

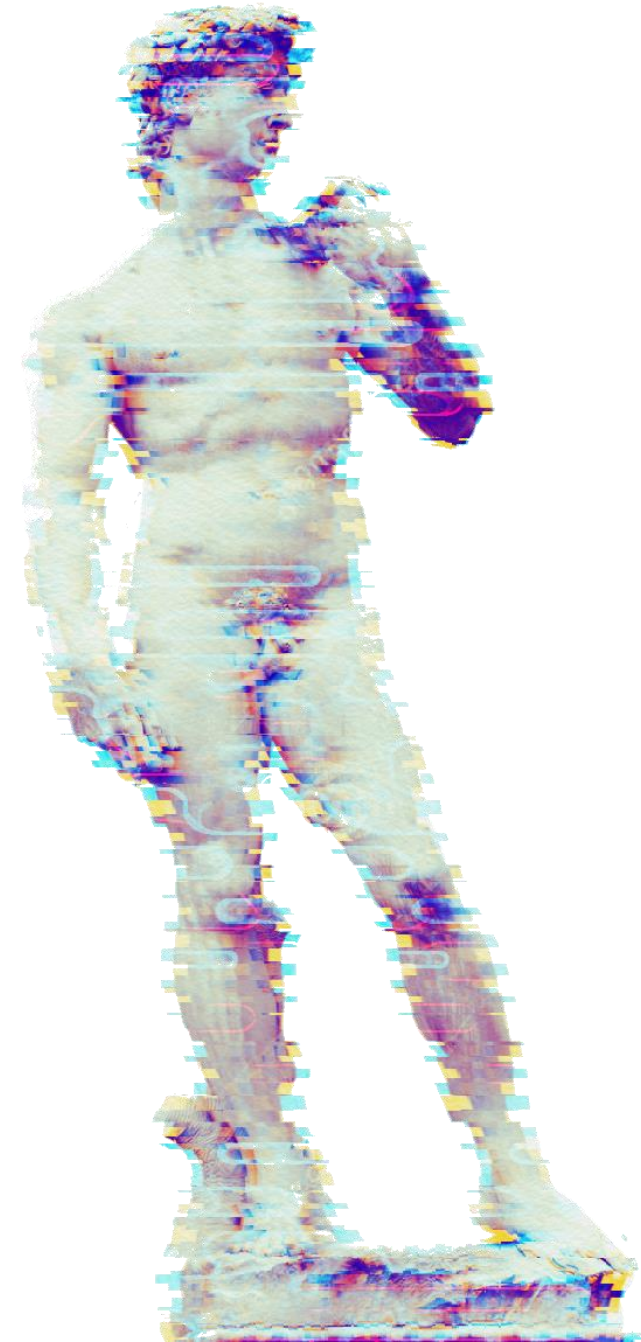


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This document was prepared by Saisho as a tool aiming to provide detailed information about Saisho as an investment opportunity, and has been prepared for the sole purpose of serving as a support to the investors in their decisions to invest in Saisho ICO. The information contained hereunder does not amount to financial, tax, or legal advice of any kind.

This document has been prepared solely for information purposes, and none of the information contained hereunder shall be construed as a promise from Saisho or a contractual term. At the time of purchase of any Saisho Tokens you will be confirming that you have read, understood and agreed to the Terms and Conditions, which do regulate their sale and establish the rights and obligations of token holders.





# The Executive Summary

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## The Executive Summary

- ▲ **Saisho is an online art marketplace whose selling prices are governed by transparent and objective market criteria, giving the buyers the chance to acquire original artworks with a clear understanding of its value and facilitating access for every artist to the market under equal conditions. Through Saisho ICO, a parallel platform to Saisho, we are launching a completely new democratized art patronage system worldwide giving the investors the opportunity to discover within Saisho the most talented and valuable artists of the XXI century.**

The **art market** has a volume of sales around \$56.6 billion. Besides its significant relevance in the global economy and its stability, the art market is mainly characterized by its exclusivity, shortfalls linked to liquidity and price manipulation, a marked secrecy and lack of transparency and an unregulated nature. Related with this, experts point out concerns about the future due to credibility damage, confidence in the sector and difficulties for newcomers to access the market.

Although **technology** has been increasingly playing a key role in the evolution of the art market, current approaches still fail disrupt the art market. They fail to address the fundamental issues of price transparency, self-regulation and of course the lack of funds for artists to produce high value artworks.

Art is now playing a bigger role in the spectrum of **philanthropic/ investing activities**, occupying a prominent place among the wealth managers portfolio. But the problem is a relatively small number of artists and collectors represent an incredibly large percentage of the market, a phenomenon called a "winner-take-all" economy. The opaque world of art has cut off fine art investment from efficient modern markets.

Actually, many artists today are in the same position as the great artists from the renaissance époque - making genuine works of art - but **barely able to survive from their earnings** as an artist. Thanks to its resilience in downturns and to its capital appreciation, fine art has long been an attractive multi-billion asset class. But who is funding Monet or Michelangelo of today? Now it will be open to all. The privilege of funding and receiving funding is reserved to only to and for a few until now.

**Saisho** is changing the *status quo* and with help from visionaries like you, we will democratize access to fund rocket artists, achieving a win-win situation for artists and for investors. Artist will have the chance to explode their creativity and investors to obtain profitability by supporting them. *We are looking for the XXI century generation of art patrons.*

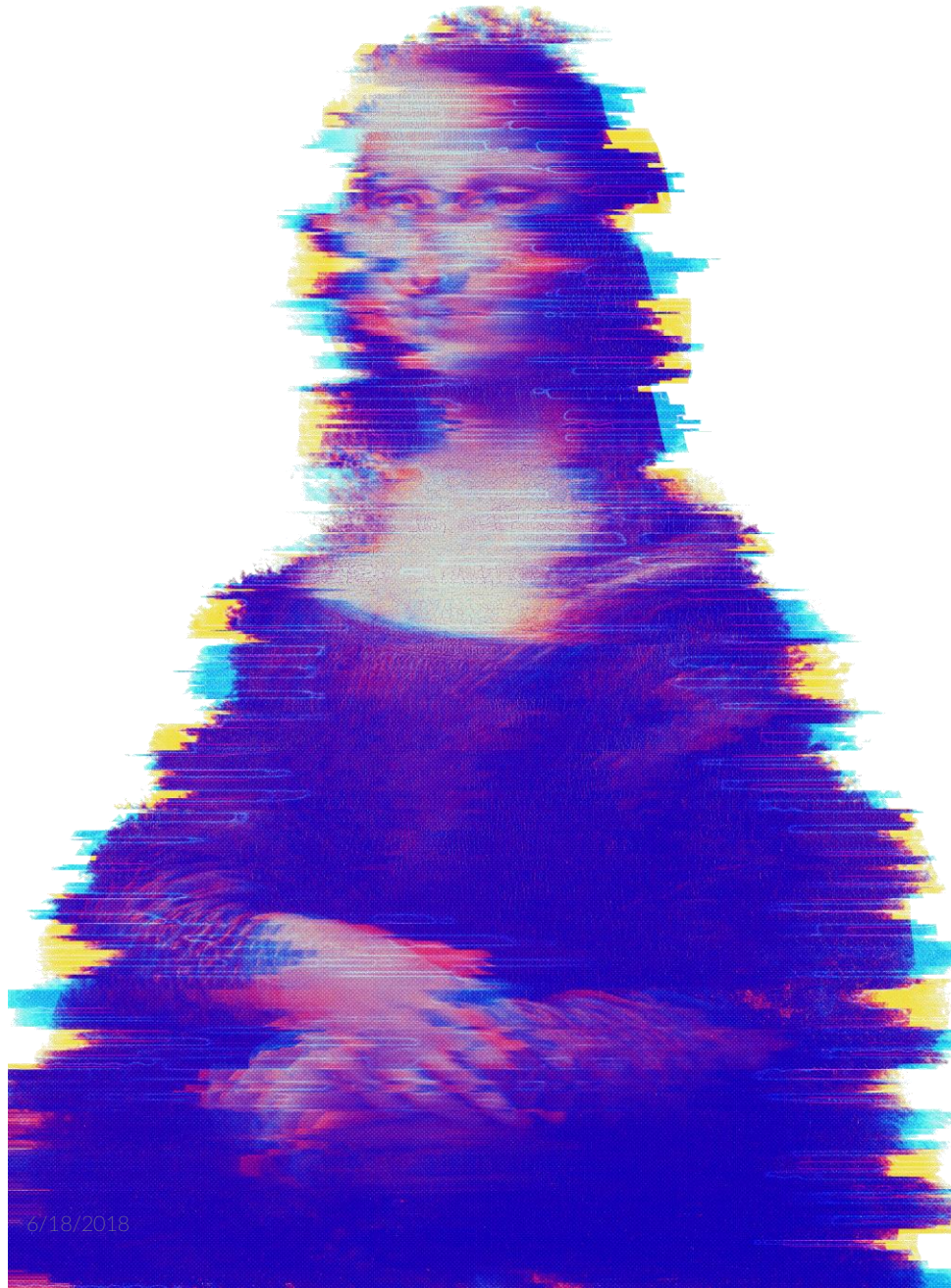
We have created **Saisho**, a truly open platform where anyone can understand the rules and why an artist is more valued than another. This system allows us to determine which artists (according to the market) have more liquidity and which of them will have more probabilities to succeed in the following years. At this point, your role as an investor (hereafter patron) plays a fundamental role. For the first time, technology will allow patrons to identify and invest in the very best talents of the world of fine art.

- ▲ **Saisho main goal is to revolutionize the art industry addressing its main shortcuts (the already mentioned lack of transparency, liquidity and artist market access) by proposing a disruptive business model that fosters the digitalization of the industry and the incorporation of the mass market.**

Saisho can make the art market more accessible and can generate big rewards for crypto investors looking for a place to store their wealth while supporting culture and fine art democratization.

With our **Saisho ICO** we will create an art patronage market ecosystem. The ultimate target of **Saisho** and **Saisho ICO** is to bring an all-around stable, liquid and organized market ecosystem for artists, patrons and collectors that ends in a win-win situation through incentivizing all the parties, bringing a new revolution to the art market globally. We are creating the first quoted market system in the art of the world with the aim of funding artist through cryptocurrencies.

This has been possible because we have assembled an exceptional team of specialists in different fields (art, blockchain, finance, management, etc.) and we have built crucial network of art experts. Now, with your support, we will be able to launch the SaishoICO and expand Saisho across different geographies and transform an outdated industry into a shining and profitable sector.



# The Art Market

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## The Art Market

### Current Art Market Situation

The art market is mainly characterized by its **exclusivity**, shortfalls linked to **liquidity and price manipulation**, a marked **secrecy** and **lack of transparency**, and its **unregulated** nature.

The main players within this market are the selling side, leaving aside artists, it is dominated by intermediaries like art galleries, auction houses, online marketplaces and bricks and clicks. On the other hand, the buying side key actors ranges from art loves to professionalized investors (some may act through specialized funds) or collectors.



(1) <https://www.cnbc.com/2017/11/03/looking-to-invest-in-art-how-to-get-into-a-millionaires-market.html>

- ▲ **Exclusivity:** A relatively small number of artists and collectors represent an incredibly large percentage of the market, and there are very few paths for emerging artists to enter the art world (just 25 artists accounted for nearly half of public auction sales in the first six months of the last year). Some art experts call the market a "winner-take-all" economy failing to attract buyers outside of the very top end of the pay scale<sup>1</sup>. It's attractive only at the top end, but only a handful of players are active there. This approach excludes talented artists who cannot finance their beginnings; they need to make compatible their artwork production with other jobs, leading to a less artwork production, followed by a clear delay in their career (if this ever happens). But also excludes less professionalized investors willing to take part of the growing and profitable art market.
- ▲ **Liquidity and price manipulation:** Experts highlight conflicts of interest, secret commissions, price manipulation, insider trading and other anticompetitive behavior among the main problems related with the art market. This situation could be hurting the global market by damaging credibility and confidence in the sector. A lack of transparency in art prices is the main reason new buyers aren't investing in art. Gathering price information for art can be arduous. The art market is just completely opaque and really hard to figure out. Furthermore, some intermediaries (for instance art galleries) dictate prices instead of market participants.
- ▲ **Secrecy and lack of transparency:** Opacity in another threat to the art market's reputation, relying on information imbalance form the stakeholders within this market (like some players acting on insider information).
- ▲ **Unregulated nature:** Additionally, art investors have limited options when it comes to investing in fine art in a secure and trusted way. Auction houses are perceived as being the safest channel, and that is why they are claimed to charge high fees. Art galleries and other art dealers charge lower fees to buyers but they are perceived as less trustworthy -and their art selection is quite limited-.

## The Art Market

### The Art Market Future

Despite the lack of liquidity, lack of transparency and high fees, the art market is a dynamic sector which global sales are around **\$56 billion** (8,4% are online). Not in vain art is becoming a lifestyle product and investment across an increasingly number of people, as it improves the social image, and it speaks about differentiation, experiences and profitability (an estimated 90% of buyers see art as an investment)<sup>2</sup>.

In this context, Contemporary Art has emerged as the art market's primary **locomotive**, leading the art market, with a **turnover growth of +1,400% in 17 years** it reflects an extremely dynamic market.

Not surprisingly, the industry is in desperate need of open and fair marketplaces to create transparency and liquidity. Experts coincide on saying the need to modernize the art market business practices to meet the expected standards of a transparent, trustworthy, and developed marketplace. Regarding regulation, there exists a general consensus among the experts that self-regulation, not government regulation, is the answer. They would prefer a self-regulated approach to establish trust and credibility in the art market.

These facts encourage experimenting with new concepts, democratizing the art market on one hand, and democratizing capital markets on the other<sup>3</sup>.

Art as an Asset

Artists Need Funding

Art, Technology and Blockchain



(2) Art & Finance Report 2017. 5th Edition. Deloitte.

(3) [Blockchain Revolution: How the Technology Behind Bitcoin Is Changing Money, Business, and the World](#) by Don Tapscott, Alex Tapscott.

## The Art Market

### The Art Market Future

- ▲ **Art as an Asset:** Art is now playing a bigger role in the spectrum of philanthropic/ investing activities, occupying a prominent place among the wealth managers portfolio, expecting their clients to include more and more art investments in their wealth reports.

The problem is still to find the right artist to invest in, de facto wealth managers are experiencing difficulties in finding and developing talent and expertise. Finding the proper talent remains one of the key challenges in building an art-related service offering. Even interest in art and wealth management is gaining momentum; there is a **lack of leadership** for these types of initiatives. Even knowing that it is a profitable product, this leads to only a few wealth managers offer an art investment fund product as part of their in-house offering.

- ▲ **Artists Need Funding:** The rise of the merchant class in the Middle Ages<sup>4</sup> gained them access to high society. Merchants that joined the ranks of nobility further strengthened their position in society by patronizing the arts even more. They hired artists such as Michelangelo, Botticelli and Leonardo Da Vinci. The Medici, a family of bankers that lived in Italy, are an example of such powerful and successful merchants and they are among the most renowned art patrons in history.

