

Liquid Domains Market Overview 2nd Quarter 2018

GDPR COOLS DOWN REPORTED SALES

As GDPR takes effect, Escrow.com reports the lowest volume of sales since the start of LXDO.



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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.

The Escrow.com sales data is verified on the best available bases and may be subject to inconsistencies or errors that are corrected at the sole discretion of Escrow.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 and 3C 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

Development index fell over 1% to 12.82%, the lowest level ever recorded in our report, signaling a clear downward trend since 2016. The categories that suffered the most were the numeric domains, in particular, 3Ns, 4Ns, and 5Ns. 2Ns. The letter domains remained relatively stable, with 3Cs being the only category gaining new developments. 3Cs also recorded a small increase in the 5th percentile value (+4%) and a sizable (38%) median price increase in disclosed transactions.

The inception of the GDPR last May brought significant changes to the ownership data. For the first time, we recorded a drop in Chinese ownership, coupled with a sharp decrease in the number of domains associated with European registrants (down to 4.6% from 7.4%). This could be easily explained by the new privacy rules affecting European owners. The gainers were the "rest of the world" (+4%, from 7.7% to 11.7%), the N/A category and, in small measure, the US, which gained 1%. China remains the largest owner of liquid domains with 165,000 domains associated with Chinese registrants.

SALES DATA

In Q2, Escrow.com recorded \$12M in transactions, with the strongest categories being the 3Ls (\$4.8M) and 4Ls (\$4.3M). These values are in line with last quarter and signal a notable growth in the 3Ls category. The largest drop came from the 2Ls .com which did not register any Escrow.com, nor any other public transactions in Q2. ShortNames.com recorded \$5.4M in transactions, with the most traded categories being 3Ls, 4Ls, and 5Ns, respectively at \$1.4M, \$1.6M and \$1.3M. The 5th percentage values gave us mixed signals: on one hand 5Ns and 3Ls showed record increases (+56% and +31%), on the other, 4Ls - the category which accounts for 75% of all liquid domains - dropped 13%. The median values of disclosed transactions also recorded very large decreases in almost all categories. This calls for caution in view of the early Q3 results which are indicating sharp valuation drops for Chinese premium 4Ls.

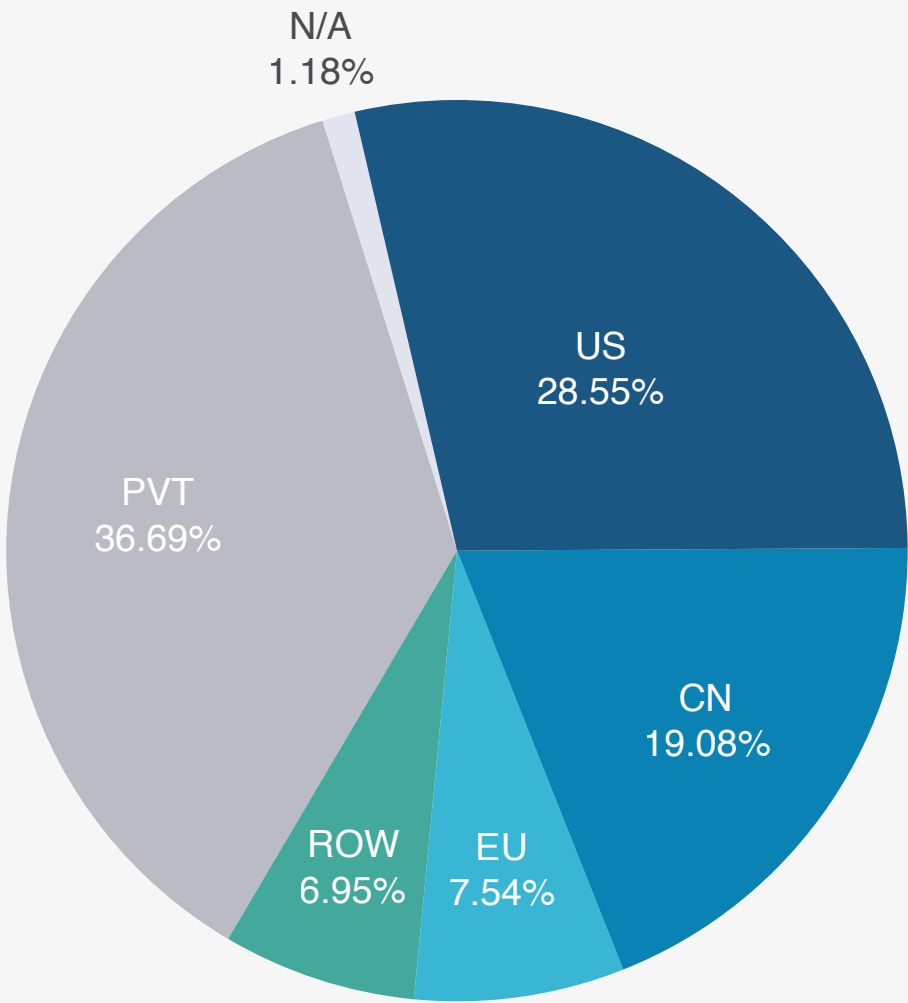
FORECAST

A significant decrease in the wholesale value of Chinese Premium domains might signal that the tide is shifting away from China and back to the West. Chinese owners might start to finally sell inventory. Once again, we expect Western investors and end users to focus on the most premium liquid domains when looking at buying opportunities: specifically, acronyms with Western Premium letters and Keyword domains. We retain our recommendation for investors to focus on quality over quantity.

