INVESTMENT THESIS

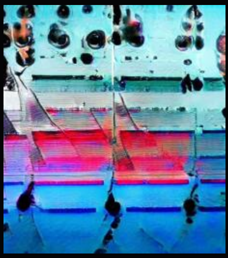
EARLY AI ART

2018 / 2019 / 2020

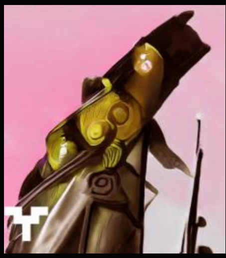
CORE INVESTMENT THESIS / DEFINING CHARACTERISTICS / NFT MINTING / CONFIRMATION SIGNALS

CONTENTS

16 ARGUMENTS / 4 SECTIONS





SECTION

Core Investment Thesis

01 Significance

AI Art is the most significant transformation the art world has ever experienced.

It dramatically expands access to artistic creation. Millions of people can now turn ideas into art at a speed and scale that was never previously possible.

Within the first week of ChatGPT image generation, 130 million users created more than 700 million images. By May 2026, more than 50 billion images had been generated using Google's Nano Banana models.

AI generated images will become a dominant form of content on the internet. As the technology becomes more capable and more widely available, it will dominate what billions of people see online every day.

For the first time, art is being generated through a form of non human intelligence. This forces the art world to confront its most fundamental questions: What is art? Who is the artist? Can a machine be creative?

Every artist has a stake in the debate because AI models are trained on vast datasets drawn from the accumulated work of artists worldwide. No previous artistic movement has drawn so directly from existing art while simultaneously challenging creativity, originality, and ownership.

That is why AI Art will dominate the artistic conversation of our generation.

This significance creates the demand side of the Early AI Art investment thesis. As AI Art reshapes global culture, its earliest works will become increasingly important as the foundations of the medium.

As AI Art continues to grow in cultural significance, demand for its earliest works will grow with it.

02 Supply

The earliest AI Art NFTs on Ethereum date to 2018. Across the entire formative period of 2018, 2019, and 2020, only around 10,000 unique works are estimated to have been minted.

Approximately 6,500 were issued through dedicated smart contracts, generally as larger cohesive collections. A further 2,000 to 3,000 unique works were minted through shared contracts such as SuperRare, which were used primarily for individual, one off artworks.

Supply remained exceptionally limited through 2020 before expanding during the 2021 NFT boom. The years from 2018 to 2020 therefore represent the scarce origins of AI Art on Ethereum.

The entire Early AI Art sector contains roughly the same number of unique works as CryptoPunks alone. Yet CryptoPunks is only one collection among many in the wider 10K PFP sector, while Early AI Art’s 10,000 works span an entire art sector across multiple artists, collections and years.

That creates a very different collecting dynamic. One Punk can give a collector exposure to CryptoPunks. A serious Early AI Art collector is more likely to seek several works across different artists, collections and periods.

The sector may therefore contain only around 10,000 works, but each committed collector may demand several of them.

The effective supply is smaller still. Many works were given away or sold for only a few dollars before they had meaningful value. A large number now sit in wallets untouched for six, seven or eight years, strongly suggesting that access has been lost.

Those works still exist on the blockchain, but they are no longer available to the market.

03 Undervalued Opportunity

The NFT market crash did not distinguish between speculative projects and historically important assets. Attention and capital left the sector broadly, pulling foundational Early AI Art down alongside projects with little lasting artistic or cultural significance.

At the same time, AI became one of the largest investment themes in the world. In 2025, global corporate AI investment reached $581.7 billion, increasing by 130 percent in a single year. NVIDIA alone is valued at approximately $5 trillion.

The market has already decided that AI will transform the global economy and culture. But that conviction is concentrated in the obvious investments: semiconductors, models, infrastructure and major technology companies.

Early AI Art offers exposure to the same transformation through a radically smaller and less recognised market. It is historically scarce, culturally important and largely untouched by mainstream capital.

This is not a bet that AI image generation will eventually succeed. It has already achieved global adoption and produces exceptionally high quality art. The opportunity lies in the market failing to recognise the value of the earliest works created during that transformation.

The obvious AI investments already carry vast amounts of capital and expectation. Early AI Art carries almost none.

With only around 10,000 works from 2018 to 2020, and far fewer genuinely available, even a modest increase in demand could reprice the sector dramatically.

