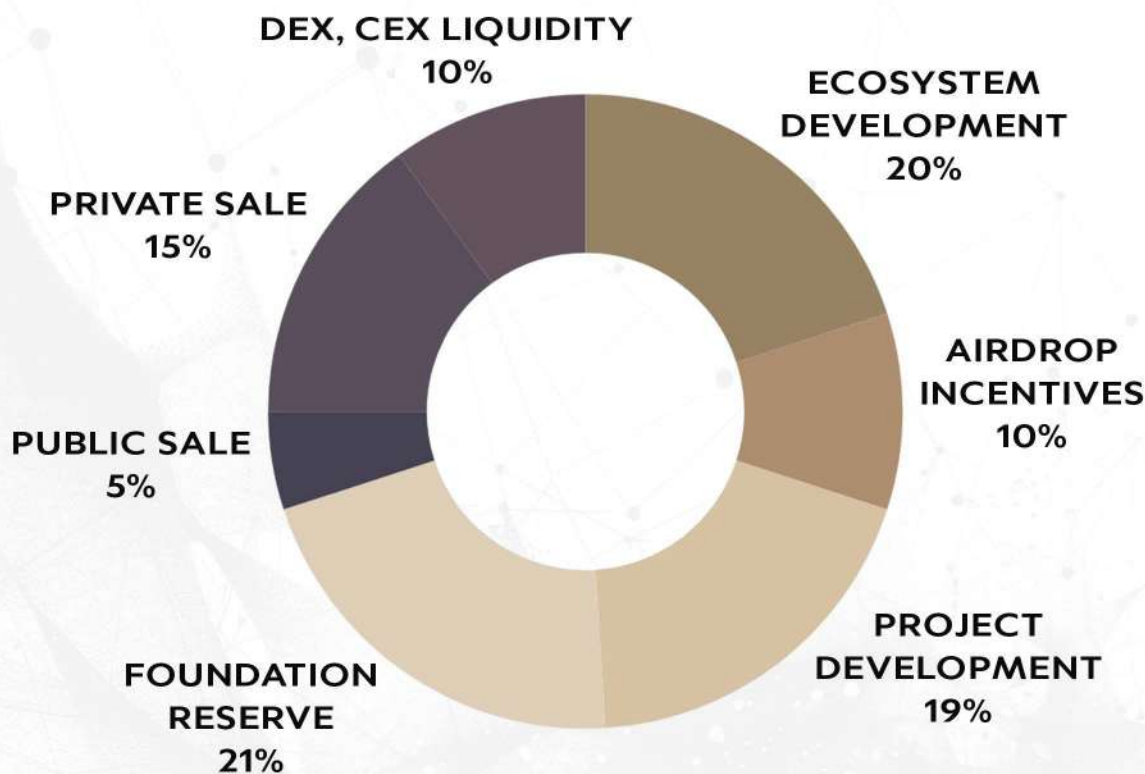
TOKENOMICS ARTEFACT

DEX, CEX LIQUIDITY 10%

ECOSYSTEM DEVELOPMENT 20%

PRIVATE SALE 15%

AIRDROP INCENTIVES 10%

PUBLIC SALE 5%

PROJECT DEVELOPMENT 19%

FOUNDATION RESERVE 21%

Community: 10% (10 mln $ARTF)

A 10% of the $ARTF total supply is reserved for the Community; of which 50% ($5 million $ARTF) in the form of AirDrop for joining the project during the platform creation period and 50% in the form of incentives and rewards within the first 12 months from the launch of the platform for new users. All tokens allocated to the Community in the form of AirDrop and incentives are not subject to lock-in. They can be sold from the first day of the ICO/IDO.

Treasury: 51% (51 mln $ARTF)

The most important assumption of ARTEFACT is to ensure stable, sustainable development and security of participants and investors. Both the mechanisms of gradual token release and the vault functions are intended to minimize large price fluctuations, but also to provide funds for further development of the platform, attractive to collectors, art lovers, and anyone who appreciates modern blockchain technology, the AI and the Metaverse.

Ecosystem Development: 20% (20 mln $ARTF)

A 20% of $ARTF will be allocated to the ARTEFACT ecosystem development, where the Community will play a key role in the form of voting, approving or rejecting the development directions.

Planned token issue price $ARTF: 0,25 USDC

TOKENOMICS ARTEFACT

5.4 Access to the exclusive editions of works (priority)

A user who holds a certain number of $ARTF tokens, corresponding to a given issue of a work, will have the right to participate in the purchase first. When he or she logs into his or her account, he or she will have the "priority to purchase an issue" mode enabled.

