



ART ARTICULATOR

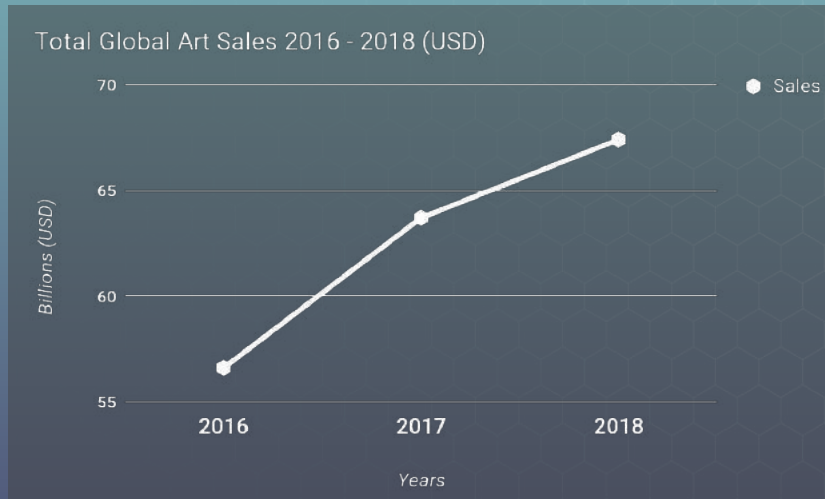
A Disruptor for the \$67B Global Fine Art Sales Market

WHY?

Even while Global Sales of Fine Art have been increasing, the brick-and-mortar fine art gallery structure has inherent inefficiencies and excessive overhead.

GLOBAL MARKET

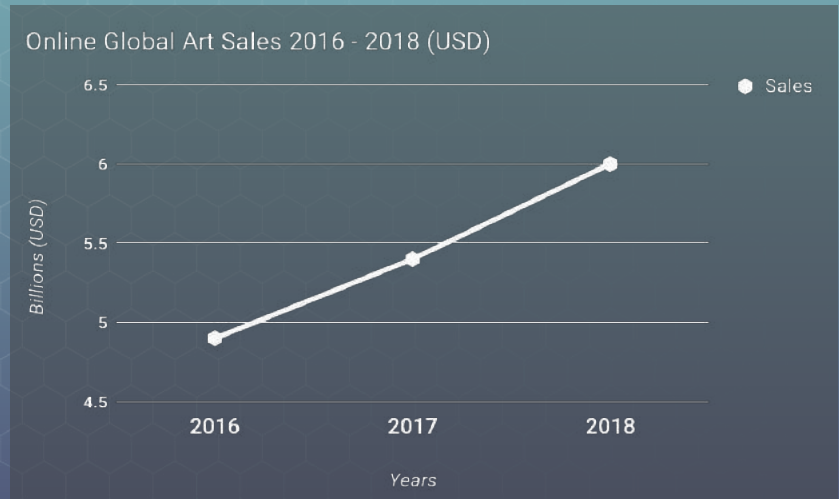
Annual Fine Art Sales Steadily Increasing



2016: 56.6B (↓ 5% from 2015)

2017: 63.7B (↑ 12% from 2016)

2018: 67.4B (↑ 6% from 2017)



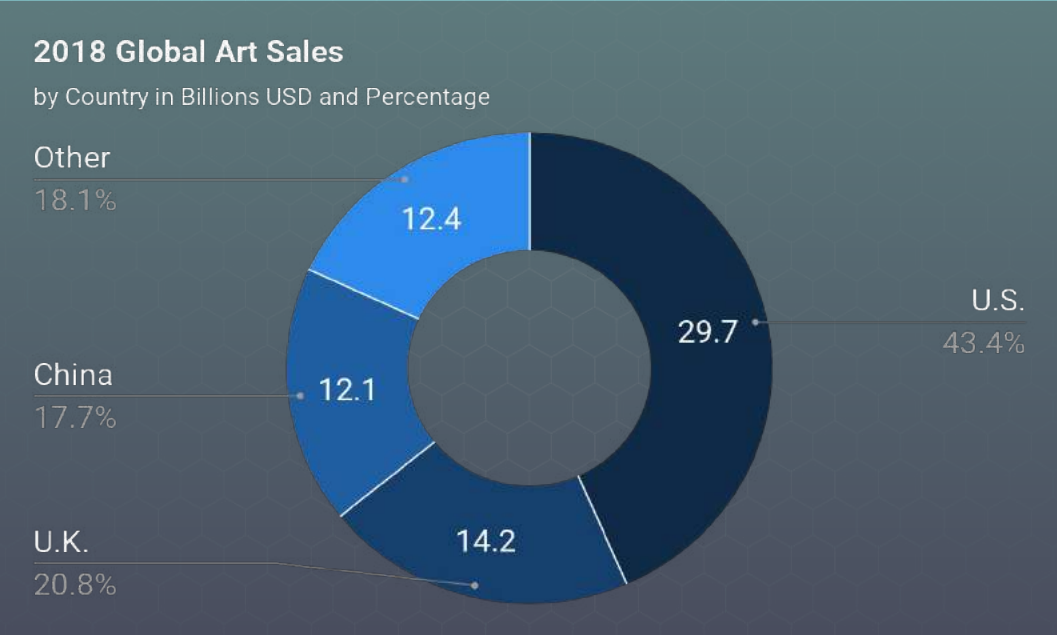
2016: 4.9B (8.7% of total sales)

