LUCIDAO

BRIDGING CRYPTO AND REAL WORLDS

Whitepaper 1.1.

Crypto market and Lucidao proposition.

In November 2021, the cryptocurrency market capitalization unprecedentedly hit the $3 trillion mark, surpassing the GDP of nations such as the United Kingdom, France, India and Italy. This milestone contributed to solidifying users' trust in blockchain technology and paved the way towards unleashing further developments of decentralized finance (DeFi) and Web 3.0 applications.

According to CB Insights, by Q3 of 2021 investments in crypto startups soared to $15 billion, reaching in 9 months an increase of 384% from 2020 where total funding amounted to $3.1 billion. These conditions also led to the creation of 12 more unicorns in the crypto space. In addition, crypto exchanges largely benefitted from such bullish sentiment in the crypto markets, resulting in a 2'240% increase in funding. Furthermore, NFTs (Non Fungible Tokens) trading volume surged in the the third quarter of 2021 to $10.67 billion, a 704% increase from the previous quarter.

Global blockchain funding soars to reach $15B in first 9 months of 2021
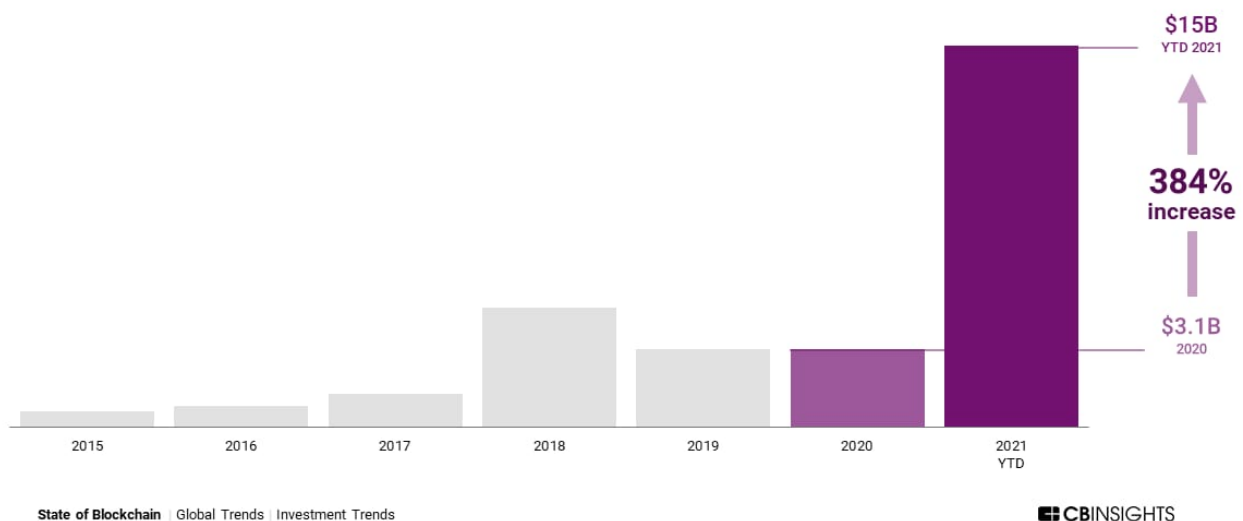
Notwithstanding, in today's very novel and fragmented crypto ecosystem it is very complex for traditional business owners to harness the opportunities given by the exponential growth of the crypto market. On the one hand, crypto users are looking for new tangible ways to use their cryptocurrencies and diversify their portfolio. On the other hand, traditional business owners are struggling to leverage the cryptocurrency ecosystem due to the complexity and lack of structured and competent guidance on various aspects such as technological, regulatory and administrative matters, to name a few.

Even though traditional business owners see crypto as a promising new opportunity for their business, they often do not have the knowledge to make decisions on a wide range of topics (blockchains, wallets, smart contracts, legal aspects and more), thus hindering the fusion of cryptocurrency and the real world. Lucidao, is a decentralized autonomous organization which aims to bridge the crypto and real worlds by connecting crypto communities, traditional business owners (oracles), the technology, and the liquidity provided by the cryptocurrency and DeFi market.

By connecting these worlds, the growth potential for Lucidao is unencumbered. The ultimate goal is to create an open and community-governed multi-sided platform of platforms covering various industries and target groups to address diverse needs. Considering that Lucidao decisions are driven by its community members, the future developments of the platform are vast, from the creation of marketplaces driven by smart contracts to the empowerment of physical goods through the adoption of NFTs. The Lucidao is based on the OpenZeppelin Governance Protocol which allows Lucidao members to propose and vote platform upgrades.