Once a user has purchased a given number of $ARTF tokens, he or she will receive a notification seven days before that artwork is issued, giving them access to the ongoing 48-hour pre-sale.

5.5 Extra Treasure Chest

This is a bonus created for the greatest art lovers, among the loyal users of the platform. The moment you actively accumulate at least 100,000 $ARTF tokens in your wallet, you become a true collector. You will then receive an additional AirDrop, which is a unique NFT plus an additional item or document that is equivalent to the given DCOO you purchased.

5.6 User Rewards

The ARTEFACT has constructed a rewards system that will distribute the rewards from a given issue of the work to users meeting the following conditions:

- have got an active minimum of 200,000 $ARTF tokens in their wallet.
- have purchased at least two DCOO on the ARTEFACT platform.

This benefit is for all users who meet the above criteria. ARTEFACT conducts a snapshot to see which users have at least 200,000 $ARTF tokens in their wallet and whether they have purchased two different DCOOs on the platform.

Based on the snapshot, rewards are proportionally distributed to the eligible users. We use the ERC20 interface to check user balances.

An example of how it works in practice:

ARTEFACT issues a work worth 2,000,000 $ We allocate 20% of the value of all rewards to the users.

$$\text{REWARDS FORMULA} = \frac{2.000.000\ \$}{20\ \%} = 400.000\ \$$$

$$\text{FORMULA FOR USER REWARDS} = \frac{\text{Profit Pool}}{\text{Number of Users}}$$

$$\text{USER REWARDS} = \frac{400.000\ \$}{50\ \text{Users}} = 8.000\ \$$$

TOKENOMICS ARTEFACT

5.7 Access to the virtual Gallery ARTEFACT (Metaverse).

The $ARTF token also serves as a key to the metaverse world of Gallery ARTEFACT. The users must have 100 active $ARTF tokens in their wallet to receive permanent entry to Gallery ARTEFACT from the platform. They can enter the Gallery using the "Gallery ARTEFACT" phone application. The application interface is able to connect to "VR Glasses" or the phone screen.

At the Gallery, they will find the "Gallery GUIDE" that will efficiently guide them through the Gallery and tell the story of each work. The Gallery will have a collection of all the works that the platform has issued. Each user will be able to view them, as well as read their description. He/she will also find the option "Our Gallery ARTEFACT" in the app. An option in this mode will be to visualise a room by scanning it with the phone in the app of the room of the user's choice, in this way "Our Gallery ARTEFACT" can be created, for example, in the user's private living room, where the user can hang the works in places of his or her choice.

Both Gallery ARTEFACT and the entire app will be designed thoughtfully and with the perfect texture of the works and the Gallery. It is a combination of precise scans and digital representations of the given rooms and works that will be presented in it.

The technology we will use is the metaverse, consisting of virtual reality (VR) and augmented reality (AR), as well as a blockchain system with the addition of artificial intelligence.

TOKENOMICS ARTEFACT

5.8 The right to purchase the physical work

To acquire the right to redeem the physical artwork, you must be a holder of a minimum of 100,000 $ARTF tokens actively held in your portfolio. The first thing a user must do to redeem a physical work of art is to purchase 100% of the shares (DCOO) of that work. If a given user obtains 51% of the DCOO shares of a given work and wishes to concentrate all of them, with the remainder being owned by the other users, then the platform system attaches through a provision in the smart contract and also in our terms and conditions a so-called "forced sale", and each user without exception, must resell his or her share for a maximum of twice its value. Existing owners will still be able to view their NFT in their own "Our Gallery ARTEFACT" and will still own them, only that it will be the collector's version that the user has received with their AirDrop.

The next process a user needs to do is to pay 1000 $ARTF tokens on the platform through their wallet to receive the "redemption key". These tokens are automatically burned.

Upon obtaining 99% of the shares (DCOO), the user must apply for the last, i.e. 1% DCOO, to the ARTEFACT creators.

ARTEFACT securely transfers such a work to the user, transports it under convoy, and with exactly provided instructions to the user.

5.9 Free entry to the art exhibition

ARTEFACT, when issuing a new work, creates three Chests for it. Each user with the "Extra Treasure Chest" benefit has the opportunity to win a prize, also known as an AirDrop. It can be a free ticket to a valuable exhibition, reserved by ARTEFACT for the lucky winner of the Chest, or another gift, appropriate to the given issue of the work.