2017: 5.4B (8.5% of total sales)

2018: 6.0B (9.0% of total sales)

GLOBAL MARKET

**The U.S.
accounts for
nearly ½ of the
worldwide fine
art market**



Total Global Art Sales for 2018: \$67.4 Billion

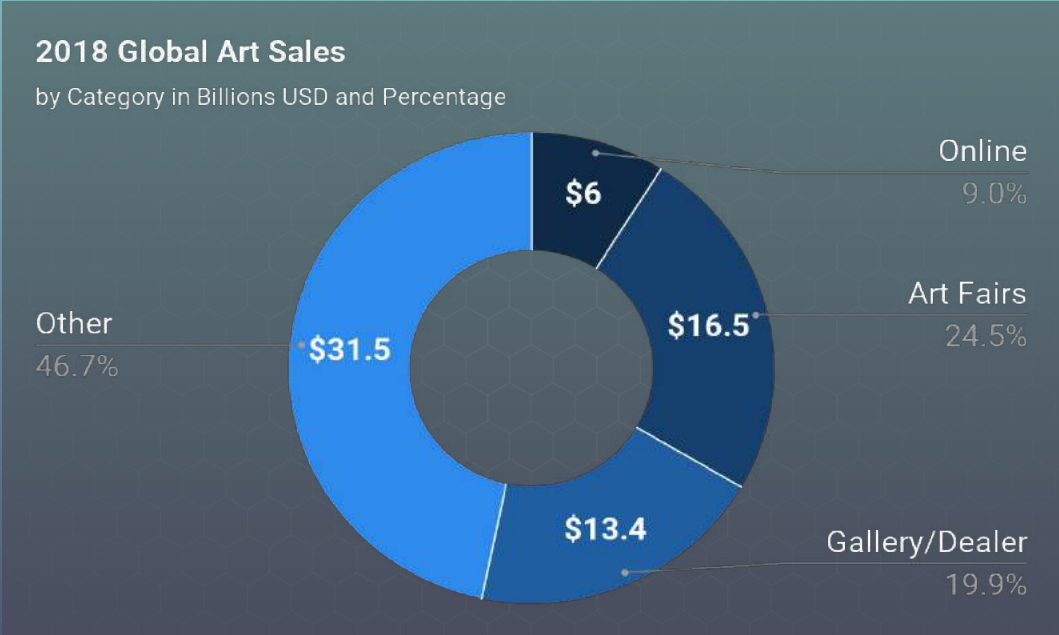
Total U.S. Art Sales for 2018: \$29.7 Billion

U.S., U.K., and China account for

84% of Global Art Purchases in 2018

GLOBAL MARKET

Online fine art sales (both \$ & %) have been steadily increasing.



