Liquid Domains Market Overview
3rd Quarter 2016
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ABOUT THE DATA

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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Any information requests should be directed to g@ggrg.com. Please put Quarterly Industry Report in the header of the email.

GLOSSARY OF TERMS

Chinese Premium - any domain that does not contain the letters A,E,I,O,U.V.
Concentration Index - A calculation that evaluates the registrant density of a particular category. A Concentration Index value of 0 implies that each domain is owned by a separate and unique registrant. A concentration index of 1 implies that all of the domains in a particular category are owned by a single registrant.
Development Index - Percentage of the domain category that has been developed into a 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 na 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.
Western Premium - any domain that does not contain the letters J,K,Q,U,V,W,X,Y,Z.
COUNTRY OWNERSHIP
In Q3 China continued to gain market share. Over 1% of all liquid categories (approximately 6,000 domains) transferred to Chinese owners. US and Europe lost each around 0.2% of the market, while the rest of the world made up for the rest with a -0.6% ownership decrease.

The biggest gains in Chinese market share came surprisingly in the “letter” domain categories, which registered each a 1% to 2% increase, adding 15 LLs, 170 LLLs and 5,500 LLLLLs. If the trend continues at this rate, China will control over 50% of the liquid domains by 2022.

In terms of development, LL .com continue to be the most developed category at 39.35%, followed surprisingly by the LLL domains (29.51%), NL, LN (29.23%) and NN domains (29%). All the other categories rest below 20% with 5Ns being the least developed at 10.85%.

SALES DATA
A total of 4,853 disclosed transactions accounted for $5,092,793 in total sales. Sales went down roughly 35% (-$2.8M) from Q2. The cause of this decline might be seasonality, but also the fact that large transactions in the most valuable categories are typically kept confidential.

Because of this, we do not have any sales data for LL, NN, NNN, LN & NL. LLLs are the only category that registered a value appreciation over last quarter (+5%), although trading volumes decreased by 50%. LLLLLs lost 3.9%, while keeping turnover values stable around 1%.

4N .coms trading volumes also reduced by 50%, and the floor prices decreased approximately by 15%. With over a thousands disclosed transactions, 5N .coms registered a 12% increase in the amount of transactions, but a sharp 18.83% decrease in the 5th percentile values.

FORECAST
In Q2 we forecasted a decline in 5Ns domains, the least developed category. The low development signalled that there was not meaningful demand from end users and prices might have been supported by short-term investor demand, also explained by the high concentration.

Letter domains instead, which typically have a higher development index, seem to have reached a support level. LLLs and LLLLLs have been relatively stable (respectively +5% and lost -4%). We therefore foresee stable prices and a small chance of further downside in the last quarter.

While LLs, NNNs and part of the NNN group are considered unique assets with separate market dynamics, in our opinion, LNs and NLS appear undervalued because their price is quite low in relation to their scarcity (only 520 domains available) and high development index (29.23%).
### DATA

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
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<tbody>
<tr>
<td>Total #</td>
<td>676</td>
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<tr>
<td>Development %</td>
<td>39.35%</td>
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<tr>
<td>EstiBot Market Cap</td>
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<td>Concentration Index</td>
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<td>Turnover</td>
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<td>Public sales volume</td>
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<tr>
<td>QoQ 5th percentile</td>
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<tr>
<td>Country with largest ownership</td>
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</tr>
</tbody>
</table>
**LLL.com**

### LEGEND
- US - United States
- CN - China
- EU - European Union
- ROW - Rest of world

### DATA
- **Total #**: 17,576
- **Development %**: 29.51%
- **EstiBot Market Cap**: $2,002,000,000.00
- **Concentration Index**: 0.41
- **Turnover**: 0.12%
- **Public sales volume**: $792,622.00
- **QoQ 5th percentile**: 4.90%
- **Country with largest ownership**: UNITED STATES

**Country Ownership Breakdown**
- **UNITED STATES**: 52.18%
- **EU**: 12.07%
- **CN**: 17.17%
- **ROW**: 18.57%

**Legend**
- ROW - Rest of world
**DATA**

- **Total #**: 456,976
- **Development %**: 14.84%
- **EstiBot Market Cap**: $2,100,000,000.00
- **Concentration Index**: 0.76
- **Turnover**: 0.81%
- **Public sales volume**: $2,749,209,000.00
- **QoQ 5th percentile**: -3.59%
- **Country with largest ownership**: UNITED STATES

**LEGEND**

- US - United States
- CN - China
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- ROW - Rest of world

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### DATA

- **Total #**: 100
- **Development %**: 29.00%
- **EstiBot Market Cap**: $158,900,000.00
- **Concentration Index**: 0.18
- **Turnover**: 0.00%
- **Public sales volume**: 0.00
- **QoQ 5th percentile**: 0.00%
- **Country with largest ownership**: CHINA

### LEGEND

- US - United States
- CN - China
- EU - European Union
- ROW - Rest of world

- US: 37.00%
- CN: 56.00%
- EU: 4.00%
- ROW: 3.00%
**DATA**

- **Total #** 1,000
- **Development %** 16.10%
- **EstiBot Market Cap** $450,860,000.00
- **Concentration Index** 0.37
- **Turnover** 0.00%
- **Public sales volume** 50.00
- **QoQ 5th percentile**
- **Country with largest ownership** CHINA
**DATA**

- **Total #**: 10,000
- **Development %**: 15.07%
- **EstiBot Market Cap**: $446,900,000.00
- **Concentration Index**: 0.49
- **Turnover**: 0.11%
- **Public sales volume**: $259,936.00
- **QoQ 5th percentile**: -14.93%
- **Country with largest ownership**: CHINA

**LEGEND**

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- EU - European Union
- ROW - Rest of world
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<td>Concentration Index</td>
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<td>Public sales volume</td>
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<td>QoQ 5th percentile</td>
<td>-18.83%</td>
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### LEGEND

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- **CN** - China
- **EU** - European Union
- **ROW** - Rest of world
**Legend**
- US - United States
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**Country Ownership**
- United States: 44.81%
- China: 29.23%
- European Union: 13.08%
- Rest of World: 12.88%
Intelium is the premier supplier of domain name analytics. We specialize in creating powerful software and service solutions for the domain name industry.

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.