LUCIDAO TECH INFRASTRUCTURE

The Lucidao technological framework is made of a series of deeply interconnected Smart Contracts deployed on the Fantom blockchain.

The final purpose of the framework is to give LCD holders the exclusivity to design and develop a range of DApps by interacting with the Lucidao Governance, on which only the community's agreed vision could shape their future in the crypto space.

Smart Contracts Rundown

In its initial implementation, the Lucidao ecosystem is comprised of the following components:

Lucidao Token:

is a Fantom Opera Token augmented with the OpenZeppelin ERC20Votes extension to support on-chain voting and delegation.

Governance:

- **Transparent Upgradeable Proxy:** smart contract entrypoint for the OpenZeppelin Proxy pattern, which has the ability to hold and upgrade the implementation logic of the Lucidao Governance system.

- **Governance Logic:** initial logic for the Governance system, it forks the specifics recommended by the OpenZeppelin Governance methodology.

- **Timelock:** smart contract that buffers the governance's passed proposals before implementing them, in order to give Lucidao users enough time to understand the new protocol's changes and act accordingly.
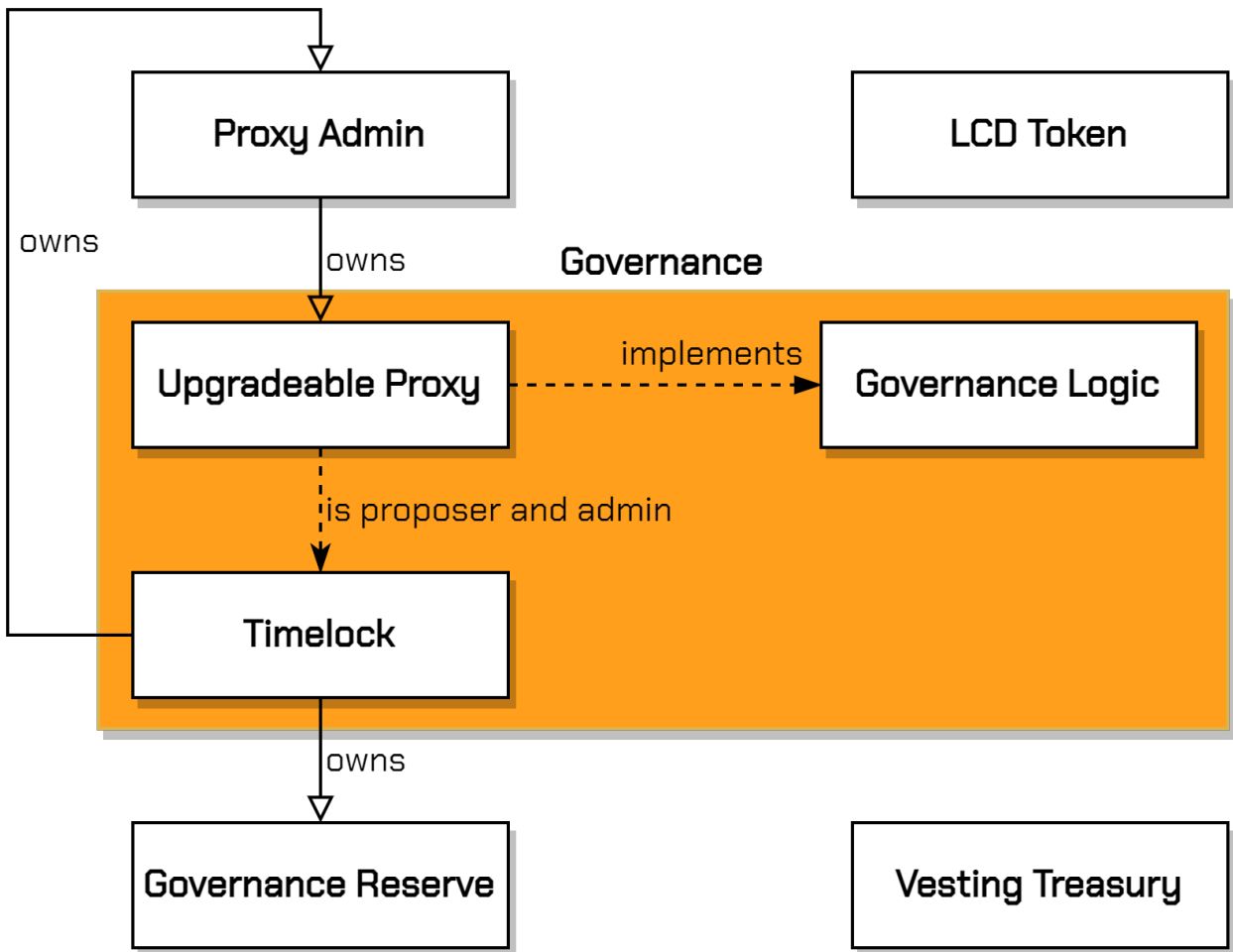
Proxy Admin:

administrative interface of all the proxy contracts issued by the Lucidao ecosystem.