While these artists are now gone, many artists today are in the same position - making genuine works of art - but barely able to survive from their earnings as an artist.

The few patrons of the 21st century are far less politically motivated than the Medici family and their ilk, and they generally don't house artists in their lavish estates or command them to paint frescoes. But, some of them just like the patrons of old, they are giving creators a pathway to success and economic stability<sup>5</sup>.

- ▲ **Art, Technology and Blockchain:** Technology is increasingly playing a key role in the evolution of the art market. Art-technology startups (ArtTechs) are building new digital business models aimed at enabling and supporting traditional art businesses, rather than replacing them. Technological innovations are aimed at increasing trust and transparency, but also supporting data-driven valuation methodology, building social capital and transforming the backbone of the art market ecosystem.

Digital is also playing a key role, online art sales continues to grow, according to Hiscox Online Art Trade Report 2017, online art market sales reached an estimated US\$3.75 billion in 2016 (up 15 percent from 2015). This gave the online art market an estimated 8.4 percent share of the overall art market, up from 7.4 percent in 2015.

Blockchain could revolutionize the art industry by resolving questions of provenance, improving transparency, copyright, and ownership issues. Art startups are already building real-world applications based on blockchain. But there are no blockchain initiatives in the fine art space with a patronage investment focus. Instead, they attempt to solve issues around provenance of traditional art pieces, protection of digital work or artwork collective investments. A prominent example is Verisart which provides permanent digital art provenance for actual artworks that would typically be stored in galleries. Another startup is Ascribe, which focuses on providing a secure way to trace digital artworks and control how they're shared. Maecenas for its part addresses timely the financial problem by converting high price artworks into smaller financial units.

Fintech startups are beginning to emerge with innovative alternatives to invest in art. Arthena, based in the US, in one such example, which uses a typical crowd-funding approach to create art funds. Although this is definitely an improvement over traditional art market, this approach still fails disrupt the art market. It fails to address the fundamental issues of price transparency, self-regulation or of course the lack of funds for artist to produce high value artworks.

(4) <https://www.ukessays.com/essays/history/merchant-class-in-the-middle-ages.php>

(5) <https://www.nytimes.com/2017/05/17/fashion/what-is-a-patron.html>



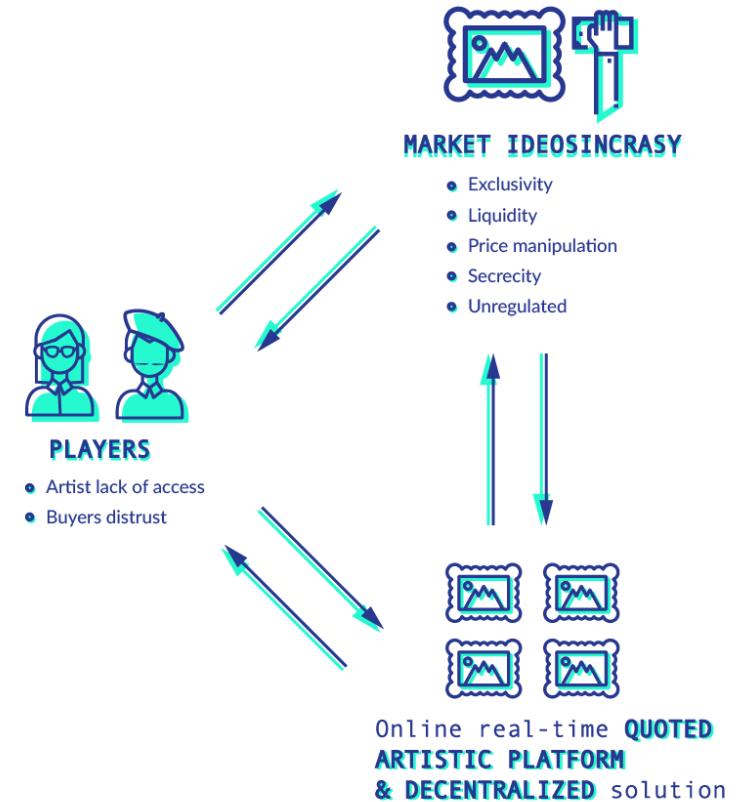
## The Art Market

### The Saisho ICO: Looking for the XXI Century Generation of Art Patrons

Summarizing, the art market is moving a large amount of funds but only for a few, excluding potential inexperienced investors but also talented artists. Its lack of transparency, lack of regulation, secrecy and price manipulation are some of the factors that aggravate this situation. Experts fear this may damage the market and its growth.

Some Art-tech startups, aware of this situation, are making efforts to reverse these concerns, but they still are not disrupting the market with a valid solution.

At Saisho, we have created a truly transparent self-regulated market which guarantees no imbalance information between stakeholders. We are now coming full circle by giving investors the opportunity to invest in talented artists.





# Saisho The Marketplace

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## Saisho: The Marketplace

### Saisho's Key Characteristics

Given the situation outlined above, we decided to define a system which gives transparency, liquidity and access to the market for any artist. This way art lovers should become collectors or small investors and artists will be valued according with a set of clear and understandable rules, which will have an impact on the artworks price formation.

Saisho main goal is **to revolutionize the art industry** addressing its main shortcuts (the already mentioned lack of transparency, liquidity and artist market access) by proposing **a disruptive business model that fosters the digitalization of the industry and the incorporation of the mass market**. Saisho's main characteristics are briefly described below:

- ▲ **Regulated market:** Artists' value is established by the market. All artists initiate their career at the same value (more details in the appendix). Their popularity and subsequent sales will make their value to grow. Consequently, the value of the pieces of art is objective.
- ▲ **Dynamic market oriented price:** Selling an artwork involves an increase for selling price of the other artworks within the same artist, if the artist does not sell during a period of time then the artist' portfolio price will decrease. **A proprietary owned algorithm governs the evolution of the artists' value** and thus their artwork's price.
- ▲ **Social network influence (visibility):** Augmenting Saisho's web traffic from artists' social networks or blogging activities improves artist work visibility. Artists and their environment can influence their career by being active in social networks.
- ▲ **Uniqueness and originality:** We have built a Curators Committee consisting of experienced multidisciplinary art specialists that evaluates each piece of art. A certificate of uniqueness accompanying all Saisho paintings. **Only high quality, original and unique pieces of art enters the Saisho market.**
- ▲ **Logistics based on art-hubs:** Art hubs are established in key cities in order to personalize logistic experience, off-line events widespread and viewing paintings in person possible. **User experience is fostered through a client oriented business model.**
- ▲ **Artists deal flow:** Although we have in house artist managers, a commission for the sale of artworks is granted for any person who brings new artists to Saisho. We want to guarantee a big artist deal flow.

### The Business Model

Saisho's business model is based on a balance between the internal organization of the company (key partners, resources, activities and costs) and its relationship with its target market (clients, relationships with them, channels to reach them and revenue streams).



## Saisho: The Marketplace

### The Saisho Market System

Nowadays, it is very common among most of the public not to have any perception of the value (not to be confused with price) of an artwork, in such a way that they do not know if they are buying cheap or expensive.

Likewise, the price of the artworks is determined most of the time by the market recognition of the artist, being of much less importance in the formation of the price the rest of elements (style, pictorial technique, etc.). On the other hand, most of the online fine art platforms currently gives much visibility to the artworks and little to the name (branding) of the artist, when in the future it will be the artist's recognition that determines that the artist sells more or less in quantum, and more or less expensive.

Considering the above, the objective of the **Saisho Market System** is twofold:

- ▲ Offer the buyer a price formation system for each artwork that he understands and that is transparent to him, in such a way that he never has the feeling that he is overpaying for the purchase.
- ▲ Give notoriety and visibility to the artist in the whole process, not only in the moment of the purchase, but also in the price formation per artwork, imitating the artwork implicit prices formation that is currently happening in the market, and allowing the artist to sell more in quantity and higher in price.

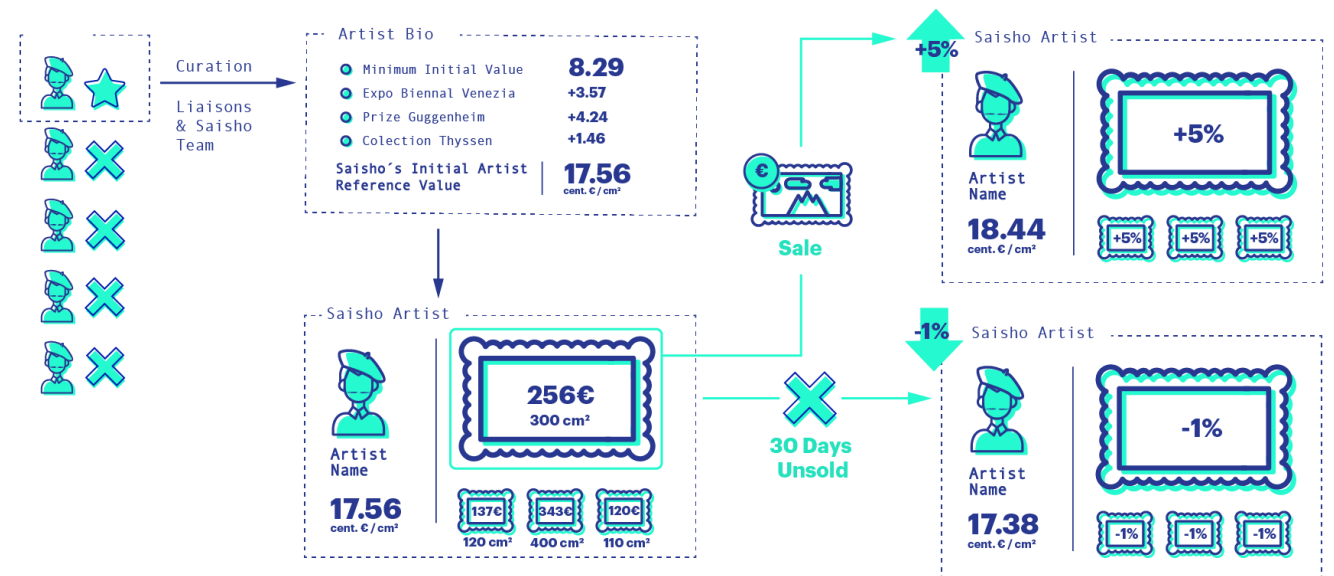
For this reason, the Saisho Market System, is supported by very simple and basic rules, easy to understand by any buyer not introduced in the art industry, which will facilitate their decision to buy and boost the recognition of the artists with the better selling performances.

In addition, to promote the vision perceived by the users of the artwork purchase as an investment and not as an expense, the Saisho Market System allow the users to put on sale (resell) an artwork previously purchased on the Saisho platform.

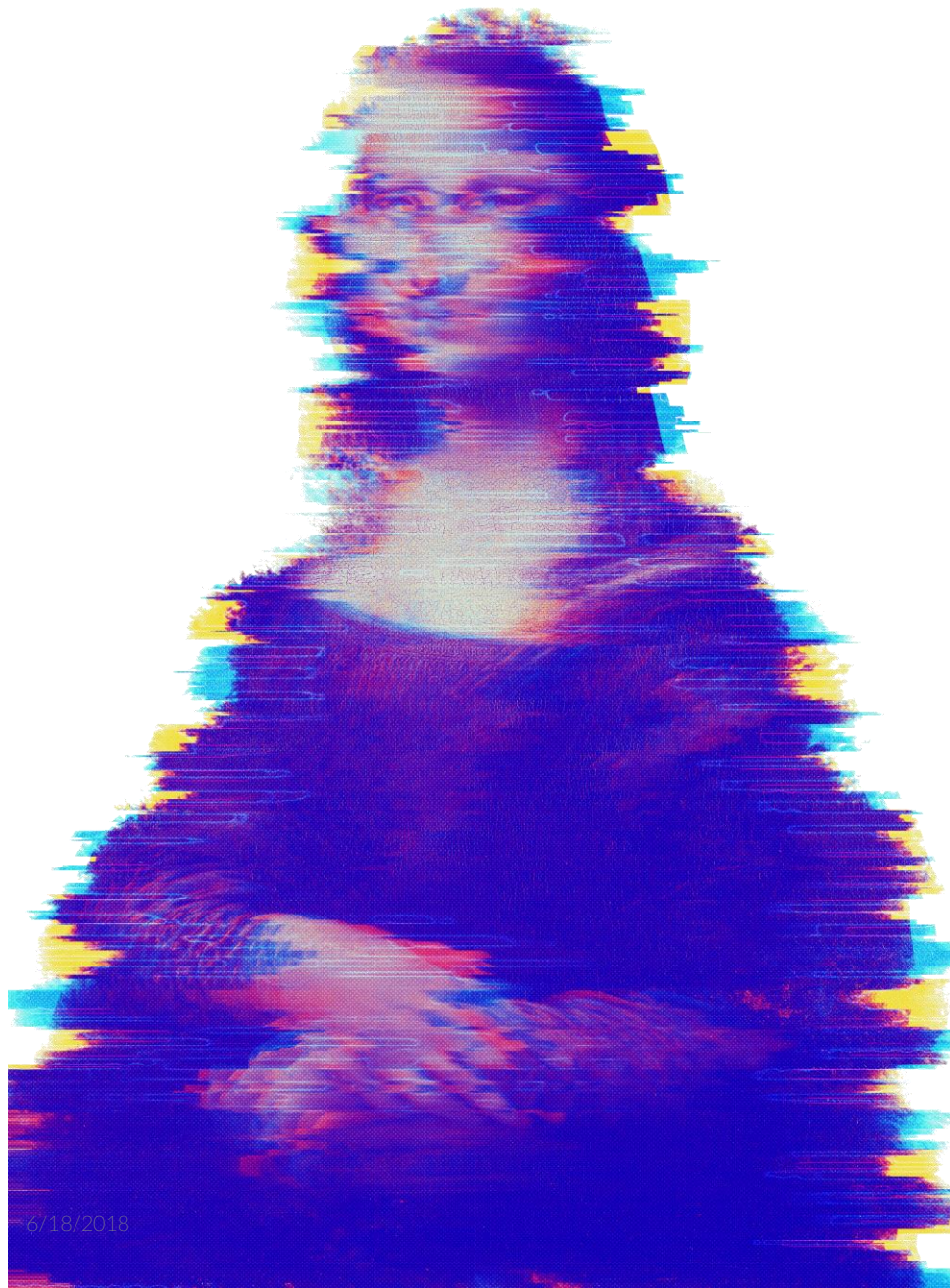
**This way, the Saisho market meets all the conditions to become an online real-time quoted artistic market that serves as an artistic reference worldwide.**

*(For more detailed information on the Saisho Market System, please see the appendix)*

## Saisho Market System







# Saisho The ICO The Concept & Schedule

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## Saisho: The ICO

### The Concept

**The Saisho ICO intends to give investors in said ICO the ability to invest in artists operating within the Saisho marketplace (hereinafter "Saisho") and obtain an annual return per a definite term derived from what the artists themselves earn through their sale of artworks in Saisho.**

The Saisho ICO will offer everyone from any part of the world the possibility to directly invest and participate in the career profits of a selection of artists operating in Saisho. Our goal is to give the possibility to the best Saisho artists to dedicate themselves full-time to create new artworks and give the Saisho ICO users the possibility to become their patrons and participate in their future benefits earned in a regulated, liquid and transparent market environment, this is, Saisho.

