SEED Venture (v. 1.3)

Platform for the tokenization of Venture Capital,
financing and the *praesidium* of start-ups through *Venture Incubators*

"Finance invests in innovation, but doesn't innovate itself"

1. INTRODUCTION

SEED Venture arises from the experience of its founders: innovation, technology, business and enterprise equity.

Innovation has always been the tool with which humankind has improved their present in order to create their future. Today, the family of technologies behind blockchain plays an essential role in innovation, and it is already conquering many sectors of the economy, creating new ways of doing business previously unknown. Many people wonder if decentralization will be part of our future: we can say with certainty that it will be the basis of evolved and radically innovative business models.

Venture Capital has always been looking for start-ups with brilliant ideas to express their full potential, both for being part of the change and for the possibility of high returns that can come from investing in them. But this world often evolves much more slowly compared to technology, start-ups and innovation.

The Future has always brought opportunities but also risks: investing in new ideas is associated with very high potential gains; however, today it means blocking capital for at least five years with the awareness that many new initiatives do not overcome the difficulties of the first years of life.

There is, therefore, a need for concepts and models that outline new paths for the future of the more fluid venture capital world, something that connects those who invest and those who bring new ideas. Investors need a wide range of options which they can follow closely. Incubators must be able to establish a lasting relationship with start-ups on the one hand and with investors on the other. While start-ups must be able to count on an experienced managerial support that takes care of their growth in the medium term.

2. WHY SEED Venture

SEED Venture is an *open source* platform based on blockchain technology which provides tools that allow financing new innovative projects from the first phase (so-called "*seed stage*"), limiting risks and following the growth step by step. The funds are allocated directly to the start-ups and used to reach the *milestones* declared; the platform is a monitoring tool that allows the support during the entire "early stage" phase (3-5 years). Each project completed successfully will bring value to the investors who have participated in it.

3. PURPOSE

SEED Venture is the place where investors, incubators and start-ups can meet and interact, minimizing risks and sharing objectives, giving space to the potential of the ecosystem, so that no good idea goes to waste.

It is a platform for the tokenization of venture capital that:
- makes *private equity* completely liquid
- opens up the possibility of investing in innovation
- removes barriers
- reduces time
- eliminates unnecessary intermediaries and costs
- offers new tools to all operators in the game

All this while remaining within the scope of the respective jurisdictions

SEED Venture is an open and decentralized platform. Investors can choose how much to finance, when to do it, and what pool to fund by also taking advantage of the voting mechanism. Funding will be released during the project's progress in a completely autonomous and transparent manner, and its use can be verified. The risk is minimised thanks to various precautionary measures:

- start-ups that do not meet the deadline certified by the incubators will not receive additional funds
- start-ups will be of different types and sectors (artificial intelligence, nanotechnologies, biotechnologies, robotics, medical devices, food technology...)
- the incubators will be able to propose start-up pools of different types and sectors
- the platform will host several incubators, free to adopt their preferred business model
- investors will be able to view and support more than one incubator
- investors can switch from one incubator to another, and invest in more incubators
- investors will be able to invest in the SEED Venture platform as a whole and become *holders* of the SEED token

This scheme can be implemented by taking advantage of the potential provided by blockchain technology but does not require to be familiar with its more complex aspects. It guarantees such flexibility that incubators operating in different countries can implement their business model in compliance with the laws of their jurisdiction.

Moreover, the projects of the start-ups do not necessarily have to be inherent to the world of cryptocurrency or blockchain: they can benefit from this technology while belonging to traditional sectors or business models.

4. ECOSYSTEM

SEED Venture creates an ecosystem in which participants can innovate themselves and their role in the business. Investors will be able to take advantage of the potential offered by tokenization and operate in ways that were previously impossible. Incubators can help with the development of start-ups with longer horizons. Start-ups will be supported from the very beginning and will be able to give their best on the market and satisfy investors.

In this way, operators will be able to take on more evolved and relevant roles. Investors, by gaining control of the platform's tokens, will experience this financial innovation as an enhancement. Incubators will be able to select high-quality start-ups, supporting them throughout the early phase of the project, proposing innovative business models. Start-ups will benefit from a new and direct approach with their stakeholders, being part of a trustless, permissionless and decentralized future.

5. ELEMENTS AND WORKFLOW

SEED Venture is a platform based on blockchain technology that uses multiple tokens within its ecosystem. "**SEED**" " is the native token with which investors can finance the incubators' start-up pools. Each incubator will use their own pool token. **A peer-to-peer internal trading platform** will always allow the exchange between the native SEED token and the pool tokens. The trading of tokens between the different operators will be managed by automatic **smart-contracts**, ensuring transparency and reliability.

How do these elements cooperate?

