

Finite.Ltd

**The future-proof marketplace for
limited edition items**



WHITEPAPER

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1. Executive Summary

Finite.Ltd, also referred to as Finite, is a worldwide web platform for shopping rare, limited-edition items. Domiciled in Switzerland, Finite distributes digital Certificates of Authenticity using Non-Fungible Tokens (NFTs).

Finite.Ltd is a future-proof marketplace addressing the potentials of the fourth industrial revolution and new digital assets.

Finite.Ltd will provide a secure and luxurious consumer experience for buyers, complemented with digital integrations into cyberspace.

Finite.Ltd aims to facilitate transactions with ingrained trust between established partners (brands or sellers) and buyers of limited-edition goods in more than a dozen sophisticated auction models and a native secondary market. By doing so, the company effectively combats the creation and dispersion of counterfeit items, enabling the resale of limited-edition items while offering a resale commission to the original creators.

Finite aims to spur brands into integrating a limited-edition sale strategy for the benefit of promoting their global image and reputation, as well as enhance the micro-community aspects and direct communication of our partners with their most loyal buyers.

Finite.Ltd will disrupt and revolutionize the traditional auction houses, encouraging many new digital buyers, namely those who have adapted to use cryptocurrencies.

Among the many benefits it includes, Finite.Ltd will serve as a platform to measure true rarity among physical items, a ledger to record the ownership history of an item, and protect the depreciating value of material objects with their digital counterparts' appreciating value.

1.1. Company Philosophy and Vision

1. Provide new meaning to the social and economic value of physical items.
2. Gateway for non-crypto natives to adopt blockchain technology and orientation.
3. Rarity and scarcity - complemented with white-glove customer care.
4. Helping well established brands to adopt new trends and financial options, to connect with their loyal buyers and to offer them exclusive deals.
5. Consideration of the buyers' social and economic motivations, the newfound value in physical items and their demand for unique items that can also be used digitally.
6. Trust, Transparency and Web3.0 oriented solutions.



It's all about trust

Finite.Ltd recognises that business and blockchain are all about trust.

The vision for the marketplace of tomorrow includes new payment options, dynamic market-oriented pricing, financial mechanisms supporting partial-ownership, lending and borrowing against digital assets, sustainability and cyberspace interactions.

2. Introduction

The dramatic increase in the quality of counterfeit goods has made it extremely difficult for consumers to know for sure that products with famous labels are genuinely authentic. This is especially true during resale.

The most significant damage for buyers and sellers happens when fake products are being offered for sale as branded originals. Shoppers who want to buy authentic items, may get conned when they aren't aware that the items are, in fact, fake.

This much is clear: **Doing nothing about this problem will no longer be an option for brands aspiring to provide a luxury consumer experience.**

The accelerating concentration of wealth in the hands of the ultra-rich, together with the brutal competition between the auction houses and galleries that wage to win their business, have left some of these traditional sale models to be reconsidered. This is largely because the companies, some of the world's oldest sales houses, are very complex and rooted in tradition.

Although information flow has been accelerated by the internet and social media like Facebook and Instagram, these auction houses are quite hesitant to consider new technologies, ethical issues, sustainability models and a more democratic structure.

Auction houses, which operate mainly through offline subsidiaries, exclude many online buyers (including users of cryptocurrencies) and are not built to withstand digital disruption in the age of web 3.0.

Investors in the security of the items are still permitted to bid on the piece they have guaranteed, which makes one skeptical about fairness and transparency of traditional auctions. He or she may also receive undisclosed information about the artwork and its potential market, which is standard practice and entirely legal in the unregulated art world. However, this would immediately get you jailed in the world of stocks and bonds for trading on insider information.

In the resale process, artists are often left without ever seeing a single penny of the resale price. Christie's and Sotheby's, undoubtedly the two dominant auction houses, have themselves lobbied many times to kill regulation in favor of the artists.¹

At the same time, it's incongruous when the auction houses are known to fly premium clients

and collectors from China into cities like New York, wining and dining them, and teaching them about art and collectibles.

In May 2014, the Wall Street Journal (WSJ) reported that Chinese collectors who had been on guided art tours and were lavishly treated by Christie's, placed bids on at least 50% of the 10 most expensive contemporary artworks on their historic \$745 million auction.²

But things are changing, and there's a new generation of art buyers who are more comfortable purchasing art online. And Christie's is in the frontline to get their attention.



“Christie's has introduced digital innovations that significantly strengthened our business model, providing clients with greater flexibility to transact with us through our live auction, online-only, and private sales platforms.”

Guillaume Cerutti, CEO Christies

“In the future, the number one auction house will be the one that's currently bringing in the next generation of collectors. Digital is where they are coming in” Matt Rubringer, Christie's deputy chief marketing officer said in 2019.³

On the other hand, 2020, the year of the pandemic that forced social distancing and dramatically increased online activities, also increased ease of access to a broader range of offerings from the major auction houses.

As Widewall online art magazine reports, “One of the biggest trends was the accelerated shift to online sales, which would likely remain long after the pandemic.”⁴

Christie's had a record total for digital sales of \$311 million. Sotheby's held more than 70% of its auctions online in 2020, up 30% from 2019.