Governance Reserve:

smart contract that acts as a safe that stores the Governance's token reserves.
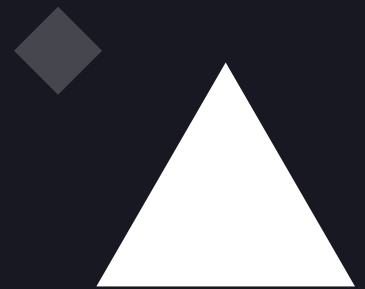
Treasury:

safe that holds 10% of the Lucidao total supply and will deposit its content to the Governance Reserve after a 1-year vesting period.

GOVERNANCE VOTING PROCESS

Voting on the Lucidao Governance framework is a multi-step process that ensures that every part involved can have a secure and fair governance experience.

Let's start voting!

Each LCD Token Holder should stipulate to which address LCD Tokens should be delegated
in order to grant power for voting and submitting proposals in the Governance.
Simply holding the token in your wallet is not sufficient and delegation is mandatory
to participate in the voting process.
The LCD Token Delegate entity can either be your address or any other valid one.

Delegating the LCD token to another valid address will exclusively transfer the voting power
and not the LCD token that will remain property of the original owner.
Delegation can be revoked at any time.

A proposer is a LCD Token Holder with at least 8,800,000 LCD (1% of total supply) delegated
to its address. Trying to make a proposal with a lesser amount will result in your proposal being
instantly rejected.
Every proposal submitted stays in the pending state for 50233 blocks (approximately 12 hours
given a block time of 0.86s) to give every LCD Token Holder time to decide whether and who
to delegate their LCD Tokens to.
At the end of the pending state a token snapshot is made by the LCD Token smart contract
to be used for reference by the Governance smart contract to calculate the voting power
of every LCD Token Delegate.
After the snapshot is taken, the proposal goes to the active state, where it remains for 301398
blocks (approximately 3 days). In this state, LCD Token Delegates can decide to vote for,
against or abstain from the proposal. At the end of this time frame, if the quorum (comprised
of for and abstain votes) amounts to at least 4% of the Lucidao total supply and if the majority
voted for, the proposal can enter the succeeded state, otherwise it will enter the defeated
state and the proposal will be permanently rejected.

A successful proposal be queued in the Governance Timelock and it will be updated with the queued state for 4 hours, after which it can be executed: the proposal code will go live and its status will be finally changed to executed.

