

Liquid Domains Market Overview 1st Quarter 2018

INTRO

While 5th percentile values keep declining, Escrow.com reported nearly \$20m in transactions in the quarter, suggesting a strong start for domain investors in 2018.



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Some of the information provided in this report, such as the category breakdown, trademark analysis and valuation data was derived using proprietary systems built by Intelium Corp. or its affiliates.

The domain sales data was provided by ShortNames.com. It was also generated using automated means and through the use of proprietary technology. The data is verified on the best available bases and may be subject to inconsistencies or errors that are corrected at the sole discretion of ShortNames.com.

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GLOSSARY OF TERMS

Chinese Premium - any domain that does not contain the letters A,E,I,O,U,V.

Development Index - Percentage of the domain category that has been developed into website.

Development/Developed - a classification of a particular domain that was developed into a website. Intelium uses proprietary methodology to determine whether a domain name is developed.

EstiBot - EstiBot.com is a domain analytics platform that focuses on domain valuations and providing its users with tools to buy or sell their inventory.

EstiBot Valuation - a statistical, fair market valuation of a domain name. As a rule, strong trademarks are assigned a fair market valuation of \$0, as the domain name does not have value without corresponding IP rights. These types of domains cannot be effectively resold in the markets as a stand alone asset and their valuations stem strictly from the attached trademark, or IP value.

EstiBot Valuation Market Cap - Sum of all EstiBot valuations for a particular domain name category.

Liquid Domains - Specific types of domain categories that are actively traded on the major marketplaces. These include LL/LLL/LLLL dot coms; NN/NNN/NNNN/NNNNN dot coms; as well as the NL/LN dot com domains.

5th Percentile - the 5th percentile is the value at two standard deviations below the mean sales price. It is a representation of a reasonable category price floor in any given time period. For example, consider a scenario of only 100 reported sales where the highest sale is \$100,000 and the lowest is \$1,000. If each reported sale is sequenced in \$1,000 increments (i.e. \$1,000, \$2,000, \$3,000 and so on), then the 5th percentile will be the 5th lowest sale at \$5,000.

Registrar - an entity that manages the reservation, transfers, and upkeep of registrant data

Registrant - an individual or entity that registered a particular domain name.

Registry - An entity that manages the database of all domain names and related registrant information relating to a specific TLD. The registry takes on the technical functions of ensuring that the domains in their respective TLD resolve. As an example, VeriSign is the Registry of the .com TLD.

TLD - top level domain. This is extension part of a domain name. The most popular TLD by registrations is the .com.

Turnover - The percentage of the domain name category that is bought or sold in markets in a particular period of time.for domain names.

Executive Summary

DEVELOPMENT INDEX AND OWNERSHIP DATA

2018 starts with a continuation of the trends observed in our past reports: China continues to gain market share, especially on the 5Ns front where Chinese registrants added almost 4,000 domains, bringing up the total domain count up to almost 200,000 or 32.12% of the total market. The US also gained 1% of market share, ranking as second behind China with a total of 18.54%. Europe and the rest of the world continued to hold a stable market share of around 7.5%, while domains under privacy grew slightly to 21.67%. There seems to be: 1) a positive correlation between the average domain value and domain privacy, and 2) an inverse correlation between domain privacy and the development index. In other words, the more valuable a domain is, the more likely it is that it will be under privacy if it is not developed. This translates to record privacy numbers for for Tier 1 categories like 2Ns and 3Ns, with nearly 50% of domain names under privacy registration.

The overall development index went down by 0.5%, with 4Ns domains making the biggest negative jump from 15.5% to 11.3%. 2Ls remained the most developed category at 35.95%, followed by the 3Ls (28.46%) and the 2Cs (28.08%). With the exception of 2Ns at 18%, all the other categories register development indexes between 10% to 15%, with 4Ls being the most developed (14.4%) and the 5Ns being the least developed (10%). 3Ns, 4Ns and 3Cs rank somewhere in the middle, respectively at 12.2%, 11.3% and 12.9%.

SALES DATA

2Ls .com domains registered a record \$6M in escrow.com transactions, by far the best result since the publication of the report. 4Ls kept a consistent \$4.8M in turnover, followed by another strong quarter for the 3Ls at \$3.5M. 3Ns and 4Ns also posted good quarters, respectively with \$2.8M and \$1.3M in escrow.com sales. While escrow.com did not record any 2Ns transactions, the other categories (5Ns, 2Cs and 3Cs) posted an aggregate of almost \$1M, respectively at \$225k, \$143k and \$562k. The total amount of sales reported by ShortNames.com was \$7.7M, with 4,108 transactions and 0.67% turnover.

The negative trends came from 5th percentile values which kept registering double digits losses: 3Ls -21.46%; 5Ns -16.93% and 3Cs -11.11%. 4Ls lost only -3.13%. The positive note came from the median values (not present in our report) which showed significant increases for the 3Ls, 4Ls and 4Ns. This disparity in performance could be interpreted in two ways: 1) the domains sold in Q1 might have been of superior quality compared to last quarter, or 2) the value ranges of liquid domains are starting to polarize again. Lower liquidity in the second tier categories might also play a factor.

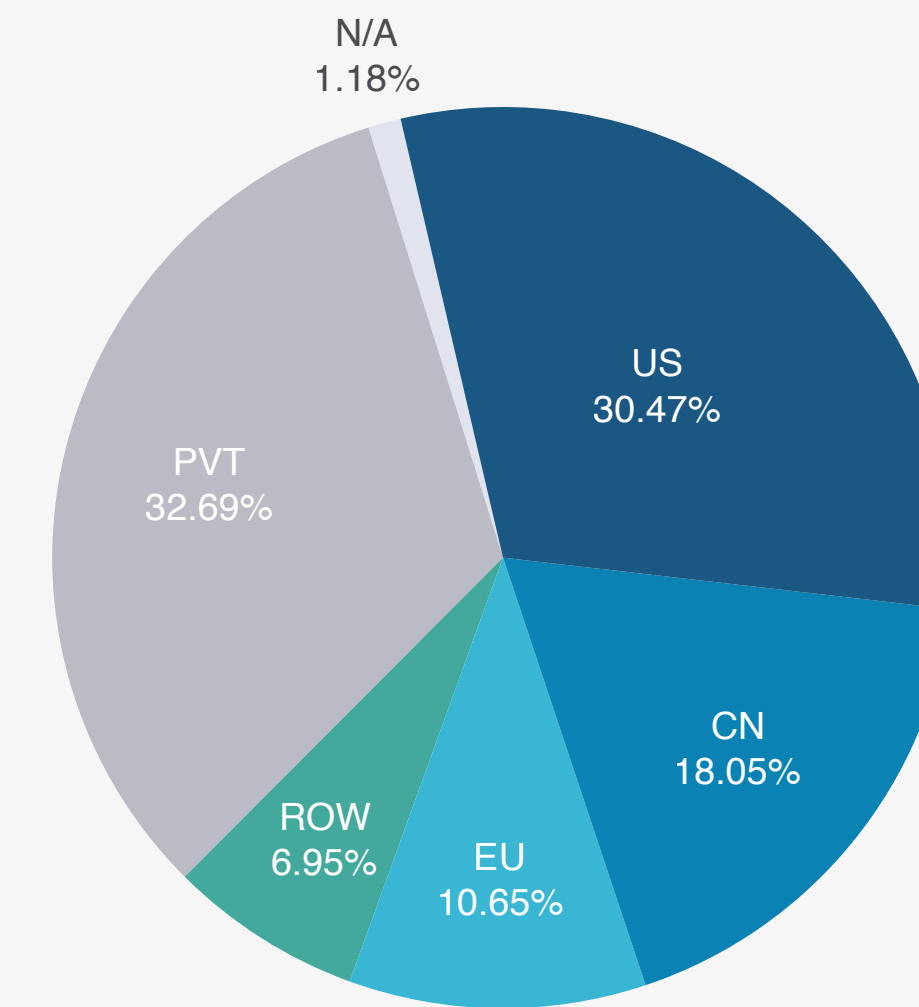
FORECAST

The key question for investors is when to buy batches of domain names at floor prices, as opposed to cherry picking ones with the highest end user potential, or selling their existing inventory altogether. The mix of positive signals (high sales volume for valuable categories) and negative signals (constant descent of 5th percentile values for the least valuable categories), can only mean that investors should continue looking at fewer but higher quality domains.