2L .com

LEGEND

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



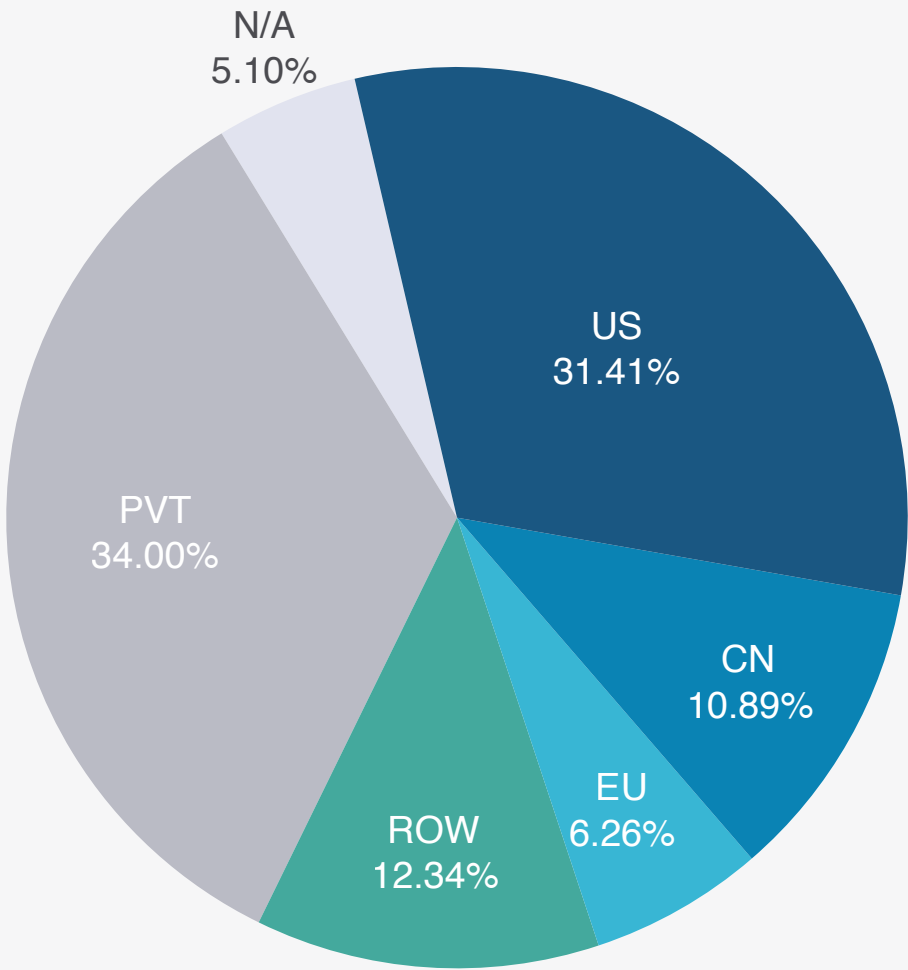
DATA

Total#	676
Development %	35.21%
EstiBot Market Cap	\$1,457,970,000.00
Turnover	0%
Public sales volume	n/a
Escrow.com sales volume	n/a
5th Percentile	n/a
QoQ 5th percentile	n/a

3L .com

LEGEND

- US - United States
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- N/A



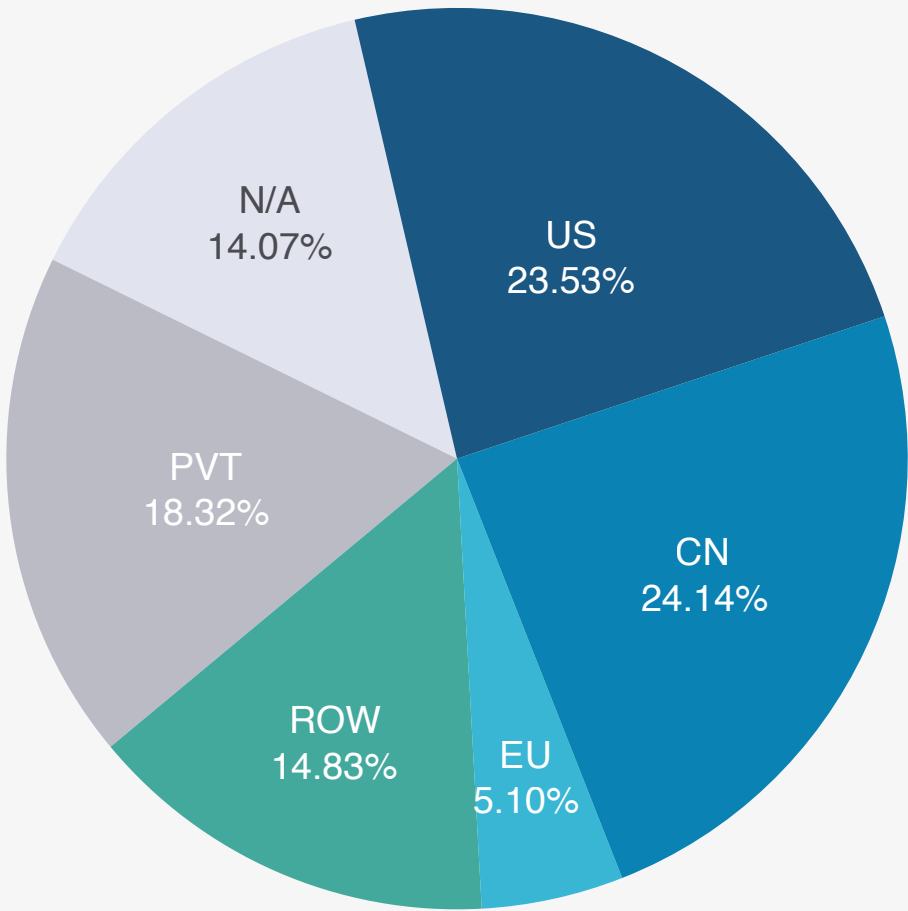
DATA

Total#	17,576
Development %	28.11%
EstiBot Market Cap	\$1,771,307,290.00
Turnover	0.14%
Public sales volume	\$1,413,455.00
Escrow.com sales volume	\$4,773,550.00
5th Percentile	\$14,500.00
QoQ 5th percentile	30.63%