All the initial parameters expressed in this document could be subject to change due to a successful proposal made to modify them.
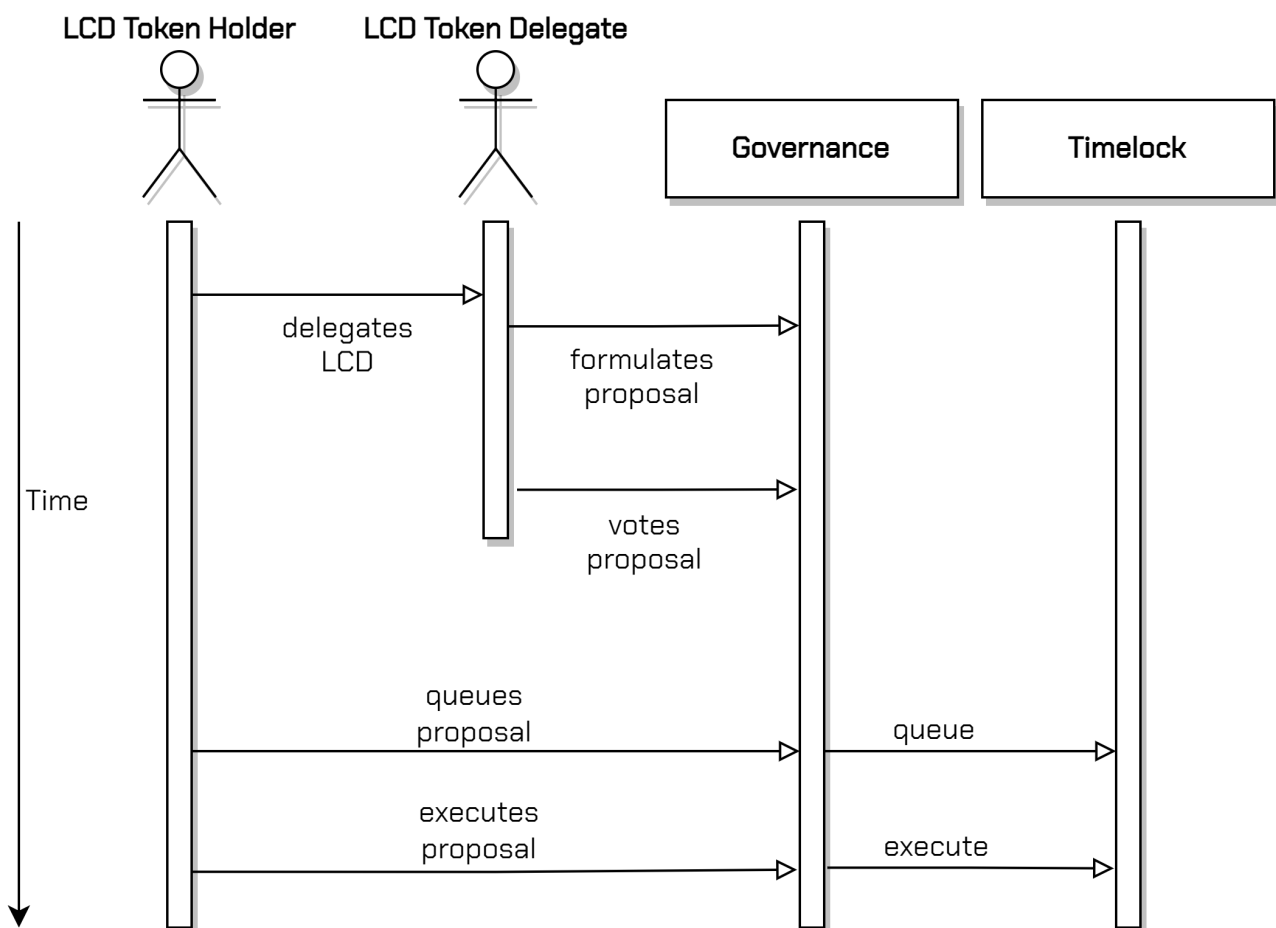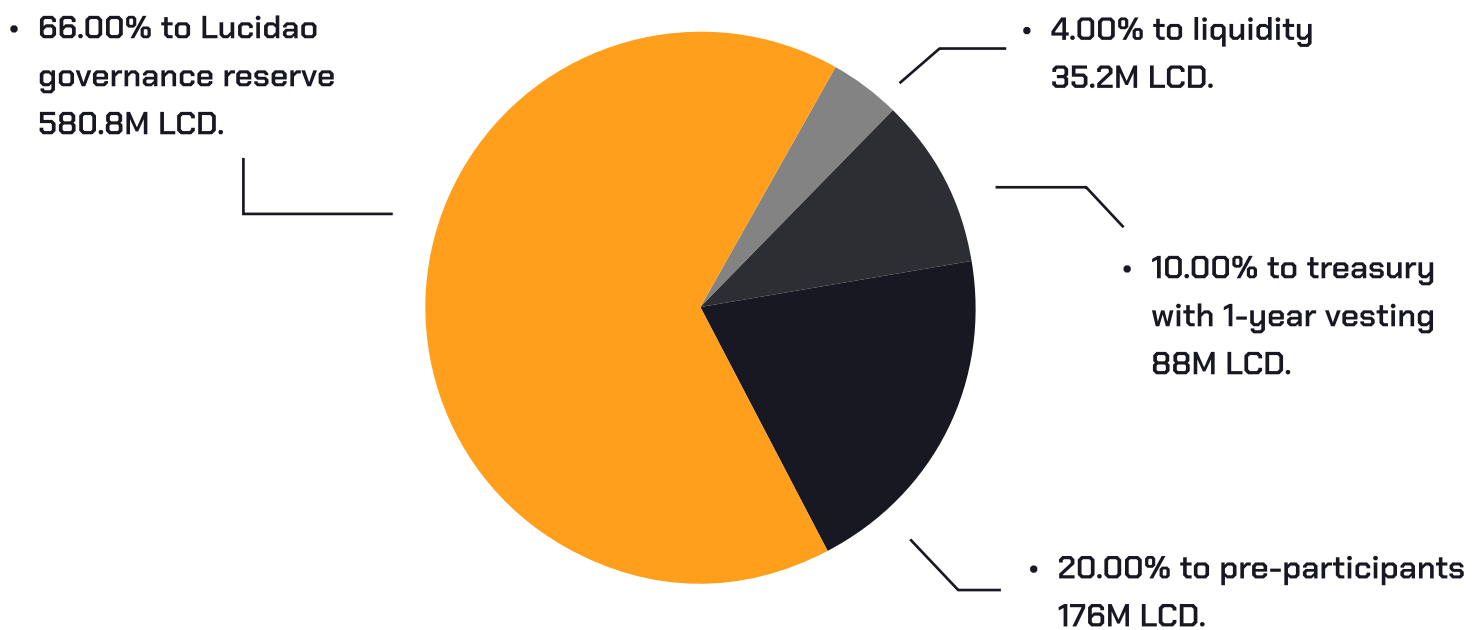
LUCIDAO TOKEN ECONOMICS