2L .com

LEGEND

- US - United States
- CN - China
- EU - European Union
- ROW - Rest of world
- PVT - Private Registrations
- N/A



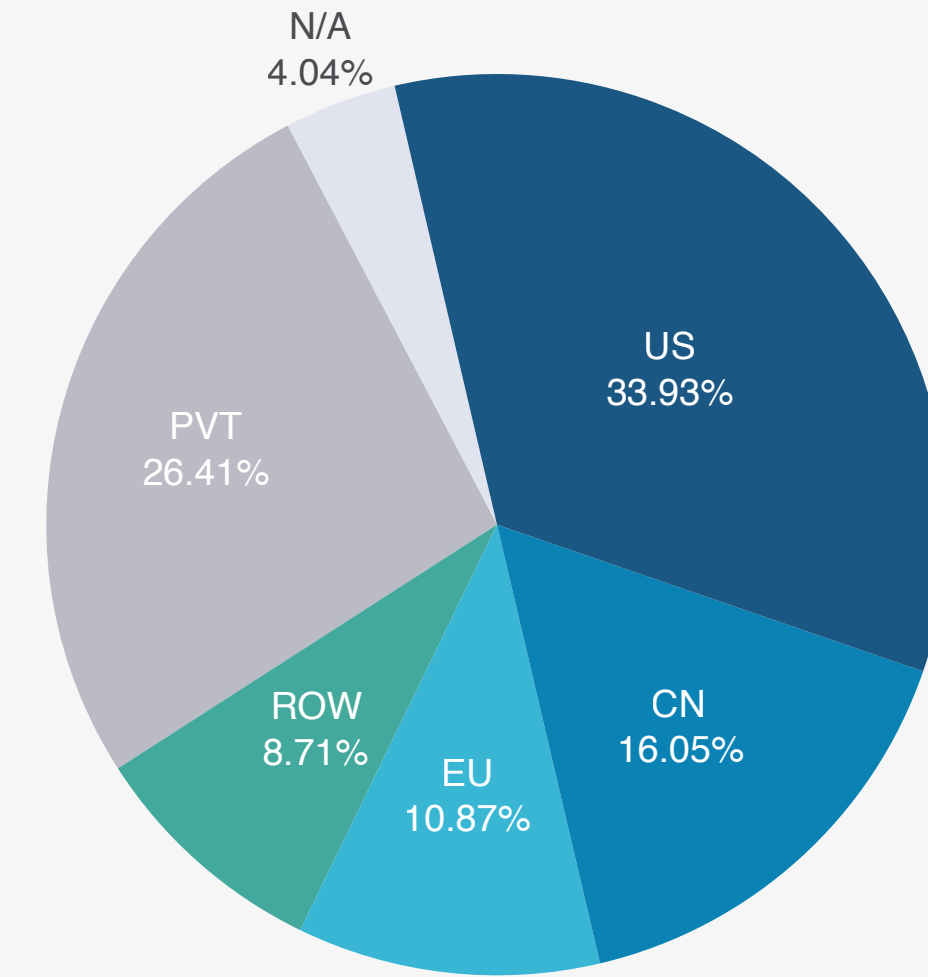
DATA

Total#	676
Development %	35.95%
EstiBot Market Cap	\$2,216,210,000.00
Turnover	0.15%
Public sales volume	\$510,000.00
Escrow.com sales volume	\$6,178,000.00
5th Percentile	n/a
QoQ 5th percentile	n/a

3L .com

LEGEND

- US - United States
- CN - China
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- N/A



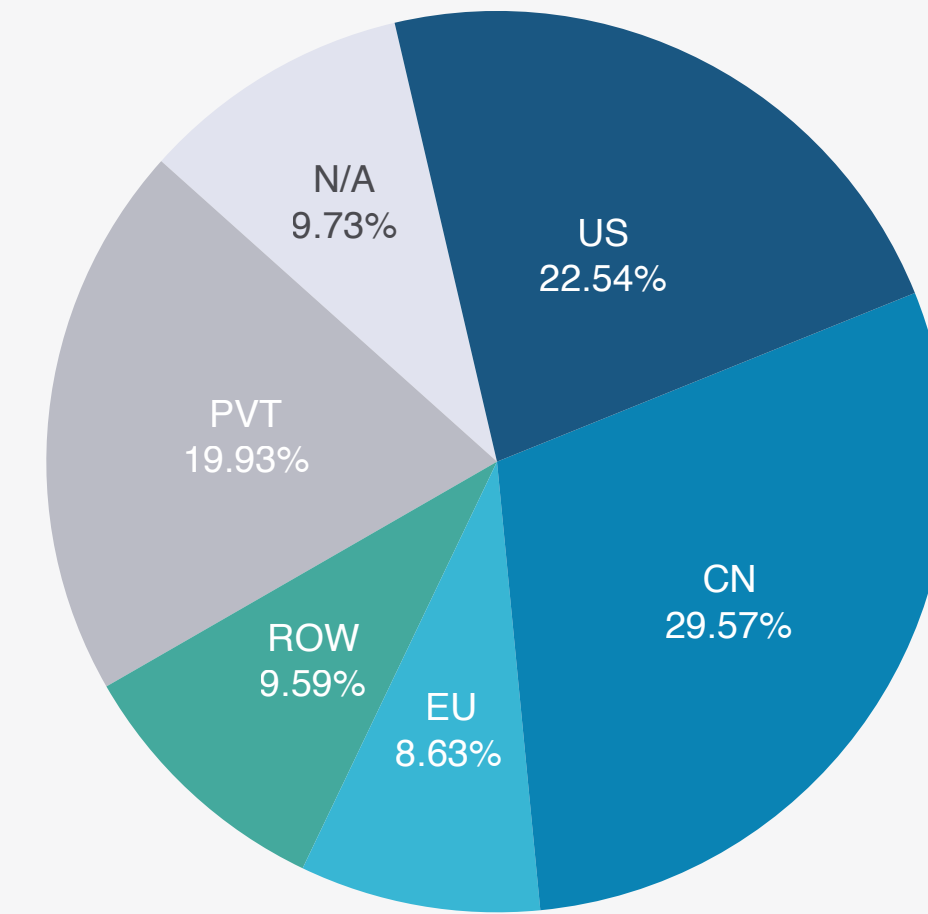
DATA

Total#	17,576
Development %	28.46%
EstiBot Market Cap	\$2,386,615,245.40
Turnover	0.19%
Public sales volume	\$2,352,560.00
Escrow.com sales volume	\$3,544,952.00
5th Percentile	\$11,000.00
QoQ 5th percentile	-21.46%