Given that Saisho is governed by a system of prices per artist, whose evolution only depends on the number of artworks sold by an artist, this allows predicting the potential returns that the artist may have in the coming years in different scenarios of the number of artworks sold and, therefore, allows to evaluate today the discounted present value of said yields obtained by the artist before said different scenarios of artworks sold.

Therefore, a definite and truthful value can be given to an artist based on the returns that this generates in the following X years, following the same financial rules of valuation by discounted cash flows that govern the fundamental valuations of listed companies currently. Thereby, it is simple to quantify, under a certain hypothesis of the number of expected future artworks sales of an artist, how much it would be worth to "acquire" the 100%, 50% or 20% of the rights over the economic returns generated by that artist in Saisho in a defined period.

The Saisho ICO investors will know with what expected return (IRR) they would get investing in an artist in the Saisho ICO platform, under a base case hypothesis of the number of the artist's future artwork sales. In this way, and once they have invested in an artist in the Saisho ICO, the investors will be incentivized to promote that artist in the market and to make the artist's artwork sales increase, as the value of the expected future returns given by the earning of that artist would increase also.

Hence, the investor in the Saisho ICO is not only investing in a artist but is transforming himself into a patron of that artist. The Saisho ICO system gives everyone the ability to become an artist's patron and actively influence in the evolution of that artist.

### The New Art Patronage Democratized System

**The Saisho ICO supposes the beginning of a completely new democratize art patronage system worldwide.**

The Saisho ICO not only represents an investment opportunity for the investors becoming art patrons. It is also an opportunity for the artists to receive funds to be able to work full time in their passion: the creation of new artworks.

The Saisho ICO will create an ecosystem for artists and investors that will be governed by transparent and predefined rules and that will enhance the art patronage industry as we know it until today.

The Saisho ICO investors will be the ones selecting which artists they want to promote under a democratized voting scheme and after investing in them, the investors, now art patrons, will be the first players incentivized in the well performance of the artists, being active artists' brand ambassadors worldwide.

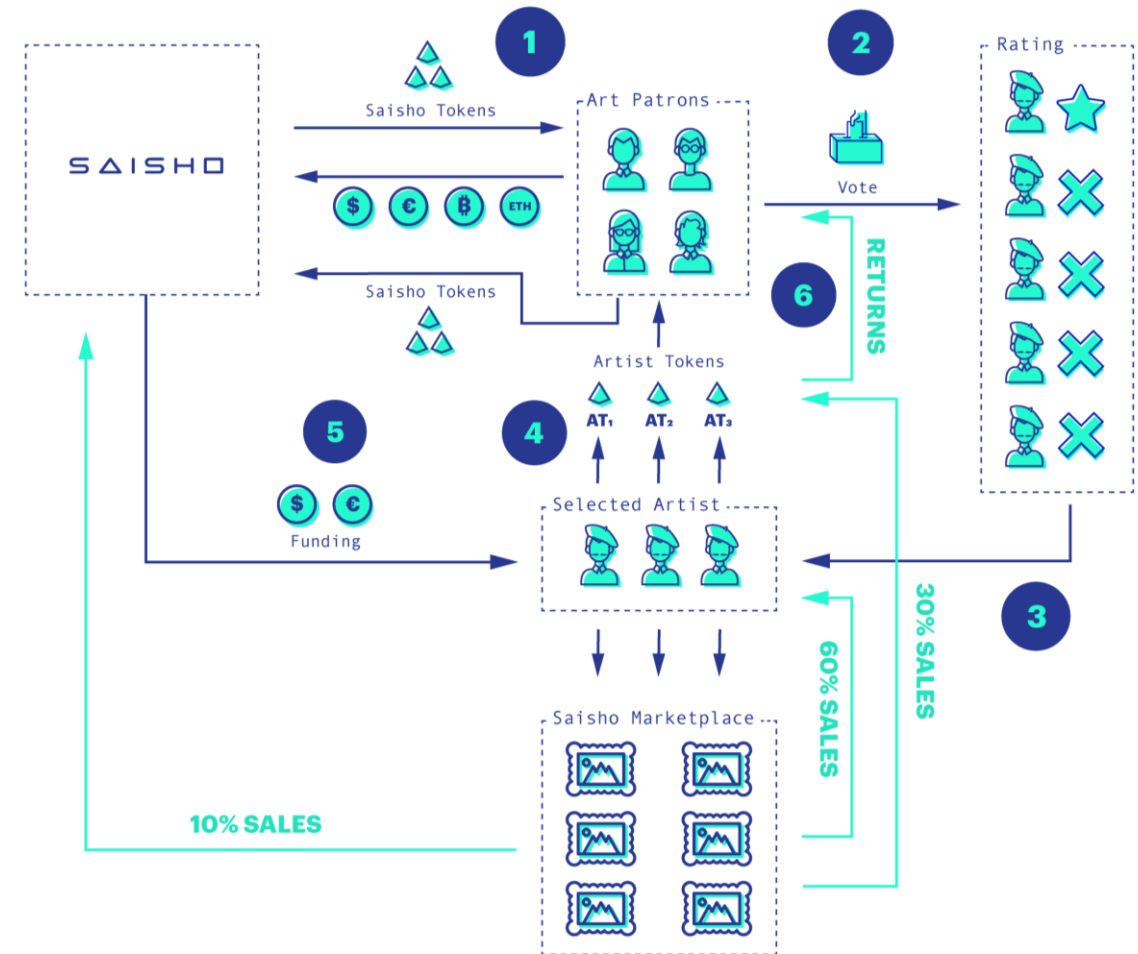
In order to create this art patronage market ecosystem, the Saisho ICO is composed of two types of tokens with different functionalities and characteristics that we will disclose in the following section: the **Saisho Token** and the **Artist Token**.

**The ultimate target of Saisho and Saisho ICO is to bring a all-around stable, liquid and organized market ecosystem for artists, patrons and collectors that ends in a win-win situation through incentivizing all the parties, bringing a new revolution in the XXI century to the art market globally.**

## Saisho: The ICO

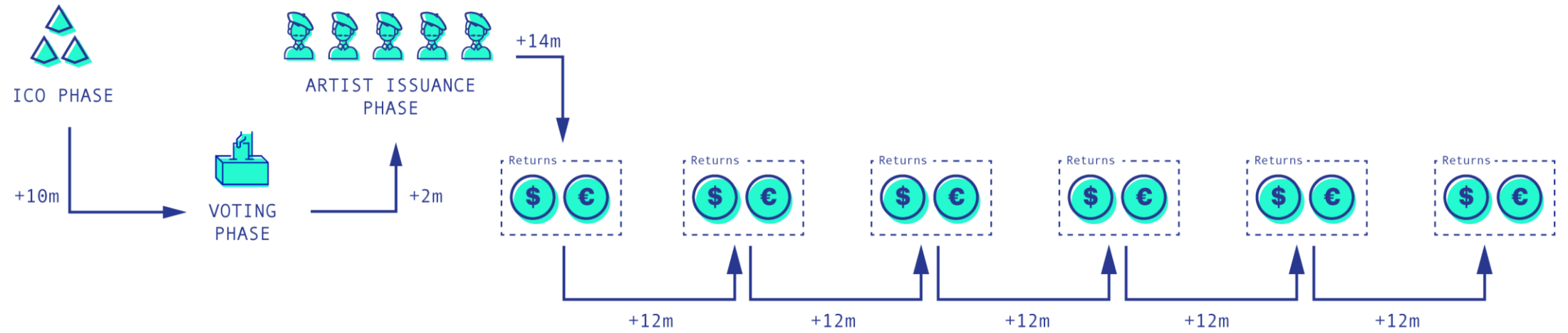
### The Concept

- 1 Distribution of Saisho Tokens among the cryptoinvestors, the new crypto-patrons.
- 2 Voting of the best artists in Saisho by the crypto-patrons.
- 3 Artist Tokens issued of the most voted artists.
- 4 Swap of the Artist Tokens issued with Saisho Tokens from the crypto-patrons.
- 5 Financing of the artists issued by Saisho to dedicate themselves to artworks creation, their passion.
- 6 The Artist Tokens can be exchanged for artworks or services from the artist and give annual returns to the crypto-patrons depending in what the artist earns in Saisho through artworks sales.



## Saisho: The ICO

### The Schedule







# Saisho The ICO The Saisho Token

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## Saisho: The ICO

### The Saisho Token

The Saisho Token is a Blockchain secure digital asset with built-in vesting functionality and that will be tradable exclusively in Saisho ICO platform against Artist Tokens (at issuance of those) or in the Saisho's token secondary marketplace against ethers.

The Saisho Token is issued at the Saisho ICO and can be acquired by the investors with ether at a fixed exchange price of 1 Saisho Token = 1 € (it will be applied the daily exchange rate against € of each ether in the moment of the investment).

The total number of Saisho Tokens issued at the Saisho ICO depends on the funds raised and will define the number of Artist Tokens to be issued in the next years. The more Saisho Tokens initially issued, the more artists of which Artist Tokens will be issued in the next years (*more details in the appendix*).

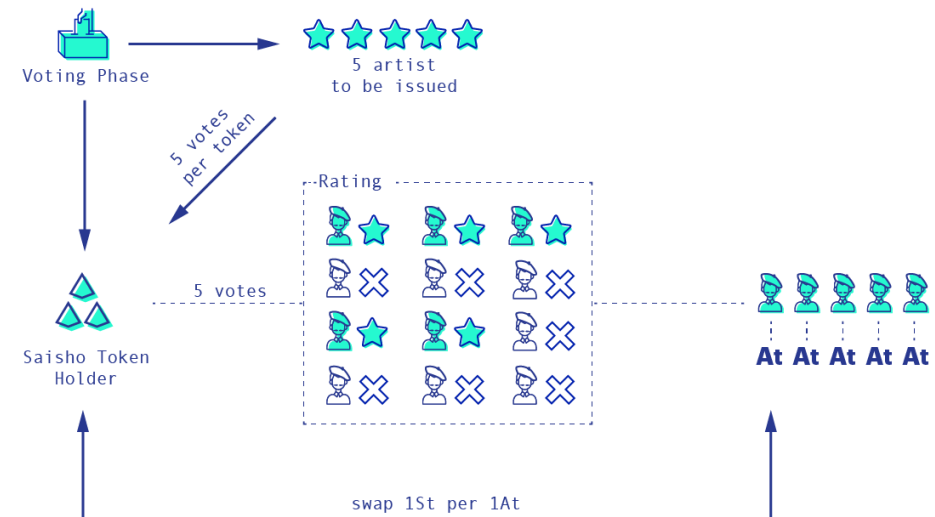
The Saisho Token has two main functionalities or characteristics:

- **The Saisho Token holder will have the ability to vote on which artists, selected from the artists operating in Saisho, will be issued Artist Tokens in the following years** (*more details in the appendix*).
- **In addition, the Saisho Token will have the ability to be exchanged in the Saisho ICO platform by Artist Tokens at the time of each new issuance of Artist Tokens at fixed exchange rate of 1 Saisho Token = 1 Artist Token.** Each artist issued will have its own Artist Token and all of them will have the same exchange rate against Saisho Tokens (*more details in the appendix*).

### The Smart Contract

The Saisho Token will be ruled by an ERC-20 Smart Contract that includes a transfer function that allows the token owner to send its Saisho Tokens to another wallet and therefore opens the tradability of the token. Being an ERC-20 provides a visibility and recognition of the token on universal chain explorers such as etherscan.io and most of the Ethereum wallets. Nevertheless, in order to allow a lock-up of the token for 6 months after ICO, the transfer function of the Saisho Token will be limited to the condition of this lockage. Similarly, to provide KYC and AML guaranties an identity layer must be applied to the transfer function and disallow any token transfer among wallets that do not comply with the required identity policies.

The identity layer is actually an ERC-725 Smart Contract implementation with its correspondent ERC-735 identity claim contract. This way, any wallet meant to trade Saisho Token firstly needs to be approved by a given identity authority specified on those contracts.





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## Saisho: The ICO

### The Artist Token

The Artist Token will be a Blockchain secure digital asset that can be held in any Ethereum ERC-20 compatible Wallet and that will be tradable in in the Saisho's token secondary marketplace against ethers.

The total number of Artist Tokens to be issued in the next years will be equal to the total number of Saisho Tokens issued at the ICO. The number of Artist Tokens issued by each artist will vary depending on their particular business prospects in Saisho for the next years, this is, the intrinsic value of each artist in Saisho (*Artist Token Intrinsic Value*). Depending on this intrinsic value of each artist, there will be five different categories of Artist Tokens to be issued in the Saisho ICO platform. The difference between each category will be the number of Artist Tokens per artist to be issued in each case (*more details in the appendix*).

As commented previously, each artist issued will have its own Artist Tokens and all of them will have the same exchange rate against Saisho Tokens (1 Saisho Token = 1 Artist Token). There will be different Artist Tokens depending on the underlying artist. For example, an artist called Robert Dylan McAllan is going to issue 100 Artist Tokens that will be named RDM AT (Robert Dylan McAllan Artist Token) and will give rights exclusively over this artist, not anyone else.

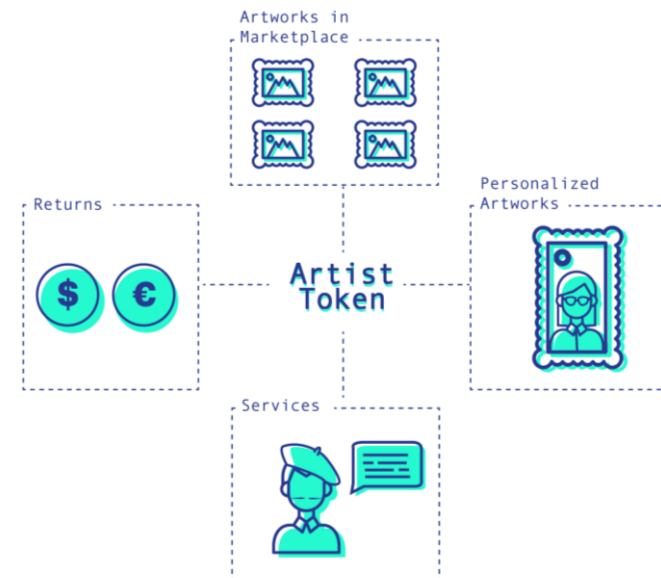
The Artist Token has two main functionalities or characteristics:

- ▲ The Artist Token grants to the holder an annual economic right over a percentage (30%) of the artist's total returns obtained within the Saisho marketplace during a period of 6 years from the issuance date of the Artist Tokens.
- ▲ The Artist Token after being issued can be liquidated in any moment in exchange for artworks or specific services provided by the artist. This way, the Artist Token holder would be renouncing to some of the future economic returns pending to be received.