Initial Sale / Second Sale / Listing Price

880 million LuciDao tokens have been minted. The token economics structure is presented as it follows:

- 66.00% to Lucidao governance reserve 580.8M LCD.

- 4.00% to liquidity 35.2M LCD.

- 10.00% to treasury with 1-year vesting 88M LCD.

- 20.00% to pre-participants 176M LCD.

Part of the launch of the LCD token, **66%** of the LCD genesis supply has been allocated to the governance reserve. The allocation will be used at governance discretion.

20% of the total supply has been allocated to sales' participants on a "first come first served" basis:
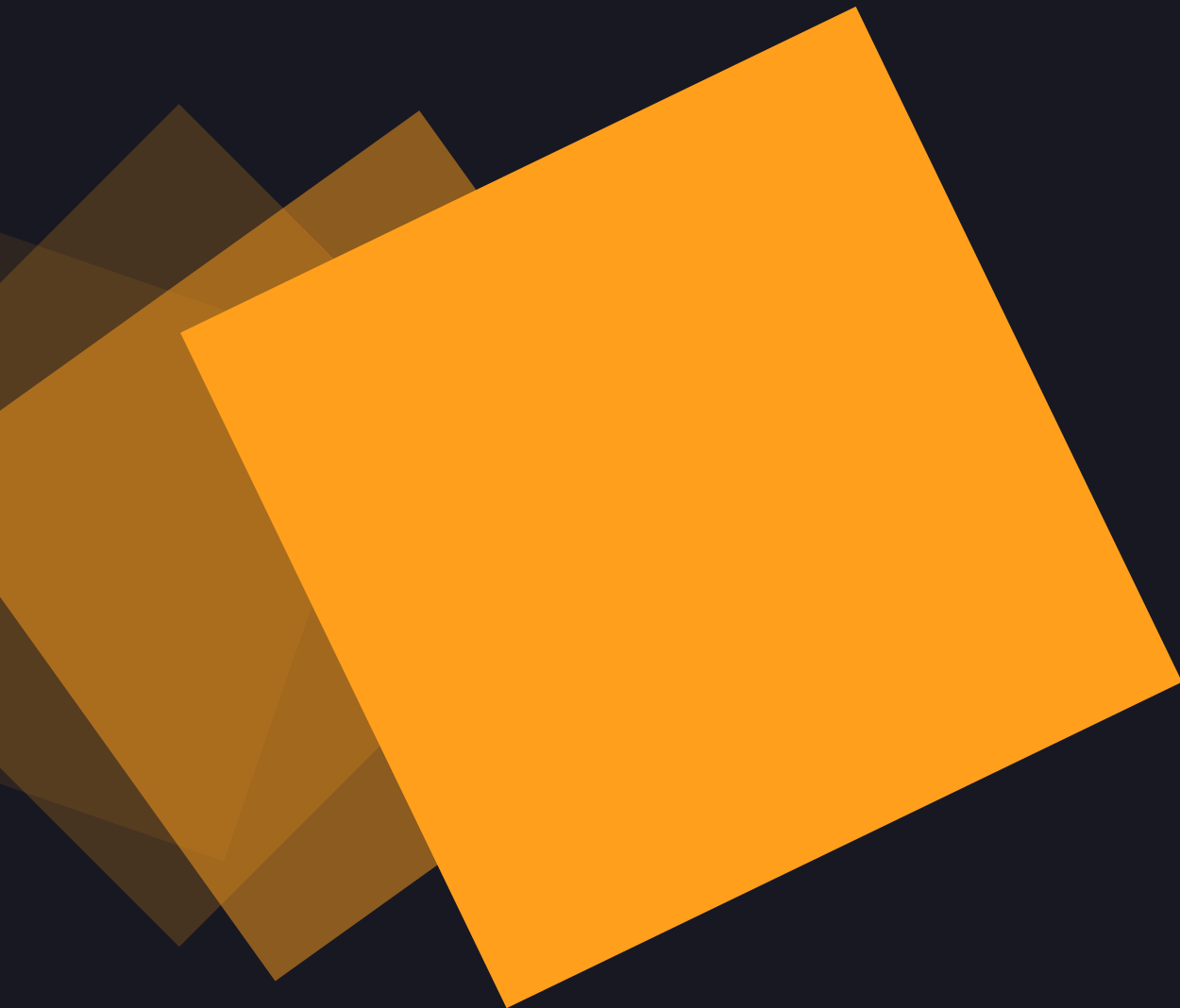
Initial sale 75M LCD (raise 555.556 fUSDT)