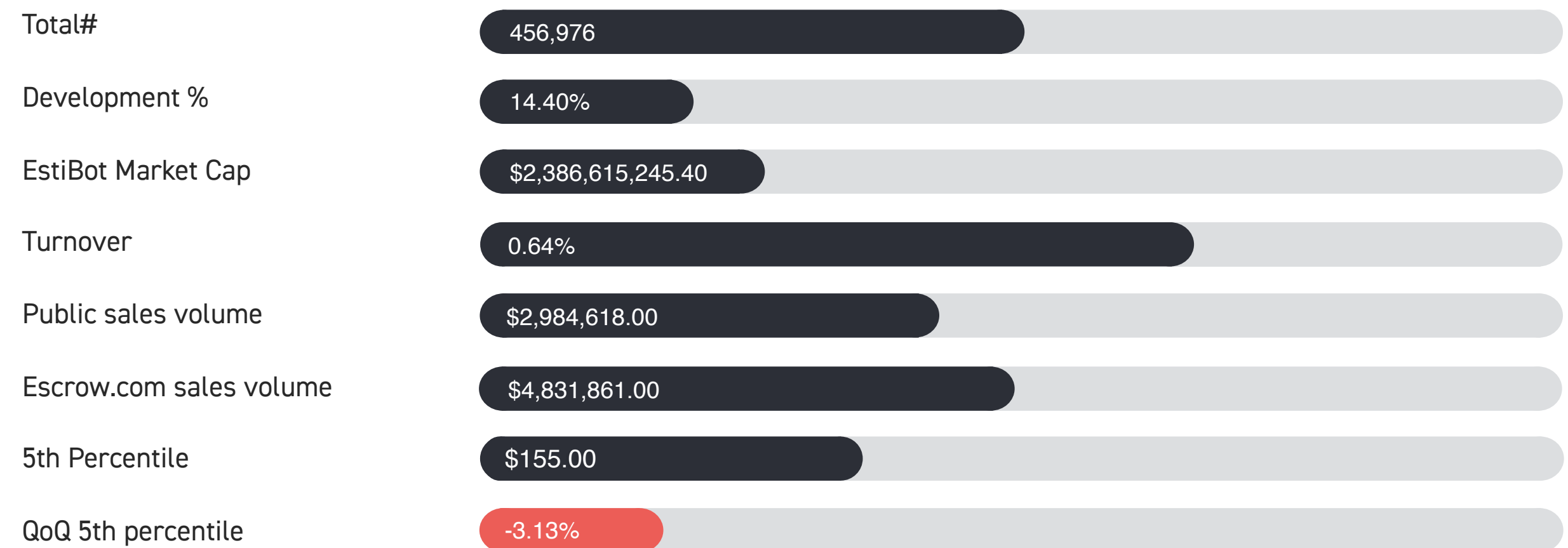
4L .com

LEGEND

- US - United States
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- ROW - Rest of world
- PVT - Private Registrations
- N/A



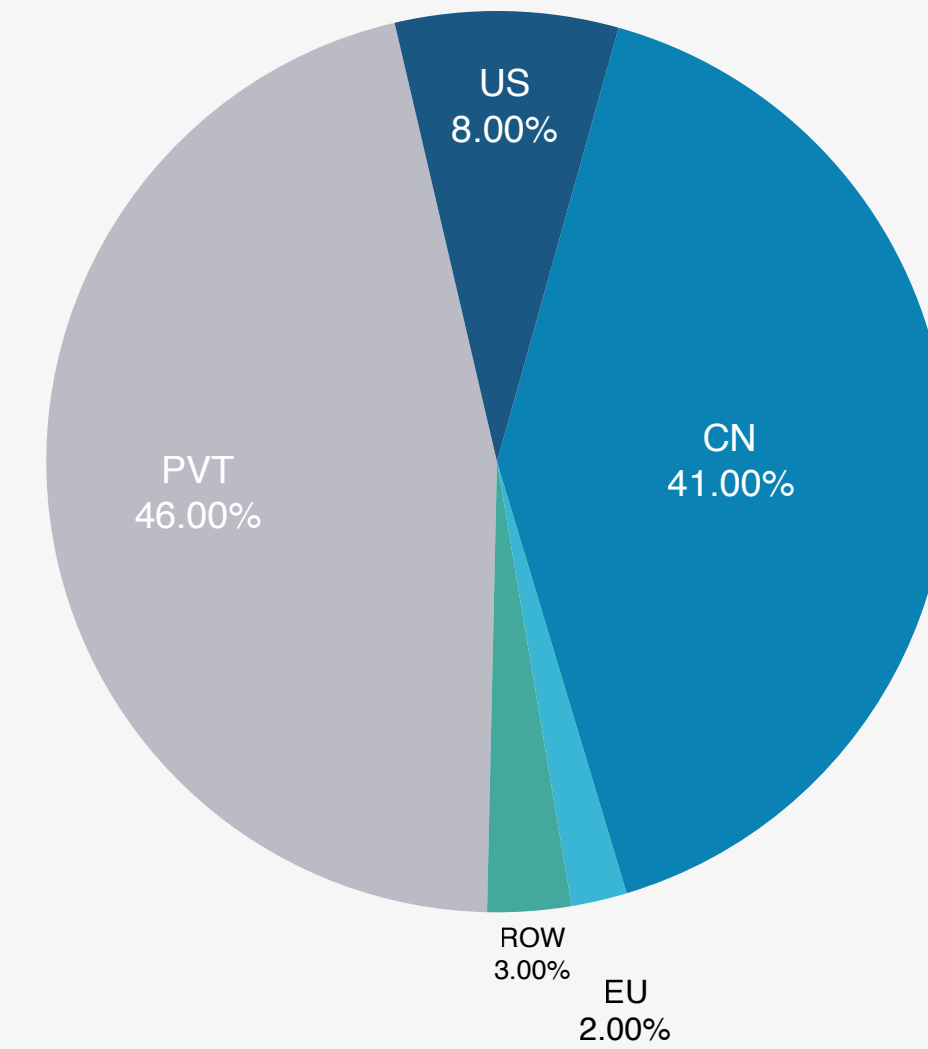
DATA



2N .com

LEGEND

- US - United States
- CN - China
- EU - European Union
- ROW - Rest of world
- PVT - Private Registrations
- N/A



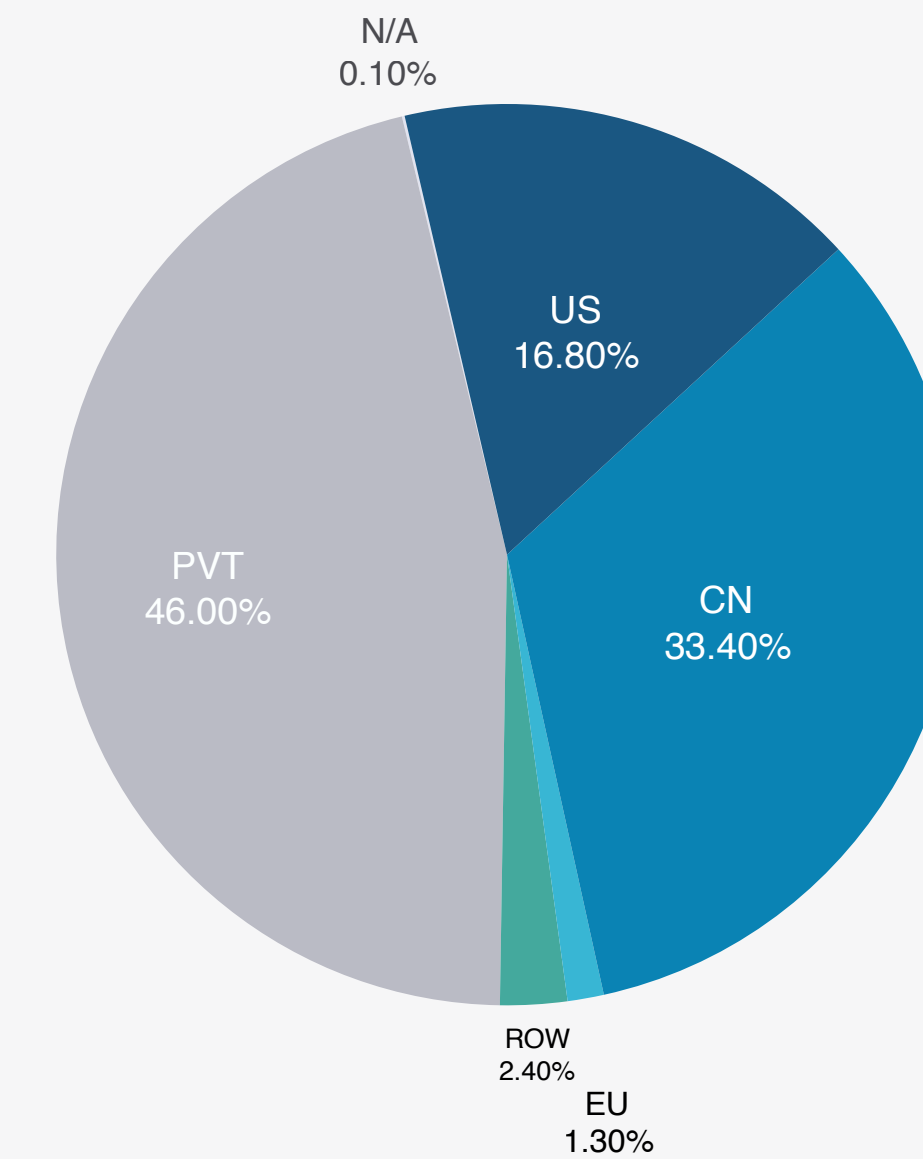
DATA

Total#	100
Development %	18.00%
EstiBot Market Cap	\$159,470,000.00
Turnover	0.00%
Public sales volume	0.00%
Escrow.com sales volume	n/a
5th Percentile	n/a
QoQ 5th percentile	n/a