### The Smart Contract

The Artist Token will be implemented using an ERC-721 non-fungible token Smart Contract. This implies the Artist Token will be atomic, meaning minimal units to trade will be a single Artist Token, and for example never 0.5 Artist Tokens. As ERC-721 standard specifies, every Artist Token will be associated to a meta-data where the corresponding artist information will be allocated. For every artist, there will exist many Artist Tokens, all of them sharing the same artist meta-data, except the serial number being unique.

The Saisho Token contract will have a `SwapToArtistToken()` function that burn an integer number of Saisho Tokens and issues the same number of Artist Tokens to the owner of burned Saisho Tokens. Both contracts will be linked on deployment in order to perform this function with integrity.





## Saisho: The ICO

### The Artist Token Economic Rights

If we were thinking in investing in companies rather than in art professionals, this Artist Token scheme would be equal to acquire the 30% of the shares of that company, with the associated economic right over its future benefits, but for a defined period (6 years).

**The Artist Token will give the holder the ability to share with the artist the proceeds earned from the artwork sales in the Saisho marketplace during a period of 6 years, this is, an annual economic right over the 30% the artist's proceeds earned in Saisho.**

The accumulated proceeds from the artist sales will be valued in fiat currency and will be paid once a year to the Artist Token holder wallet in the Saisho ICO platform with ether (it will be applied the daily exchange rate against fiat currency in the moment of the proceeds payment).

The Saisho ICO platform will fee a small percentage of the proceeds returns to fund the management, conversion and payment costs related to the artists' returns attributable to the Artist Token.

To protect the Artist Token holder future economic rights, all the artists included in the Saisho ICO platform will have already accepted a binding secured contract that will include at least:

- ▲ The artist will have the exclusivity with Saisho for the sale of any artwork during the next 6 years.
- ▲ Minimum annual artwork production committed by the artist (measured in square centimeters of artwork); as the artist intrinsic value will vary depending on the artworks' square centimeters sold, the artist must guarantee to the Artist Token holder a minimum number of square centimeters of new artworks to be available for sale in Saisho in the next years.
- ▲ Some additional guarantees to cover any unexpected risk for the Artist Token holder from the improbable breach of those clauses by the artist (depending on each artist, the Artist Token may also be secured by contracts with insurance companies).

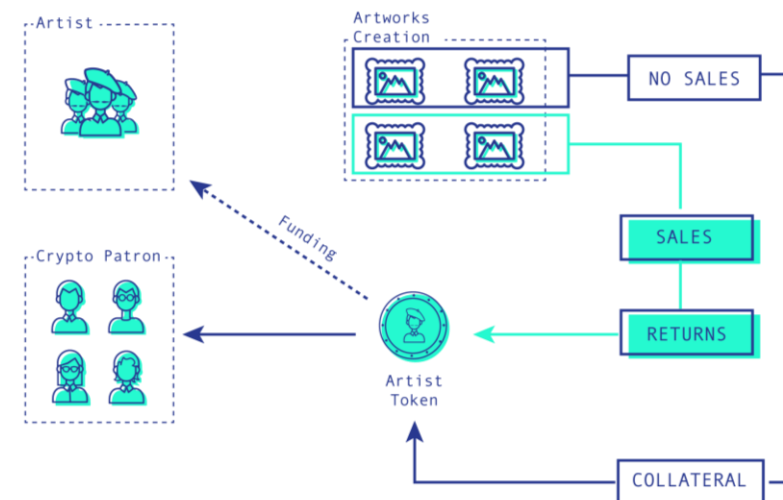
### The Artist Token Artworks' Pledge

**The Artist Token will additionally give the holder a pledge over the artworks produced by the artist in Saisho during the lifetime period of the token (6 years).** This pledge would be enforceable in case the artist does not meet the initial business plan (earnings in Saisho) initially assumed in the ICO.

In that situation, the Artist Token holder would be paid with that artist's artworks valued in the difference between:

- i. The initially expected earnings of the Artist Token at the ICO and;
- ii. The effective earnings earned by the artist during the Artist Token lifetime.

**This way, the Artist Token holder have an extra guarantee to secure the initial investment done in the artist, as in the end it will be backed by artworks that are quoted in Saisho's marketplace.**



## Saisho: The ICO

### The Artist Token Liquidation Rights

The Artist Token will also give the ability to the holder to acquire with them artworks or services from the artist. The Artist Token would be liquidated after the artwork or service is given. **This way, the Artist Token holder would be renouncing to some of the future economic returns pending to be received in exchange of a service or artwork from the artist.**

#### How does the Liquidation Rights work?

- I. Each artist selects the list of services that she/he would be keen to provide in the next years and the price that they will ask for it. This price is established in fiat currency and will not change during the lifetime of the Artist Token.
- II. The Saisho Token holders votes which artists deserves to be issued, taking also into consideration the list of services available per artist and the price of those, as part of the attractive of each artist.
- III. The Artist Tokens of the most voted artists are issued and acquired by the Saisho Token holders (swapped).
- IV. An Artist Token holder decide to liquidate the token in exchange of a service from the artist, it would work as follows:
  - i. The artist service's price (fiat) is converted into a number of Artist Tokens to be liquidated, considering the Artist Token Intrinsic Value (fiat) at that date versus the artist service's price initially established by the artist (fiat);
  - ii. The holder liquidates the defined number of Artist Tokens to acquire the service;
  - iii. The artist provides the service to the holder.

The liquidation scheme is a win-win situation for the artist (more percentage of their own future earning perceived) and for the token holder (access to a bunch of services from the artist that would not be available in other circumstances). In addition, in case the Artist Token intrinsic value (fiat) is revalued in time (the artist has had a better performance in Saisho than the one assumed in the base case scenario at the ICO), **the holder would have even more purchase (liquidation) power with the same Artist Tokens for acquiring services or artworks from the artist.**

### Acquirable Services / Artworks with Artist Tokens

- ▲ **Artist's Artworks in the Saisho marketplace:** The artist artwork's price (fiat) is converted into a number of Artist Tokens to be liquidated, considering the Artist Token intrinsic value (fiat) at that date versus the artist's base price per square centimeter (fiat) at the issuance date and the size (area) of the artwork.
- ▲ **Artist's Personalized Artworks:** The artist artwork's price (fiat) is converted into a number of Artist Tokens to be liquidated, considering the Artist Token intrinsic value (fiat) at that date versus the artist's price per square centimeter initially established at the issuance date by the artist for personalized artworks (fiat) and the size (area) of the artwork to be created. Those artworks would also be included in the Saisho market circuit, having the possibility of being resold in the marketplace afterwards.
- ▲ **Artistic Master Classes:** Initially valued in a fixed price per hour (fiat) and following the same liquidation scheme for all the services.
- ▲ **Advertising Sponsorship:** Interesting for those artists with well-known branding, it is initially valued in a fixed price per hour (fiat) and following the same liquidation scheme for all the services.
- ▲ **Expert advice on other Artwork Acquisitions:** Initially valued in a fixed price per hour (fiat) and following the same liquidation scheme for all the services.
- ▲ **Participation in Patron's Business Projects as a Creative Professional:** Initially valued in a fixed price per hour (fiat) and following the same liquidation scheme for all the services.
- ▲ Any other services proposed by the artist before their inclusion in the Saisho ICO



Artworks



Classes



Sponsorship



Advice



Hiring



# Saisho The ICO The Token Sale

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## Saisho: The ICO

### The Token Sale

The Saisho Token has a base value of 1 Saisho Token = 1 € = 0,0016835 ETH and a fixed conversion rate against every Artist Token at the future issuance dates of 1 Artist Token = 1 Saisho Token. There will be no cap, the number of Saisho Tokens distributed at the ICO will not be limited and will define the maximum number of Artist Tokens to be issued in the next 6 years.

Saisho Token Distribution Price	1 Saisho Token (ST) = 1 € = [0,0016835] ETH
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### Discount Bonus

The Saisho Token distribution will be done using a stepped auction where the first investors will obtain price discount over the Saisho Token base value at the ICO:

Saisho Tokens Distributed	Discount
Up to 2,500,000 ST	10.0%
Next 5,000,000 ST	7.5%
Next 7,500,000 ST	5.0%
Next 15,000,000 ST	2.5%
From 30,000,000 ST onwards	0.0%

### The Saisho Token – Artist Token Swap

The Saisho Token has a fixed conversion rate against every Artist Token at the future issuance dates of 1 Artist Token = 1 Saisho Token.

Saisho Token Swap Value into Artist Token	1 Saisho Token (ST) = 1 Artist Token (AT)
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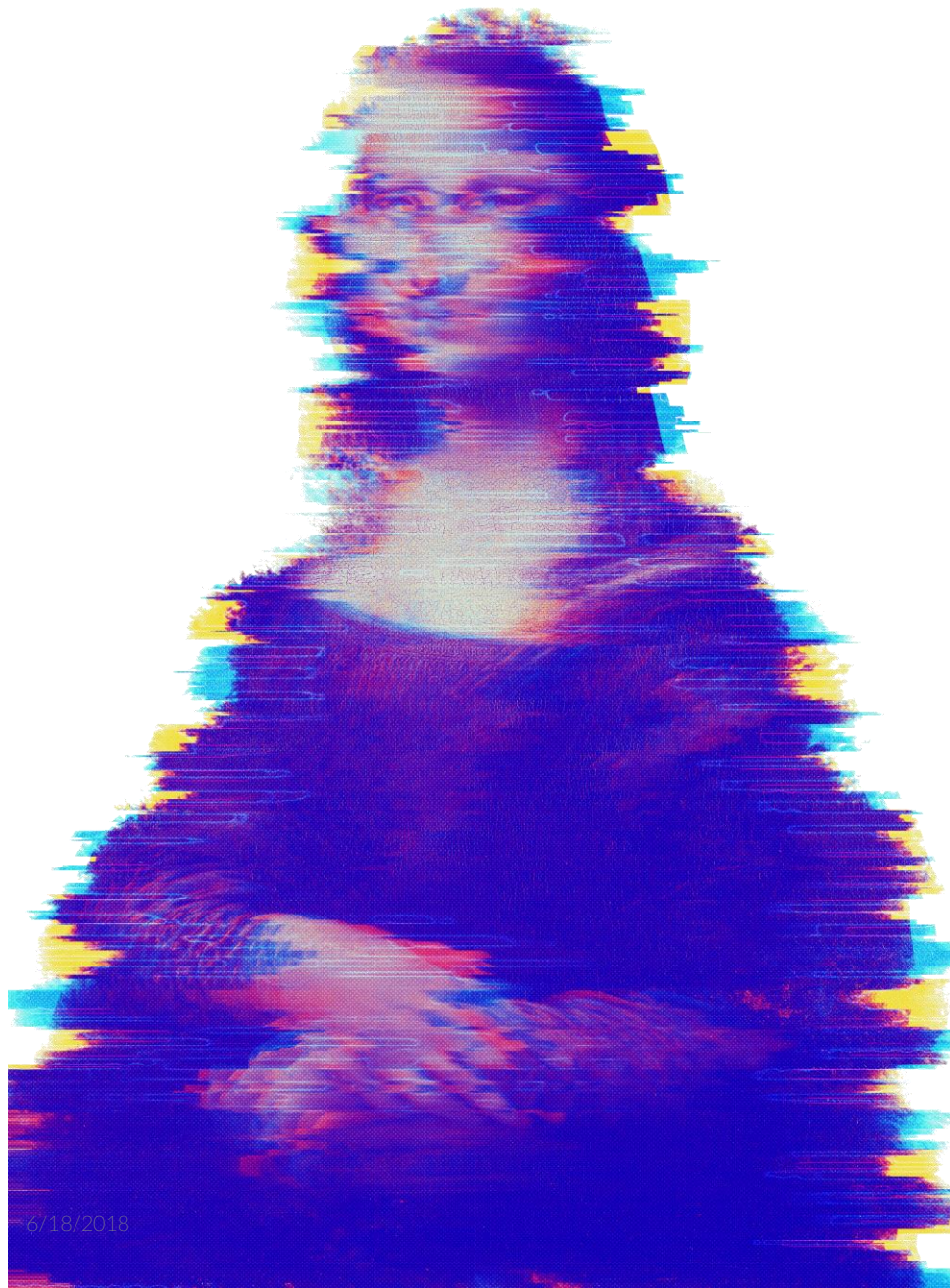
### The Artists Categories

There are five different categories in which all the artists to be issued will be included at their issuance dates. Those categories establish the number of Artist Tokens issued by the artist and also gives an expected return for the investment to the token holder, based on the business plan of each artist in the Saisho marketplace.

The more tokens issued, more valuable is the artist and also less risk / return is expected (*for more information see the appendix*):

Artist Category	Artist Tokens Issued per Artist	Expected Return (IRR)
1	81,018 AT	25.7%
2	164,181 AT	24.3%
3	279,656 AT	22.0%
4	461,240 AT	20.4%
5	1,113,284 AT	18.2%





# Saisho The ICO The Use of Funds

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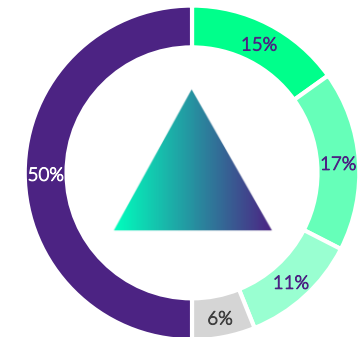
## Saisho: The ICO

### The Use of Funds

The number of Saisho Tokens distributed at the ICO will not be limited and will define the maximum number of Artist Tokens to be issued in the next 6 years. This is, the quantum of Saisho Tokens distributed will determine the number of artists that will be issued under the Saisho ICO scheme in the next 6 years.

In addition, depending on the funds raised through the distribution of Saisho Tokens, the funds allocation will vary and will allow Saisho to further develop the platform and enter in new geographic markets creating a real worldwide fine art quoted market and art patronage system.

Number of Saisho Tokens Totally Distributed	Number of Artists to be Issued	Saisho Geographical Development				
		Spain (pilot market)*	London	New York	Hong Kong	Other Markets**
81,018 ST (soft cap)	1 Artist	▲				
1,000,000 ST	12 Artists	▲				
5,000,000 ST	43 Artists	▲	▲			
10,000,000 ST	76 Artists	▲	▲	▲		
20,000,000 ST	118 Artists	▲	▲	▲	▲	
40,000,000 ST	266 Artists	▲	▲	▲	▲	▲
80,000,000 ST	491 Artists	▲	▲	▲	▲	▲
160,000,000 ST	1,021 Artists	▲	▲	▲	▲	▲



\*Spain: Madrid, Barcelona and Malaga.