Let's make this clear in a few sample passages:
- investors obtain SEED tokens;
- after qualifying, they're credited by the incubators and choose in which pools they want to invest;

- they look at the start-ups contained in the pool in which they invest;
- the incubators acquire shares, previously agreed upon, of the start-ups they propose;
- investors confer SEED tokens to a financing smart contract and at the same time the incubators issue shares of their own tokens to the investors;
- the allocation of tokens takes place during the advancement of the project's progress according to the criteria defined by the incubators;
- start-ups can use the SEED tokens received to finance their projects*;
- the incubators support the start-ups and monitor their work from an early stage;
- successful start-ups are the ones that reach the stage where the incubators exit;
- the incubators collect the exit corresponding to the shares held;
- the money raised is used to buy SEED tokens on the market (net of a possible reward for the excellent support of the incubators), with which to buy back their tokens and burn them, in whole or in part depending on the model of the incubators themselves;
- each exit leads to an increase in the value of the SEED token and the incubators' token;
- through exchanges, investors gain from the increase in value.

Payment of services provided in the ecosystem for those who will use the platform (*)

- In the case of additional or specific services provided by the incubators, related to the activities of assisting the start-ups to achieve success, these services can be paid by the start-ups themselves in SEED tokens, thus reducing the exchange rate risk of the token itself, by virtue of a possible list of services of the incubators directly denominated in SEED tokens.

- Incubators will be able to enter into agreements and conventions with suppliers of goods and services interested in working with start-ups, so that the latter can directly spend the SEED tokens received through investor financing, thereby mitigating the exchange rate risk.

Promoters will consider allowing investors to vote on the ranking of the incubator's pool of start-ups.

6. PROTOCOLS

We believe that the free market is the engine of any development, so with SEED Venture, in addition to competition between incubators and start-ups, we intend also to promote competition between protocols.

For this reason, SEED Venture tends to be agnostic with respect to the underlying protocols, so that it can be developed in successive stages and on different platforms, which have the functions necessary for its full implementation, including the decentralized internal peer-to-peer exchange and smart contracts invoked by the oracles.
These must mainly meet two eligibility criteria:
- the existence of a large community of developers;
- the development of solutions to the inevitable scalability problems produced by large-scale adoption.

The SEED Venture code is *open-source* and will be documented in detail for the benefit of independent developers, to whom the platform will be open from the outset.

Phase One: Ethereum
The first distribution of the platform will be released on the blockchain of Ethereum.
At present, among the protocols that implement the features necessary for the full development of the platform, the most proven is Ethereum, which enjoys a large community of developers and is studying solutions to the problems of scalability caused by its adoption.

Further developments

We will help create a community of independent developers interested in working on the ecosystem generated by the platform, on top of and around the original core. Within the community, we will promote the development of the platform on other suitable protocols, with a focus on interoperability, giving priority to RGB, the protocol being developed on Bitcoin.

The Bitcoin protocol currently fully meets all of the criteria for choosing a development platform, both for the vast community of developers and for the brilliant solutions adopted for scalability. Although it is the oldest and most tested, distributed and attack-resistant protocol, at present it does not have all the functionality needed to fully develop the SEED Venture platform.

RGB is therefore considered by the community to be the best high-level solution under development, in order to expand the functionality of the Bitcoin protocol towards an efficient standard of emission and management of tokens on blockchain. RGB exceeds the limits of the well-known and proven "colored coins" protocols by recording simple "proofs of publication" on the Bitcoin blockchain and leaving all other functions to the higher level protocol, with obvious advantages in terms of integrity and scalability.

There are no details in the roadmap because it is not possible to predict the development time of the necessary functionalities of RGB. The RGB project, in fact, is carried out by independent developers with non-commercial purposes and its progress will depend on the aggregation capacity of the community of developers.

7. TOKEN DISTRIBUTION

SEED Venture was created for the market, and it will, therefore, be the market that will give it value. We have chosen not to launch an ICO but to present to the market a project of the highest quality, with an innovative idea and many possible developments able to remove obstacles for different operators and to enable new forms of business with enormous potential.

This is the business card of SEED Venture: a project that represents the solution to the needs of the different players in the world of venture and innovation, allowing the emergence of new businesses.

For this reason, the SEED token will not be launched with an ICO or equivalent procedure, but, following a consolidated method in the crypto world, will be distributed to the crypto community through an airdrop, consisting of a proof of interest demonstrated through the following three methods of participation:

TOKEN SEED	
Description	**Distribution (%)**
Issuing Tokens	300'000'000
Airdrop will be based on:	
- Proof of Work	50'000'000
- Resolution of captcha	50'000'000
- Unspent transactions	50'000'000
Tokens reserved for development	150'000'000

The airdrop will take place in a single operation, following the proof of interest phase, which will start on **December 16th, 2018 at 12:00 CET** and will end on **January 15th, 2019 at 12 CET**.