3N .com

LEGEND

- US - United States
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- ROW - Rest of world
- PVT - Private Registrations
- N/A



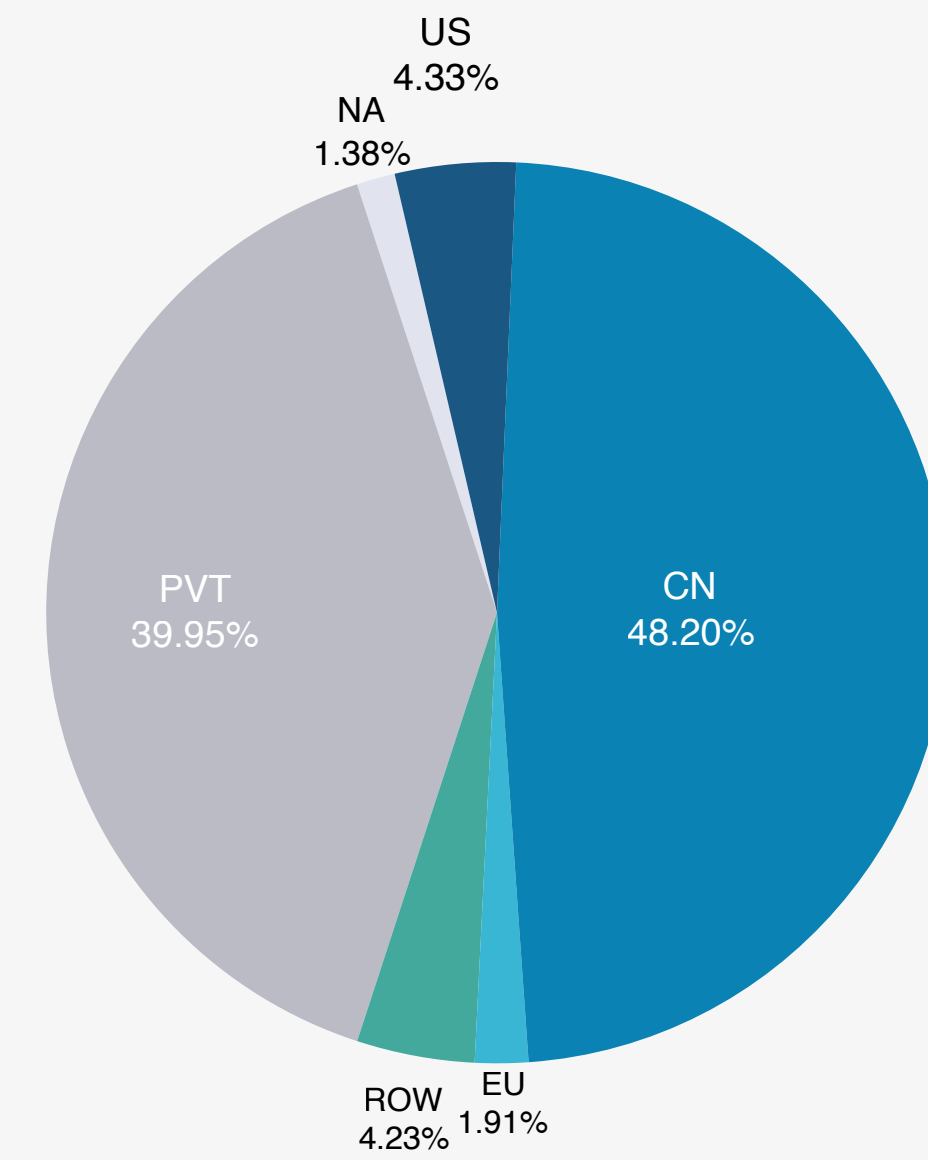
DATA

Total#	1,000
Development %	12.20%
EstiBot Market Cap	n/a
Turnover	0%
Public sales volume	n/a
Escrow.com sales volume	\$2,862,000.00
5th Percentile	n/a
QoQ 5th percentile	n/a

4N .com

LEGEND

- US - United States
- CN - China
- EU - European Union
- ROW - Rest of world
- PVT - Private Registrations
- N/A



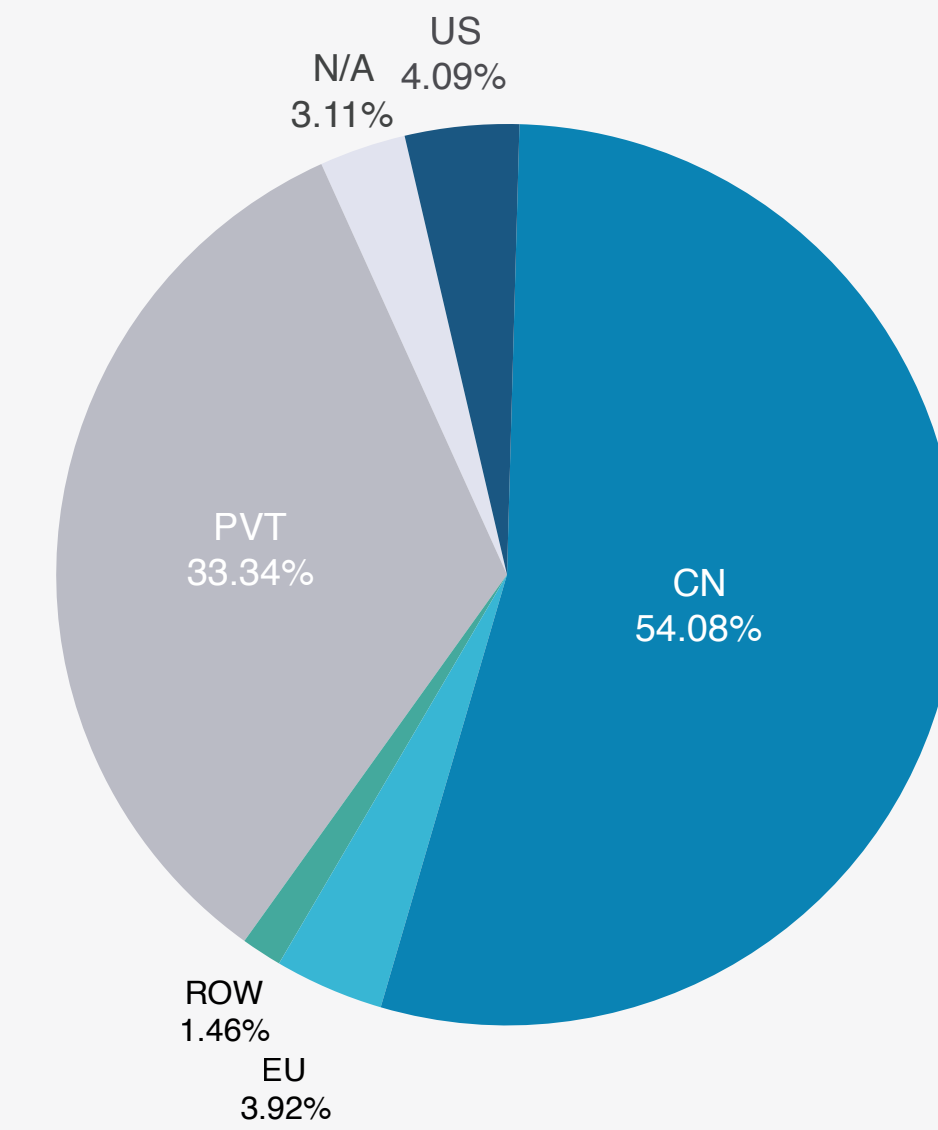
DATA

Total#	10,000
Development %	11.33%
EstiBot Market Cap	\$422,403,739.00
Turnover	0.11%
Public sales volume	\$341,594.00
Escrow.com sales volume	\$1,345,100.00
5th Percentile	n/a
QoQ 5th percentile	n/a