\*\*Other Markets: Paris (France), Berlin (Germany), San Francisco (USA), Moscow (Russia), Mexico D.F. (Mexico), Sao Paulo (Brazil), Singapore (Singapore) and Shanghai (China).



# Saisho The ICO The Token Marketplace

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## Saisho: The ICO

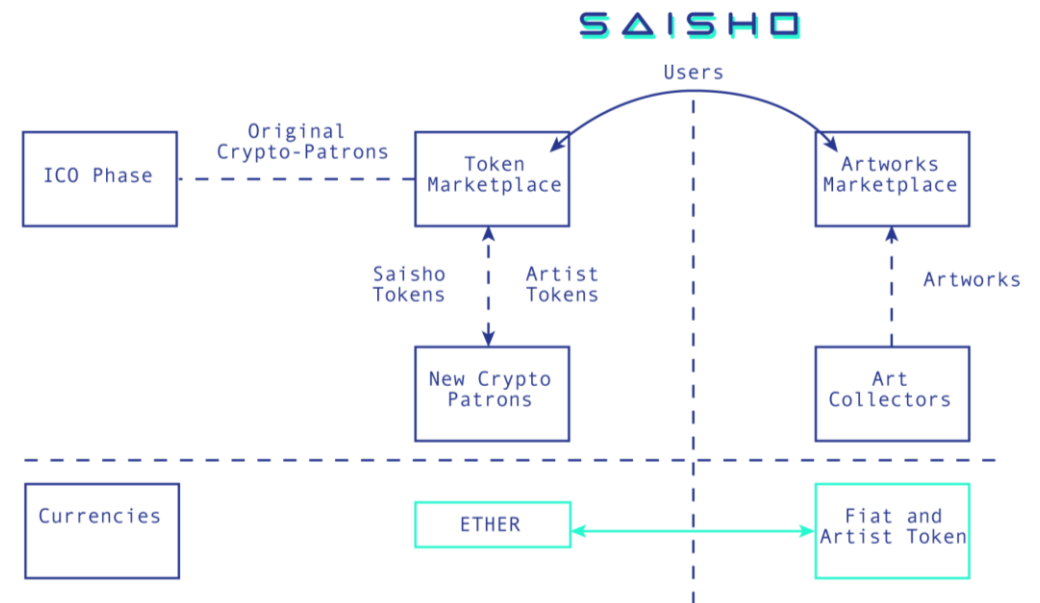
### The Token Marketplace

The Saisho ICO platform will provide the users an exchange platform where they can trade both the Saisho Tokens and Artist Tokens against ethers.

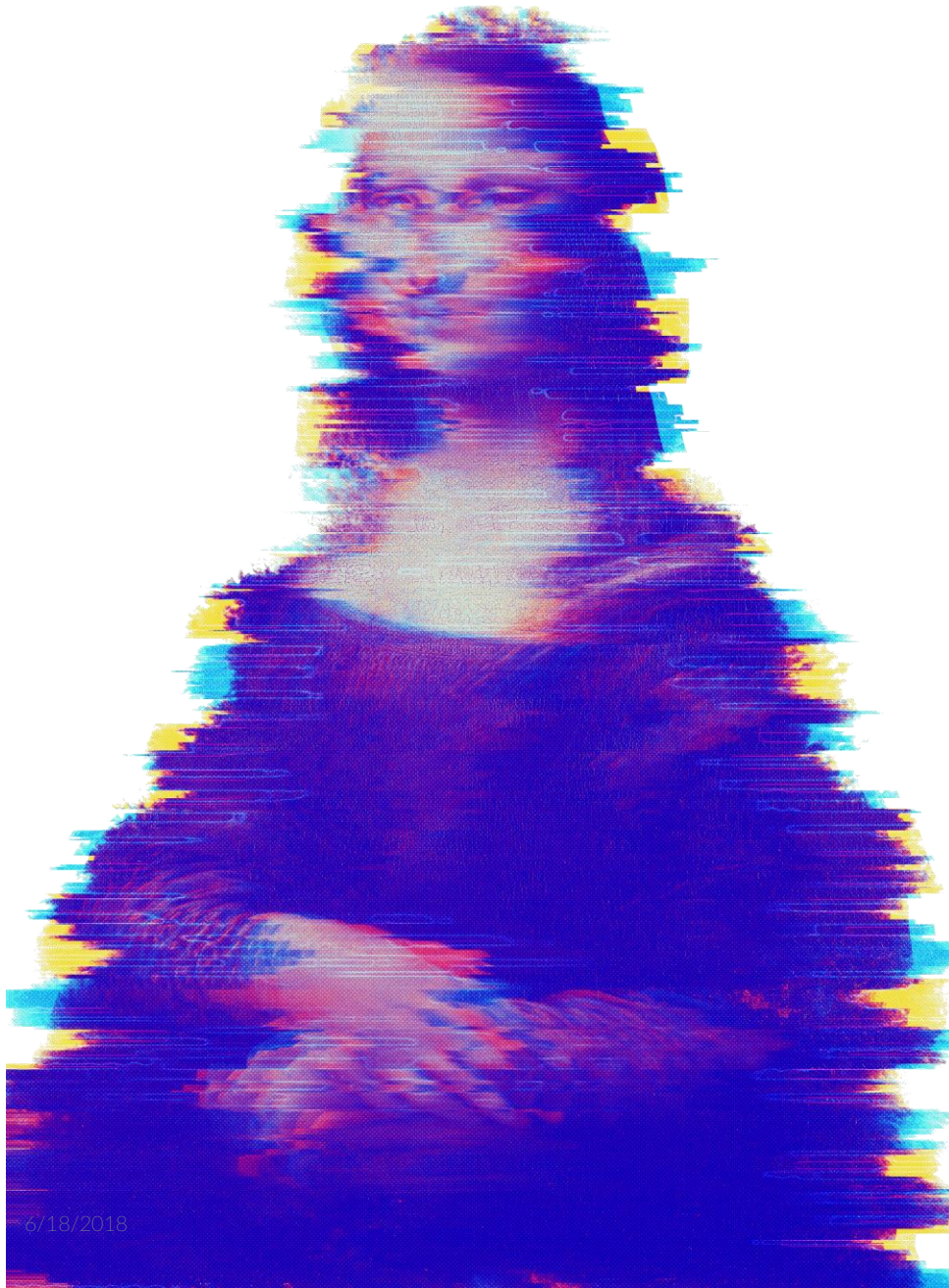
There will be available a secondary market in the Saisho ICO exchange platform where the token holders can exchange their Saisho Tokens or their Artist Tokens with ethers. New investors could be interested in entering in the Saisho ICO system through the acquisition of Saisho Tokens; the exchange rate will be freely established by the parties following supply and demand market rules. In order to have time to develop the token marketplace, the Saisho Tokens will have a lock up period of 6 months from the ICO.

The liquidation value of each Artist Token (Artist Token Intrinsic Value) would give a reference of the theoretical value of the token. This liquidation price is constantly being updated taking into consideration the real performance the artist is having in the Saisho marketplace, so it will serve as a reference both for the new investors willing to acquire tokens as well as for the token holders that want to monetize their investment (*for more information see the appendix*).

In Saisho, we believe in the decentralized economies and token marketplaces, we think those are one the first steps towards a real connected world where there are no distances between the people. This is why our will is to additionally introduce both the Saisho and Artist Tokens into regulated token exchanges in the future to make even more closer our tokens to the global crypto-community.







# Saisho The ICO The Roadmap

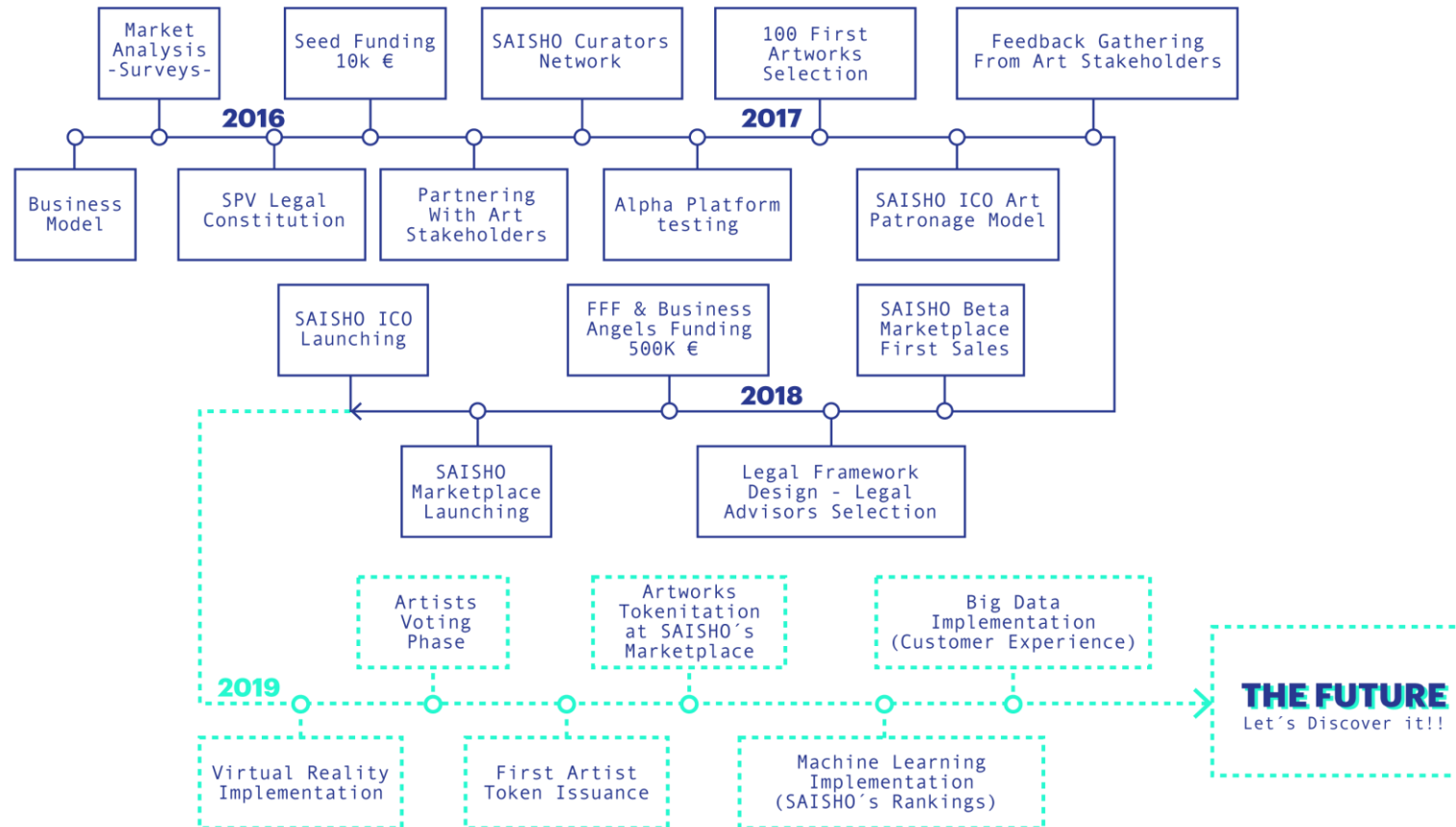
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## Saisho: The ICO

### The Roadmap





# Tokenomics The Rationale

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## Tokenomics: The Rationale

### The Rationale

The Saisho ICO provides to the token holder a market ecosystem where there are not only financial but also qualitative incentives to be part of the Saisho community. Those incentives comes to the token holder in form of future rents to be earned, artworks acquisitions at a lower price than the market, the possibility of voting which artists shall be promoted through the issuance of Artist Tokens or the possibility to acquire services from the artist that possibly would not be available through any other way.

Although, the token holders are not the only ones benefited with this system. The art collectors, the artists and Saisho itself will take advantage of the ultimate target of the Saisho ICO scheme:

Revolutionize the art market globally making it accessible to all the publics in all the geographies.



Saisho  
Token



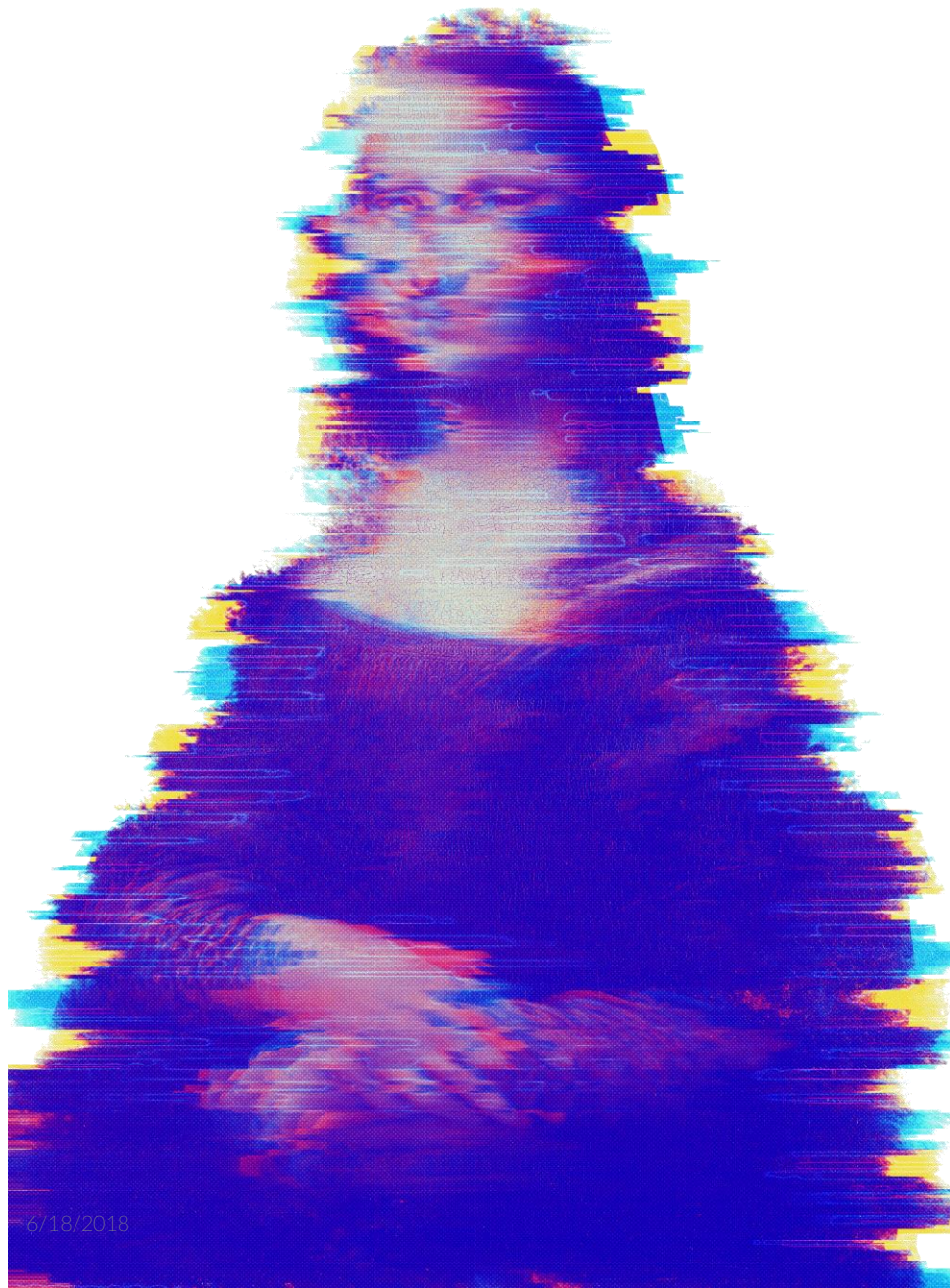
Artist  
Token



Saisho  
Artist

SAISHO





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## Tokenomics: The Rationale