Asia was another factor that increased growth for Sotheby's, with Asian clients accounting for more than 30% of the company's worldwide auction sales. Auctions in Asia alone resulted in sales of \$932 million, making the auction house the market-leader in Asia for the fifth consecutive year. At the same time, the number of Asian clients bidding online more than doubled in 2020.

Nevertheless, in 2021, Christie's became the first major auction house to offer a purely NFT-based work of art. Listed for 100\$, because they had no indication of what kind of bids to expect, it was auctioned online and fetched an astounding price of \$69 million.

While these auction houses do make strides toward digitalization, they prefer to maintain their seat of power over the Art and Collectibles Industry through their reputation, and therefore move slowly to the digital world. In our opinion they are prone to lose a big market share of digital buyers.

Finite.Ltd not only addresses these issues, but will also include many different users and buyers, by opening auctions to the broad public through its online platform, allowing buyers to bid from anywhere in the world at any given time. Furthermore, Finite.Ltd will revolutionize the existing auction models by using innovative smart contract technologies, offering commissions on resales and supporting 3D based sales channels.

Through its lean structure Finite will adapt to new trends and set new industry standards, all the while remaining a future-proof and agile digital platform.

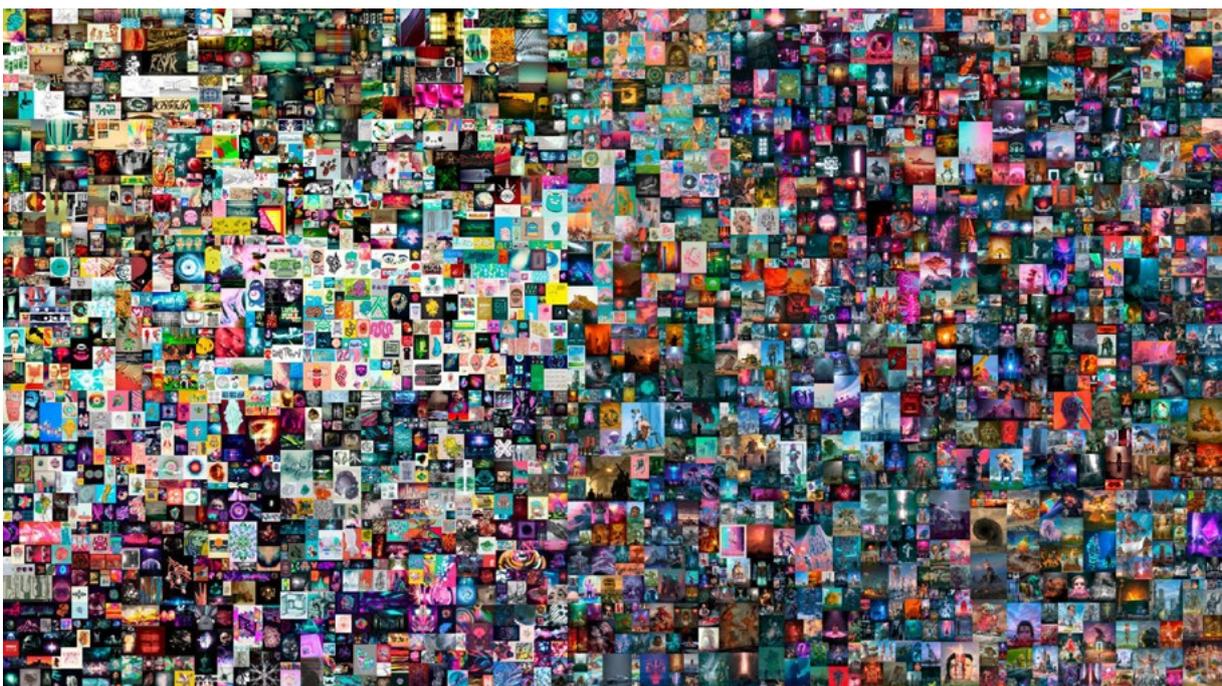


Image 1. Beeple's *Everydays: The First 5000 Days* sold for almost \$70 million at an auction

3. Presenting NFTs and Limited-Edition Items

While there are marketplaces and platforms for selling digital items with NFTs, Finite.Ltd is the first company to offer ecommerce solutions aimed at selling physical, limited-edition items on the blockchain, with NFTs to protect their value - the first native, digital medium for value.

3.1. What Are NFTs?

A non-fungible token (NFT) is a particular type of cryptographic token that represents something unique. They function as verifiable proofs of authenticity and ownership within a blockchain network. NFTs are minted on different blockchains such as Ethereum, Flow and several others, while each blockchain has their own token standards to define their use.

NFTs are used to ensure provenance over any type of physical asset as well as intangible ones. Some examples might include: digital art, videos, in-game items, digital clothes, virtual real estate, music, collectibles (such as digital sports cards), real-world assets such as paintings, cars, watches, and many more.

The main benefits of using NFTs to secure assets are that they are traceable, transparent and portray a universal record of ownership on a ledger of transactions. Some NFTs may have different types of rights attached to them, with added benefits to the sole owners, a fact that enhances the sense of belonging to exclusive communities.

NFTs are not interchangeable and therefore introduce scarcity to the digital world. They are fundamentally changing how we perceive digital ownership, and by now, after four years in use, it is safe to say it is more than just a trend.

NFTs have recently made headlines because of the various crypto art platforms (such as Nifty Gateway, SuperRare, and KnownOrigin), the crypto-collectibles space (e.g, the blockchain-based trading card system, NBA Topshot), and many other innovative projects.