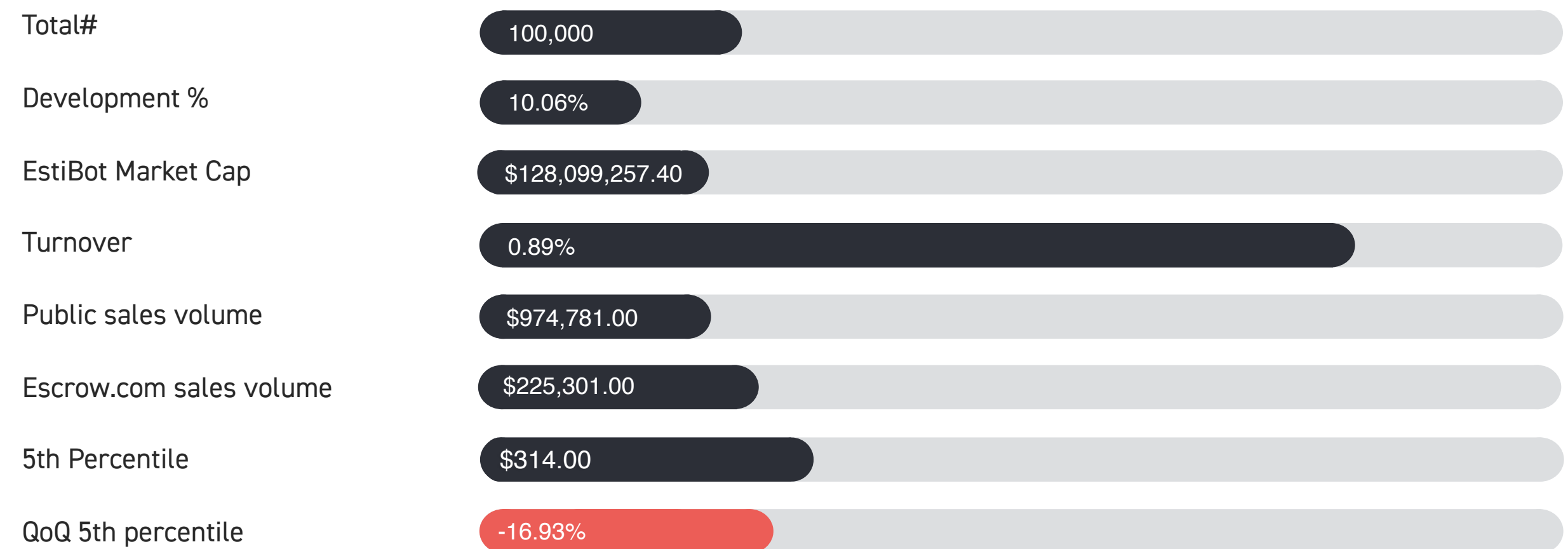
5N .com

LEGEND

- US - United States
- CN - China
- EU - European Union
- ROW - Rest of world
- PVT - Private Registrations
- N/A



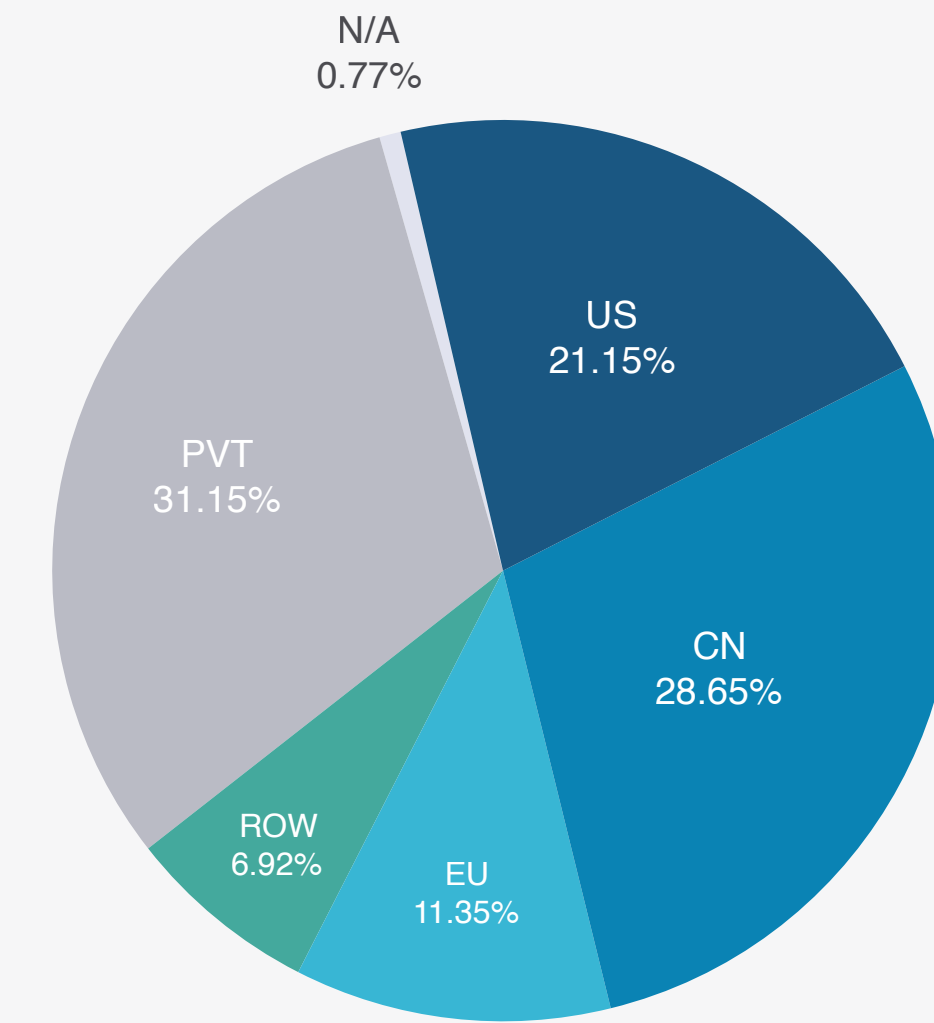
DATA



2C .com

LEGEND

- US - United States
- CN - China
- EU - European Union
- ROW - Rest of world
- PVT - Private Registrations
- N/A