4L .com

LEGEND

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

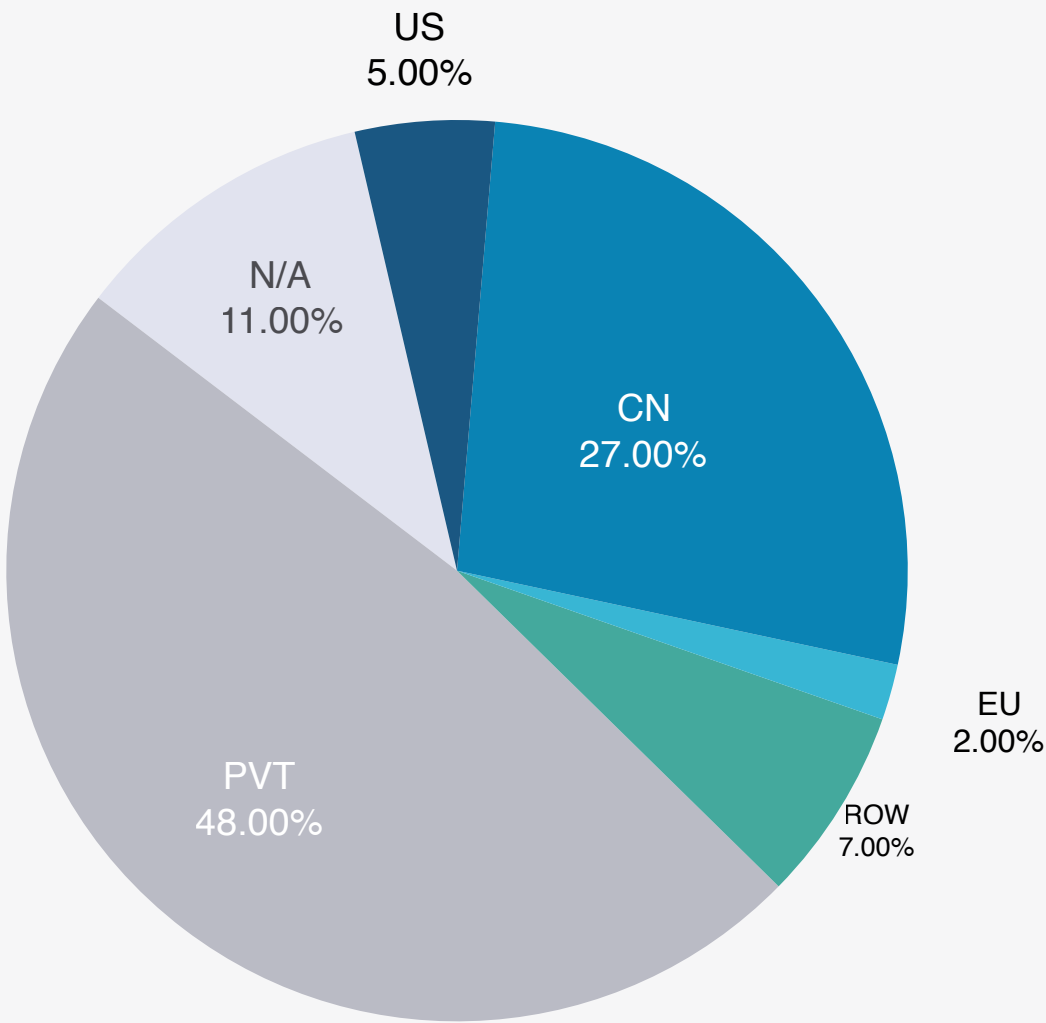


DATA

Total#	456,976
Development %	12.93%
EstiBot Market Cap	\$1,855,086,760.00
Turnover	0.63%
Public sales volume	\$1,649,067.00
Escrow.com sales volume	\$4,285,796.00
5th Percentile	\$135.00
QoQ 5th percentile	-12.90%

LEGEND

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- N/A

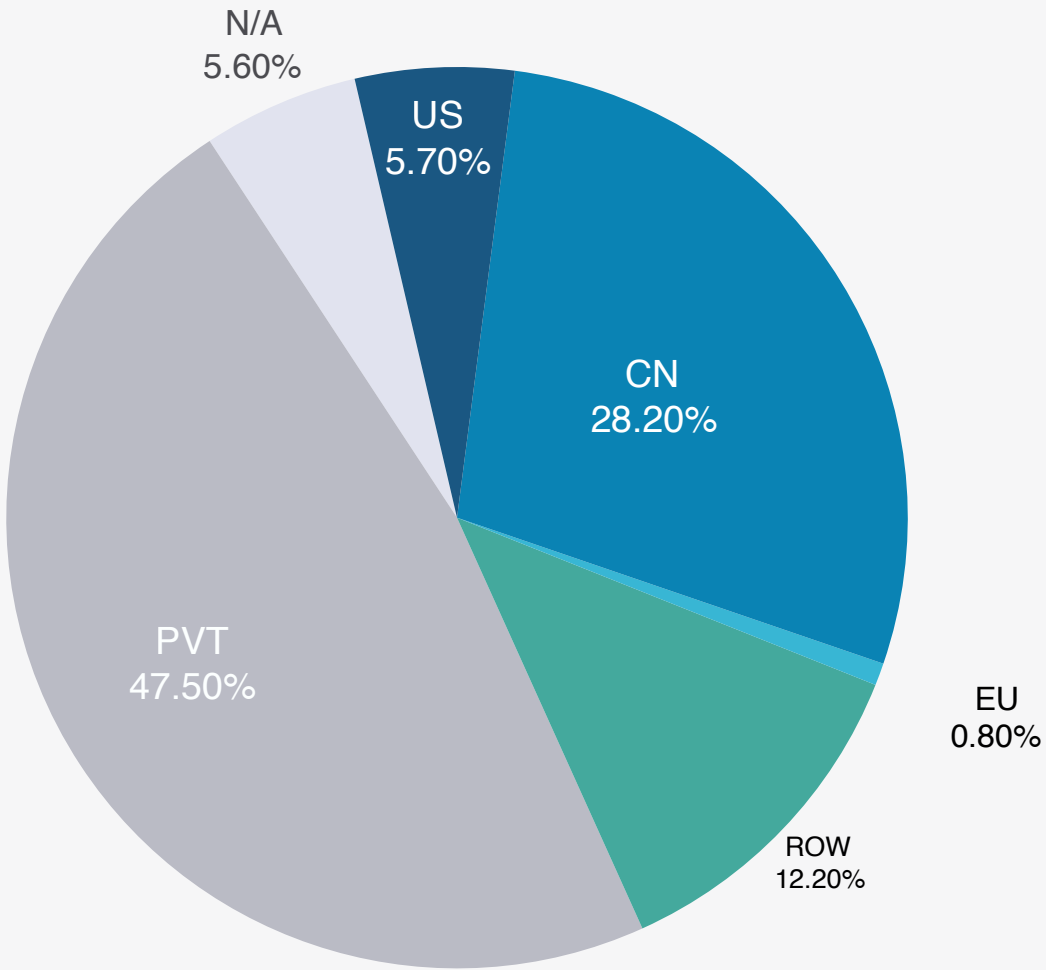


DATA

Total#	100
Development %	17.00%
EstiBot Market Cap	\$159,480,000.00
Turnover	0.00%
Public sales volume	n/a%
Escrow.com sales volume	n/a
5th Percentile	n/a
QoQ 5th percentile	n/a