NFTs are being hailed as a gateway to a new type of an economy, security and provenance, and offer benefits to their early adopters.

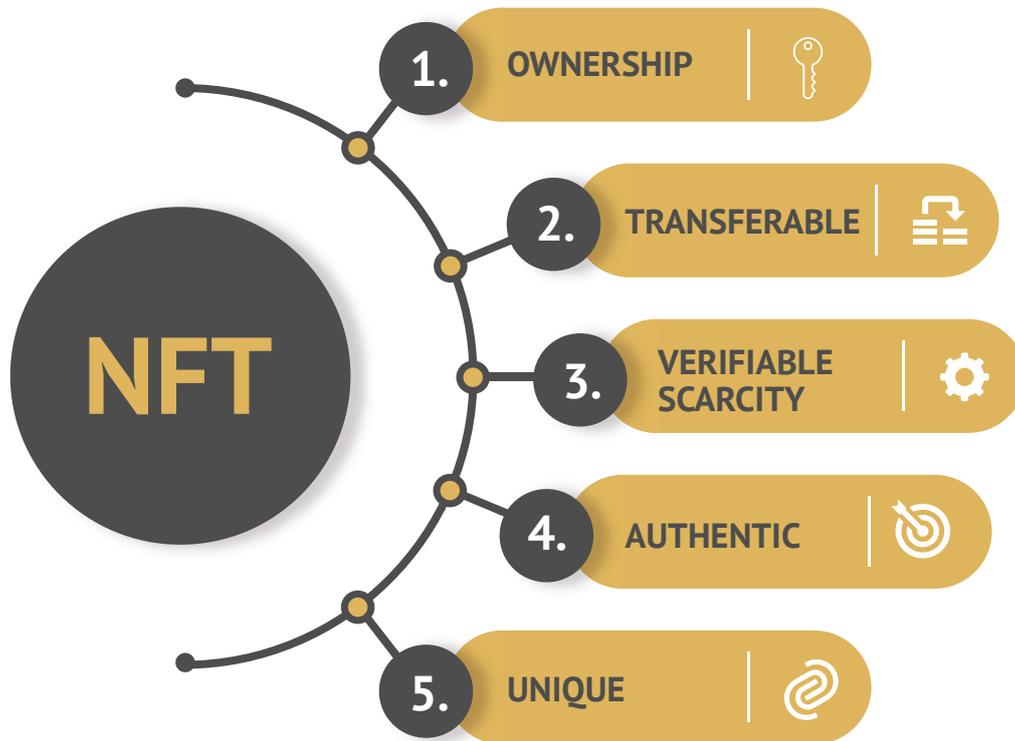


Image 2. NFT characteristics

3.2. What Are Limited-Edition Items?

A limited-edition item is a small run of items presented with the aim of creating a sense of rarity or exclusivity among potential collectors. They are also called special editions, collector's editions, and deluxe editions. Other names include rare and finite items.

These limited-edition items are typically listed by a fraction, such as 25/50, or 1/1, called the work's edition number that identifies the individual piece in the collection.

The public often perceive some goods to be "luxurious" simply because they are considered to be status symbols. The value of the luxury item is linked to what it represents, to whom it is attributed to, as well as the size of the community it belongs to. Such interests tend to signify the purchasing power of those who acquire them

In an article published in the *Journal of Open Innovation: Technology, Market, and Complexity* in November 2020, authors Woodong Kim and Boyoung Kim note that: "Recently, the phenomenon of purchasing limited-edition products has been spreading rapidly in the reselling open market."

They state that as various technologies are introduced in the fourth industrial revolution, platform-centered digital distribution has become increasingly popular. Furthermore, consumers buy limited-edition products “to satisfy their social needs for reselling and not out of mere curiosity or personal preference.”

Their research indicates that “the reselling open market of limited products” is growing rapidly, mainly among consumers in their 20s and 30s.

The products they refer to are physical, not digital, and include art, toys, sneakers, collectibles, and various luxury goods.

“As a background to the growth of such reselling markets of rare limited-edition products, the limited marketing strategies of enterprises and technical environments of businesses have changed favorably towards such limited edition product markets,” they say.⁵

When it comes to basic economics, if something is scarce, there will be an increase in demand and a greater sense of value for a specific item.

That’s the fundamental idea behind limited-edition products – unique branded items that are created and sold for a particular set period in a specific market. Modified-edition products are found in every industry, from cosmetics to car companies to technology.

The limited-edition strategy isn’t just a technique used by big companies, it can also be an excellent way for small and medium-sized businesses to attract new customers to their stores.

The idea of buying and selling authenticated, limited-edition physical goods using NFTs takes the limited-edition strategy to a whole new level.

4. Market Size & Market Trends

The number of digital buyers is growing every year. Due to the recent Covid-19 pandemic, this growth rate has been accelerated significantly, and shows no signs of slowing down. It is estimated that 65% of the world's population is accustomed to purchasing goods online, and the ecommerce industry at large is set to evolve and expand in volume. Aside from ecommerce, Finite's business model also encompasses the evolving NFT market, and the luxury & art markets.

4.1. Ecommerce Market

In 2021, it was estimated that there were 2.14 billion digital buyers in the general ecommerce market. During this time, ecommerce sales accounted for more than 21% of retail purchases worldwide.

