



**ART MARKET GURU**

**PADDLE8  
INDUSTRY NOTE**

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## SUMMARY

Paddle8<sup>1</sup> is an online auction house established in New York City in 2011, making it one of the first online art auction platforms in the world. It focuses on selling art priced between US\$1,000 and US\$10,000. As one of the most mature online art auction houses in an increasingly crowded marketplace, Paddle8 has strong brand equity with which it should be able to leverage additional funding. An emphasis on building itself as a forward-looking, reputable company should help it develop its customer base at an accelerated clip. Its longevity as a tech company that has overcome its fair share of startup challenges helps build its credibility in the marketplace and among investors.

Another one of the company's greatest strengths is that its new CEO, Izabela Depczyk, has solid operational experience. She is the Founder and Executive Board Member of The Native SA<sup>2</sup> and the Managing Director of Paddle8. Her past position as the CEO of Artnews gives her a practical, grounded orientation for running a business in the art market. Her experience should provide a counterbalance to the lack of deep managerial talent in previous C-level positions at Paddle8.

Though relatively well-established, the company faces several risks to its viability: the middle market segment with which it identifies itself is limited; and the company is also gambling on "trending" technologies through its Paddle8 Lab to gain and maintain a leadership position in the online auction marketplace for art and collectibles (A&C), which may at best realize a marginal return on investment.

<sup>1</sup> <https://paddle8.com/>

<sup>2</sup> <https://thenative.ch/>

## COMPANY PROFILE

Paddle8 is an online auction house that enables collectors to sell artworks and collectible items as well as build their collections through the platform. Paddle8 has grown into one of the most prominent online auction houses that addresses the middle market. The company was founded in 2011 by Alexander Gilkes, an expert auctioneer and former LVMH executive, Osman Khan, an experienced banker, and Aditya Julka, a Harvard Business School Scholar and ambitious entrepreneur.

Since its founding, Paddle8 has been the host of over 1200 auctions. On top of providing a digital platform for collectors to purchase and sell artworks and collectibles, Paddle8 takes pride in helping non-profit organizations in raising funds through artwork auctions. Thus far, Paddle8 has helped raise more than US\$85 million for various charity causes. The company has the goal to connect collectors from all over the world through a global network that features millions of art pieces and collectible objects.

While they are partnered with over 350 cultural institutions and charity organizations worldwide, Paddle8's most notable partnership thus far is the collaboration with The Native SA, a Swiss industry-leading company that focuses on content marketing, technology and e-commerce services. The companies announced the partnership in early 2018. The two companies have launched several projects since then, including Paddle8 Studios and the P8Pass. They have reported their mutual goal is to bring tech innovation and the world of arts and auctions together into an effective digital solution.

The Founder, as well as the Executive Board Member of The Native SA, Izabela Depczyk, is the Managing Director of Paddle8. As the youngest female board member of a Swiss-listed company, Izabela Depczyk used The Native SA to help improve the Paddle8 business by providing corresponding tech solutions for the online auction platform. Together, Paddle8 and The Native SA have launched the Paddle8 Lab, which takes advantage of The Native SA's technologies, such as their Blockchain Lab and e-commerce services.

In April 2018, the two companies launched Paddle8 Studios for the purpose of content creation and digital marketing, while in May they launched the more complex P8Pass. The P8Pass is a Blockchain-based tool that utilizes a blockchain distributed database to provide certificates of authenticity for artworks and collectibles that are traded on the Paddle8 platform. Through this partnership, Paddle8 uses The Native SA's tools to promote their auctions, drive organic traffic and attempt to bring transparency and security to the online market.

Both companies are currently working on new innovations with their mutual goal being to bring the world of auctions closer to the digital age we live in. As a New York-based online auction platform, Paddle8 is focused on becoming the #1 platform in the industry. The Native SA will continue placing creative technological solutions in the market to further the business of Paddle8.