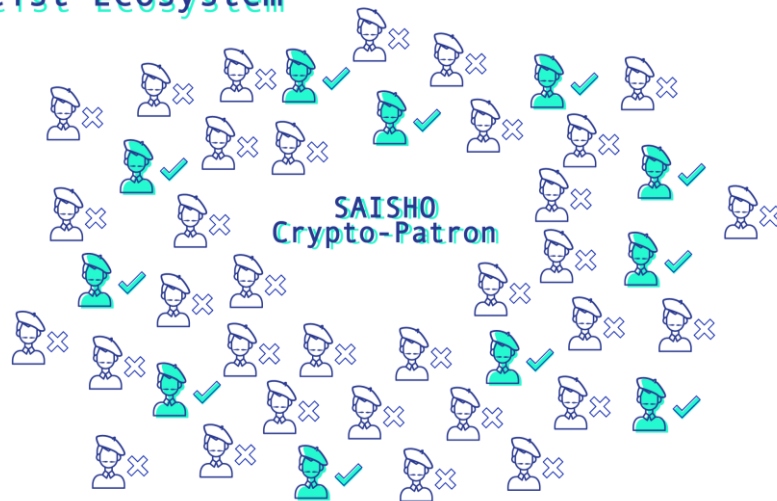
### For Saisho Token Investors

#### Qualitative Rationale: Voting

The main qualitative rationale for acquiring Saisho Token is the voting capability of the users to influence in what artists in Saisho will be promoted to become the XXI century top artists worldwide.

The qualitative rationale would be to become a real art patron and contribute to the democratization of the art patronage system.

#### Artist Ecosystem



#### Financial Rationale: Token Revaluation

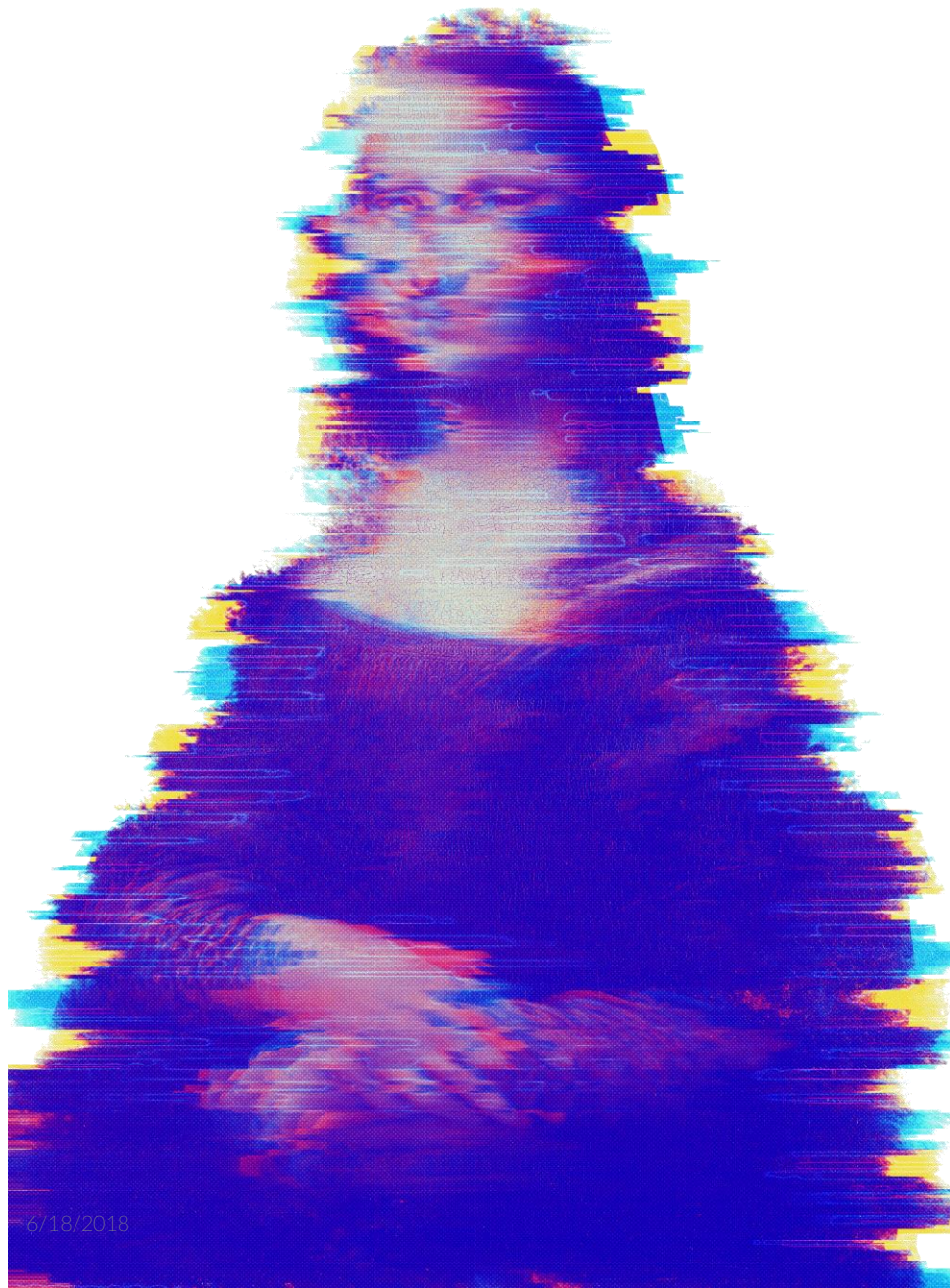
From a financial perspective, the Saisho Token gives the holder a right to swap it in the future with an Artist Token in a 1:1 exchange ratio. The Artist Tokens that will be issued in the next years have been valued today (in the ICO) considering several hypothesis based on the previous experience of the artist to estimate the business prospects of the artist in Saisho (*for more information see the appendix*).

In line with this, all the artists to be potentially voted by the token holders will have at least the business prospects estimated initially in the ICO at their respective artist token issuance date. If the artists has better business prospects at their issuance date, the Saisho Token holders will still have the ability to swap it under a 1:1 exchange ratio, this is, they will have the possibility to acquire more valuable Artist Tokens for the same price.

In this context, the Saisho Token will be more valuable before the Artist Token issuance dates in case Saisho incorporates to the market system artists with a higher quality and better business prospects than the one estimated today in the ICO.







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## Tokenomics: The Rationale

### For Artist Token Investors

#### Qualitative Rationale: Exclusive Services and Personalized Artworks

The qualitative rationale for Artist Token holders would be the possibility to **acquire services or personalized artworks from the artist that possibly would not be available through any other way.**

This scenario would generate an interesting possibility for individuals or companies that could be interested in some of the artist's services, such as the possibility to hire the artists for business projects paying them through the liquidation of their tokens.

In Saisho we really believe in the high possibilities of incorporating artists to professional business projects as they always contribute with a different way of seeing things. We trust that the idea of a company hiring artists to complement their teams is the future of business development and the Saisho ICO will ease those companies to have access to the best creatives, the artists, to hire their services through the token liquidation process.

This scenario of companies acquiring Artist Tokens to hire artists would have a secondary effects towards the original token holders: **the demand of the Artist Token in the secondary market would increase and it would contribute to the revaluation of the token.**

A win-win situation for Artist Token sellers and buyers could be generated with this scenario.



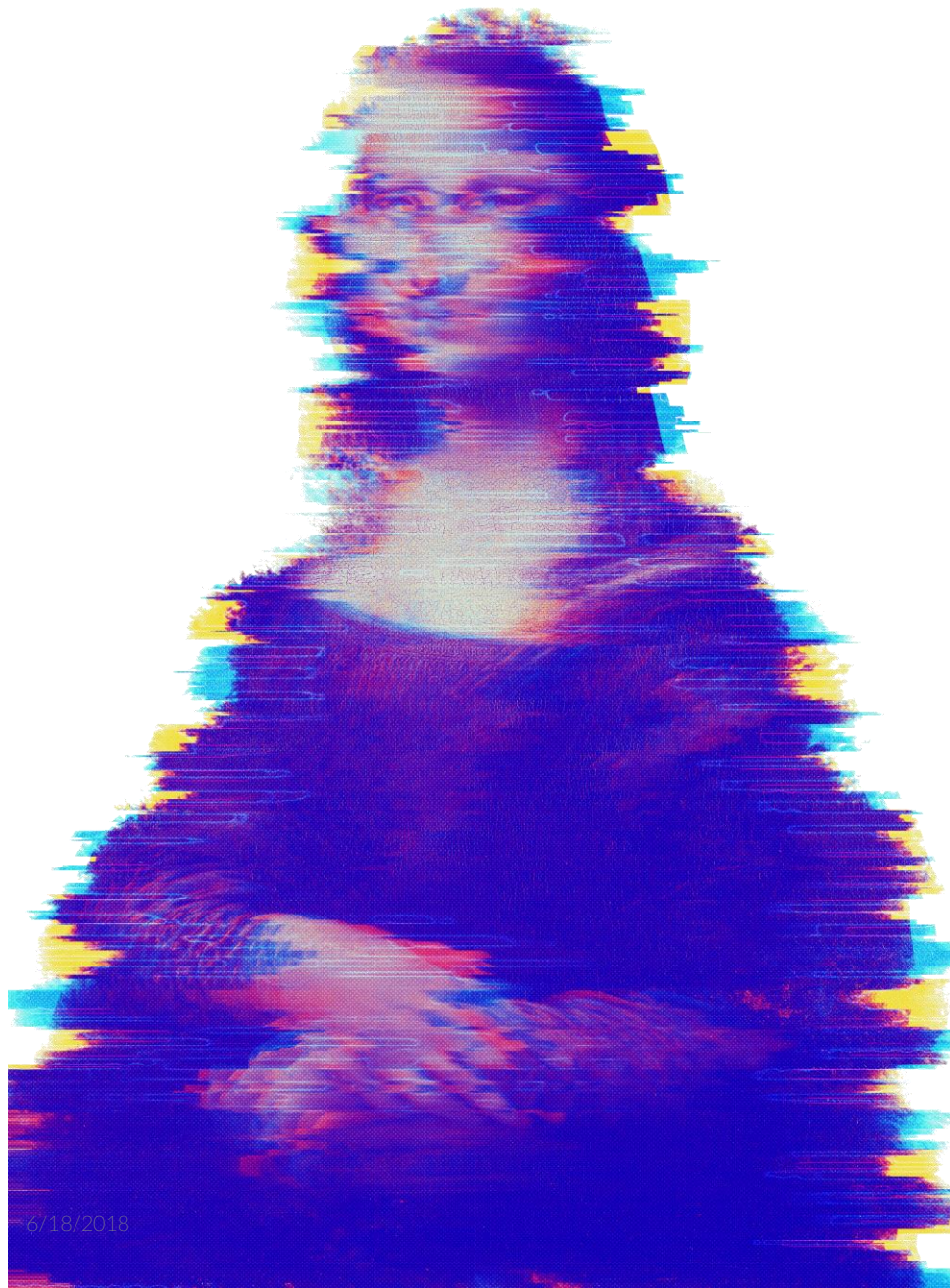
#### Financial Rationale: Returns, Higher Purchase Power and Token Revaluation

From a financial perspective, the Artist Token will give the holder three different incentives to invest:

- ▲ **Returns:** The token holder would be directly benefited along time for an outperformance of the artist's sales in Saisho; the returns received would increase and **the token holder would have a better implied return to the investment done in the ICO.**
- ▲ **Token Purchase Power:** If the artist's sales in Saisho outperforms the initial estimates for that artist in the ICO, the liquidation value of the token (Artist Token Intrinsic Value) will increase in parallel. As the artworks and the services acquisition costs through the liquidation of tokens are fixed, the token holder will have more purchase power to acquire artworks or services from the artist. **This is, with the same number of tokens liquidated, the holder will be able to acquire more services and artworks from the artist.**
- ▲ **Token Revaluation:** If the artist's sales in Saisho outperforms the initial estimates for that artist in the ICO, **the token's selling value in the token marketplace shall increase as it will have better future returns prospects and the services' / artworks' purchase power of the token will be higher.**







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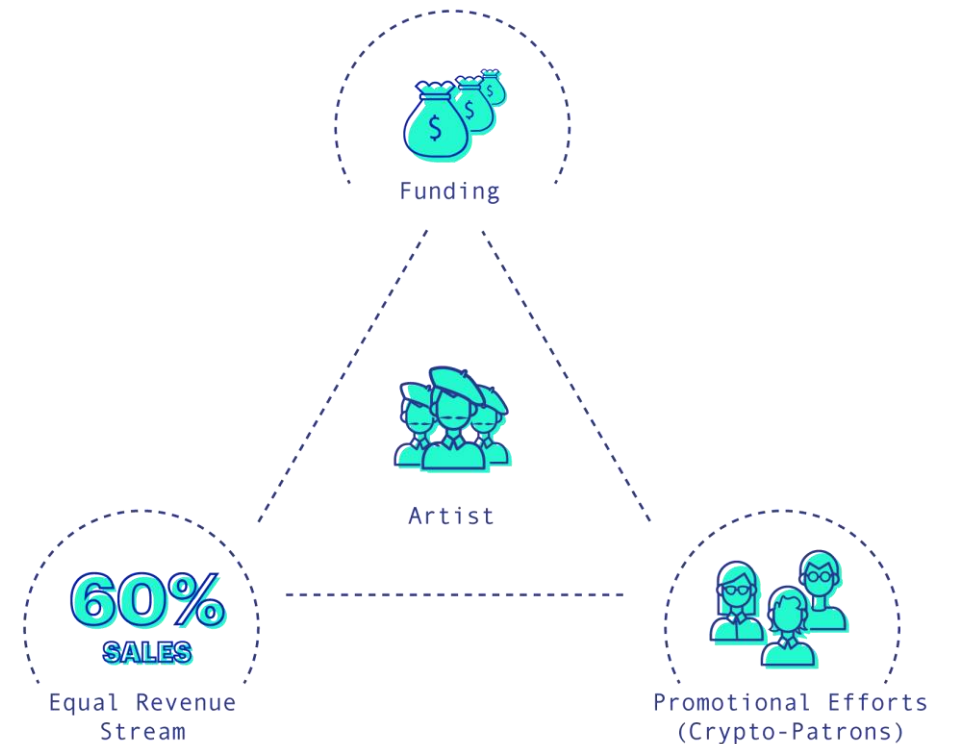
## Tokenomics: The Rationale

### For Saisho Artists

Considering the **financial rationale for the artist**, there are two main advantages for participating in the Saisho ICO ecosystem:

- ▲ **Funding for Art Creation:** The artist will receive funds in fiat currency per each Saisho Token swapped per it's Artists Tokens at their issuance date. The objective of these funds is to allow the artist to work in a full-time schedule in the creation of new artworks to be sold in the Saisho market.
- ▲ **Unaffected Revenue Stream:** The future net revenues of the artist would not be affected. The net revenues earned by the artist in the Saisho marketplace is the 60% of the artwork price (excl. VAT and other taxes associated to the returns payments). In the Saisho ICO system, the Saisho fee would go down to the 10% of the artwork price, which added to the 30% of economic rights belonging to the token holders, would leave the artist earning the same (60%) as if he was still operating in the standard Saisho marketplace.