LEGEND

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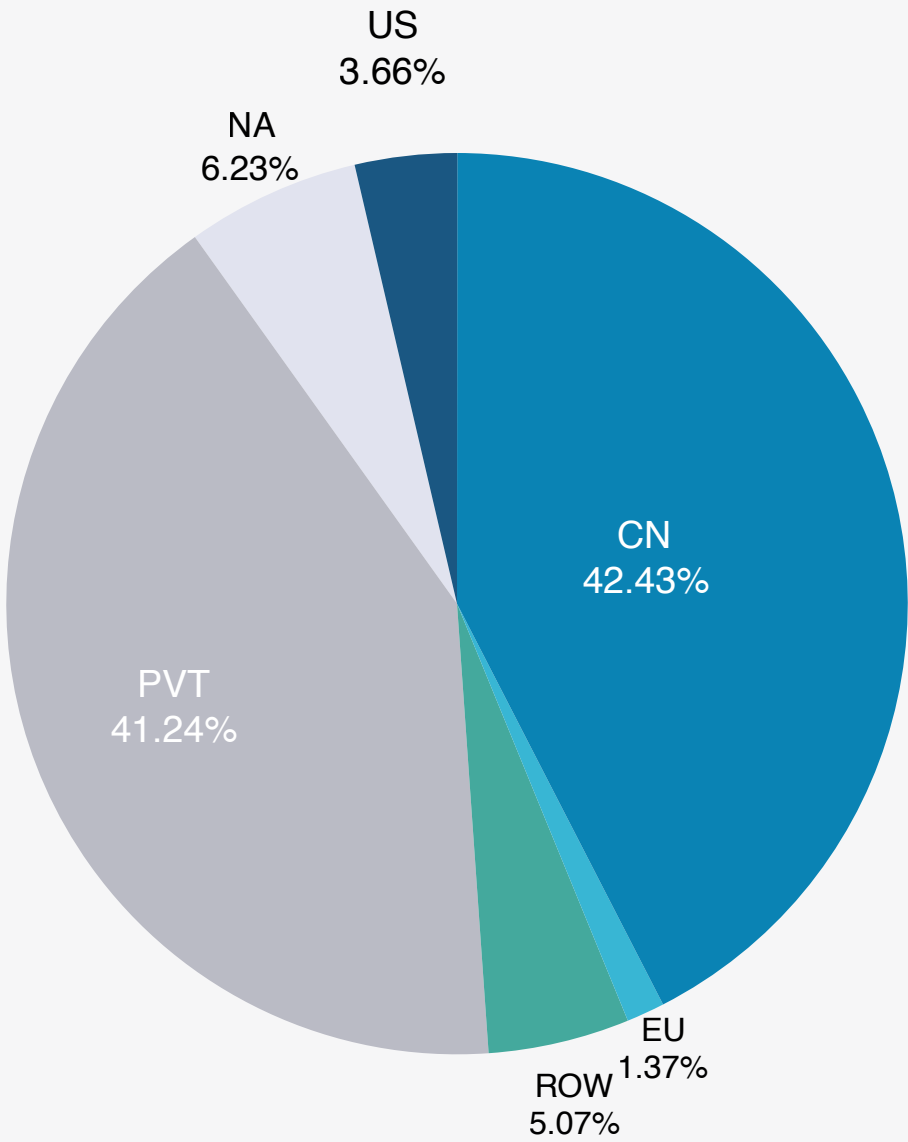
DATA

Total#	1,000
Development %	9.30%
EstiBot Market Cap	\$511,622,000.00
Turnover	0.10%
Public sales volume	\$295,000.00
Escrow.com sales volume	\$1,386,000.00
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



