

Explanatory Note
regarding the scope of business of the EscrowTele.Com Limited company –
international mediation in the field of sale and purchase of IPv4 addresses (IPv4 broker)

General Introductory Information on the business activity of the IPv4 broker and the IPv4 market:

1. Prices for IPv4 addresses were approximately US\$50 for an IPv4 address (give or take 20%, i.e. from US\$40 to US\$60) during 1H2022.
<https://auctions.ipv4.global/prior-sales>
2. International registrars of IPv4 transfers are RIPE NCC, APNIC, ARIN, LACNIC, AFRINIC (by “continental region”: “Europe”, “Asian-Pacific”, etc.)
 - a. These are supranational non-profit organizations, unions of telecom operators, international Internet regulators.
https://en.wikipedia.org/wiki/Regional_Internet_registry
<https://escrowtele.com/qna/regional-internet-registries/>
3. They maintain the entire history of the transfer of “ownership” from one entity to another, and all this information is public and available through the regulators’ websites.
 - a. APNIC history of IPv4 transfers:
<https://www.apnic.net/manage-ip/manage-resources/transfer-resources/transfer-logs/>
 - b. RIPE NCC history of IPv4 transfers:
<https://www.ripe.net/manage-ips-and-asns/resource-transfers-and-mergers/transfer-statistics/within-ripe-ncc-service-region/ipv4-transfer-statistics>
4. Regulators maintain “lists of recommended IPv4 brokers” on their websites.
 - a. EscrowTele.Com Limited is a Registered IPv4 Broker (APNIC) since July 2022.
<https://www.apnic.net/manage-ip/manage-resources/transfer-resources/transfer-of-unused-ip-and-as-numbers/transfer-facilitators/>
 - b. EscrowTele.Com Limited is a Recognised IPv4 Transfer Broker (RIPE NCC) since July 2022.
<https://www.ripe.net/manage-ips-and-asns/resource-transfers-and-mergers/brokers>
5. The Escrow.com service has de facto become the main platform for IPv4 transactions (i.e. commercial settlements).
 - a. There are approximately 200 jurisdictions supported by Escrow.com around the world.
<https://www.escrow.com/support/faqs/what-countries-regions-does-escrowcom-support>
 - b. There are approximately 50 jurisdictions not supported by Escrow.com directly.
<https://www.escrow.com/support/faqs/what-countries-regions-are-not-supported-by-escrowcom>
 - c. These 50 jurisdictions represent approximately 2% of the total IPv4 address space on the Internet.
 - d. This is why B2B customers from 50 countries representing 2% of global IPv4 space do not have equal access to the global IPv4 market.
 - e. The EscrowTele.Com Company Account in the Escrow.com service has already been registered and verified. EscrowTele.Com is an end-user of the Escrow.com service. No

licenses are required for the activities of EscrowTele.Com to manage its own Verified Company Account in the Escrow.com service.

<https://www.escrow.com/escrow-101/terms-of-use>

6. The problem of these local markets is in additional guarantees from the IPv4 broker in the local jurisdiction. The customer development process of EscrowTele.Com startup may include the following options:
 - a. Purchase of a Bank Guarantee from a partner bank in favor of a client
 - b. Purchase of Insurance from a partner insurance company in favor of a client
 - c. Meanwhile, EscrowTele.Com will be a usual end-user for banks and insurance companies. There are no requirements to have any banking or financial licenses.

7. The EscrowTele.Com project has grown out of the existing business of the company founder.
 - a. The total amount of IPv4 contracts performed is more than US\$100 000.
 - b. Average IPv4 contract amount is approximately US\$50 000.
 - c. Counterparties were large corporations (annual revenue: US\$1B+).
 - d. Currently unconfirmed pre-orders of customers for IPv4 contracts are more than US\$500 000.