CONTENT AND ABUSE REPORT June 2022



The objective of this report is to analyze the .ME domain zone ("the zone") in an attempt to define the key trends concerning fluctuations in the domain usage, website content classification and domain abuse.

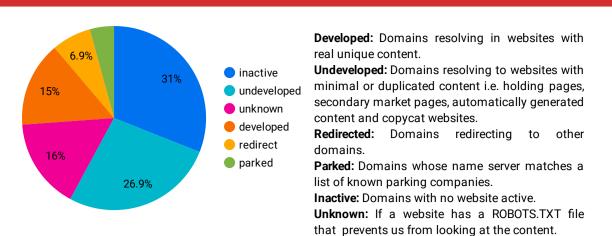
Key Findings:

English-speaking countries are the strongest markets

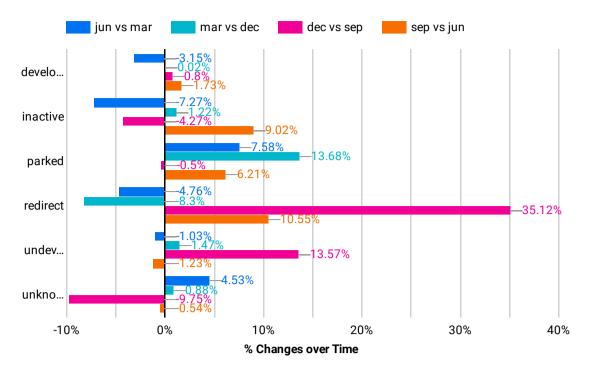
- Drop in the real unique content coincides with the ease of the pandemic, possibly due to switching to the hybrid model of working

- Spam is, by far, the largest abuse category and most domains are activated (and suspended) within three months of registration

.ME DOMAIN USAGE

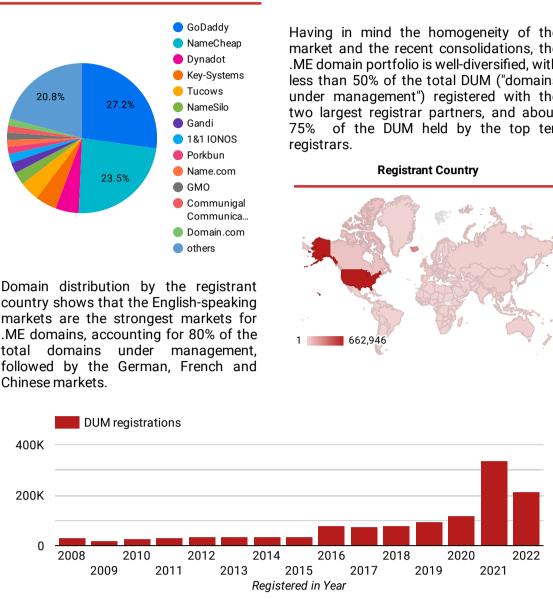


The chart, representing a snapshot of the zone at the end of Q2, 2022, divides the content on .ME domains into six different categories. Taking into account that .ME is open and globally available ccTLD, the content distribution is indicative of a healthy domain zone. The share of the developed content category is a clear sign of the high-quality content, but it does not necessarily perfectly correlate with the likelihood of renewal, as certain domains with the high likelihood of renewal (e.g. domains used for trademark protection and email) are scattered across other categories. The domains used for email only are classified as inactive and the names registered for brand protection mostly fall within redirected category.

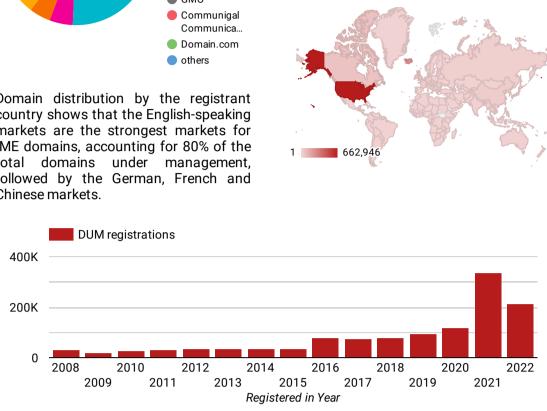


Changes in usage over time depict quarterly fluctuations in the usage categories (developed, inactive, parked, redirect, undeveloped and unknown) from Q2, 2021 to Q2, 2022 illustrating the stability of the analyzed categories. The most stable category is developed content which is subject to organic growth and organic decrease (likely to have happened in Q2, 2022, possibly due to the ease of the pandemic), followed by parked content characterized by a steady growth in three out of four quarters. Other categories tend to be more unstable and significantly influenced by new registrations, with the unknown content steadily decreasing, possibly as a result of better classification.