At the same time, on social media and on the ARTEFACT platform, a meet-up is announced within this AirDrop. The creators organise a meeting with the entire ARTEFACT Community. An invitation is sent to the users' emails, specifying where and at what time such a meet-up takes place and the entire schedule of the event. ARTEFACT organises such an event as part of education for its entire Community, as well as to get to know it.

This will be a time when each participant will be able to talk to the project creators and other participants.

ART WORKS

6.1 The artworks that the platform will issue as DCOO and NFT

The artworks that the platform will issue are works from different eras, of different styles, with diverse themes and performance techniques. What they all have in common is their high artistic value and mature craftsmanship, i.e. those qualities that determine the value of an artwork.

On the platform, experts from various industries express their opinions on the works collected by ARTEFACT: collectors, professors, designers, art historians, and museologists. The ARTEFACT advisors assume that the signature itself, or in other cases its absence, does not determine the artistic rank of the work. However, they are aware that the process of assigning an unknown artwork some attribution or school may affect its market value. Therefore, they always do it carefully, thoughtfully, using all their knowledge and experience in the name of reaching the objective truth honestly and transparently.

ARTEFACT intends to follow this principle in the future and issue various works from different eras, offering users a comprehensive offer, rich in theme and style, always guaranteeing high artistic value.

ARTEFACT wants everyone to find something for themselves here. The project will use a schedule and program prepared by its team of advisors, which will determine and at the same time inform the selection of works to be issued.

6.2 A unique Digital Certificate of Ownership DCOO and NFT

ARTEFACT's priority when it comes to the issuing of artworks will be to ensure that it prepares fascinating artworks of high artistic merit for users, so that contact with them, enhanced by information about them, will be a source of exciting experiences and a compelling intellectual adventure. The platform plans to search for attractive and valuable artworks of high artistic merit in order to satisfy the collecting desires of users.

6.3 Opportunities for Contemporary Artists

As mentioned earlier, ARTEFACT will also issue contemporary art. It intends to create its collection of artists not yet discovered, believing that the knowledge and experience of our advisors will allow us to promote the most talented artists of the young generation. Early acquisition of works by such artists creates a great opportunity for users of our platform to significantly multiply the capital invested in purchasing such an artwork. The history of 20th-century art is full of such cases.

Contact with contemporary art, which is often not guided by aesthetic considerations, placing ethical and philosophical values above them, forcing very deep reflections about ourselves and the world around us, provides its recipients with completely different impressions and experiences. Contemporary art is often "uncomfortable", "screwing" into our consciences and value systems. It forces us to think and seek answers to often painful questions. It teaches us to make independent assessments, make decisions, and be creative. That is why ARTEFACT takes the initiative for contemporary independent artists who create artworks with great intellectual and axiological potential, so that we can promote them on our platform. They do not lose sight of artistic values either.

The issuing such artworks is one of the leading challenges that ARTEFACT wants to address.

TECHNOLOGY

TECHNOLOGY

7.1 The safe technologies

The ARTEFACT project strongly focuses on safe technologies so that each user has comfort and awareness that they are moving on a secure platform. The platform has invested in the latest security technologies. It is based on the assumptions of the DAO system (Decentralized Autonomous Organization) and a database of algorithms and bots that protect against server failure or hacker attacks.

The project has developed scripts using AI that make backups of the entire system, as well as secure updates of the entire platform. The blockchain on which the project is based is Ethereum. It is a proven and reliable network. The $ARTF token and all DCOO and NFT were developed on its basis.

Another element from the group of safe technologies is ARTF DApp, which provides, among others, security of smart contracts, and through code audits, defense mechanisms against attacks (e.g. reentrancy). It has a modular architecture for easy updates. Network monitoring, rate limiting, and sandboxing will be the standard. Using multisig wallets or hardware wallets such as Ledger or Trezor, it will be possible to freely manage keys. The platform is compliant with regulations such as KYC/AML procedures and user data protection.

7.2 Safety of artworks

For some time now, there has been an open discussion in international museum bodies, including at ICOM (International Council of Museums) meetings, about the advisability of transporting valuable works of art for the purpose of organising travelling exhibitions.

There are serious opinions suggesting that the transportation of artworks, which is dangerous for historical monuments and very time-consuming and expensive, should be stopped.

An alternative to this would be for museums to lend high-quality digital images of works of art, emphasizing contact with the content of the work rather than its material carrier. This distinction was introduced over half a century ago by the world-famous Polish philosopher and ethicist, Professor Roman Ingarden. It says that between the image (what is the essence of the work) and the painting and its material warp, this argument is in favour of such postulates.