The tokens reserved for the platform will be used to finance the development following the roadmap. The tokens will be used for:

TOKEN SEED	
Description	Distribution (%)
Tokens reserved: 300.000.0000	
Airdrop	50.0%
Platform development	32.1%
External Exchange fixing	6.7%
Funding	7.6%
Reserves	3.6%

8. ROADMAP

SEED Venture grows and develops in parallel along two roads.

The platform is the result of the market's demand for an innovative, useful and solid tool that can benefit from all the features offered by blockchain technology.

The project must also allow developing the business in a completely flexible way, compatible with the evolving regulatory framework and with the different legal needs of different jurisdictions.

These two aspects grow by following this roadmap:
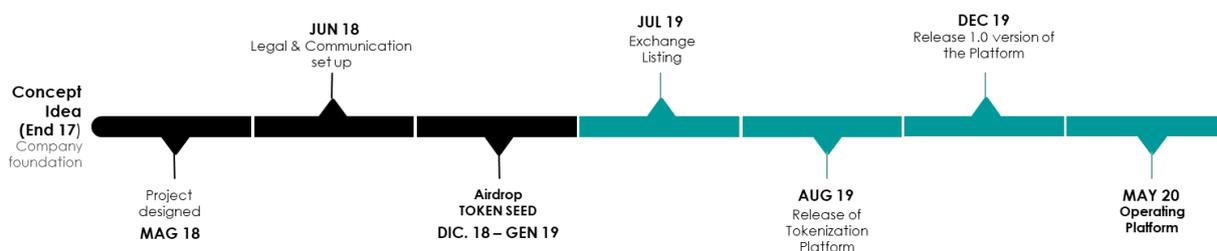
9. RISKS AND DISCLAIMER

The general premise is that everyone who wants to approach the world of *tokens* and *digital currencies*, and wants to invest in it, must be aware of the significant risk they face. There is a high number of possibilities that something goes wrong in any project.
Let's summarize, therefore, in a list that is not exhaustive, some of the risks inherent in the SEED Venture Project:

- The token distribution, by means of the proof of interest, is managed on a centralized server and subsequent issue on the blockchain in a single settlement. Despite taking the most reasonable security measures possible, it is not possible to rule out the occurrence of attacks or malfunctions that could lengthen or suspend the process of the airdrop;
- Your wallet, in which the tokens will be stored, will be entirely under your control and the project promoters will not be able to intervene or remedy in case of loss or theft, either directly or indirectly;

- The SEED token, as extensively described, represents the platform enabling the mechanism which links investors, venture-incubators and start-ups. The distribution of the SEED token is done by means of the proof of interest, without any counterpart in digital currency or fiat: the token therefore initially has no base value, just as it has no underlying guarantee that can represent or ensure an economic value. Its future value is likely to be determined by the proper functioning of the platform itself and the behaviour of its actors; it is necessary to be fully aware of this when participating in the token request process;
- The SEED token is not redeemable, does not entitle the holder to any refund and does not represent credit against the issuer;
- The platform and its development are open, and therefore replicable. We believe we have a competitive advantage as first movers, both in terms of idea and technical implementation in the scheduled time; this does not exclude that third parties can replicate and/or improve the operation, thus acquiring the leadership in the market;
- The writing of *smart contracts* and all the components, which will be developed on-chain, off-chain and cross-chain, could present technical or processing limitations: these limitations, that could occur directly in the development phase or emerge later if brought to the attention by third parties, cannot be excluded but must be proven and demonstrated;
- The evolution of the *token/cryptocurrency* market as well as the underlying technologies will have future developments that could limit or make less effective the model and technical aspects of the project itself: a risk common to all projects, which must be taken into account;
- We may have legal problems with regulators or government agencies: if these problems cannot be overcome, we will propose to the members of the community to continue the project in an open and decentralised manner, but we cannot guarantee that there will be someone who can continue the development or complete it.

Let us remember that the SEED token is not an equity token: it does not represent any property of the legal entity that launches the platform, nor of the incubators that will use it (which, as planned, will issue their token), nor of the start-ups that will represent the pool of initiatives to be financed.

The SEED token gives voting rights in order to determine a ranking of start-ups most deserving of funding, but in no way gives voting rights linked to majority/minority ownership interests, these will never be held through the SEED token.

Finally, the SEED token does not give privileges to token holders nor to those who will use the platform.

SEED Venture is a platform that aims to create an ecosystem in the world of *seed funding* targeting new innovative and disruptive projects or initiatives, a platform that is built on an underlying technology that must still be considered experimental. The risks (and potential gains) can be extreme.

Finally, nothing contained in this document should be considered as a prospectus of any kind and linked to a solicitation of investment, nor does it in any way refer to an offer or solicitation of an offer to purchase securities in any jurisdiction.