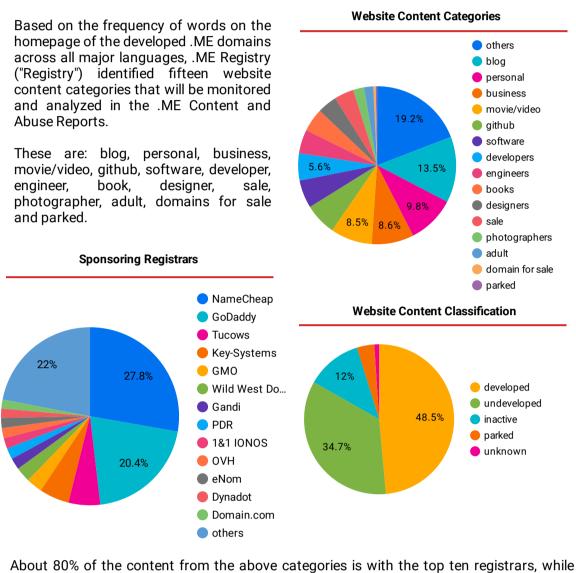


Having in mind the homogeneity of the market and the recent consolidations, the .ME domain portfolio is well-diversified, with less than 50% of the total DUM ("domains under management") registered with the two largest registrar partners, and about of the DUM held by the top ten

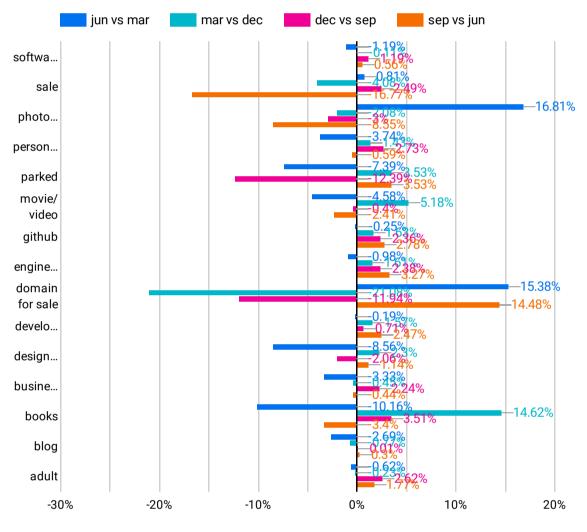


DUM registrations are domains registered in a specific year that have not been deleted. We can differentiate between three periods of the DUM registrations including 2010-2015 with a stable DUM registration volume, 2016-2018 with an increase in numbers and 2019-2022 with a growing trend. A part of the DUM registration volume in 2021 and the entire volume of 2022 is pending the 1st renewal and it is likely to change in the future reports.

WEBSITE CONTENT CLASSIFICATION



GoDaddy and NameCheap alone are responsible for hosting almost 50% of the content which is an indicator of a well-diversified zone. In terms of the domain usage classification, most of the content belongs to the developed category (almost 50%) and to the undeveloped (about 35%). A significant number of one-page websites may be classified as undeveloped.



The chart represents quarterly fluctuations in the number of domains included in .ME website content categories starting from Q2, 2021 and ending with Q2, 2022.

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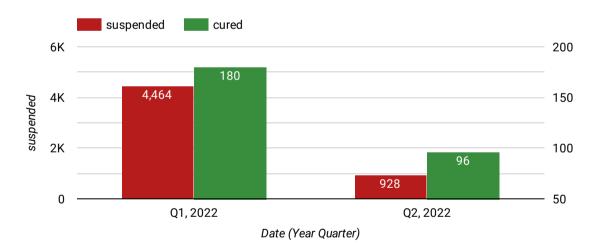
The distribution of the website content categories by the registrant country corresponds with the overall distribution by the registrant country, with the Englishspeaking markets dominating the list. The major difference is that the Japanese (2.55% vs. 1.63%) and Russian (1.23% vs. 0.91%) speaking markets are ranked significantly better for the website content classification than for the entire zone.

1.	US	42.57%
2.	IS	27.26%
3.	СА	5.96%
4.	JP	2.75%
5.	GB	2.56%
6.	DE	2.21%
7.	FR	2.05%
8.	RU	1.19%
9.	CN	1.04%
10.	ME	0.93%

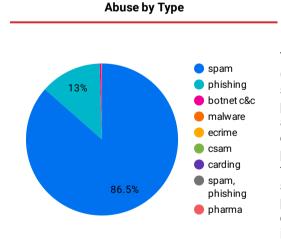
*IS & CA have a significant number of privacy-protected domains

ABUSE ANALYSIS

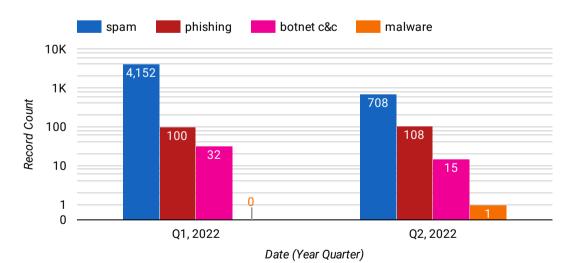
To stay true to the mission of keeping the neighborhood safe, Registry monitors the zone for abuse on a daily basis, using different software for anti-abuse and mitigation efforts. The objective of this report is to analyze the DNS abuse overtime and provide insight into the most common types and sources of abuse and mitigation efforts by Registry and registrar partners.