Concerning the **qualitative rationale**, the Saisho ICO system also contributes to establish around the artist a group of art patrons (token holders) that will be incentivized to promote that artist's sales everywhere they go. **The Saisho ICO contributes in the creation of artist's brand ambassadors worldwide through a completely new art patronage system.**





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## Tokenomics: The Rationale

### For Saisho

In Saisho we strongly believe in the possibilities of the art industry for the next decade. We are completely convinced that there is a pending revolution in the art world and we aspire to be leading this upcoming revolution.

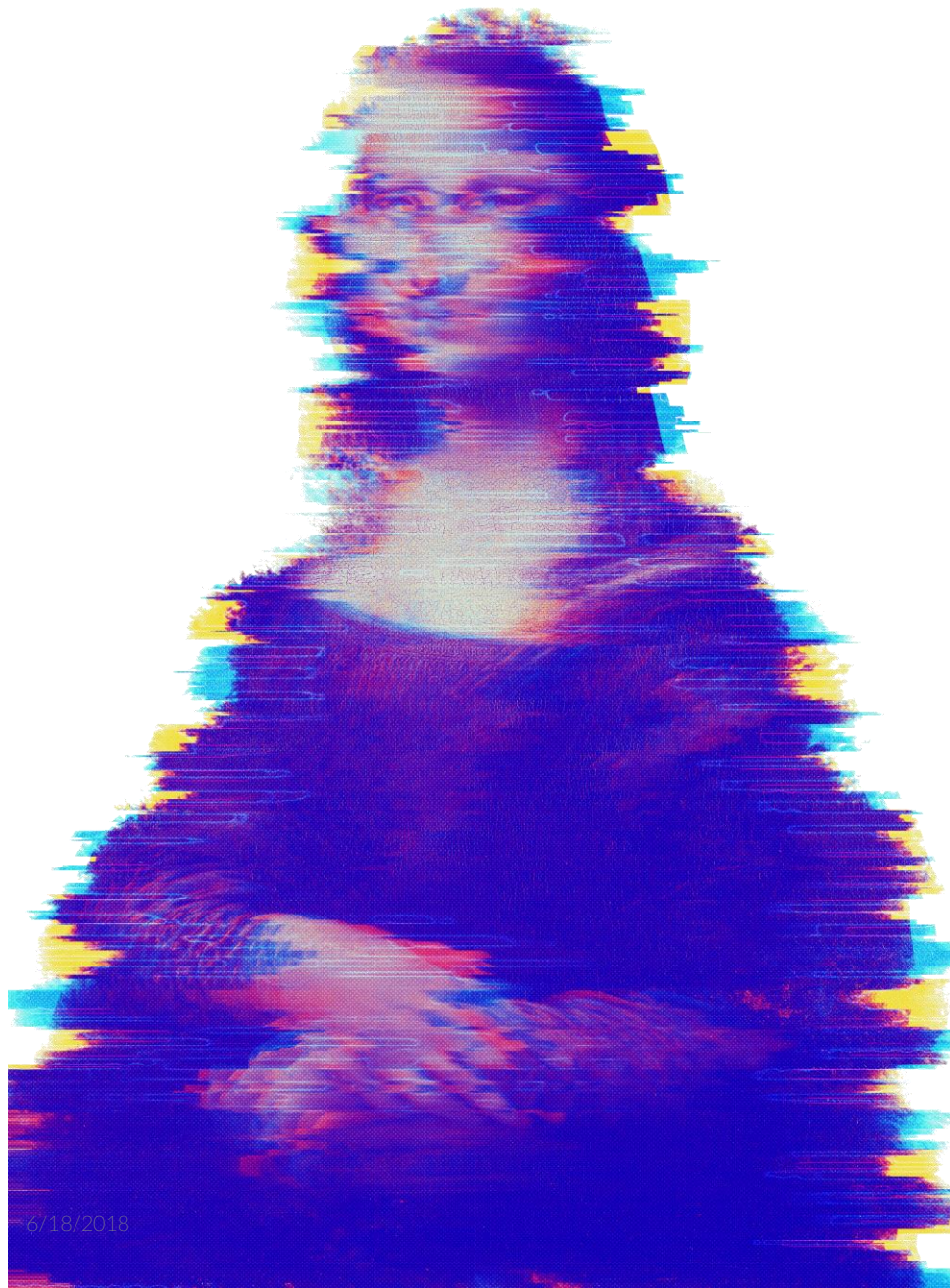
With the Saisho marketplace, we are creating a regulated digital market where artists are ranked and real-time quoted, where users can acquire and resell artworks with no specific knowledge in art required. We are easing things for acquiring original and unique fine art, in the form of a financial asset quoted in a regulated market, to the massive public that today is relegated to buy commercial art, prints or copies with low possibilities of accessing to the fine art market.

With the Saisho ICO, we will give the possibility of directly invest in artists for not only a financial income but also qualitative rewards (services) that the artist could potentially give us. We want to reduce distance between the artist and the public. In addition, the Saisho ICO not only allow us to better promote and improve the performance of the artists but also allows us to reduce drastically the sales fees per artwork sold, of which all the parties will be benefited in the mid-term (as our artists improves their performance we will need less percentage to maintain the business maintenance costs and we will be able to reduce the sales fee).

One of our targets is to promote the artistic industry worldwide and with the Saisho ICO we would be rounding the circle that we have begun to draw with the Saisho marketplace.







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## Case of Use

### Jack: The Art Collector



Jack is really interested in the art industry as a collector and is actively looking to new artwork selling platforms that allow him to expand his art collection. He arrives to Saisho and fall in love with the Saisho Market System; he also discovers that if he participates in the Saisho ICO he will increase his possibilities of acquiring more artworks for less price than the standard market from the best artists of the platform.

- 1 He decides to participate in the Saisho ICO and he acquires **10 Saisho Tokens** in the ICO.
- 2 He waits **10 months for the first voting phase to come** and in the meantime, he actively research through the Saisho platform which artists have the better prospects and in which of those he will be voting on.
- 3 In the voting phase, **he gives 10 votes, one per Saisho Token, to his 10 preferred artists.** This means that he has given 10 votes to each of those 10 preferred artists.
- 4 When the voting phase ends, the results of the winning artists to be issued are published in the Saisho ICO platform: **5 of the Jack's preferred artists have been selected to be issued!**
- 5 Jack decide to swap his 10 Saisho Tokens per 2 Artist Tokens of each of his preferred artists issued. **Now he has 5 different Artist Tokens, two of each.**
- 6 He looks that at that moment he can obtain 1 artwork (of standard size) of each artist liquidating each of his Artist Tokens now (artwork price = 1 €). **He decides to wait for those artists to improve their sales in the Saisho marketplace.**
- 7 **Jack begin to actively promote his artists' sales in his job place** and he accomplish **5 extra artwork sales of 2 of his artists.** In addition, these 2 artists have also done **other 5 artwork sales each** apart from the sales sponsored by Jack.
- 8 With those 10 extra sales per each of those 2 artists, much higher than their expected sales initially in the ICO, **the liquidation value of those Artist Tokens has gone up, from 1 € to 3 € per token**, as well as the reference value of those artists quoted in the Saisho marketplace (consequently, all their artworks now have a higher price, instead of 1 € per artwork now is:  $1 \text{ €} \cdot (1+5\%)^{(10)}$  = 1.62 € per artwork of standard size).
- 9 Then Jack remembers that he has a fixed artwork acquisition price liquidating tokens of 1 € per artwork and that his tokens now have a liquidation value of 3 € each. This is, **he can liquidate those 4 Artist Tokens to obtain 12 artworks**, 6 artworks per each of those artists. These 12 artworks are **quoted in Saisho marketplace at 19.54 €** (1.62 € each).
- 10 Jack decides to liquidate those revalued 4 Artist Tokens and **obtains 12 artworks.** In addition, Jack still **holds 6 Artist Tokens of his other 3 preferred artists.** Not a bad deal for Jack to expand his artistic collection.

Investment Rationale for Jack	
Investment at ICO	10 Saisho Tokens acquired (-10 €)
Assets acquired	12 artworks (value +19.54 €)
Artist Tokens	6 Artist Tokens (value +6 €)

Jack's Net Worth  
**+15.54 €**

Jack still holds 6 Artist Tokens of his other 3 preferred artists that are performing as expected so he decides to hold them for the moment and received the returns from those artists annually in the future.

**Before continuing with Jack's history let's look to April's one.**

## Case of Use

### April: The Investment Banker



April is an investment banker professional, friend of Jack and really interested in new investment opportunities to diversify her personal investments of her savings. She hears from Jack the superb results he has got with Saisho's all around experience. She does not know much of art but she decides to make a try in the Saisho ICO platform.

- 1 As she does not really know much about art, she first goes to the Saisho ICO platform and **analyze which artists have the better possibilities to improve their performance in the future and give higher income through returns** (remember that at this stage there are 10 artists with tokens issued)
  - 2 She sees that the Artist Tokens of the 2 artists with which Jack did the deal, have a liquidation (reference) value of 3 € each, quite expensive to acquire them. Although, the tokens of the other 8 artists remains at 1 € as they have been performing just as the initial expectations, and **she decides to invest in 2 of them** because she thinks, looking to their profiles in the Saisho marketplace, that **they have big possibilities of revaluation.**
  - 3 Then she put a buy offer in ether of an equivalent value of 1.2 € per each of the tokens of those 2 artists in the Saisho ICO platform to acquire 5 tokens of each artist (she wants to overpay for those tokens over the reference value to guarantee acceptance of the purchase). A token holder accepts April's offer (bid-ask matching) and **April finally acquires 5 tokens of each of those 2 artists in exchange of ethers with a total equivalent value of 12 €.**
  - 4 After 6 months, one of those 2 artists has got a superb performance in Saisho's marketplace, **highly surpassing the initial sales expectations** (20 artwork sales in that period), so **the liquidation value per token has gone from 1 € to 6 €.** The other artist in the same period, has only sold 3 artworks, lower than the initial expectations, so the liquidation value of his token has gone from 1 € to 0.5 €.
  - 5 **April then has a total value of her 10 Artist Tokens of 32.5 €** (5 tokens for 30 € as of the ones from the first artist and 5 tokens for 2.5 € as of the ones from the second one).
- 6 As April has great experience managing her investments, she decides to follow a simple strategy:
    - ▲ She put a **selling offer at the Saisho ICO platform for 4 tokens of the first artist for ethers with an equivalent value of 5 € each (20 € in total)**; her idea is to put the offer lower than the liquidation (reference) value to encourage the attractive of the purchase to the potential buyers in the Saisho ICO platform and to quickly earn the surplus value.
    - ▲ She **holds 1 token from the first artist**; the idea is to maintain some position towards this artist value potential upside (6 €).
    - ▲ She put a **buying offer at the Saisho ICO platform for 6 Saisho Tokens** (she will use some of the proceeds obtained in the selling of the first artist's tokens); her idea is to participate in the next Artist Tokens issuance, to primarily invest in new artists, now that she dominates the Saisho ICO ecosystem.
    - ▲ She **holds the other 5 tokens of the second artist** and begin to actively promote the sales of that artist to collaborate in the recovery of those tokens value.

In a couple of days, she has effectively closed all the movements.

Investment Rationale for April	
Artist Tokens Acquisition	10 Artist Tokens acquired (-12 €)
Artist Tokens Sold	4 Artist Tokens (value +20 €)
Artist Tokens Hold	6 Artist Tokens (value +8.5 €)
Saisho Tokens Acquisition	6 Saisho Tokens (-6 €)
Saisho Tokens Hold	6 Saisho Tokens (value +6 €)

April's Net Worth  
**+16.50 €**

Before continuing with April's history let's look to Mathew's one.

## Case of Use

### Matthew: The Salesman as a Traditional Artist Patron



Matthew is a top professional salesman at a big consumer industry corporate and a near friend of April. She shares with him the big opportunities of the Saisho ICO platform and the good overall performance she has had with it, in addition to the not so good performance of her investment in the mentioned second artist and her useless efforts in trying to pull up this artist's sales. Matthew realizes that the Saisho ICO platform could be interesting, even not having much money available for investing, and has an idea to propose April.