7.3 ERC-20

The platform has based its entire blockchain technology on Ethereum. It is responsible for the tokens it issues, for the utility token $ARTF, as well as for the DCOO and NFT tokens.

Ethereum enables the creation and management of cryptocurrencies and tokens that follow uniform rules. This makes it easy to integrate with wallets, exchanges, and smart contracts. Each ERC-20 token operates under the same set of rules. It has a simple implementation and compatibility. With Ethereum, the platform will be able to take a snapshot to be able to check the user balances, which will show the number of $ARTF tokens, thanks to which the system will select the given users for various benefits that ARTEFACT provides.

TECHNOLOGY

The Ethereum blockchain operates under a Proof-of-Stake consensus mechanism, where validators stake ETH to propose and validate blocks, ensuring decentralized network security, transaction integrity, and energy efficiency relative to Proof-of-Work networks.

7.4 Multiverse ARTEFACT

Elements of the ARTEFACT metaverse technology:

1. Access tokenization (blockchain and ERC-20 token):

• The ARTEFACT token ($ARTF) acts as an access key to the "Gallery ARTEFACT". Having 100 tokens in your wallet and purchasing a key for these tokens activates permanent entry to the virtual world.

• Blockchain provides transparency and security to verify token possession and transactions.

2. The "Gallery ARTEFACT" App (VR and AR):

• Users can access the "Gallery ARTEFACT" using a phone app that works in the following mode:

• VR: with full support for VR googles, ensuring immersion in the world of art.

• AR: through your phone screen, allowing you to explore "Gallery ARTEFACT" anywhere.

• Thanks to the intuitive interface, users can easily navigate and use the platform's features.

3. The AI guide (GALLERY GUIDE):

• The AI-powered virtual guide that:

• Responds to the user indications (selection of work).

• Tells stories and details about selected exhibits.

• Personalizes the experience by learning user preferences.

TECHNOLOGY

4. Exploration of the collection (digital mapping of artworks).

• The gallery contains digital versions of all artworks issued on the platform, restored using:

• The high-quality 3D scans and textures for realism.

• The digital 3D models that users can view in detail.

5. The personalized rooms (OUR GALLERY ARTEFACT).

• The feature allows users to create their virtual galleries based on real rooms:

• The application scans the user's room and generates a virtual gallery.

• A user can display their DCOO and NFT on any surfaces, such as walls, shelves or tables.

6. The advanced graphics and immersion.

• A gallery and application design based on precise mapping:

• The realistic textures and 3D interior models.

• Matching light and shadow to create an immersive experience.

• Optimization for various devices (VR, AR, smartphones).

The technology that ARTEFACT will use is a combination of blockchain with virtual reality (VR), augmented reality (AR), artificial intelligence (AI) and 3D technology, related to photogrammetry.

ROADMAP ARTEFACT

2025
Q3

1
- Launch of the ARTEFACT platform 2.0
- Launch of the $ARTF token on the blockchain
- Real World Arts on the platform

2
- Strategic alliance with Milan
- Start of public sale of the $ARTF token
- 5% airdrop of $ARTF for early adopters

2025
Q3

2025
Q3

3
- Implementation of the sustainable development strategy:
  - Vesting on place
  - Staking development
  - Development of ARTEFACT DAO (Governance)

4
- Launch of staking
- Launch of governance ARTEFACT DAO
- Announcement of the first (DCOO)

2025
Q4

2025
Q4

5
- Launch of a tool for purchasing shares in Real World Arts
- Launch of first Digital Certificates of Ownership
- NFT tools rollout

6
- Stock market entry preparation
- Integration with Uniswap DEX

2026
Q1

2026
Q2

7
- NFT-based launchpad for emerging and established artists
- Monetization tools & curated onboarding
- Expansion of digital art supply

8
- The first Meet-Up of ARTEFACT creators with its community
- Construction of the ARTEFACT Art Gallery

2026
—
2027

LEGAL CONSIDERATIONS

LEGAL CONSIDERATIONS

The issuer reserves the right to amend token utility features, staking conditions, and reward structures in accordance with DAO governance votes, platform policies, and applicable legal requirements, provided that no such amendment materially deprives holders of the core utility to access ARTEFACT ecosystem features.

Applicable Law and Jurisdiction: This White Paper and any contractual or non-contractual obligations arising from or connected with it shall be governed by and construed in accordance with the laws of the Republic of Estonia. The competent court for any disputes arising under or in connection with this White Paper shall be the Harju County Court of Estonia.