This is the valuation gap. One of the most important cultural developments of the century, represented by an exceptionally scarce asset base that remains largely unrecognised and underfunded.

04 Rare Asymmetric Opportunity

Early AI Art combines three forces rarely found together in a single market.

Its significance creates demand.

Its scarcity limits supply.

Its undervaluation creates the entry point.

AI Art is reshaping how art is created and understood, yet only around 10,000 unique works were minted during its entire formative era, with far fewer still available to collectors today.

This is the asymmetry. Exposure to the defining technological and cultural shift of the generation through a scarce asset that the market has barely begun to price.

Significance creates the demand. Scarcity limits the supply. Undervaluation creates the strong entry point.

SECTION

Defining Characteristics of Early AI Art

05 The Distinctive Aesthetic of the Early AI Era

AI can now produce images almost indistinguishable from photography, illustration and human created art. That level of capability is permanent, bringing the brief era of visibly imperfect AI imagery to an end.

Early AI art belongs to a brief historical window before that perfection, when the technology was still visibly developing and each year produced its own distinct visual character.

The flaws, distortions, textures, and dreamlike inconsistencies act as visual timestamps, allowing many works to be dated to a specific year and stage of AI development simply by looking at them.

The machine's touch could still be felt in the work. The images appeared to express the vision of a new intelligence rather than simply imitate existing human art.

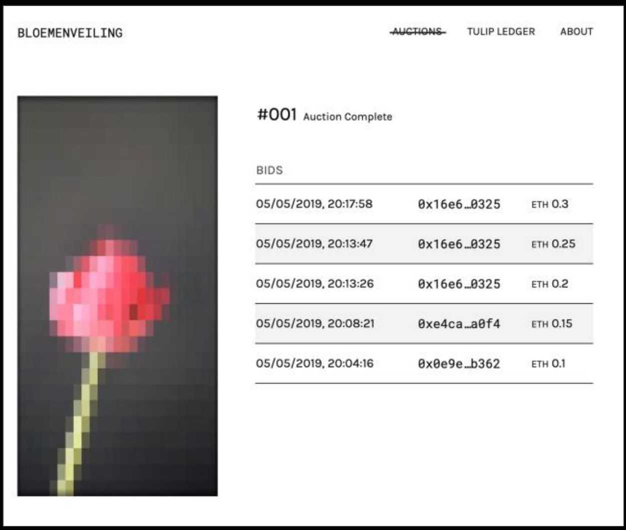
As modern AI becomes indistinguishable from human created art, that visible machine identity becomes increasingly rare and historically important.

Early AI art is perfectly imperfect. Its technical limitations became its defining aesthetic.

Like Bauhaus and Art Deco, the aesthetic of Early AI Art immediately reveals the time in which it was created.

Later artists may imitate this look, but they cannot recreate the authenticity of works genuinely produced by the limited technology of the time.

06 The Creative Complexity of Early AI Art



Early AI Art was not produced through one standardised commercial tool or one common creative process.

Artists experimented with different models, custom datasets, and technical workflows.

Some trained models using their own carefully selected datasets, giving the machine a unique visual vocabulary from which to create.

Some artists wrote their own code, modified existing systems, or constructed bespoke tools and processes that were unavailable to ordinary users.

This produced enormous variation. The model, dataset, code and workflow became part of each artist's identity, creating work that could not be reduced to a shared consumer tool.

Modern AI image generation has moved towards standardised commercial platforms where millions of users access the same models through simple prompting.

Early AI artists were not simply using a finished medium. They were helping discover what the medium could become.

Their works therefore preserve not only the visual history of AI, but the experimental methods through which AI Art first emerged.

Early AI Art was created before machine creativity became a mass market product. Its artists were not simply users of the medium. They were among the people inventing how the medium could be used.

07 The Multi Market Premium on Earliest Examples

Early AI Art sits at the intersection of four major markets: digital assets, fine art, new technology and collectables.

Each market values different qualities, but all four repeatedly reward the same thing. Historically significant early examples.

In digital assets, age and historical importance create their own premium. CryptoPunks are valued not simply as digital images, but as one of the earliest and most influential NFT collections. In June 2021, CryptoPunk #7523 sold for $11.8 million at Sotheby's, demonstrating the value attached to assets from the origins of the NFT movement.