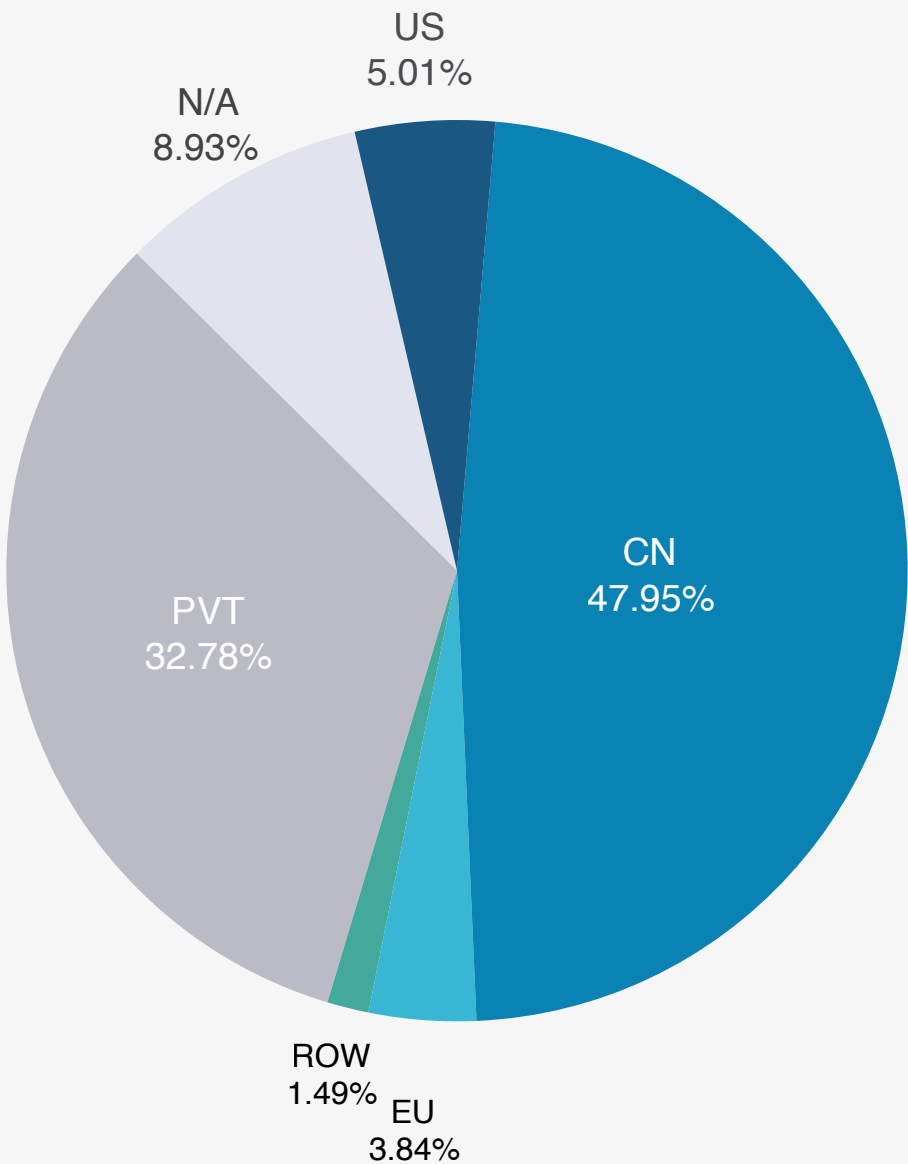
DATA

Total#	10,000
Development %	9.15%
EstiBot Market Cap	\$443,997,300.00
Turnover	0.11%
Public sales volume	\$373,089.00
Escrow.com sales volume	\$1,385,000.00
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



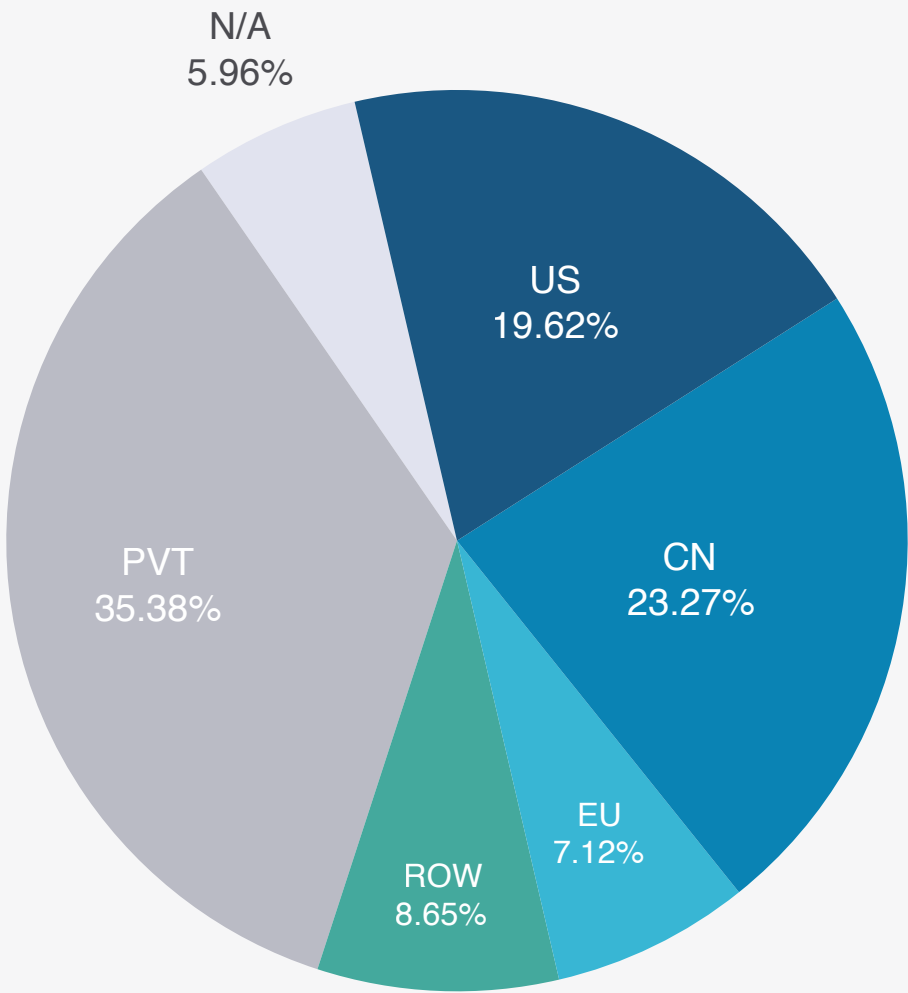
DATA

Total#	100,000
Development %	9.67%
EstiBot Market Cap	\$127,646,590.00
Turnover	1.31%
Public sales volume	\$1,342,280.00
Escrow.com sales volume	\$73,678.00
5th Percentile	\$490.00
QoQ 5th percentile	56.05%