2018: Online Art sales reached \$6 Billion

Entire Retail Sector: 53.4% of Fine Art Sales

Total 2018 Retail Fine Art sales: \$35.9 Billion

Online Portion: 9% of Fine Art Sales



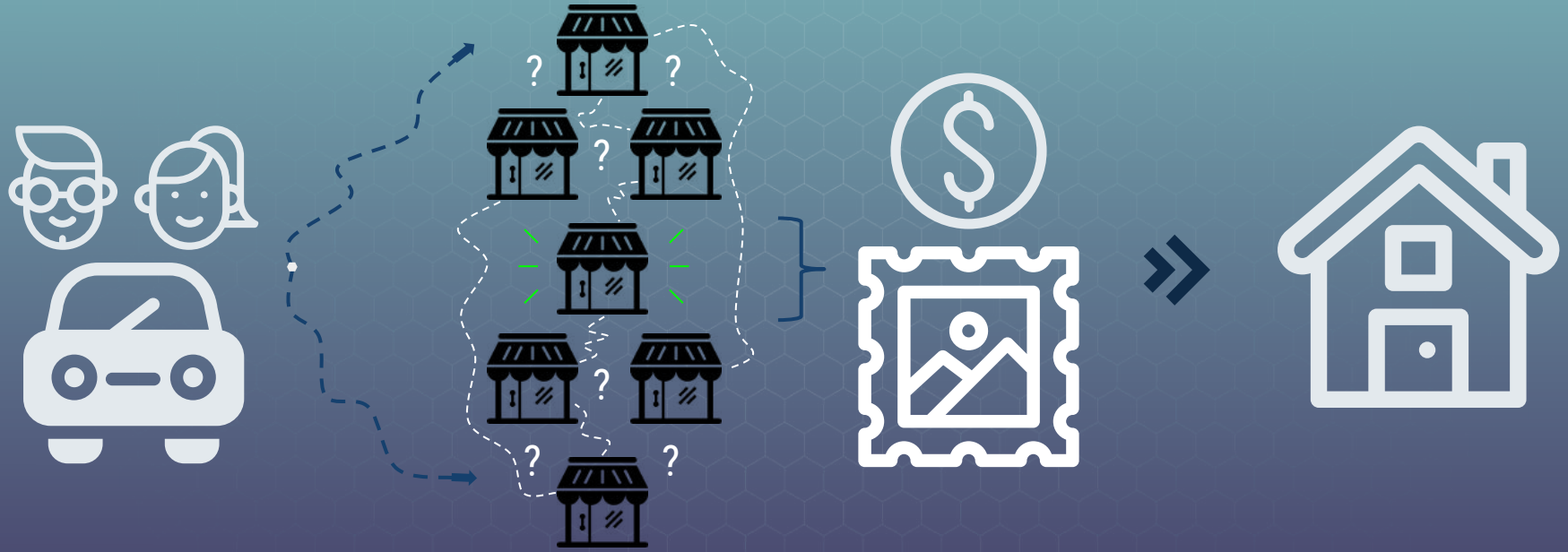
THE MARKET'S TWO PROBLEMS

- There is an inherent inefficiency in art buying -- the limited inventory is scattered through hundreds of thousands of sellers. Even online, there's no centralized marketplace. Art Fairs were developed to try to capitalize on this inefficiency but are excessively expensive and labor intensive for the sellers.

&

- Art Buyers either see their empty wall and go looking for art to put there OR they find a piece of art while out at gallery or art fair and then have to go back to their home to figure out what it would look like if they bought it. BUT THEY CANNOT DO BOTH IN THE SAME PLACE AT THE SAME TIME.

BUSINESS MODEL - OUTDATED



BECOMING THE SOLUTION

- A centralized marketplace for fine art &
- “What will this look like when I hang it up?”

AUGMENTED REALITY (AR)

Camera > Screen
of their smart device in
true and accurate scale

CONSOLIDATED PLATFORM

A one-stop-shop for fine art
by a limitless supply of
Artists/Galleries

BUSINESS MODEL - ART ARTICULATOR



FROM

Five Disruptive Trends Art Galleries Need to Understand If They Want to Survive

“[A]lmost no attendees over the age of 50 seemed to stick around for the tech-centric panels that closed the [Barcelona Talking Galleries] symposium... If most longtime gallerists continue clinging to familiar patrons and familiar methods, then the art business, as physicist Max Planck once said of science, will only ‘advance one funeral at a time.’ But either way the next generation appears ready to step up and reach out.”

- Tim Schneider, January 30, 2018

(<https://news.artnet.com/market/talking-galleries-2018-takeaways-1207862>)



OUR MISSION

Enabling Fine Art Sales to INCREASE further:

By facilitating the connection between Artists/Galleries and Customers

- At lower costs
- With greater security for everyone involved

Using a solution tailored to capitalize on the inherent inefficiencies of the traditional Fine Art retail market

- Ever increasing expenses for limited wall space
- While the market is already organically transitioning online



CORE TEAM

**Josiah Trager,
Founder,
C.E.O.**



Co-owner of Trager Contemporary - traditional brick-and-mortar fine art gallery; Professor of Business Strategy; attorney for 15+ years, identifying key areas of corporate vulnerabilities and extensive experience running large teams of attorneys and paralegals in time sensitive matters.