Fine art places exceptional value on works created during the birth of a major movement. In June 2013, Kandinsky's Studie zu Improvisation 3 sold for $21.2 million at Christie's. Painted during his early movement towards abstraction, its importance lies in its place within the development of a new artistic language.

Technology history follows the same pattern. Early photographs and daguerreotypes are prized because they preserve the first years of an entirely new medium. In May 2003, 86 daguerreotypes created by Joseph Philibert Girault de Prangey during the 1840s sold for more than £3.25 million at Christie's.

Collectables consistently reward first editions, original releases and the earliest scarce examples. In December 2025, a 1999 First Edition Base Set Charizard graded PSA 10 sold for $550,000 at Heritage Auctions.

Early AI Art benefits from all four valuation frameworks at once. It is digital, artistic, technological and collectable.

Across all four markets, the pattern is clear. When a category becomes culturally important, its earliest significant examples command the strongest premiums.

08 Infinite Creation, Finite History

AI Art can be produced at near zero cost and on an almost unlimited scale. A single artist can generate thousands of works, while millions of new creators can enter the market using the same tools.

This abundance fundamentally changes the value equation.

Styles can be copied quickly and with far less skill than would be required to reproduce the technique of a traditional master. A successful aesthetic can spread across the internet within days, then be repeated until it becomes interchangeable.

The technology also moves at extraordinary speed. New models can transform what is possible almost overnight, causing entire styles to emerge, peak and become obsolete within months.

Contemporary AI Art therefore faces constant oversupply, imitation and displacement. Any new work can be diluted by thousands of similar images or overtaken by the next technological breakthrough.

Early AI Art cannot.

Its supply is fixed. Its place at the origins of the medium is permanent. No future model, artist or technological advance can recreate a work genuinely produced during the formative era.

Other art and collectable markets already place the strongest premiums on their earliest important examples. AI Art should intensify this pattern because later supply is easier to create, faster to copy and more vulnerable to oversaturation than almost any comparable market.

As new AI Art becomes more abundant, long term collector demand will increasingly concentrate on the earliest works. Their supply is fixed, their historical position cannot be displaced, and their importance grows with the market itself.

09 The Attention Premium

AI Art is inherently controversial because it challenges traditional ideas of creativity, authorship, originality, skill, copyright, and the role of the artist.

NFTs are equally controversial because they challenge traditional ideas of ownership, scarcity, value, and what it means to collect digital art.

Early AI Art NFTs combine both controversies in a single market. That makes the sector unusually capable of attracting criticism, media coverage and cultural attention far beyond its existing collector base.

A major auction result, museum acquisition or rapid increase in prices would not pass quietly. It would reignite arguments over whether AI Art is real art, whether NFTs represent genuine ownership and whether historically early works deserve substantial valuations.

That attention has value.

Important artistic movements have often faced resistance before achieving recognition. Photography, abstraction, graffiti, and modern art were all dismissed by parts of the established art world before entering museums, auction houses and major collections.

Banksy demonstrates that controversy can become an asset. In his early years, opposition kept his work in public view, strengthened its cultural significance and helped expand collector demand.

Early AI Art NFTs do not require universal approval. Their ability to divide opinion will ensure they are seen, discussed and debated far beyond the art market and throughout wider society.

SECTION

Why NFT Minting Matters

10 The Gold Standard for Digital Art Ownership

AI Art is a digitally native medium. Because there is no physical object to possess, ownership depends on a trusted and verifiable form of authentication.

NFTs have become the gold standard for owning digitally native art.

An NFT issued by the artist acts as the digital equivalent of a signed and authenticated artwork.

The blockchain provides a permanent, public and independently verifiable record of when an NFT was minted, who owns it and every transfer since.

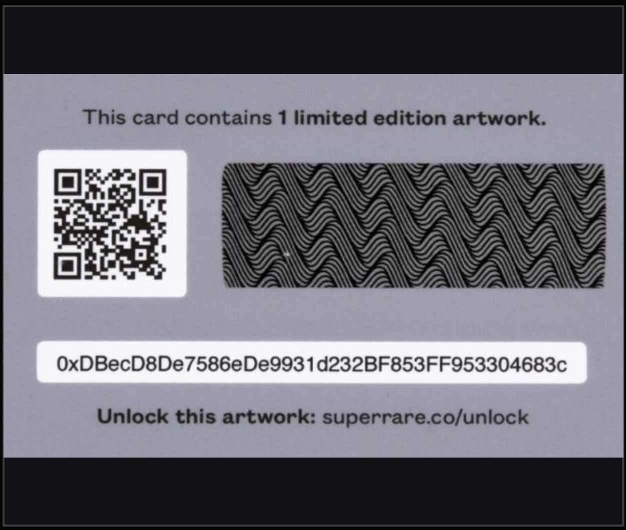
This is fundamentally stronger than a certificate held by a gallery, company or platform. A private record depends on the organisation preserving it and continuing to exist. Blockchain ownership does not rely on any single authority.