2C .com

LEGEND

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



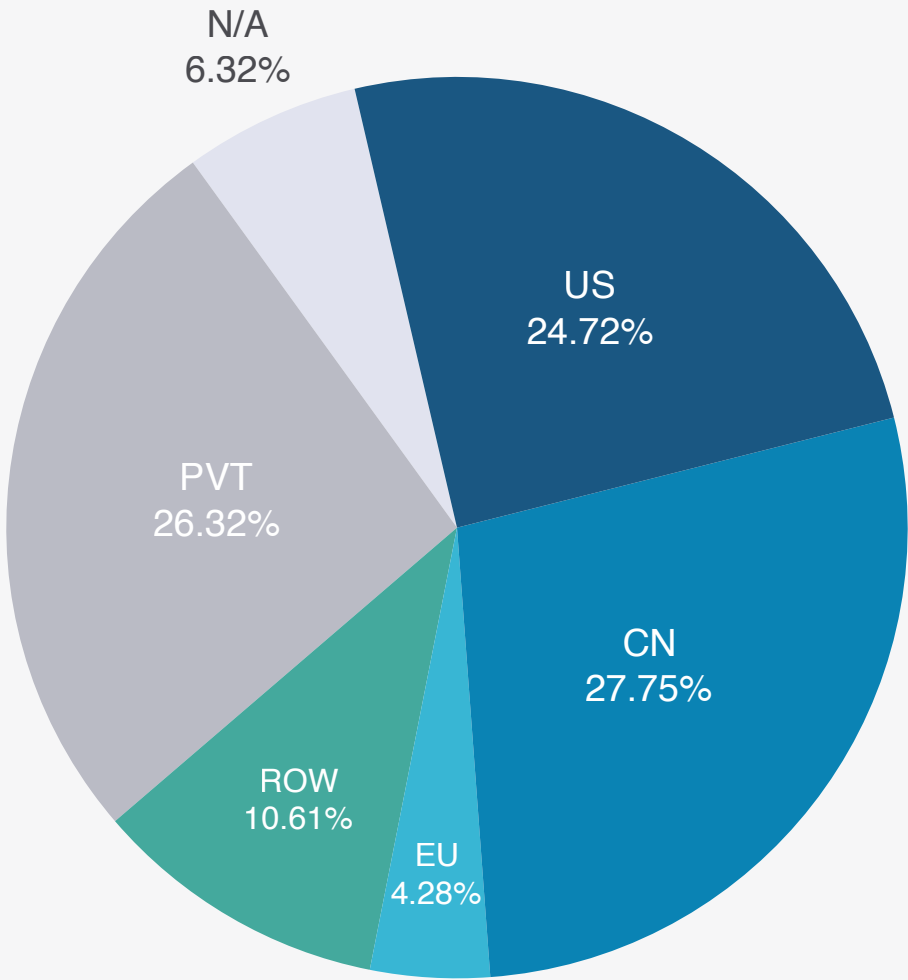
DATA

Total#	520
Development %	26.15%
EstiBot Market Cap	\$42,035,100.00
Turnover	0.19%
Public sales volume	\$59,517.00
Escrow.com sales volume	n/a
5th Percentile	n/a
QoQ 5th percentile	n/a