- Max 15k fUSDT per address
- 1 LCD = ~0.00741 fUSDT

Second sale 101M LCD (raise 1.216.867 fUSDT)

- Max 60k fUSDT per address
- 1 LCD = ~0.01205 fUSDT

Listing price = 0.015 fUSDT

PROJECT PHASES

The Lucidao Project can be divided into five main phases as follows:

Project Phase 1 (Aug / Sep 2021):

Development of the DAO smart contracts by Development Company;

Project Phase 2 (Dec 2021):

Deployment of the DAO smart contracts by a third-party;

Project Phase 3 (Dec 2021 / Jan 2022):

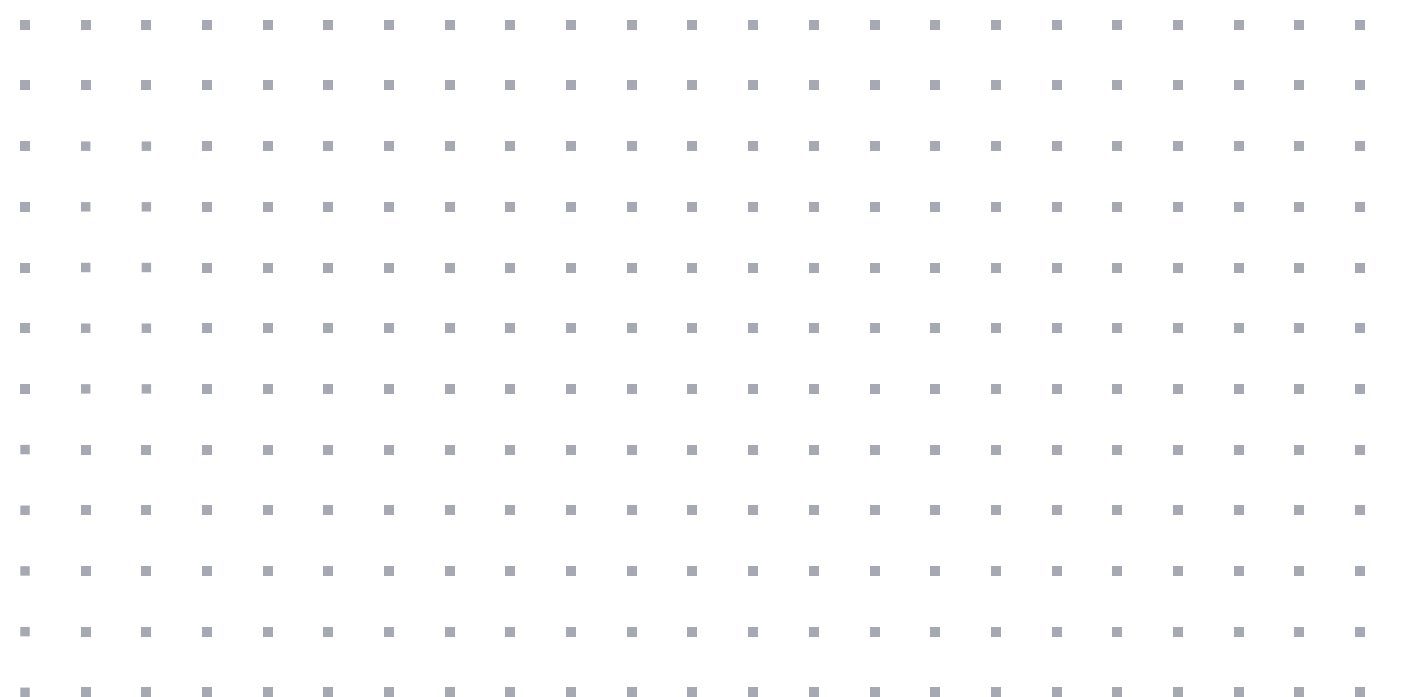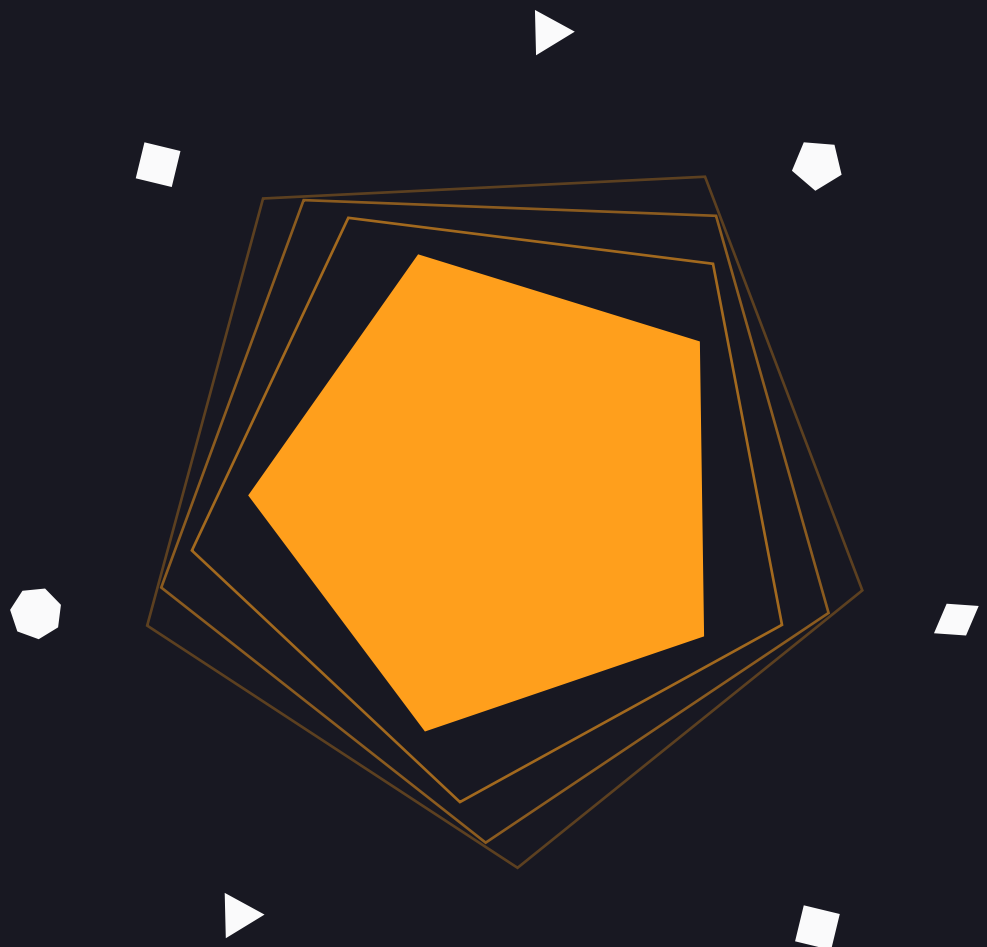Decentralized financing rounds and token allocation;

Project Phase 4 (Jan 2022):

Decentralized governance and reserve fully operating;

Project Phase 5 (From Feb 2022):

Development and deployment of DeFi applications.

DISCLAIMER

Lucidao Smart Contract Disclaimer

Introduction

Please read this Disclaimer carefully before accessing, interacting with, or using the LUCIDAO smart contract software, consisting of the governance smart contract technology stack as well as any other LUCIDAO technology such as e.g., any DeFi applications developed by the LUCIDAO in the future (together the "LUCIDAO Software").