**Brian Perry,
Co-Founder,
C.T.O.**



Database, Website & API Designer/Developer. Chief software architect for Optimal Blue, a mortgage technology solution that processes more than 25% of all mortgages in the U.S. (successful exit). Multiple other C.T.O. and advisory roles for tech startups

**Corbin Ordell, Jr.,
Chief A.R. App
Designer**



Augmented Reality App Developer Specialist, Masters in Interactive Telecommunications. Lead developer and designer for multiple Augmented Reality and Virtual Reality applications, games and installations.

**Kelly Trager,
Chief Legal
Officer**



Co-owner of Trager Contemporary - Professor of Intellectual Property and Business Law; 12+ years drafting and negotiating corporate structure documents and agreements for artists and arts businesses in all manner of corporate transactions.

TEAM

Expected Hires/Partners

Artificial Intelligence Officer

To assist customers in building their buying profile by culling features of art to which they respond and finding other pieces across all sellers.



Chief Marketing Officer

To coordinate brand strategy and supervise in-person sales/marketing personnel



Brand Ambassadors

To showcase the solution to fine art buyers and sellers at art fairs, galleries and targeted promotional opportunities



Art ARticator – The AR Art Solution



Art **AR**ticatorator – Limitless Selections of Art



Art **AR**ticator – Buy with Confidence



SERVICES OFFERED – BUYERS

- Art ARticator will show the buyer what the art will look like in the buyer's space using AR tech
- A consolidated, yet expansive selection of fine art available anywhere, using any connected device
- Extensive, personalized search function
- Providing fraud protection
 - Requiring artists to provide a minimum number of pieces to onboard
 - Delayed payment until confirmed delivery