It appears that long after the Covid-19 pandemic ends, more and more people will convert to being "all-digital" consumers, and will prefer to shop online instead of stores.

Within this general market, there are numerous niche markets including the NFT, luxury, and art markets.

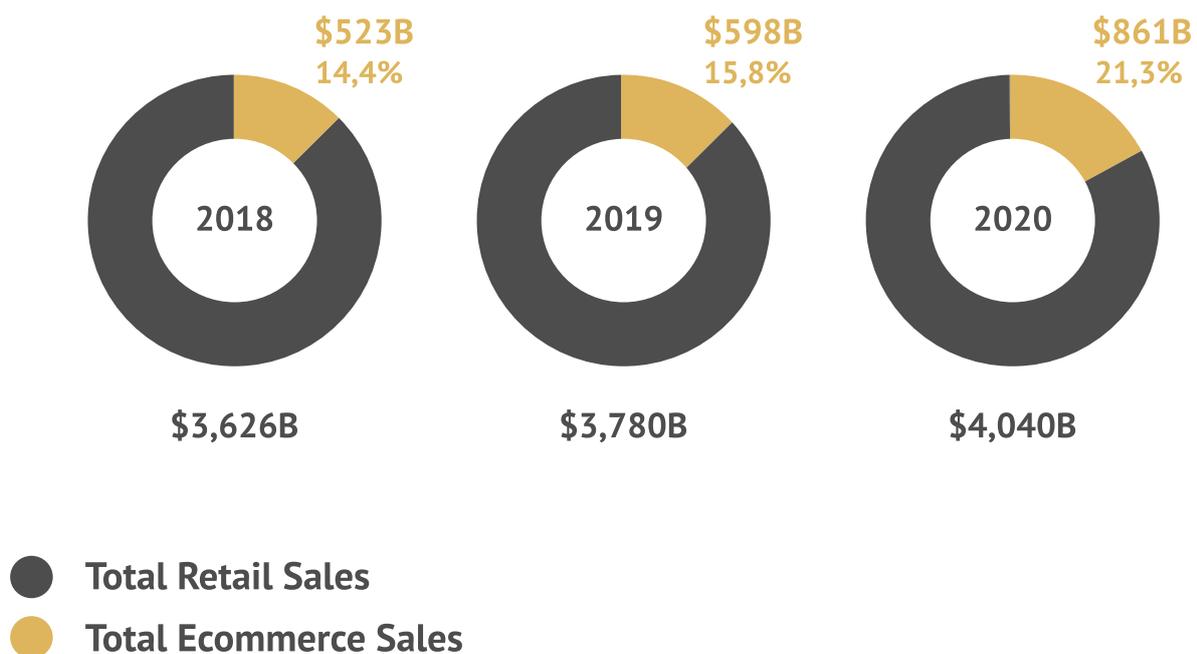


Image 4. US total retail sales VS. ecommerce sales

SOURCE: <https://www.digitalcommerce360.com/article/e-commerce-sales-retail-sales-ten-year-review/>

4.2. NFT Market

According to Nonfungible.com, all-time sales of NFTs as of February 2021 amounted to 5,378,933. The volume in US dollars is \$389,485,026.84 with a compounded monthly growth rate (CMGR) of about 115%.

Recently, Christie's became the first major auction house to offer a purely digital work with a unique NFT. The company also accepted cryptocurrency (Ether) in addition to standard forms of payment for the artwork.

Created by Mike Winkelmann, better known as Beeple, it is a collage of 5,000 pictures he posted online every day for 13-and-a-half years. It realized \$69,346,250 at the stand-alone online-only auction that was open for bidding between February 25 and March 11, 2021. ⁶

"I am beyond excited to have the first 100% digital artwork auctioned at Christie's. I think this is a truly historic moment not just for digital art, but for the entire fine art world. The technology is now at a place with the blockchain to be able to prove ownership and have true scarcity with digital artwork so I think we are going to see an explosion of not only new artwork, but also new collectors and I am very honored to be a part of this movement."

Beeple

4.3. Luxury & Art Market

The luxury goods market has been on an upward climb for many years. Apart from the setback caused by the 1997 Asian financial crisis, the industry has performed well, in the drinks, fashion, cosmetics, fragrances, watches, jewelry, and luggage markets, particularly in 2000. The handbags sector alone was worth close to \$170 billion and grew 7.9%. The largest sector in this category is luxury drinks, including premium whisky, champagne, and cognac.

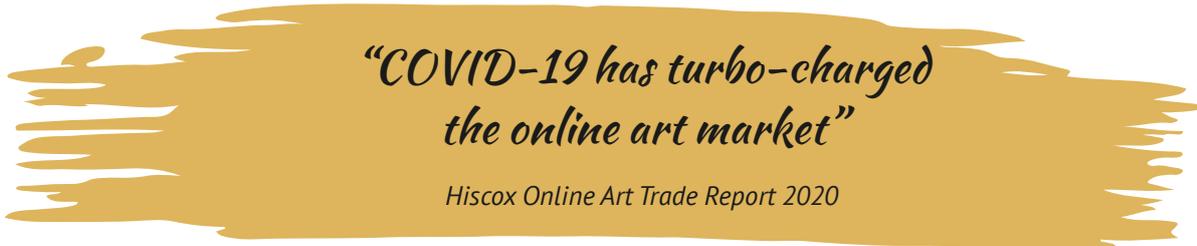
The watches and jewelry sector showed the most robust performance growing 23.3% in value, while clothing and accessories grew 11.6% between 1996 and 2000, to \$32.8 billion.