Risk Factors:

The following risks apply to the $ARTF token offering

Regulatory risk: Changes in EU or national crypto-asset regulations may affect token legality or platform operations. Issuer risk: Operational failures, strategic mismanagement, or insolvency may impair the issuer's ability to deliver promised functionalities or maintain platform development.

Token risk: $ARTF token value may fluctuate significantly due to market sentiment, technological changes, or liquidity constraints, and utility depends on adoption of the ARTEFACT ecosystem. Project implementation risk: delays in technological development, marketplace deployment, or smart contract integrations may postpone or prevent delivery of roadmap milestones.

Technology risk: smart contract vulnerabilities, blockchain security breaches, or reliance on external technologies such as Ethereum may lead to token loss, functional limitations, or service disruptions. Mitigation measures include periodic smart contract audits, phased development budgeting with milestones and external auditor verifications, DAO governance adaptability to respond to unforeseen changes, and ongoing monitoring of legal and regulatory changes to ensure compliance.

LEGAL CONSIDERATIONS

Non custodial platform model and wallet management

ARTEFACT OÜ operates as a fully non custodial Web3 platform. At no stage—before, during, or after any transaction—does the company take possession of, store, or directly control customer owned cryptocurrency. This is not an ancillary choice but a core architectural principle embedded into the platform's technical design, operating procedures, and risk management approach. Users retain exclusive control of their private keys and therefore maintain unbroken ownership and authority over their on chain assets at all times.

In a non custodial framework, all actions involving transfers, purchases, distributions, vesting unlocks, or other token interactions are executed directly between the user's self hosted wallet (e.g., MetaMask or another Ethereum compatible wallet) and the smart contracts deployed by ARTEFACT on the Ethereum network. There is no point at which customer funds are pooled in omnibus accounts, parked in interim wallets controlled by ARTEFACT, or represented as off chain "balances" maintained by the company. The platform provides the user interface, contract integrations, and transaction preparation logic; users review and cryptographically sign transactions in their own wallets, and settlement occurs directly on chain.

Why non custodial?

This model was chosen for four principal reasons:

1. user sovereignty. Users remain the sole custodians of their assets and private keys. The platform's role is to enable access and interaction with on chain functionality without displacing the user's control.

2. regulatory clarity. Because ARTEFACT does not control private keys or operate hosted wallets, it does not provide custody of client crypto assets. Under this operating model, ARTEFACT is not a wallet custodian; activities focus on software, marketplace functionality, and smart contract infrastructure rather than safekeeping of client funds.

3. risk reduction. Removing centralized custody eliminates a significant class of counterparty and operational risks (e.g., centralized hot wallet breaches, custody mismanagement, insolvency impact on client assets). With self custody, users' assets are not exposed to platform balance sheet or operational risk.

4. architectural transparency and auditability. Direct on chain settlement allows any observer to verify transfers and contract interactions using public blockchain data. This improves transparency and supports independent review of contract behavior and treasury flows.

LEGAL CONSIDERATIONS

How it works (operational flow)

The interaction sequence is wallet driven and user authorized:

step 1 — wallet connection. The user connects an Ethereum compatible wallet through the platform interface (e.g., MetaMask, WalletConnect). No private keys, seed phrases, or recovery words are ever requested or transmitted to ARTEFACT.

step 2 — transaction preparation. When a user opts to interact with a contract (for example, to acquire $ARTF using USDC during a sale window or to transfer unlocked tokens), the platform prepares the transaction call data (contract address, function, parameters, gas estimation) and presents it to the user's wallet.

step 3 — user authorization. The user reviews the details in their wallet application and cryptographically signs the transaction with their private key. ARTEFACT cannot sign on the user's behalf and cannot alter the transaction after the user approves it.

step 4 — direct blockchain execution. The signed transaction is broadcast to the Ethereum network and settled on chain. Final state (balances, vesting progress, transfer logs) is defined by blockchain consensus rather than any off chain ledger maintained by ARTEFACT.

Consequently, the platform does not maintain internal, off chain "IOU" balances for users. All balances and entitlements are the on chain truth, and the platform interface is a read only window into that state, augmented by convenience features such as portfolio views and historical activity.

Key non custodial features

No asset storage. The platform does not store customer cryptocurrency at any time. Users keep their assets in wallets they control.

No private key access. ARTEFACT never requests, receives, stores, or can technically access users' private keys or recovery data.