NFTs therefore solve the central ownership problem of digital art. They turn an intangible artwork into a scarce, ownable asset.

The format has already been validated at the highest level of the art market. Christie’s and Sotheby’s have used NFTs to authenticate and sell major works of digital art, bringing blockchain ownership into the same institutional framework used for recognised fine art.

For a digitally native medium, the NFT is not an unnecessary addition to the artwork. It is the strongest possible proof of ownership.

11 Blockchain Provenance and Historical Authenticity



An NFT provides a permanent and independently verifiable record of when an artwork was minted.

The minting date does not prove the exact moment the image was created, but it establishes that the tokenised artwork existed no later than that date. This creates a clear historical timestamp that cannot be added retrospectively.

As Early AI Art becomes more valuable, the incentive to present newly created works as historically early examples will increase. Artists or sellers may claim to have discovered forgotten images on old hard drives, recreate the visual language of the era using modern tools or mint older files years after their supposed creation.

Without contemporary records, independently verifying those claims may be extremely difficult. File dates can be altered, private documentation can be incomplete and personal testimony depends on trust.

An original NFT minted during the formative era does not depend on memory, testimony or private documentation. Its historical position is recorded publicly on the blockchain and can be verified by anyone.

A retrospective work may imitate the aesthetic of Early AI Art, but it cannot recreate an original on chain timestamp from the era.

12 The Moment AI Became Art

In the early years of AI image generation, most outputs were presented as research material, technical experiments or demonstrations of scientific progress.

They were valued primarily as scientific outputs, not as distinct works of art.

Early AI artists made a fundamentally different judgement. They saw machine generated images not merely as evidence of what the technology could produce, but as artworks in their own right.

The act of selecting, naming, organising, and minting these images as NFTs was a public declaration of artistic intent.

Minting transformed the work from a temporary technical output into an identified, ownable, and collectable artwork.

This matters because recognition at the time carries far greater historical weight than recognition added years later. Once AI Art becomes valuable, almost anyone can claim that an old image was always intended to be art.

Early NFT minting provides contemporary evidence that these artists genuinely treated machine generated imagery as art before a mature market, institutional recognition or broad cultural acceptance existed.

They did not simply create some of the earliest AI images. They helped establish the idea that machine generated imagery could become a new artistic medium, with its own artists, collectors and history.

The mint was not merely a record of ownership. It was an artistic declaration.

13 Art Before the Market

Early AI artists created and minted their work before a meaningful market for AI Art existed.

Artists often paid the cost of minting themselves, then gave works away or sold them for only a few dollars.

There was no established AI Art market, no proven collector demand, and no recognised profession of AI artist. These creators were not entering an existing industry or responding to a successful commercial formula. They were helping create the category itself.

The work was therefore produced in an environment where financial incentives were limited and artistic experimentation came first. Artists created because they were fascinated by the technology, believed in the images, enjoyed the process, and wanted to share what they had discovered.

This gives the earliest collections an authenticity that becomes increasingly difficult to reproduce once a market, audience, and financial incentive emerge.

Later creators can study what sells, follow established trends, imitate successful aesthetics, optimise work for collectors, and enter the market specifically because an economic opportunity already exists.

The earliest artists had no proven market to follow. They created according to their own interests, experiments, ideas, and visual instincts.

That absence of significant commercial pressure encouraged stronger individual identities, more distinctive aesthetics, and collections shaped by experimentation rather than market expectations.

SECTION

Early Confirmation Signals

14 Institutional Validation Has Begun

Christie's and Sotheby's are two of the most influential institutions in the global art market. Their auctions help shape collector recognition, establish market legitimacy, and influence which artists and movements enter the historical art narrative.

Their early embrace of historic AI Art NFTs is therefore a powerful signal that the category is beginning to receive serious institutional recognition.