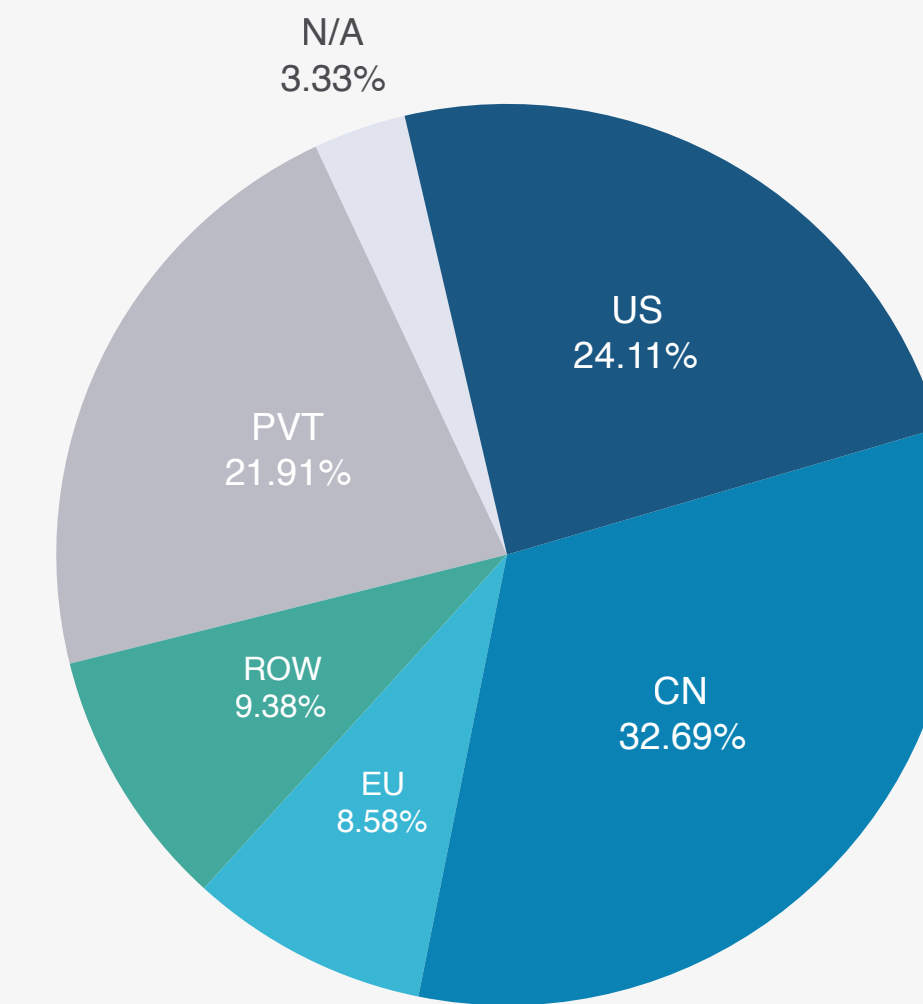
DATA

Total#	520
Development %	28.08%
EstiBot Market Cap	\$42,033,000.00
Turnover	0.19%
Public sales volume	\$34,786.00
Escrow.com sales volume	\$143,000.00
5th Percentile	n/a
QoQ 5th percentile	n/a

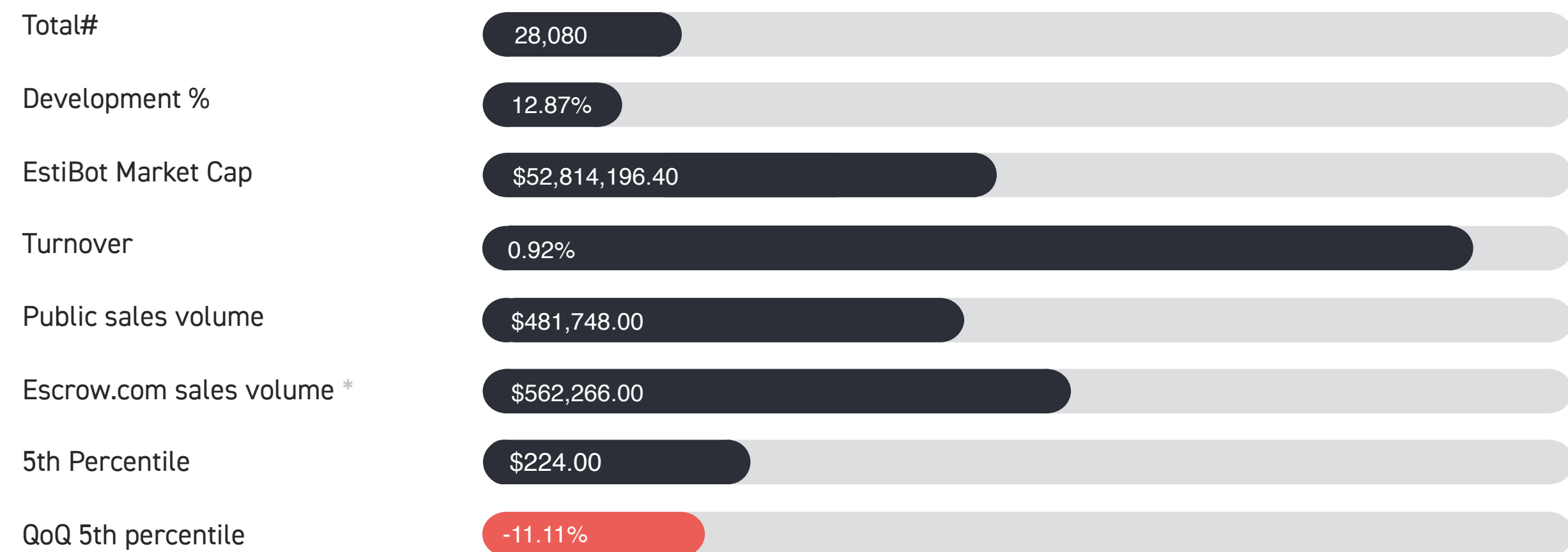
3C .com

LEGEND

- US - United States
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- ROW - Rest of world
- PVT - Private Registrations
- N/A