The 10 biggest markets for luxury goods account for 83% of overall sales. In addition to the U.S. these markets are Japan, China, Russia, Germany, Italy, France, United Kingdom, Brazil, Spain, and Switzerland.

In 2012, China outstripped Japan as the world's largest luxury market. Now China's luxury consumption accounts for more than 25% of the global market.

According to the Global Wealth and Lifestyle Report 2020, Hong Kong, Shanghai, Tokyo, and Singapore, are four of the five most expensive cities for luxury goods, and they are all located in Asia.

When it comes to the art sector, the Hiscox Online Art Trade Report 2020 found that 29% of millennial buyers preferred to buy art online, compared to 14% a year ago.



*“COVID-19 has turbo-charged
the online art market”*

Hiscox Online Art Trade Report 2020

4.4. Market Trends

Today's business environment is highly dynamic and volatile. Everyday there are new trends emerging in the business world which influence how businesses worldwide operate. While some people resist change and think of it as a problem others may often see it as an opportunity of creating a better enterprise (Czinkota 1998).

4.4.1. Metcalfe's Law (Technological Trend)

Metcalfe's Law states that networks grow proportionately to the square number of connected users in a system. In basic terms, the more people who adopt a network (e.g. blockchain), the more the adoption rate will increase.

The "law" was first presented in 1980, not in terms of users, but in terms of "compatible communicating devices" like fax machines and telephones. In 1993 it was formulated by George Gilder and attributed to Robert Metcalfe in relation to Ethernet purchases and connections. It was only later, with the globalization of the internet, that what is now known as Metcalfe's Law carried over to users and networks.

What does this mean for Finite.Ltd?

The more people who join and adopt blockchain networks, the faster the adoption rate will increase in a squared rate. We expect more brands, sellers, buyers and traders to join our ecosystem.

4.4.2. Integrations to the Metaverse (Technological Trend)

Balenciaga has released its Fall 2021 fashion collection in the form of a video game, an act which promotes their physical assets along with their digital ones.

Decentraland, CryptoVoxels, plus several other “games” and AR/VR/MX platforms have emerged in recent years, and their adoption rate has greatly increased in 2020.

Utilizing new technologies and metaverses can help established brands promote their innovative image by organizing virtual events and exhibitions, as well as thoroughly research the customer’s link to the digital world and how it changes the customer’s behavior.

According to RoadtoVR, Facebook CEO Mark Zuckerberg said that Oculus Quest 2 is “on track to be the first mainstream virtual reality headset,”⁷

Several other companies are expected to release AR devices to the market soon.

We see NFTs as an integral part of this trend, and expect to see more integrations regarding true ownership, as well as pioneer “phygital” integrations between digital and physical realms.

What does this mean for Finite.Ltd?

As more people join and adopt the cyberspace/metaverse and digital worlds, the need to have inputs, outputs, and integrations between physical and digital realms will increase. Finite will be a gateway to connect physical items to these metaverses, and will allow the creation of 3D models for each physical item listed on the platform, to be easily structured from digital photography and software applications.

4.4.3. Customized Products (Consumer Trend)

Product customization is a growing trend and a useful tactic for brands that want to appeal to consumers with unique products and merchandise. According to a consumer review by Deloitte, it is reported that one in five consumers are willing to pay 20% more for personalized or exclusive products, illustrating an opportunity for brands to deepen connections with consumers and turn them into loyal customers.

Customization allows customers to express themselves through products from their favorite brands, and brands reap the benefits when their customers use their items. By offering limited-edition merchandise drops, brands are building a hype for their customized products and consumers are increasingly comfortable with buying them online. A good example for that is “Nike By You” - an online platform to perfectly customize and design your next Nike shoe. Another important development to note is the penetration of 3D printed items into traditional markets and eventually homes.

What does this mean for Finite.Ltd?

As more consumers choose to buy customized products from brands, Finite.ltd will facilitate the customization channels for brands seeking to provide limited-edition products, thus enhancing their customer's buying journey and brand-related identity.

4.4.4. Investing in Human Potential (Investment Trend)

Although being a very speculative and untested asset class, Investing in humans and their potential is taking shape in forms of Social Tokens, HumanIPOs, and various impact investments.

NFTs allow a buyer to become an A-formal shareholder in the potential of the item they secure and raise its value by giving its ownership to known personalities. If you buy an artist's work, it's because you either like their work and intend to keep it, or foresee a future appreciation in their reach and quality of their art. Or both. ⁸

What does this mean for Finite.Ltd?

When Finite.ltd opens its marketplace to the wide public, it will allow individuals to offer finite items for sale, thus creating a channel for sellers to offer limited edition products that are backed by an unalterable NFT certificate. Investors and collectors of these items will benefit from both the social status attached to these finite items, as well as the access to item-related exclusive communities.

