

Fundamentals of Finhaven Token (FINToken™¹)

Finhaven™ Vision

To simplify & improve global financial markets with blockchain technology.

FINToken™ Vision

To become a utility medium for innovative, improved transactions in regulated industries using blockchain technology

Why Finhaven:

- We see things differently - both from traditional finance players and decentralized finance people. That is, we work with regulators to innovate gradually to reach our full vision. We have done this since 2017 successfully and will keep it up.
- In early 2018, we were one of the first security token Ethereum Improvement Proposal contributors. During this time, we realized the limitations of public blockchains for regulated industries. So we changed our approach and built a private blockchain that works together with public blockchains. We have been successful in implementing this strategy.
- We also changed our technology direction from an Ethereum protocol builder to a new capital market infrastructure builder. Blockchain innovation cannot penetrate the legacy capital market systems because the legacy capital market infrastructure is segregated with complexity between market players and between jurisdictions. So the necessary condition to capital market blockchain innovation is to have a full scale capital market infrastructure. Since June 2018, we've built that infrastructure for private capital markets and we are poised to adapt it for broader financial markets.
- Who will use this new capital markets infrastructure? To solve this problem, we vertically integrated our Finhaven group businesslines by having our subsidiary, Finhaven Capital Inc. registered and authorized as an exempt market dealer, marketplace and clearing agency for security tokens. To the best of our knowledge, we are the only platform in the world with fully integrated regulatory authorizations - the only intermediary between buyers and sellers of securities on a blockchain based investment platform.
- To provide a regulation-compliant solution to buyers and sellers in the two worlds of cryptocurrencies and security tokens, we have also built a Finhaven Gateway solution. We are so glad that we can offer our platform users a new and better solution to connect their crypto assets and their digital (private) securities assets: we are closer to reaching our vision.

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The Intrinsic Value of Finhaven Token: Why did we issue Finhaven Token?

Removing third-party custodians is key to real innovation in capital markets. The essence of blockchain innovation is peer-to-peer transactions and self-custody of your assets. In the securities world, however, your investment dealers are custodians of your securities and cash, and banks hold the cash. Unless this fundamental issue is resolved, there is no innovation with blockchain. With Finhaven Distributed Network (FDN, private blockchain), we solved the custodian issue for securities. However, we have not solved the cash custodian issue yet. Having FINToken available for our platform is a giant step closer to solving this cash custody problem.

To enhance cross border securities settlement and to have regulators, central banks, and dealers around the world participate in the efficiency of blockchain supported, regulated industries, Finhaven Chain (public blockchain) will be necessary, as will a medium of exchange for the chain. FINToken will be that medium of exchange.

Finhaven Private Markets² can currently serve global issuers, but Canadian investors only. So we are on our mission to expand to other jurisdictions with Finhaven partners. When each jurisdiction-based market is connected with each other in the same technical infrastructure, we need an utility medium for settlement which is better than fiat currencies to cross between jurisdictions with securities. At an early stage, settlements will be done with a local currency, and the currencies can be connected with FINToken.

Crypto payments for private securities transactions: We have received inquiries about investing in security tokens in Finhaven Private Markets with cryptocurrencies. To accommodate these needs, we need FINToken and Finhaven Gateway - our registered money services business subsidiary authorized to deal with FINToken.

Crypto payments in Finhaven ecosystem: We also have received inquiries from other regulated businesses who wish to take cryptocurrencies from their clients for large value transactions. We can help those businesses by facilitating large crypto transactions with FINToken, expanding the Finhaven ecosystem.

FDN as a middleware: We are developing the Finhaven Distributed Network for use as a blockchain middleware platform. The first use cases will be decentralized ID and NFTs. They will be in use in Q3 2022.

MetaismX™: MetaismX is our NFT marketplace curated for the film and music industries and their artists. MetaismX NFTs will be available for purchase with FINToken.

White-labeled Finhaven Investment Platform: We will release Finhaven Investment Platform's white-label version for issuers and investors, best described as a combination of angel networks - PitchBook, Crunchbase, Carta - plus an exciting capital raise marketplace for the global venture world. FINToken will be an important tool for capital raise activities in that universe.

² Finhaven Private Markets is owned and operated by Finhaven Capital Inc., a registered exempt market dealer and authorized private securities marketplace and clearing agency in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, and Québec. Finhaven Capital Inc. is a subsidiary of Finhaven Technology Inc.



The intrinsic value of FINToken will be proved by the use cases described above, particularly the volume and value of regulated transactions. FINToken's innovation impact will be multiplied in regulated industries; that will be proven by expanding the Finhaven ecosystem. As with any other crypto token, there is no mathematical model or formula that we can present to you at this point; however, we plan to create credible formulas to calculate the intrinsic value of FINToken. We also hope our formulas can be applied to other crypto tokens.

We have minted 1,000,000,000 FINTokens. We plan to supply up to 20% of one billion tokens (up to 200 million tokens) by the end of the first year and up to another 20% by the end of the second year. So, by the end of the second year, the maximum number of FINTokens in market circulation will be 400 million tokens. The right way of calculating market capitalization will be the price times the number of tokens in market circulation. We will disclose tokens in circulation on our website.

Risks

We have confidence in our vision and our work. The Finhaven Team is working very hard towards our vision. However, it is also important that you take note of risks involving FINToken before you purchase it.

Liquidity risk

Whether you purchased FINTokens™ with a lock-up feature or free-trading FINTokens, you may not be able to find good liquidity to sell your tokens when you want to sell them. Finhaven Gateway Inc. ("Gateway") will use commercial best efforts to list Finhaven Token (FINToken; FIN) with credible crypto exchanges, but there is no guarantee any application will succeed.

Price risk

Regardless of the intrinsic value of Finhaven Token, based on the supply and demand of the token, the price can be volatile because crypto asset markets, as a class of markets and tokens as a class of crypto assets, can be volatile. In addition, standards for crypto asset valuation are not yet well developed.

Business risk

Finhaven Token is intended to be used in the Finhaven ecosystem: that is, for private securities trades and for trades in any other goods and services the Finhaven Group of companies may, in future, offer. The Finhaven Group of companies is working towards expanding the ecosystem; however, there is a risk of failure, delay, and business environment changes that could constrain the number and kinds of goods and services that can accept FINToken as a means of payment or employ FINToken as a connector between tradifi and defi.

Systematic risk

As the crypto market heavily relies on the market liquidity and regulatory changes, Finhaven Token may not be able to avoid the financial markets' systematic risk.

Regulatory risk

The regulatory landscape for crypto asset purchases and sales is evolving. There is a risk that purchases, sales, and management of FINToken may evolve so that the regulatory burden on FINToken holders, buyers, sellers, Gateway, or exchanges that list FINToken is heavier or substantively different.

Tax risk

Income tax policy and legislation related to crypto assets is still evolving; there is a risk that investors will experience unanticipated and potentially negative tax consequences as a result of buying, holding, or selling FINTokens.

FINToken™

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