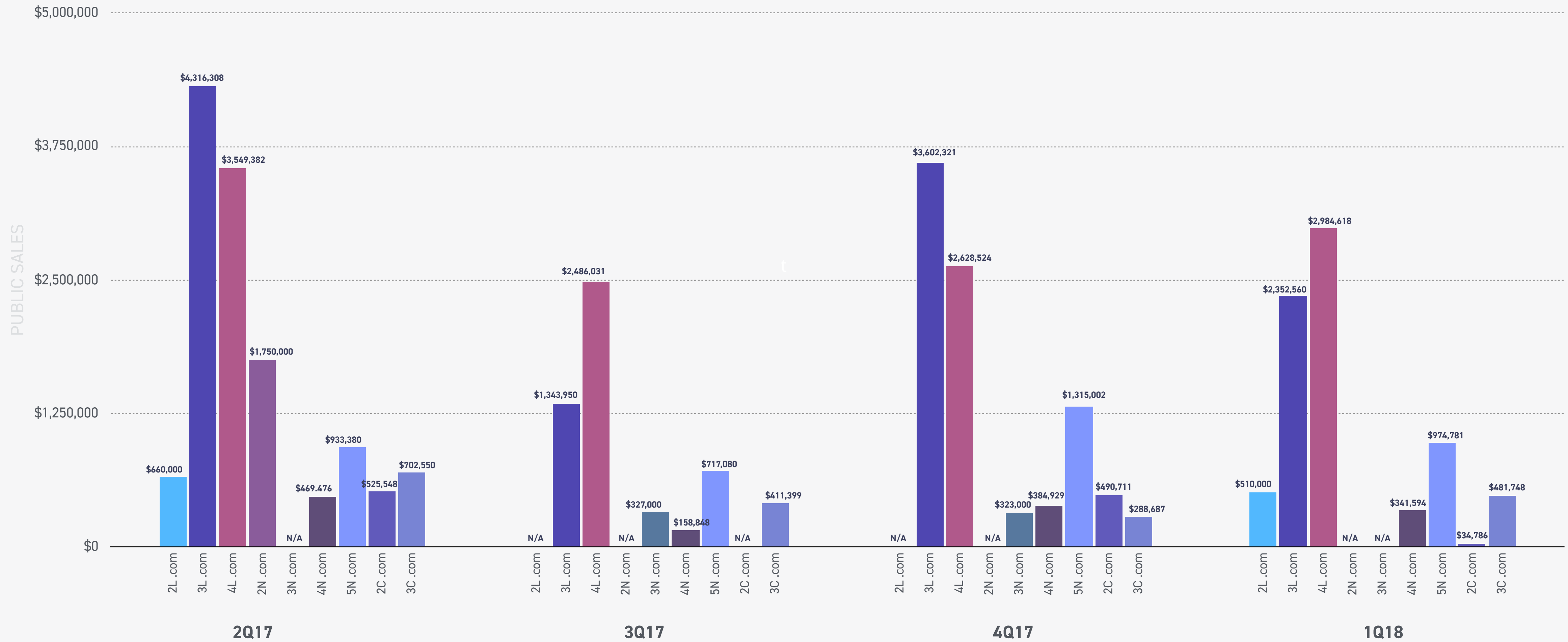


DATA

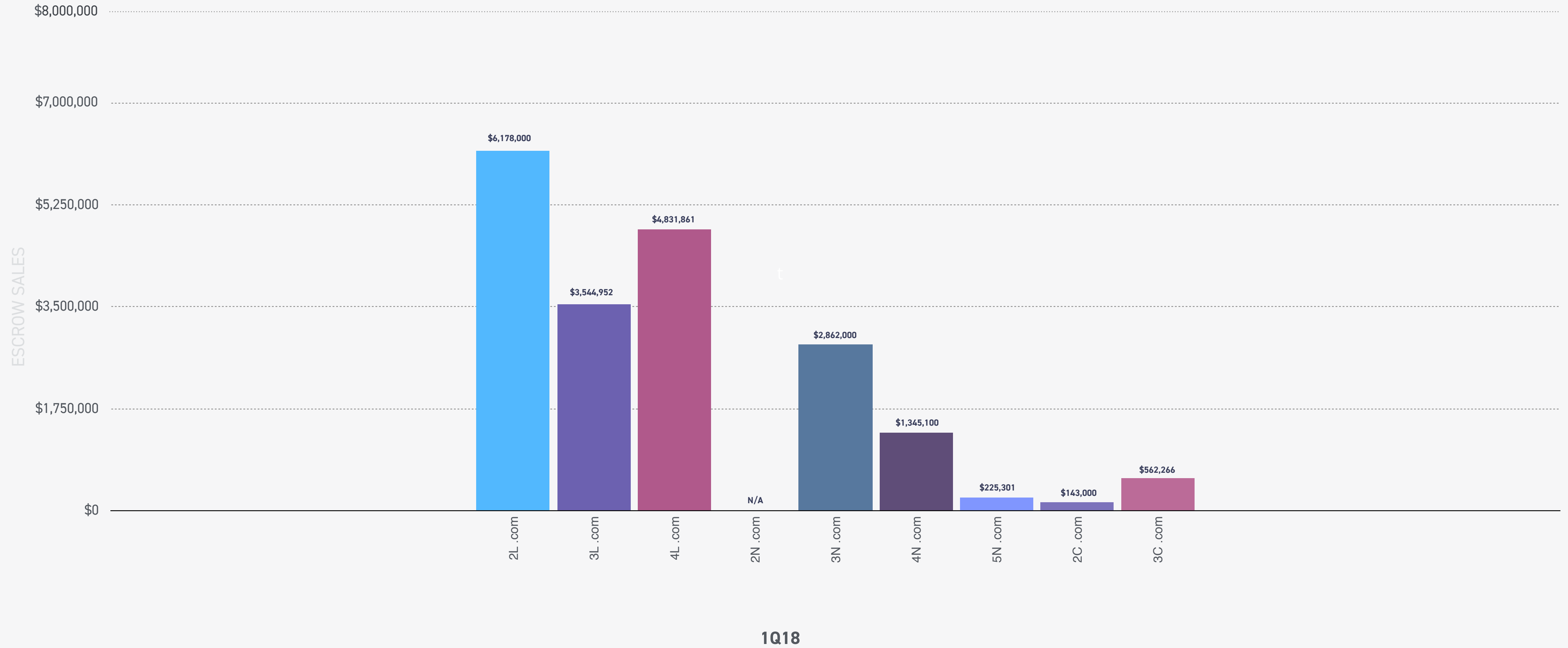


*Due to a reporting error, the 2017 Escrow.com sales data for the 3C .com category might have been lower than previously reported.

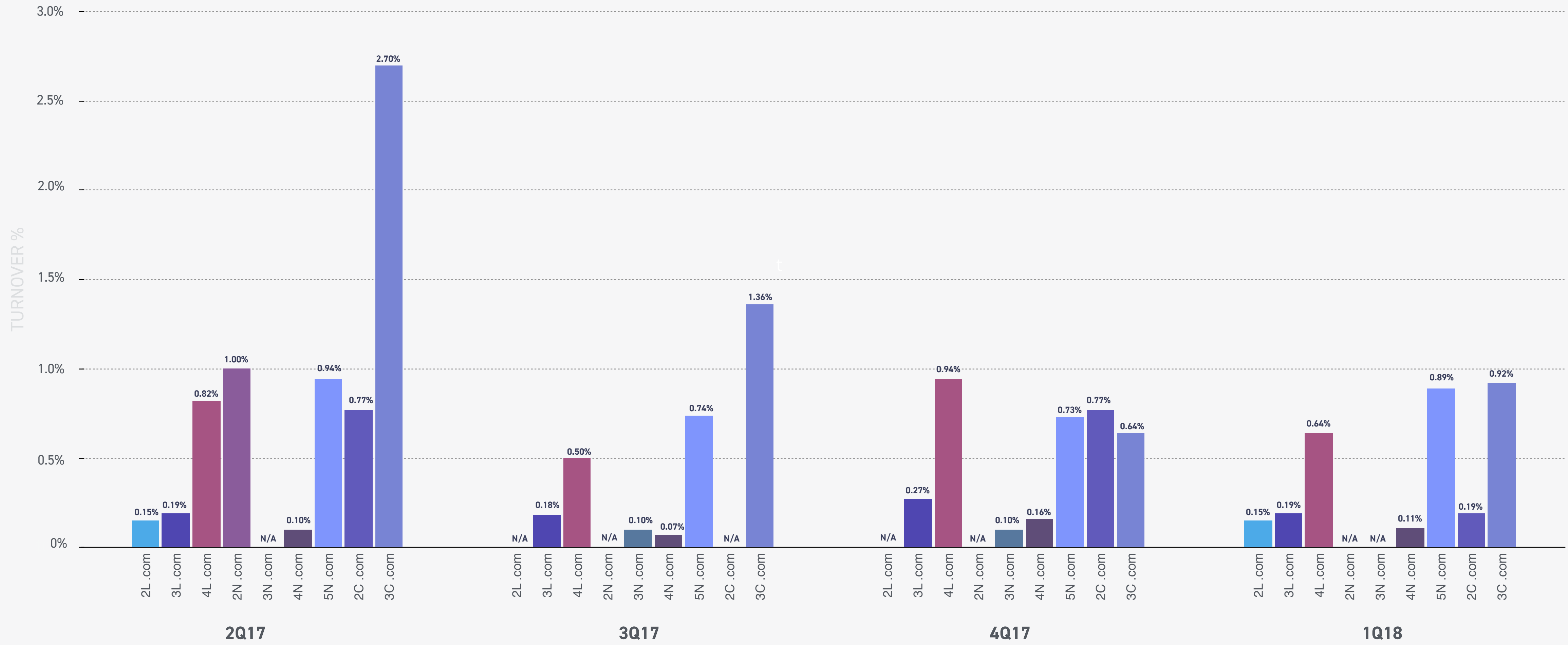
TRAILING 12 MO ENDING 1Q2018 - PUBLIC SALES