5. Luxury Items As a Store of Value

“Not only do they serve as an alternative investment, but collectibles are tangible assets that offer satisfaction and pleasure to their owners, enabling them to pursue personal interests and passions. Nevertheless, they are not free from risk and, like every investment, require adequate research, expert advice, and management”

Credit Suisse & Deloitte Report, October 2020

A store of value is a safe place to park your wealth where it won't depreciate. For example, gold has maintained its weight for thousands of years, and it doesn't rust or decay, making it an excellent store of value.

Today, NFTs are bringing luxury items as a store of value to a whole new level.

5.1. How Borrowing Affects Traditional Monetary Value

In 2020-2021, the US government will borrow a record \$21 trillion in new debt for payments due to the COVID-19 pandemic. That smashes the previous record of 2009 of \$1.6 trillion of debt, which included the bailouts in response to the global financial crisis (GFC) of 2007-2009.

The more dollars that are added to the supply of money, the less value each dollar has.

The US and other countries are conjuring a record amount of dollars out of thin air at a time when the economy is shrinking due to Covid 19 lockdowns shutting down businesses and tourism. This might lead to extreme inflation.

5.2. Examples of Stores of Value

We all know the story about precious metals dating back thousands of years – gold and silver have a long-standing tradition as stores of value. But did you know that whiskey, for example, was both a store of value and a medium of exchange in the early days of the United States? There are several other alternative stores of value ranging from art to watches and other limited-edition collectibles that are worthy of your consideration as an investor.

In the current climate luxury items will perform well as a store of value, and will protect against inflation. Collectible and rare items have been used by the elites for ages as means of protecting their wealth. For an investor considering greater diversification when allocating assets, there is also the benefit of simply enjoying owning an item you genuinely love and cherish. Investing in quality items has become imperative to search for a store of value outside of the monetary system.

5.3. The Role of NFTs



“It is inevitable that luxury brands would begin to design NFTs.”

Robert Triefus, an executive vice president at Gucci, March 2021

While NFTs provide a digital Certificate of Authenticity (CoA), they also offer true ownership and provenance over digital and physical items. Good provenance always makes an artwork more desirable and should contain information about its dimensions, mediums, date it was created and its title, as well as any additional documentation of the creation of the artwork if it is available.

One obvious benefit of these digital twins is that they can be displayed online, in a decentralized and tamper-proof manner, and could potentially be exposed to a large audience. The other less obvious benefit to NFTs is the immediacy of which they can be bought, secure a predefined value, and sold almost instantly.

What truly makes NFTs the best solution for rare physical items is that one can trade them rapidly and safely, without having to move the physical item from one place to another. This opens up

the possibility to facilitate a trade solely based on the value of the item. Moreover, there is the possibility to have partial ownership over items and even basket items into fund-like structures. More possible use cases spring from creating these digital twins, namely protecting value, adding perks to owners, or partial owners, dividend payments, and much more.

Lastly, we see an astounding potential to collaborate with decentralized finance (DeFi) products that are already in place to secure borrowing and lending against these digital certificates (NFTs). As the NFT market grows, the need for collectors to leverage their assets without selling them will be a natural one and maybe even stronger if we take the intrinsic value into consideration. Leveraging the value of an item grants the collector access to immediate liquidity, without ever having to liquidate the asset itself.

5.4. Risks and challenges associated with NFTs

In traditional NFT marketplaces, the image or video attached to the NFT is not scarce and could be easily copied and distributed, the NFT itself definitely is scarce, and so the effect for the owner is similar.

For veteran collectors, the ability to store valuable items on a blockchain opposed to regular storage options is an undeniable benefit and so is the opportunity to bypass logistical issues of trading real-world items. To illustrate this point, take for example Pokemon trading cards, which also recently enjoyed a surge in popularity. To sell a set of physical trading cards, the owner has to get them graded, list them on eBay and incur selling fees, as well as communicate directly with the buyer.

NFT owners also have to trust that the creator won't generate another run of tokens for a near-identical artwork, thereby devaluing the NFT they originally purchased. In some instances, fraudsters have also created a run of NFTs in someone else's name. When it emerges that the artist isn't who they claim to be, the value of the NFT falls to nothing.

NFTs also bring to the table various legal problems. Creators and buyers alike, should consider which exact rights are attached to the token created, which ownership rights are granted, royalty structures and which display options are permitted. Because NFTs are currently under-regulated, the applicable laws of the country in which they are created raise important questions; What are the T&C of the platform on which the NFTs are created, bought and sold on? How about if they change, are your rights affected?

Finally, there's the environmental factor. By virtue of the way the Ethereum blockchain currently operates (using a Proof-of-Work consensus mechanism), minting NFTs uses a huge amount of energy, equivalent to multiple weeks' worth of an average individual's usage.

While it's difficult to understand why someone might spend so much on a digital asset that can be easily replicated, NFTs appear to offer a solution to a genuine problem for creators and could yet become a permanent fixture in the world of digital art and collectibles.

On Finite.ltd, all of the aforementioned issues are being addressed, since physical items retain their value, and by using a team of expert authenticators every item on Finite is guaranteed to be genuine. Moreover, legal Intellectual Property agreements are signed with every manufacturer in order to prevent a generation of a lookalike product, while detailed terms and conditions are transparent to the buyer. Lastly, to tackle the environmental issue - Finite offers multiple minting options on several blockchains that are more sustainable.

6. Core Platform Functionality

Finite.ltd creates innovative and inspiring ecommerce experiences for buyers and sellers alike. Finite aims to “unlock” the blockchain ecosystems and simplify the process of creating NFTs on various blockchains.