3C .com

LEGEND

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

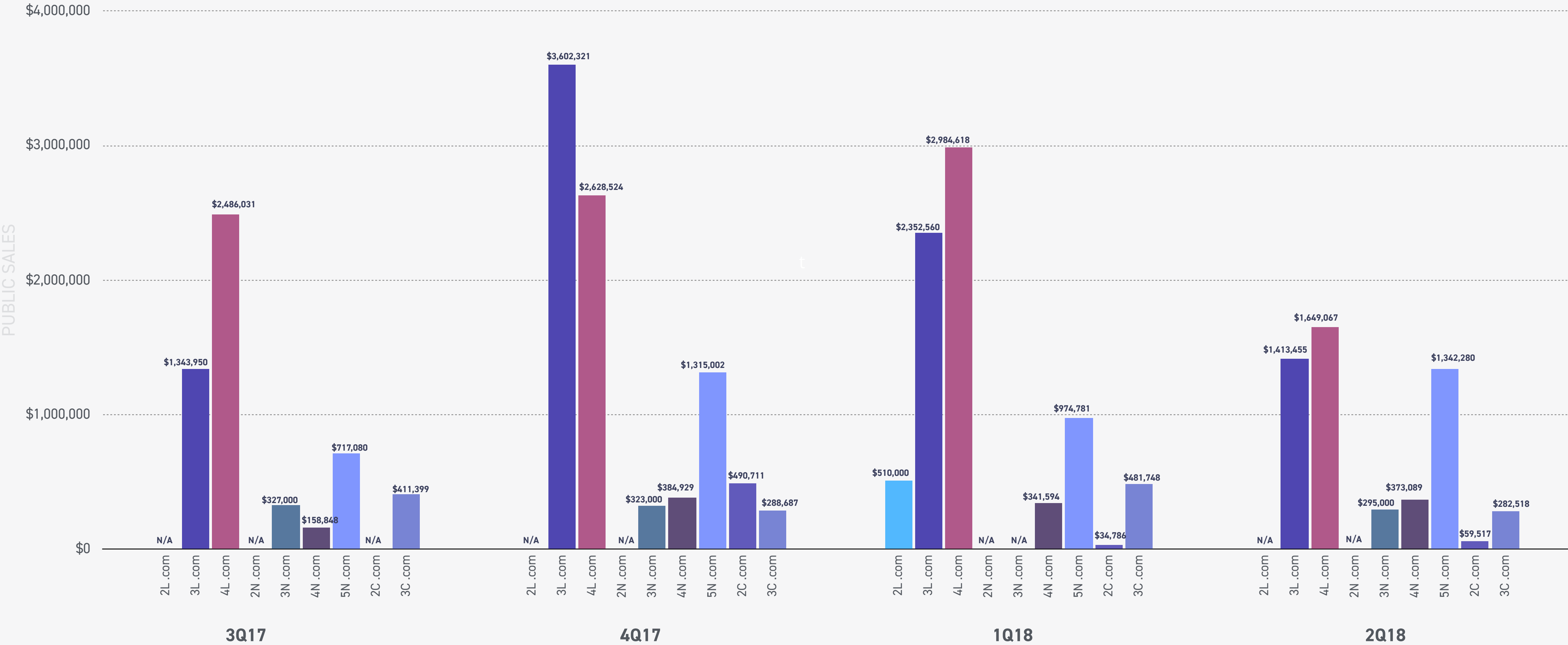


DATA

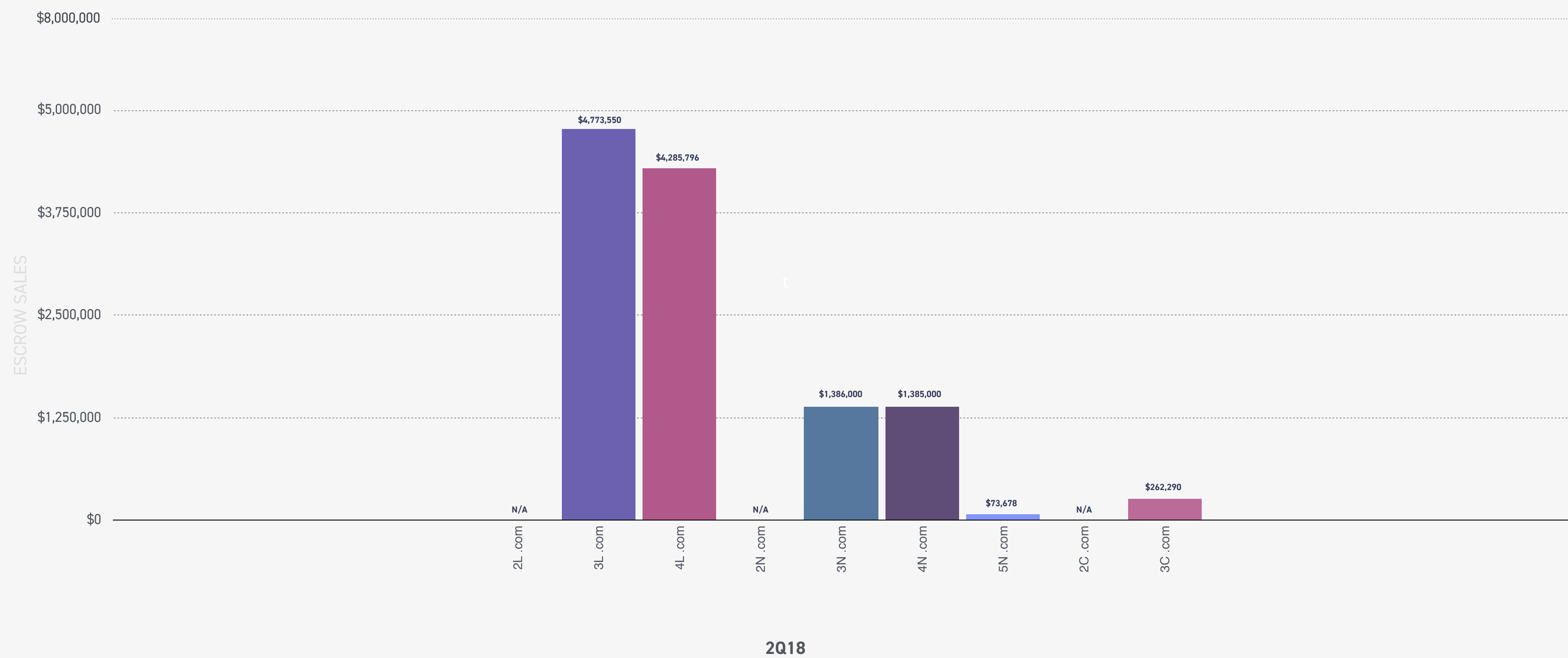
Total#	28,080
Development %	13.21%
EstiBot Market Cap	\$53,470,560.00
Turnover	0.59%
Public sales volume	\$282,518.00
Escrow.com sales volume *	\$262,290.00
5th Percentile	\$234.00
QoQ 5th percentile	4.46%

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

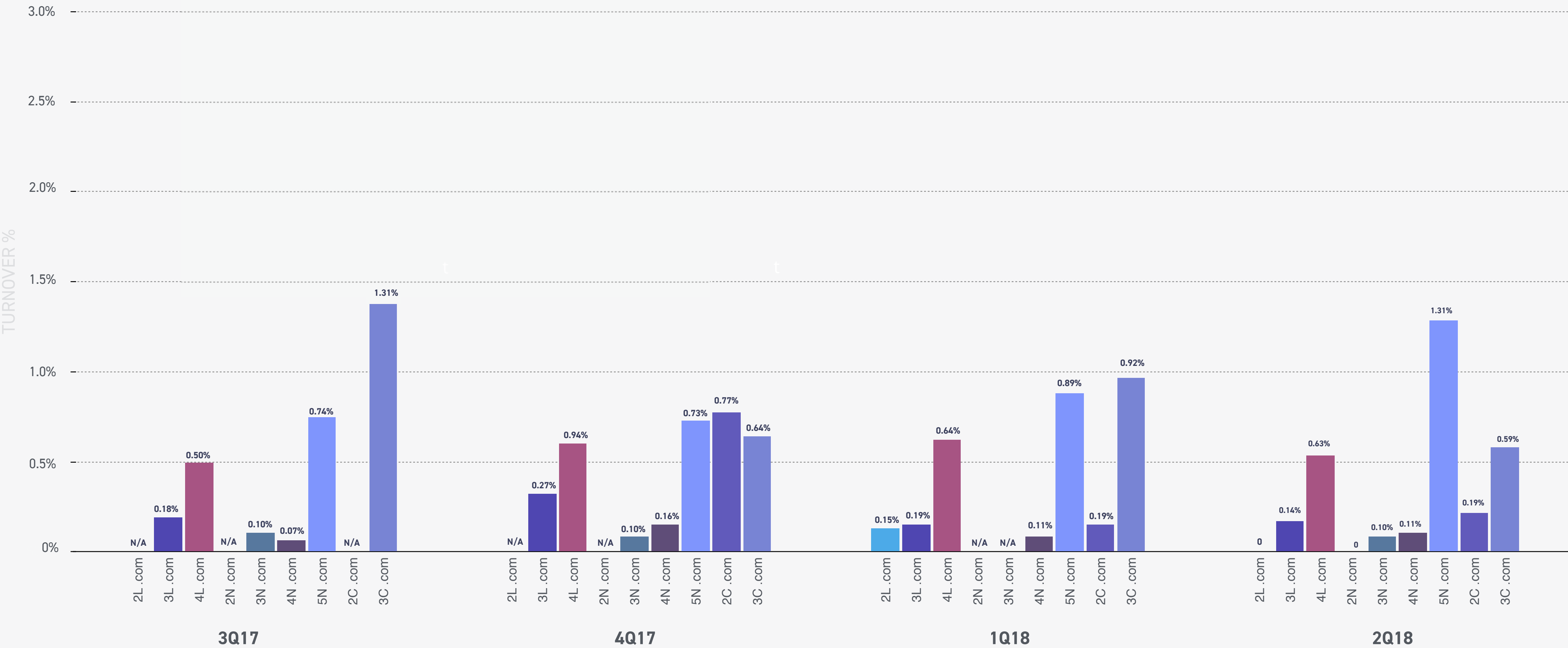
TRAILING 12 MO ENDING 2Q2018 - PUBLIC SALES