In March 2025, Christie's held the first auction at a major auction house dedicated entirely to AI Art. The sale included DeepBlack #100, part of the DeepBlack AI Art collection created in 2019.

In July 2025, Sotheby's offered Realiti #3 in its mainstream Contemporary Discoveries auction, describing it as "a landmark digital artwork" and "a foundational moment in the evolution of AI, generative systems."

Realiti #3 appeared alongside established contemporary artists including Warhol, Haring, Stella, Calder, and Rauschenberg, creating a direct bridge between NFT native collecting and the traditional fine art market.

The significance of these sales extends far beyond their current prices.

Christie's and Sotheby's are beginning to catalogue, exhibit, contextualise, and sell Early AI Art within the same institutional framework used for recognised fine art.

That is how emerging categories become established markets.

Institutional recognition brings credibility, new collectors, stronger provenance standards, greater media attention, and ultimately more capital into a previously niche sector.

The institutional revaluation of Early AI Art has begun, with Christie's and Sotheby's already positioning historically important works within the mainstream fine art market.

15 The Attention Premium in Action

The controversy surrounding Christie's 2025 Augmented Intelligence auction provided an early demonstration of the Attention Premium.

After Christie's announced the first auction at a major auction house dedicated entirely to AI Art, an open letter calling for its cancellation attracted more than 6,500 signatures.

The dispute centred on copyright, consent, artistic authorship, creator compensation, and whether a major cultural institution should legitimise art created using artificial intelligence.

The controversy carried the auction far beyond specialist AI Art and NFT communities.

The story was covered across the international press, including the Financial Times, The Guardian, Sky News, CNN, Associated Press, Euronews, The Times, TechCrunch, Forbes, The Art Newspaper, and Artnet.

Christie's proceeded with the auction despite the attempted cancellation. The sale attracted hundreds of bids, exceeded its initial expectations, and achieved a total of $728,784.

The controversy therefore did not slow the market. It amplified it.

AI Art does not need universal acceptance to grow in cultural or financial importance. Its ability to provoke strong reactions can itself become a powerful mechanism for attracting attention, introducing the category to new audiences, and accelerating its transition from a specialist market into the cultural mainstream.

The more consequential AI Art becomes, the more intensely it will be debated. And the more intensely it is debated, the harder it becomes to ignore.

16 Lost Robbies: The Sector Proof of Concept

Lost Robbies compress the entire Early AI Art investment thesis into a single collection.

In July 2018, Robbie Barrat created AI Generated Nude Portrait #7 for Christie's first Art + Tech Summit in London. The work consisted of 300 individual frames, each minted as a unique NFT and distributed free to attendees through physical claim cards.

Only 36 of the 300 NFTs were claimed. Most of the remainder are believed to be permanently lost.

A free giveaway therefore became one of the rarest and most important collections from the birth of AI Art NFTs. Christie's now describes Lost Robbies as "highly coveted and sought after" and "iconic in the history of AI art."

On 2 March 2022, Frame #64 sold for £630,000 at Sotheby's.

Lost Robbies became valuable for the same reasons that define the wider Early AI Art sector. Their historical importance, extreme scarcity, verifiable provenance and irreplaceable origin story transformed what began as a free giveaway into a highly valuable piece of AI Art history.

The collection also captures the purity of the early era. These NFTs were given away when almost nobody understood their future significance and before any proven market existed. Their history was created before the financial incentive to manufacture that history had emerged.

That makes Lost Robbies a powerful sector proof of concept. A collection distributed for free at Christie's produced a £630,000 Sotheby's sale just four years later because collectors came to value the same qualities that define the wider Early AI Art sector.

SOURCES / REFERENCES

SUPPORTING RECORD FOR EXTERNAL CLAIMS

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08 Heritage Auctions / PSA 10 Charizard / December 2025

09 ethereum.org / Non fungible tokens

10 Christie's / Augmented Intelligence / $728,784

11 TechCrunch / AI auction protest and result

12 Sotheby's / Realiti #3 / July 2025

13 Christie's and Sotheby's / Lost Robbies records

14 Supply estimate / Author's working contract level census

METHODOLOGY NOTE

The estimated supply of approximately 10,000 unique Early AI Art NFTs minted between 2018 and 2020 is based on a review of dedicated collection contracts and works minted through shared platforms. It is a working estimate and should be independently checked against the underlying contract and token records before being relied upon for investment decisions.