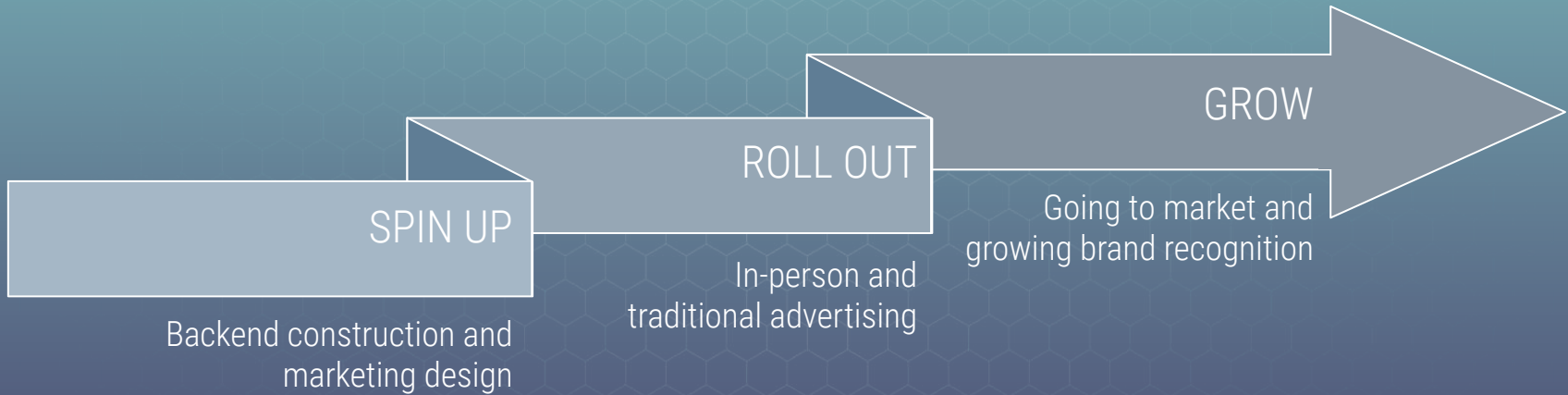


SERVICES OFFERED – GALLERIES/ARTISTS

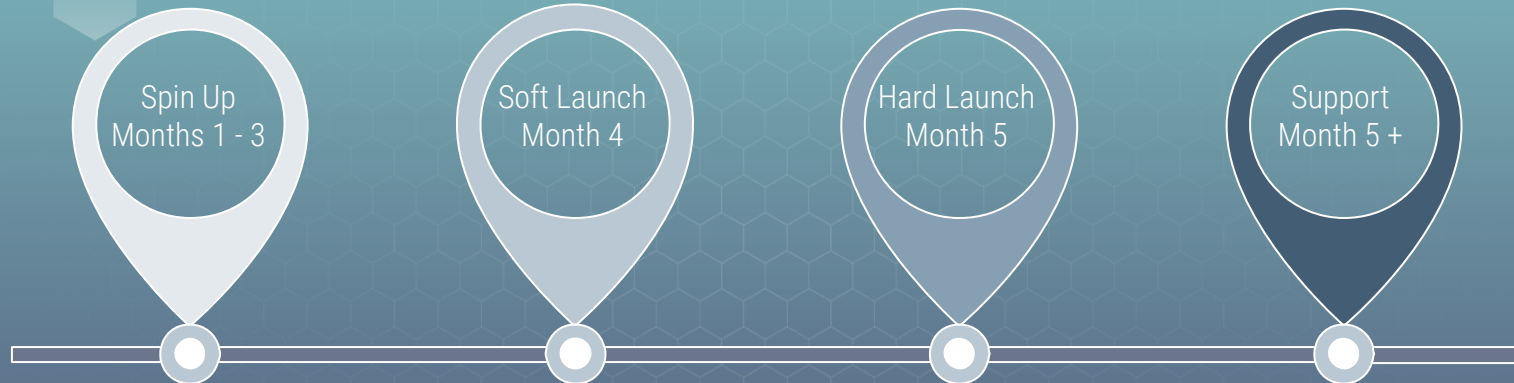
- No Cost/No Risk onboarding
 - Free Inventory Management System
 - Free seller's profile with unlimited inventory.
- Lower shipping costs
 - shipping service arranged on behalf of the Artist/Gallery in branded packaging
- Artists/Galleries self-promotion
 - Free branded sub-pages
 - Ability to add videos/images/biography
- Artists/Galleries generated coupon codes
 - Offer sales and flash sales
 - Discounts for select customers
 - Discounts on select pieces



TIMELINE



MARKETING PLAN



STEP 1

Ramp Up
Back-End Operations

Build Out
Branded Merchandise

Hiring Phase - CMO

STEP 2

Entice Early Adoption

Build Platform Supply
via Sales Team

Post-Launch
Advertising Push

STEP 3

Advertising and
In-Person
Marketing Blitz

- Art Fairs
- Product Placement
- Branded Events
- Editorial Coverage

NEXT STEPS

Continue High-Value
In-Person and
Traditional Marketing

Consolidate
Commission System
New Personnel Hires

FINANCIAL PROJECTIONS

Taking a cue from Airbnb

- Attracting sellers with no cost adoption;
- Offering security & free services to buyers AND sellers

Target: 8% Market Share of Online Fine Art Sales

- <1% of all fine art sales
- Yield: \$480M Annual Sales

Target: 12.5% Gross Commission Retention Rate

- Yield: \$60M Gross Annual Revenue

At 10-15% Market Share or increased totals

- Greater than \$1B Annual Sales
- Greater than \$150M Gross Annual Revenue



Fine Art Annual
Online Sales*

*Based on 2018 numbers from:

Art | Basel

Initiatives

**The Art Basel and
UBS Global Art Market Report**

Launching First Quarter, 2020

With

- All back-end databases and APIs;
- customer-facing website;
- seller's inventory management cloud-based portal;
- iOS and Google Augmented Reality Apps; and
- traditional query engine.

FUNDING REQUEST – round still open

\$1,500,000 for increased marketing & services:

- Key hires:
 - Chief Marketing Officer
 - A.I. Specialist (for visual search engine)
- Targeted online media buying;
- In-person marketing team to showcase product to sellers and buyers alike;

EXPECTED FUTURE FUNDING ROUNDS

Aggressive In-Person and Traditional Marketing Budget:
Getting our name to both artists and art buyers
at the same time

"...on average, over 1 million people
attend the top 20 art fairs in the world"

“” ARTNEWS

*Which International Art Fairs
Have the Highest Attendance?*

COMPETITION



Sells high-end items via AR



SAATCHI ART




UGALLERY

Artfinder

Sells fine art online

EXIT STRATEGY

Most likely scenario; Art ARticator would ultimately be sold to:

- 
- A large player in online retail - Amazon
 - A complimentary retail area - Wayfair
 - Large auction houses - Sotheby's

QUALIFIED OPPORTUNITY ZONE BUSINESS

Art ARticator is based in a Qualified Opportunity Zone.

Under tax law changes in 2017, an investor may defer capital gains by investing such gains in a Qualified Opportunity Zone (“QOZ”) business or fund within 180 days of such sale/exchange. Holding the QOZ interest for:

- 5 years increases the taxpayer’s basis by 10% (reducing capital gains);
- 7 years increases the taxpayer’s basis by an additional 5% (a total of 15%)
- 10 years increases the taxpayer’s basis to the fair market value at the date of sale -- meaning **ZERO** capital gains tax on **BOTH** the initial sale and any profits from the sale of the interest in the QOZ business.



THANK YOU

for your time

CONTACT

Any questions?

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