2Q2018 - ESCROW SALES

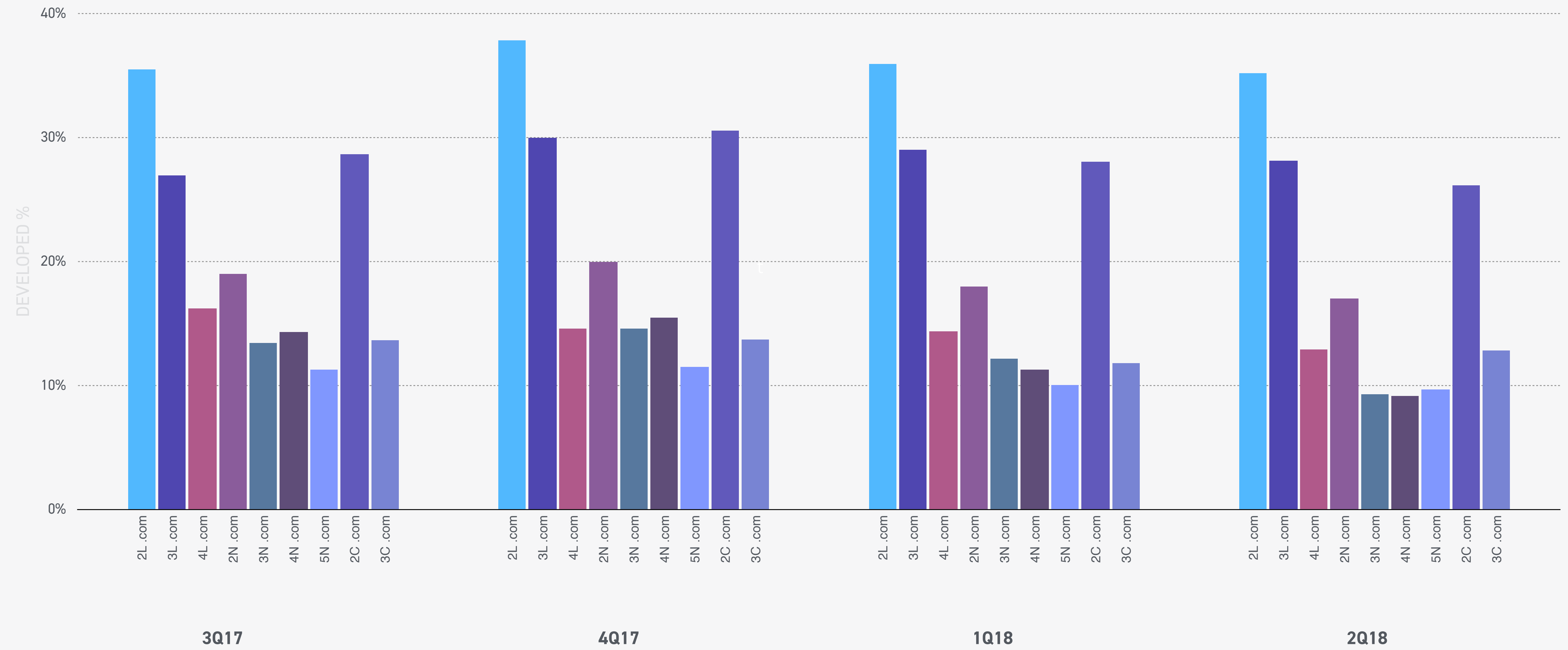


TRAILING 12 MO ENDING 2Q2018 - TURNOVER



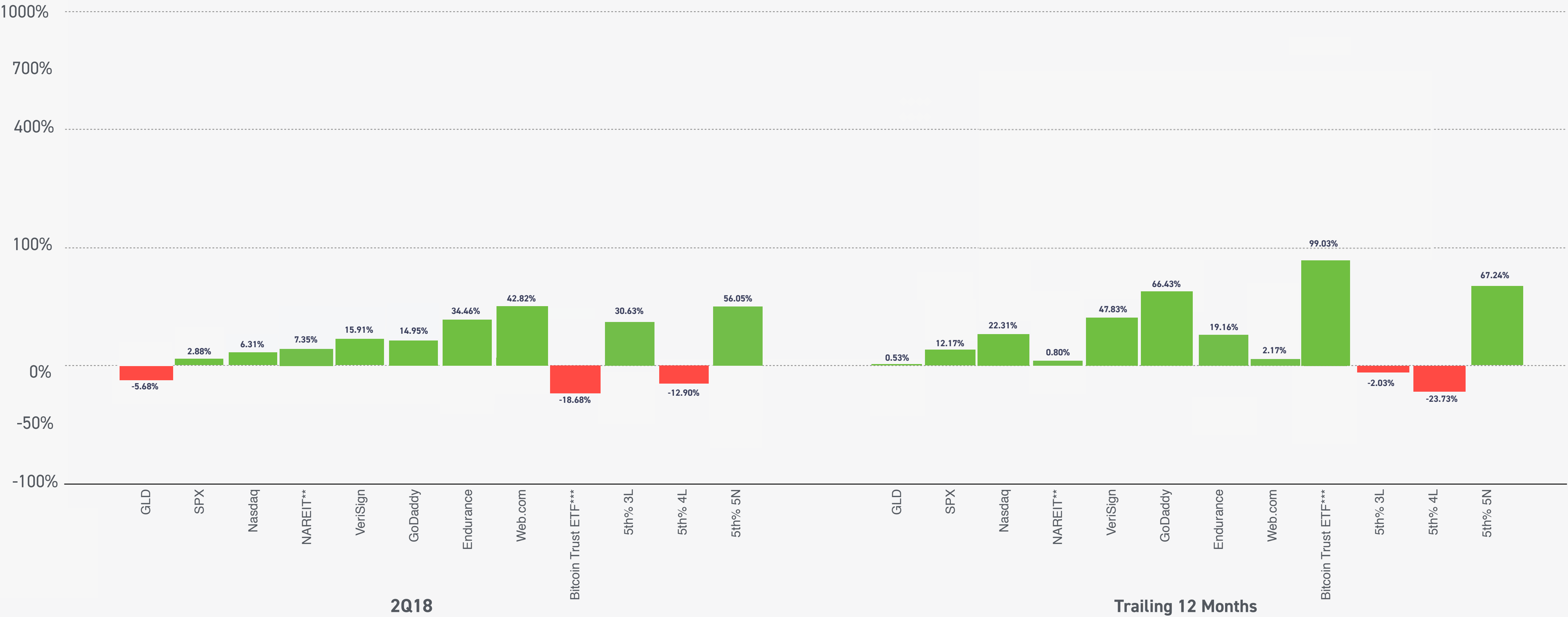
* Turnover based on publicly disclosed sales data

TRAILING 12 MO ENDING 2Q2018 - DEVELOPMENT



GLOBAL ASSET MARKETS ENDING 6/30/2018

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



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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.



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.