This disclaimer relates to the use of the LUCIDAO Software. The LUCIDAO Software enables its users ("User") to interact with the governance mechanism of the LUCIDAO smart contracts via a decentralized and technical process to make technical proposals and to vote on their implementation into the smart contract code. The voting procedure hereby shall be based on the number of LUCID tokens ("LCD") held by a specific address. Any and all functionalities of the LUCIDAO Software are of purely technical nature and there is no claim towards any private individual or legal entity in this regard.

Usage of LUCIDAO Software at Own Risk

The LUCIDAO Software runs in a fully decentralized and autonomous manner on the Fantom network. The initial developers are neither involved in, responsible for nor can in any way influence the operation, running or functioning of the LUCIDAO Software and/or any of the interactions, collaborations or factual relationships between Users and the smart contracts of the LUCIDAO Software. The initial developers have neither access to nor any other possibility to control and/or influence the corresponding transactions, allocations and/or decisions made by the Users and the involved smart contracts using the LUCIDAO Software.

The LUCIDAO software is fully open sourced, and its use does neither require any license or approval of its initial developers nor is subject to any warranties. In particular, the initial developers have not and will not enter into any legal or factual relationship with any User of the LUCIDAO Software. CONSEQUENTLY, THE INITIAL DEVELOPERS ARE NOT LIABLE TO ANY USER FOR DAMAGES, INCLUDING ANY GENERAL, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF THE USE, IN CONNECTION WITH THE USE OR INABILITY TO USE THE LUCIDAO SOFTWARE (INCLUDING BUT NOT LIMITED TO LOSS OF LCD, FTM AND/OR fUSDT, LOSS OF DATA, BUSINESS INTERRUPTION, DATA BEING RENDERED INACCURATE OR LOSSES SUSTAINED BY A USER OR THIRD PARTIES AS A RESULT OF THE LUCIDAO SOFTWARE AND/OR ANY DECISION TAKEN BY THE LUCIDAO OR A FAILURE OF THE LUCIDAO SOFTWARE TO OPERATE WITH ANY OTHER SOFTWARE).

As the LUCIDAO Software is of experimental nature it may contain bugs, defects, or errors (including any bug, defect, or error relating to or resulting from the display, manipulation, processing, storage, transmission, or use of data) that may materially and adversely affect the use, functionality, or performance of the LUCIDAO Software or any product or system containing or used in conjunction with the LUCIDAO Software. THE LUCIDAO SOFTWARE HAS BEEN PROVIDED "AS IS", WITHOUT WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NONINFRINGEMENT. THE LUCIDAO SOFTWARE IS HIGHLY EXPERIMENTAL AND ANY REAL LCD, FTM AND/OR fUSDT TRANSFERRED TO OR VIA THE LUCIDAO SOFTWARE OR OTHERWISE BEING SUBJECT TO THE CONTROL OF THE LUCIDAO SOFTWARE ARE AT RISK OF BEING LOST INDEFINITELY, WITHOUT ANY KIND OF CONSIDERATION.

Assumption of Risks of Cryptographic Token, Currencies and Systems

There are also general risks associated with purchasing, owning and using cryptographic Token (hereinafter "Token") In order to access and make use of certain features of the LUCIDAO Software, a User may need Tokens (in particular LCD, FTM and/or fUSDT).

Tokens are highly volatile due to many factors including but not limited to adoption, speculation, technology, and security risks. The cost of transacting on the Fantom network or related blockchain technologies is variable and may increase at any time causing impact to any activities taking place on the Fantom network.

User is solely responsible for transacting and holding Token like LCD, FTM and/or fUSDT while accessing and/or interacting with the LUCIDAO Software.

LCD do not represent or constitute any ownership rights or stake, shares or security or equivalent rights nor any rights to receive future revenues or shares or any other form of participation or governance rights in or relating to any private individual or legal entity. In particular, LCD do not represent or confer any ownership right or stake, share, security, or equivalent rights, or any right to receive future revenue shares, intellectual property rights or any other form of participation in or relating to any private individual or legal entity.

User is responsible for implementing reasonable measures for securing the wallet, vault or other storage mechanism used to receive and hold LCD, FTM and fUSDT or any other Token, including any requisite private key(s) or other credentials necessary to access such storage mechanism(s). If User's private key(s) or other access credentials are lost, User may lose access to its Token.

Risk of Regulatory Actions and Compliance with Laws

The LUCIDAO Software could be impacted by one or more regulatory inquiries or
regulatory actions, which could impede or limit User's ability to access or use the
LUCIDAO Software.
User is solely responsible for complying with applicable law when interacting (in particular,
when using LCD, FTM, fUSDT or other Token) with the LUCIDAO Software whatsoever.

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