Finite.ltd will operate both online and offline, in the digital and physical world.

6.1. Online Core Functionality

1. Mint tokens on several blockchains (Vechain, Ethereum, EOS and more)

Mint tokens on several blockchains (Vechain, Ethereum, EOS and more)

The NFT serves as a certificate of authenticity and is tied in with the value of the item it is related to, and therefore serves a purpose for future actions and trading.

On Finite, there is the ability for multi-chain minting and different blockchains will be integrated in the future along the development of the Finite Protocol.

Each seller would have a different rationale to mint on different blockchains and Finite.ltd will detail and assist each choice in the easiest and most straightforward way possible. For example: for its ecosystem benefits, a user might choose to mint a NFT on the Ethereum blockchain, but for sustainability reasons one might choose Vechain or EOS. These NFTs can be bought, sold, or traded for fiat currencies or select cryptocurrencies regardless of the blockchain they were minted on.

2. Marketplace for buying and reselling finite items with NFTs

As NFTs become the new standard for provenance over digital items, physical ones will quickly follow suit. By having a digital certificate of authenticity, each buyer is given the value of the item immediately after purchasing it, without having to wait for a traditional shipment, and is then free to trade the item based on its value without ever moving the physical item from its place. In this manner, one could own a painting that is displayed in a museum abroad, and have the online certificate to prove their ownership over it.

If the buyer eventually chooses to redeem their purchase, the item will be delivered to their address, and a tracking number for the shipment will be immediately issued. They will still get to keep the NFT, but would have to re-verify their item again with Finite.ltd if they wish to re-sell it in the secondary market. The secondary market will fully comply with current and upcoming regulations.

3. Integrations of cyberspaces and 3D ecommerce

As cyberspaces gain popularity among users, commerce and new economies emerge in these digital spaces. Finite.ltd will help brands and sellers navigate into cyberspace by issuing 3D

models & custom made designs, as well as private virtual events. Several online shopping solutions and digital shops have recently emerged, and the shopping experience as a whole is bound to be digitally rejuvenated from 2D listings to 3D models with virtual try-ons, and integrations into traditional and upcoming virtual platforms.

“There’s no question that the next generation of ecommerce is 3D. First, there was the internet, then mobile shopping—now it’s 3D everywhere.”

Shawn Rothery, Director of 3D Content for Marxent ⁹

After each purchase:

- Network Gas Fees are covered in all transactions
- Warranty/Guarantee – in NFT form
- Express worldwide shipping (if redeemed, also free above a certain threshold)
- Live support 24/7
- Micro communities with perks
- Partial ownership mechanisms (if chosen)

6.2. Offline Core Functionality

Finite will establish thorough safeguard measures to prevent any kind of counterfeit item to be sold on its platform, through our proprietary knowledge in the arts and collectibles market, as well as external and reputable third parties. For the intended launch, a select group of initial partners will be chosen, thus assuring the authenticity directly from the brand itself.

Before the marketplace opens for the general public, Finite will procure verifications for items through external, reputable expert authenticators, while building Finite's authentication facility in central Europe. In the following time period, creators will be obliged to apply for Finite's list of valued partners, and will be chosen strictly based on their credentials.

Shipping & Redemption processes will occur through our valued partners with vast experience in shipping valuable items across the globe.



Image 5. Infographic for offline core functionality

7. Auction Models

Auctions come in a variety of types and categories, which are sometimes not mutually exclusive. Each Auction model has different characteristics and its own advantages. Finite will help sellers decide on the best auction model for their items and will develop more innovative auction models in the future.

1. Absolute Auction

Absolute Auction means the highest bid wins, regardless of price. The typical result is that the seller will get more money because of the competitive nature of bidding. The competition typically heats up most intensely at Absolute Auctions because bidders know that the property can be theirs by besting a rival across the room or even online. However, other bidders have the exact same strategy and desire. Absolute Auctions typically get the most bidding. For the seller, the risk associated with an Absolute Auction is greater than with other types of auctions, but so is the potential reward.

2. Minimum Bid Auction

Minimum Bid Auctions start with a minimum price established by the seller. Bidding must start at that minimum otherwise there won't be a sale. The minimum bid is published and announced by the auctioneer at bidding for that particular property. These auctions are very safe for the seller, but usually as attractive to buyers as Absolute Auction. A key strategy for a Minimum Bid Auction is for the seller to set the minimum bid low enough so that buyers will be interested. Placing the minimum bid too high will discourage initial bidding.

3. Reserve Auction

Reserve Auctions allows the seller to accept, reject or counter the "winning" bid for any reason. Sellers typically make this decision before the auction event ends. This gives sellers protection, so their properties will not be sold below what they consider as acceptable. However, sellers should be aware that Reserve Auctions typically generate the least amount of interest among potential buyers because buyers know their "winning" bid can ultimately be rejected.

4. Sealed Bid Auction

In a Sealed Bid Auction, bidders privately submit their one best offer in writing. The bids are opened privately by the auctioneer and seller, who do not reveal the bids to any of the participants. The seller can take one of the following courses of action: Accept the highest or best bid, reject all bids and call for a “Best and Final” bid from the two highest bidders, or just commence tough negotiations with all the identified bidders.