The comparison between the domains suspended for abuse ("suspended") and the domains formerly involved in abusive activities that have been unsuspended or deleted ("cured") indicates a decreasing trend in the number of domains engaged in abuse and stability in terms of the cured domains. Significant drop of suspended domains in Q2, 2022 may be associated with the lower number of new domain registrations.



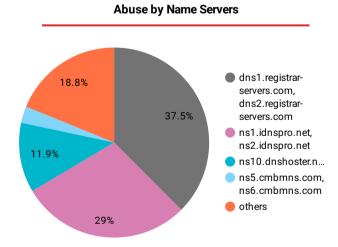
The email, associated with spam and phishing (99.5% share of the total abuse) and prone to social engineering, remains the primary access point and means of the domain abuse. Other abuse types are less relevant, with the exception of botnets that are handled through pre-emptive registrations and, therefore, not fully integrated in the report. The botnet suppression is the result of Registry's proactive anti-abuse polices that are an ideal complement to the publicly available tools and in-house software we use.



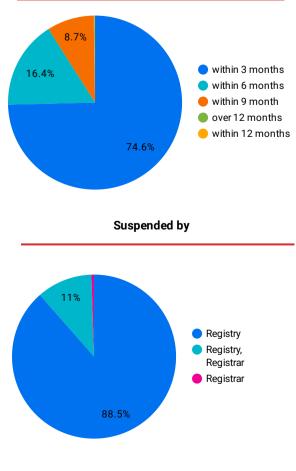
Quarterly comparisons between the number of domains suspended in the first half of the year (H1, 2022) and the number of domains suspended in the first half of the last year (H1, 2021) show a steadily decreasing trend of major types of abuse in H1, 2022.

Registrant Country

DNS abuse is a broad and complex subject that is still debated among being the stakeholders involved in the Internet governance and state government bodies and, since there has not been a consensus definition, the its for on purposes of this report, it is strictly limited to the types of abuse defined by the .ME registry.



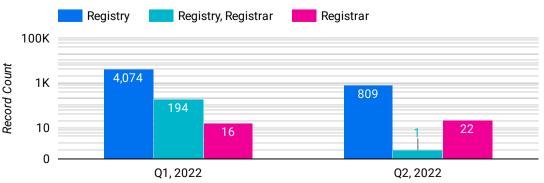
Suspended within X Days From Registration



Having in mind that spam accounts for more than 95% of the abuse, the data validates the assumption that unsolicited emails are activated almost as soon as the domains are registered.

Since there is no "one-size-fits-all" approach to the DNS abuse it is up to Registry to adopt and implement anti-abuse policies, unless otherwise prescribed by a competent authority.

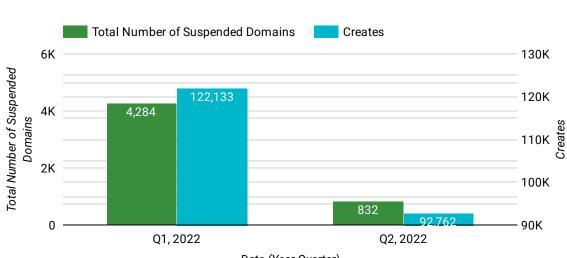
At Registry we believe that keeping the abuse at the minimum is essential to providing a high-quality domain name registration service to our registrar partners as well as to endusers. As a result of a strict antiabuse policy, 99% of the abusive domains identified are and by suspended Registry (95% by Registry only, and 4% by both, Registry and the registrar partners). In other words, we got your back!



Date (Year Quarter)

Decreasing trend in the number of suspended domains by Registry and the registrars, shows a progress in the organized and harmonized anti-abusive activities by major stakeholders.

Correlation between Total Creates & Total Number of Suspended Domains



Date (Year Quarter)

Correlation between the total number of domains created within a certain time period (Q1, 2021 and Q2, 2022) and the total number of domains suspended during the same time period, shows that the volume, affected mostly by the pricing strategy, has a significant impact on the number of newly created domains and the number of domains potentially used for abuse. Therefore, a well-balanced pricing strategy should be one of Registry's priorities.

CONCLUSION

In addition to Registry's determination to be transparent and more familiar with the changes in the zone that go beyond those in the number of domains under management, this report provides valuable guidelines for future marketing, sales and policy initiatives.

For instance, website content classification provides a solid base for persona marketing initiatives targeting the end-customer. Similarly, identifying the amount of abuse per registrar is invaluable for the renewal predictions and, consequently, the ROI calculation.