Direct blockchain settlement. All monetary movements occur on the public blockchain and are verifiable by transaction hash and contract event logs.

Self custody compatibility. The platform supports widely used self hosted wallets and does not require a proprietary wallet, hosted balance, or deposit account.

Reduced counterparty risk. Because ARTEFACT never takes possession of user funds, platform downtime, restructuring, or insolvency cannot impair users' ability to control their own assets.

LEGAL CONSIDERATIONS

Company treasury and separation of funds

ARTEFACT maintains its own company controlled addresses for operational needs (e.g., receipt of platform fees or token sale proceeds). These addresses are separate from user wallets and are operated under internal treasury controls, such as multi signature authorization for significant transfers and documented approval thresholds. There is no commingling of user funds with company funds because user assets never enter company custody. Treasury movements are recorded on chain and can be reconciled against contract events (for example, proceeds routed by a sale contract or distributions triggered by vesting logic).

Token sale and vesting interactions (non custodial specifics)

When a user acquires $ARTF during a sale window, the user's wallet sends the accepted settlement currency (e.g., USDC) directly to the designated sale contract or destination defined by that contract. ARTEFACT does not intermediate, hold, or "park" the incoming value in a custodial account; settlement is direct.

The vesting contract enforces time based unlocks and transfer limitations on chain. Users can always view their locked vs unlocked balances by reading the contract state; any attempted transfer that would breach vesting constraints is rejected by the contract itself. ARTEFACT cannot override vesting for a specific user by "moving funds" on their behalf because ARTEFACT does not have access to the user's wallet keys.

Where distributions are due (for example, allocations to contributors or treasury), transfers originate from company controlled addresses or contract logic as defined in the code. User wallets receive tokens or payments directly; users remain in custody of received assets immediately upon settlement.

LEGAL CONSIDERATIONS

Administrative safeguards without custody

Non custodial does not imply absence of controls. Administrative and safety mechanisms are implemented at the smart contract and operational layers to protect users, without giving ARTEFACT the ability to seize or unilaterally reassign user assets:

Multi signature controls for company treasury operations and contract administration actions.

Upgrade governance for upgradable components (e.g., vesting logic), with documented procedures, timelocks where applicable, and change logs to ensure transparent evolution without compromising user control.

Pause or circuit breaker functions on relevant contracts for emergency response to severe technical incidents. Activation procedures are restricted and audited; such controls do not equate to access to user private keys and do not give ARTEFACT control over assets held in user wallets.

User responsibilities and limitations of the model

Because custody remains with the user, certain responsibilities and limitations follow naturally:

Key management. Users must safeguard private keys and recovery phrases. ARTEFACT cannot recover keys, reverse a signed transaction, or restore access to a wallet.

Irreversible settlement. On chain transfers are final once confirmed. If a user sends assets to the wrong address or approves a malicious transaction, ARTEFACT cannot roll back the blockchain state.

Wallet hygiene. Users should maintain robust operational hygiene (hardware wallets for significant holdings, careful approval management, use of distinct wallets for high value holdings vs day to day activity, and prudent handling of signing prompts).

The platform provides guidance and best practice documentation, but ultimate control and responsibility rest with the user by design.

LEGAL CONSIDERATIONS

Interoperability and portability

A non custodial model maximizes portability: users can interact with ARTEFACT contracts through any compatible wallet or interface they trust. Access to assets does not depend on the availability of ARTEFACT's web interface; balances and transferability are guaranteed by the underlying blockchain, not by ARTEFACT maintaining an account ledger or login session.

Future changes and disclosures

If ARTEFACT were ever to introduce features that alter this custody posture (for example, adding hosted wallets, fiat ramps held in omnibus accounts, or other arrangements where the company would temporarily hold user funds), such changes would be preceded by updated disclosures, additional risk controls, and any authorizations or registrations that may be required. Under the current design and planned launch scope, the platform remains fully non custodial.

Benefits for users (summary)

1. **Full control** - Users decide when, how, and to whom their cryptocurrency is transferred.

2. **Security** - Removing centralized custody eliminates a major attack surface associated with hosted hot wallets.

3. **Transparency** - Every movement is visible on the public ledger; balances and vesting states are independently verifiable.

4. **Interoperability** - Users can access and manage assets through any standards compliant wallet, without dependence on a platform hosted account.

This non-custodial design not only reinforces security and decentralization but also provides long-term flexibility, ensuring that users' digital assets are truly their own—free from third-party custody, restrictions, or vulnerabilities associated with centralized storage systems.