Sealed Bid Auctions are often used for properties that do not have a broad market or appeal. Furthermore, keeping the bids private helps ensure that if all bids are too low for them to be accepted by the seller, the property will not become stigmatized by having a perceived low value in the marketplace.

5. TwoStep (or Combo) Auction

The TwoStep Auction is one in which sealed bids are sought from bidders (the first step). If the seller does not accept the highest bid, then the top five bidders are invited to participate in live bidding on an absolute or reserve basis (the second step) to determine the highest bidder.

6. Open Edition Auctions

Open Editions aim to gauge the demand for an item before manufacturing the correct amount of pieces (supply). Open Editions could be capped to a max supply.

Participants in Open Edition Auctions should be wary of not being able to supply the exact same amount of pieces that are redeemed, and keep in mind to cap the time-horizon in which items should be supplied if they can't promise to have the capability to produce them.

7. Blind Pack Auctions

Blind Pack Auctions are the ultimate form of gamified drop models. In this model, a user purchases a pack with a pre-programmed percentage chance to draw an item out of the pack. The percentage could also serve for different types of rarity for items.

8. Silent Auctions

Silent Auctions occur when bidders privately bid on the property. The seller then gets to choose from a variety of bids and selects the winner. Silent Auctions could also serve for multiple editions. For example, let's say that a lot has an edition of 10, and the silent auction is open for 10 minutes. After this period of 10 minutes, whichever users had the 10 highest bids will win the auction. The user that had the highest bid will receive edition #1 in the collection. The user that had the second highest bid will receive edition #2 in the collection, and so on.

9. Drawing Auctions

Drawing Auctions aim to level the playing field for bidders and collectors. To participate in a draw, a user must be verified, agree to an initial (relatively minor) fee, and confirm their entry. Once the entry period concludes, winners will be randomly selected and automatically charged for the item's price. The following conditions apply:

- Edition numbers will be randomly assigned.
- Only one entry per user unless otherwise specified.
- You must have a validated profile to enter.
- If payment cannot be processed at selection time, a new winner will be selected

10. Dynamic Auctions

Dynamic Auctions aim to be completely interactive and measured by simple logic gates, as well as potentially be determined by events to produce an outcome. Event Based - Dynamic Auctions capitalize and draw attention by using gamification and the element of uncertainty.

11. Private Auctions

Private Auctions occur either in private physical or digital rooms and are reserved only for invitees. Private Auctions may include some of the above auction models or new hybrid models.

8. How Finite benefits creators and buyers

After we thoroughly explored the market at large, NFTs and their added value, as well as the functionalities of the Finite platform, a short summary of the benefits for creators and buyers on Finite is presented as follows:

For Creators:

- Protect your brand reputation and prevent a dispersion of counterfeit items.
- Utilize the ingrained trust while exploring future technologies and blockchain technology.
- Explore co-branding options and new products to enhance the innovation of your brand.
- Expand your customer base (including users of cryptocurrencies) and online buyers.
- Market and auction your limited edition releases with dynamic smart contract technology.
- Use data models to learn more about your loyal customers, and offer them better products.
- Profit from a percentage of secondary market sales, and explore new financial options.
- Create micro-communities and connect with your loyal buyers, while offering special perks.

For Buyers:

- Easy and straightforward gateway for non-crypto natives to use blockchain applications.
- Get access to exclusive and rare goods from your favorite luxury brands.
- Authenticity guaranteed on the blockchain - don't trust, verify.
- Procure a unique, unalterable Non-Fungible Token for your personal and financial aims.
- Utilize the appreciating value of the digital asset against the depreciating value of the physical one.
- Safely trade and sell your verified items on a secondary market.
- Own physical & digital goods to use in various metaverses.
- Enjoy a Swiss quality platform which ensures the best customer experience for NFT buyers worldwide, online and offline.

9. Timeline

01 **Q1 2021**
MVP - Showcasing
Technical Capabilities



02 **Q2 2021**
Onboarding Sellers and Partners,
Legal Structure, Inter-Chain Operability



03 **Q3 2021**
Official Launch &
Live Trading Platform



04 **Q4 2021**
Global Roadshow,
Global Marketing



05 **Q1 2022**
Hiring and Expansion,
Finite Inhouse Brand



06 **Q2 2022**
Authentication Facility,
Integrating individual sellers



10. Outlook

Finite is inspired by and born out of the trends and technologies that are shaping our current lifestyles. Throughout this paper, we explored those changes mainly along two convergences: the physical aspect, and the digital one.

We explored how in the near future, participants will carry out their self-expression across applications and realities. They will be able to access digital models of their physical items, and create physical items out of their digital models. Their ownership and provenance over these items will not be constrained by the walled gardens of the current digital platforms. They will be able to sell these items on decentralized markets, use or lend them to others on various platforms. Collectors will want to explore and showcase the one-of-a-kind items they own to their personal network, followers, or buyers. Through the adoption of digital ownership, creators and consumers will have direct online access to each other's items and their shared creativity. Brands and sellers that will adhere to the spirit of the time (zeitgeist) and offer new products and mediums to their clients, will have tremendous opportunities to capture a very premature market, and reap great rewards in terms of loyalty, media coverage and economical benefits.

Whichever structural changes, threats or opportunities might occur with these new economies, at its core, Finite will remain a future-proof and agile marketplace.



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