1Q2018 - ESCROW SALES

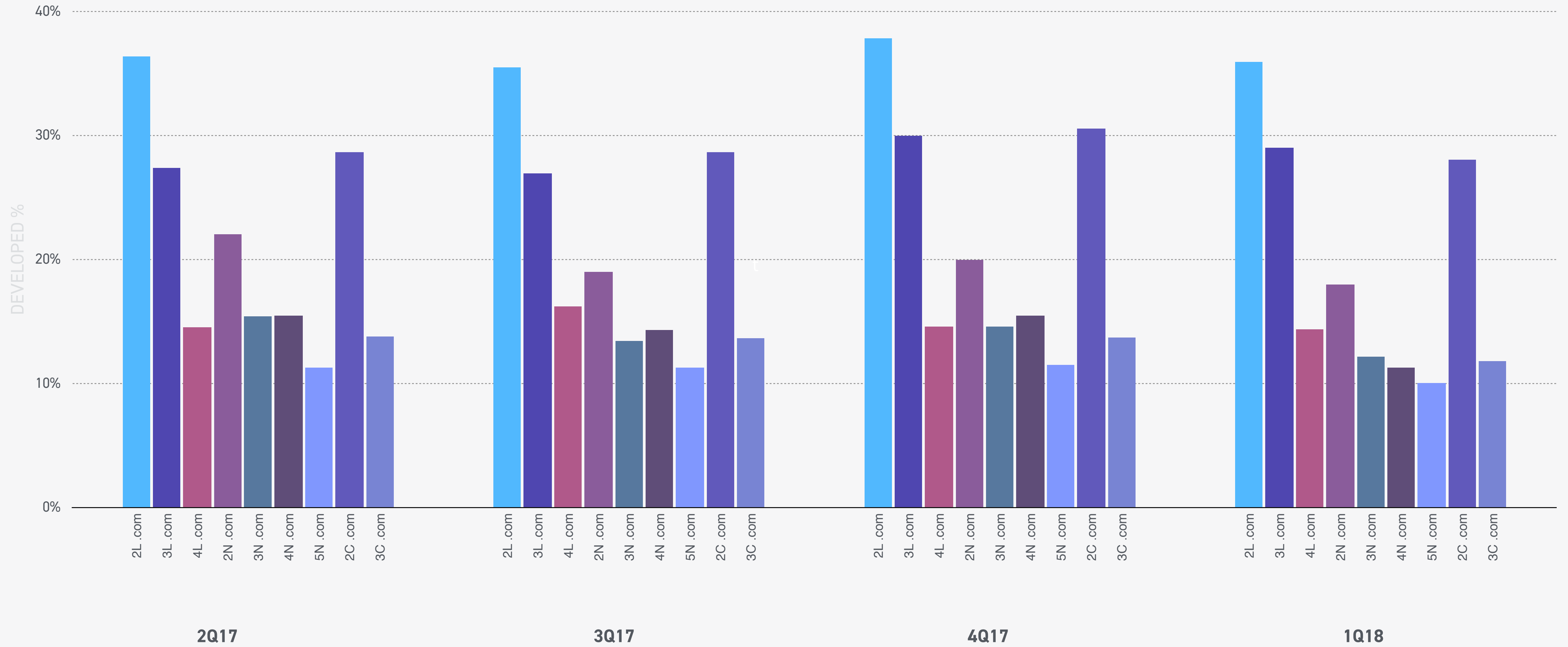


TRAILING 12 MO ENDING 1Q2018 - TURNOVER



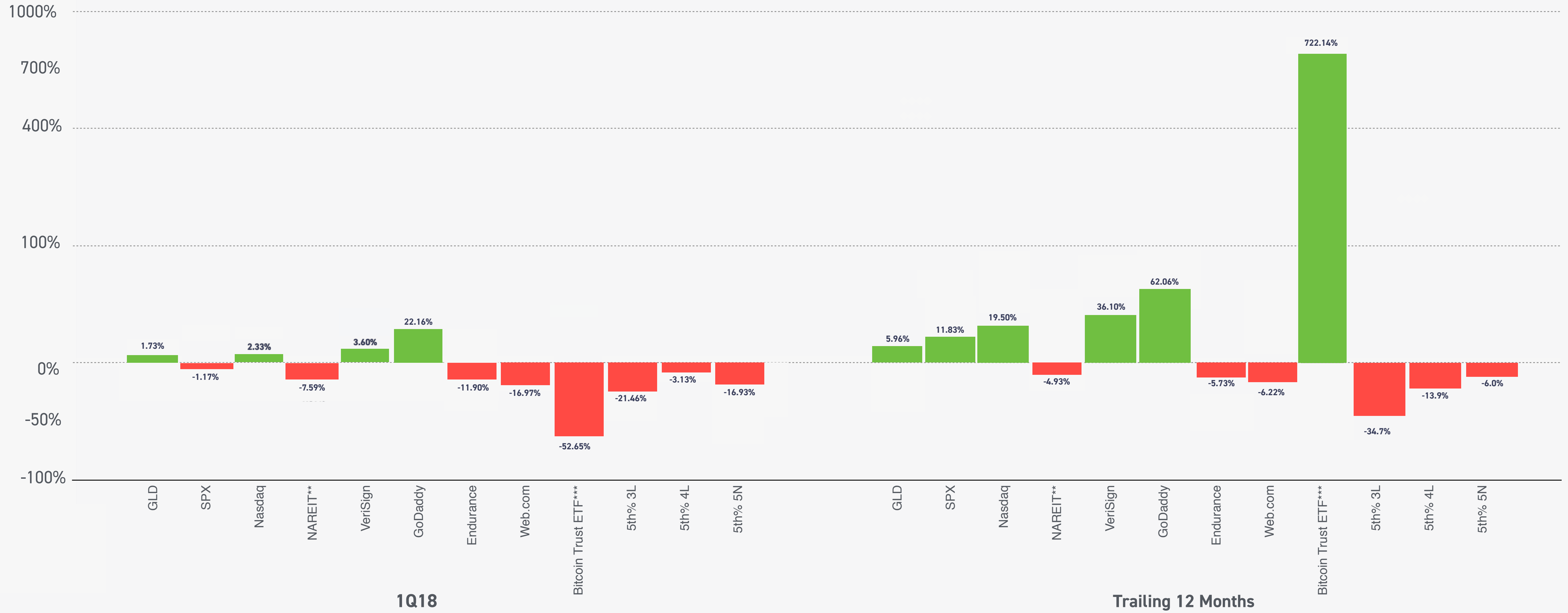
* Turnover based on publicly disclosed sales data

TRAILING 12 MO ENDING 1Q2018 - DEVELOPMENT



GLOBAL ASSET MARKETS ENDING 3/31/2018

*Data from MorningStar
 **FTSE NAREIT ALL Equity REITs PR
 ***GBTC - Bitcoin Investment Trust



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Over the past 10 years, our products have been used by hundreds of thousands of satisfied customers across the world. We have built a reputation for providing the highest quality of software and customer service.

We also specialize in gathering and analyzing raw internet data, and converting that data into useful intelligence. Our data is routinely used by domain investors, public and private sector organizations, as well as government agencies to make key decisions.

Software is not just our business, it is also our passion. We strive to continuously improve the software and services we provide to our customers.



GGRG.com is a Lisbon based Brokerage and Consulting firm which focuses on the 29,872 .com domain names defined as "liquid" (NN, NNN, NNNN, LL, LLL, LN & NL). Founded in 2015 with the vision of making the domain after-market efficient, we provide unbiased advice and market intelligence that allows investors to make informed decisions.

With millions of dollars in privately brokered transactions and clients that range from private investors to billion dollar companies, GGRG.com quickly established itself as a leading firm in the domain space, and received award nominations for Blogger of the Year and Goodwill Ambassador in 2015, and Broker of the Year in 2016.



ShortNames aggregates and tracks short domain name auctions and sales across a multitude of domain marketplaces. We provide tools and powerful search features to help domain investors track and monitor domains and categories of interest.

We have been tracking the domain aftermarket since early 2008, with a focus on short domains. Most sales we track are collected from the closing price of public auctions, as well as some private sales that are reported to us by certain venues. We cannot guarantee that all reported sales were completed successfully, but we do our best to remove any inaccurate data.

The goal of the site is to provide an aggregated overview of the short domain market, and to offer tools to those who invest in it.



Escrow.com is the leading provider of secure online payments and online transaction management for consumers and businesses on the Internet, having safely processed over US\$3 billion in transactions.

Founded in 1999, Escrow.com reduces the risk of fraud in the domains industry by acting as a trusted third party that collects, holds and disburses funds according to buyer and seller instructions.