- 1 As his has little funds available to invest, **he proposes to buy 2 of the second artist's tokens from April** at its liquidation value, currently at 0.5 € per token (1 € for both). In addition, **he promises her that he will boost the second artist sales using his professional experience** on it (he really believes that the second artist has good artworks but not a good sales strategy) and this way the value of the token will go up enough to **at least make April recover the initial investment of 6 € done** through the revaluation of her remaining 3 tokens of the artist. She accepts and they do the deal in the Saisho ICO platform.
- 2 Then, Matthew get in touch with the artist and **give him some tips to improve his personal branding and marketing strategy**. In addition, Matthew use his network to **develop new promotional actions** to boost the artists sales. Six months later, **Matthew's strategy is giving results** as the artist's sales are boosting from 3 sales per each 6 months in the previous period to 20 sales in this new 6 months period. **The liquidation (reference) value goes up from 0.5 € to 6 € per token.**
- 3 **April has now more than recovered her initial investment** as she has earned first 1 € for the 2 tokens sold to Matthew and the reference value of her remaining 3 tokens is **valued in 18 € in total**. Another superb deal for April. She then decides to sell in the Saisho ICO platform 2 of her tokens in exchange of ethers per equivalent value of 10 € (little discount over reference value to guarantee a fast sale) and **remain with 1 token as she now believes that this second artist, with Matthew's advice and promotion, will go even higher and she want to participate in that upside.**
- 4 Meanwhile, **Matthew has done a really good work that has enabled him to enter through the big door in the Saisho ICO platform** with a little investment done (just 1 €); now his 2 tokens are valued in 12 €. He then decides to **sell 1 of his tokens and acquires 6 Saisho Tokens** (to participate in the next issuance of tokens from new artists) and holds 1 token of the artist, keeping his promotional efforts the same to **revalue even more the reference value of the artist's token.**

Investment Rationale for April (updated)		April's Net Worth (updated)	Investment Rationale for Mathew	
Artist Tokens Acquisition	10 Artist Tokens acquired (-12 €)		+31.00 €	Artist Tokens Acquisition
Artist Tokens Sold	4 Artist Tokens (value +20 €) + 2 Artist Tokens (pre-Mathew, value +1 €) + 2 Artist Tokens (post-Mathew value +10 €)	Mathew's Net Worth		Artist Tokens Hold
Artist Tokens Hold	2 Artist Tokens (value +12 €)		+11.00 €	Artist Tokens Sold
Saisho Tokens Acquisition	6 Saisho Tokens (-6 €)	Mathew's Net Worth		Saisho Tokens Acquisition
Saisho Tokens Hold	6 Saisho Tokens (value +6 €)		+11.00 €	Saisho Tokens Hold

Before continuing with Matthew's history let's look to Barbara's one as the representative of a big firm.



## Case of Use

### Barbara: The Manager from the Top Consulting Firm



Barbara is a close friend of Matthew. Professionally speaking, she is a top consulting firm manager in charge of managing multidisciplinary teams to give their customers tailored solutions in terms of innovation and applied technology at their businesses. Informally speaking with her, Matthew told Barbara his experience with the Saisho ICO and she realizes that it could be useful to use the Saisho ICO system to incorporate a creative professional she needs in her team.

- 1 First of all, Matthew told Barbara his experience with the Saisho ICO and **Barbara finds really interesting this last part of having available the artists services paying those with tokens.** Then she decides to ask Matthew how she can obtain tokens from artists in the Saisho ICO platform, that are not excessively expensive and that are well renowned. Matthew is not a artistic expert, so he decides then to ask April for references. April is not an artistic expert too, but she knows Jack and put in contact Mathew with him.
- 2 **Jack still holds the 6 tokens of his 3 preferred artists;** they have done a sales performance in line with initial expectations and Jack has been earning returns every year.

He believes these artists are good, considering the level of their artworks but they are not outperforming the initial estimated sales, maybe because of their sales strategy thinks Jack. **Jack recommends Mathew to acquire tokens from those artists if he is looking a high artistic level.** In addition, those artists have a fixed low cost of 0.5 € per month for hiring them full time (paid through token liquidation).

- 3 Considering this, Matthew have an idea and suggests Jack and Barbara an investment strategy that will be a win-win situation for the three of them:
  - ▲ He suggests **Jack to sell him 1 token of each of his 3 preferred artists in exchange of their current reference value** (near 1 € each, 3 € in total). As Matthew still has 6 Saisho Tokens, he sells 3 of them and uses the proceeds to acquire those 3 Artist Tokens from Jack.
  - ▲ **Matthew then sells Barbara 3 Artist Tokens** in exchange of ether with an equivalent value of 6 € (2 € each), still low price that she is able to accept even without being convinced yet of the quality of the artists and **higher than the acquisition price paid by Mathew to fund the promotional efforts to be done by Mathew.**
  - ▲ Implementing his sales strategy advise with those 3 artists, Mathew boosts the level of sales of the artists in the next 6 months to 20 artworks sold per each of them in that period. **The reference value of each of them has gone up then from 1 € to 6 €** (18 € the 3 tokens).
  - ▲ **Barbara can still hire each of them for the original fixed price** of 0.5 € in liquidated tokens for a month of work of each artist. Now that Barbara has 3 tokens of 6 € each, **she can hire these 3 artists for her team at the consulting firm for one semester of contract exclusively liquidating these 3 tokens.**
  - ▲ Jack's remaining 3 tokens has been revalued up to 18 €, which gives him the possibility of acquiring artworks from those artists at the original liquidation price (1 € per each), **he will be able to increase its artwork collection with no additional investment!**



## Case of Use

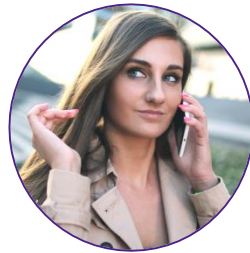
### Summarizing...

#### The Art Collector



Jack has acquired at a relatively low price a big selection of artworks from his preferred artists and has a good system to identify new talent and expanding his collection without investing much or any more money.

#### The Investment Banker



April has found an alternative scenario where she can diversify her investments and have a profitability that at the end of the day could depend on her promotional efforts towards the artist, so she is comfortable investing in the Saisho ICO system.

#### The Salesman

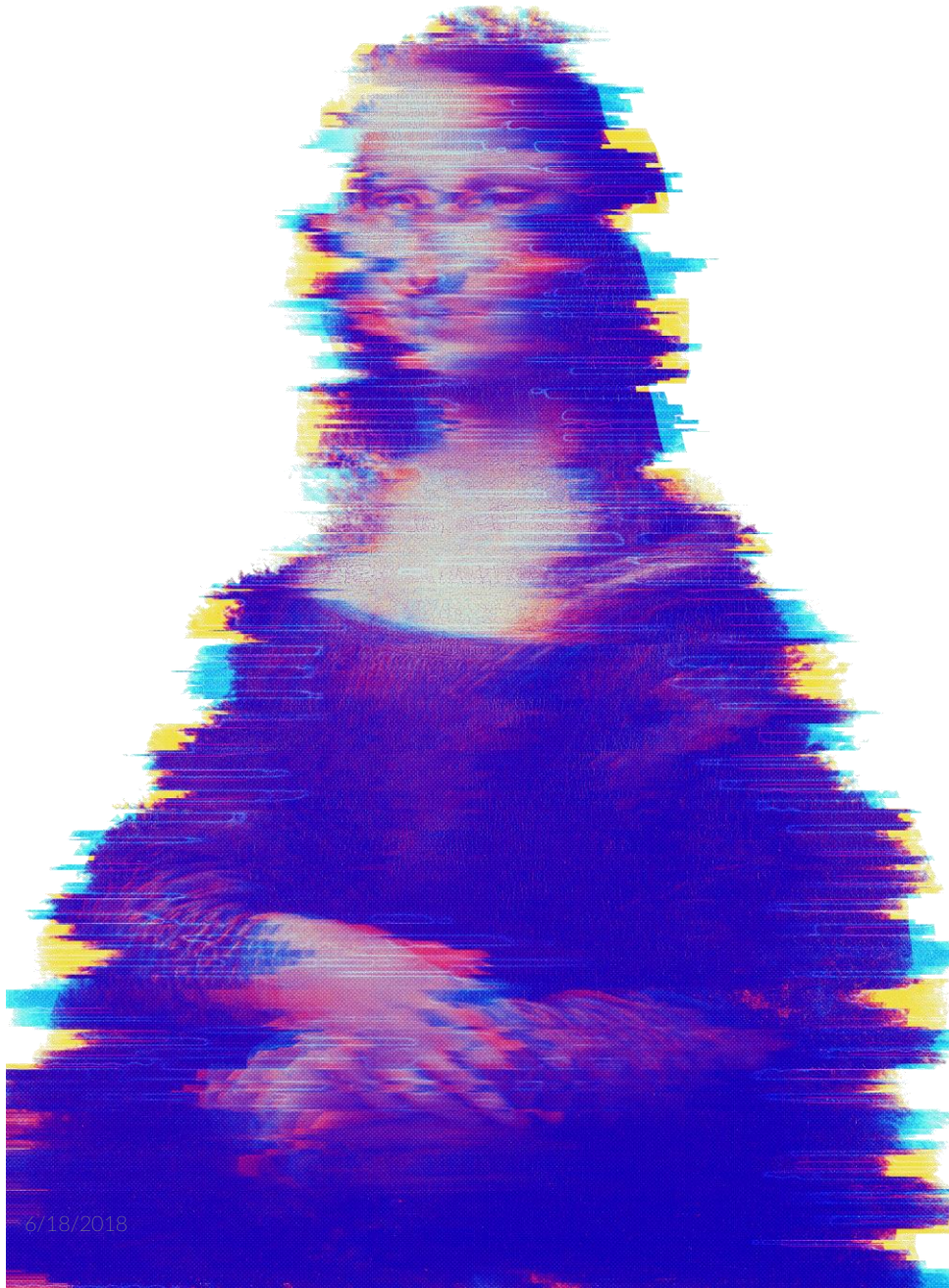


Matthew has found the system that matches perfectly with his abilities and that explodes the best his professional skills. He is earning so much value with his promotional services that he is considering involving full time in the labors of the Saisho ICO patronage and artists promotion.

#### The Manager



Barbara has found the perfect place to hire new talent in the industry of creatives at competitive conditions and has increased her professional performance at her firm due to the better look of the team's proposals derived of the inclusion of our three mentioned artists in it.



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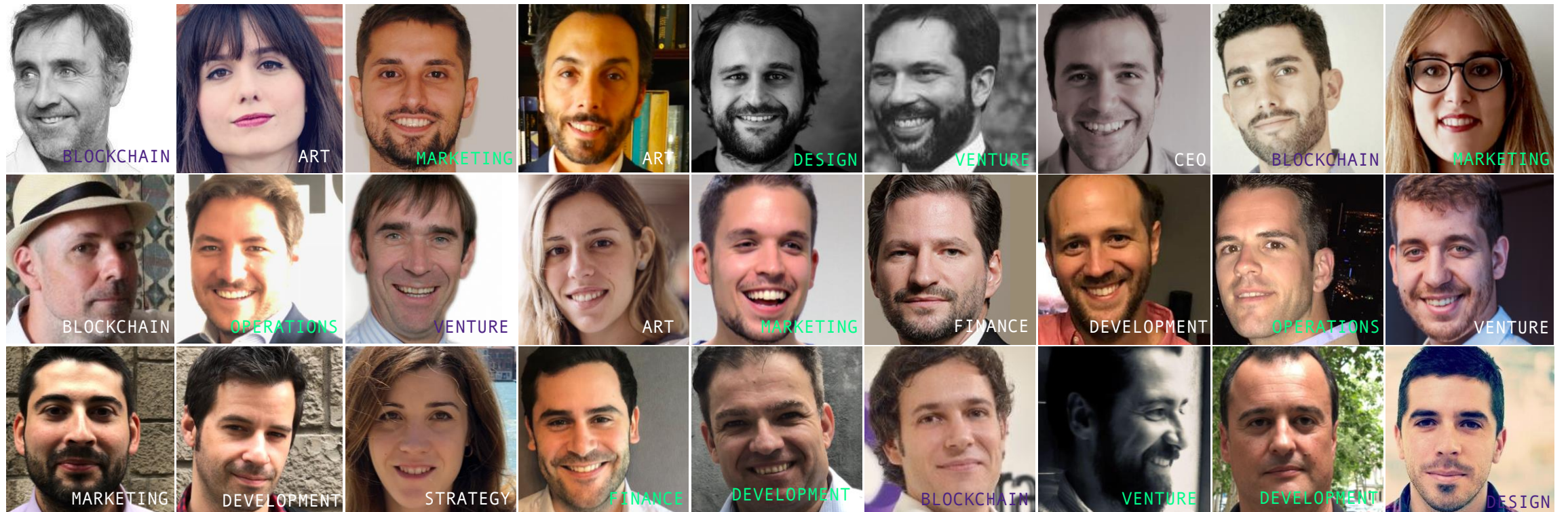
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## Our Team, Advisors & Partners

### Our Team & Advisors

Saisho team constitutes of **inspired finance, technology, design, legal, marketing and art professionals** who already have a **successful track record of launching and activating projects within these fields.**





## Our Team, Advisors & Partners

### Our Partners

We have adopted the **solution based on feedback, comments and suggestions provided by our advisor team, partners and community**. We believe that Saisho ICO due to its design and architecture (both business and technical) can change the art market worldwide.





## Our Long Term Vision

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## Our Long Term Vision

Saisho is aimed to be the organized, self-regulated and quoted market of art, transforming the whole sector and being an artistic reference on a global scale, making it accessible and understandable to all people. We want to discover, give voice and bring new technologies and trends to the artists of the 21<sup>st</sup> century. For closing the circle, we have launched the Saisho ICO, the beginning of a completely new democratize art patronage system worldwide.

The Saisho ICO is aimed to give investors the ability to invest in artists operating within the Saisho marketplace and obtain an annual return per a definite term derived from what the artists themselves earn through their sale of artworks in Saisho.

We strongly believe in the possibilities of the art industry for the next decade. **We are completely convinced that there is a pending revolution in the art world and we aspire to be leading this upcoming revolution.**

We imagine a future where artists and investors can leverage on the use of new technologies being the backbone of all of them a blockchain powered platform:

- ▲ Machine learning to be able to predict which artists will perform better in the future.
- ▲ Virtual reality and augmented reality in order our customers can see the paintings from their homes before investing in it.
- ▲ Artificial Intelligence
- ▲ Big Data
- ▲ Blockchain to tokenize the most valued artworks.

**We imagine a future where we can bring technology, art and business together.** That's why we imagine our artists working together with their patrons not only in artworks but also in business projects, bringing the creativity side which is needed to explode on the upcoming years.





## Appendix The Saisho Market System

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## The Saisho Market System

### The Saisho Market System (SMS)

The SMS is supported by very simple and basic rules, easy to understand by any buyer not introduced in the art industry, which will facilitate their decision to buy and boost the recognition of the artists with the better selling performances.

In the first place, the prices per artwork are set in S around the Artist Reference Value (hereinafter “ARV”); this is, prices are not fixed per artwork but per artist. This means that every artist sells all his artworks at the same price in relation to their size, that is, at a very similar price all his artworks per square centimeter.

The ARV will always be referenced in cents of euro per square centimeter of artwork’s surface and will serve as a reference to see the revaluation or depreciation of the global value of an artist in S.

The relation between the ARV of an artist and the price of an artwork from that artist is not exactly proportional to the size (smaller works usually have a price per square centimeter higher than the largest in the current artistic market) and considers the category to which the artwork belongs (as an example, the soft support as the paper has an additional discount over the ARV in the artwork price formation). The artwork price then is established following the following formula:

$$AP_a (\text{€}) = ARV_t \left( \frac{\text{€}}{\text{cm}^2} \right) \times AS_a (\text{cm}^2) \times \left( 1 + \frac{300}{AS_a (\text{cm}^2)} \right) \times (1 - R)$$

Where:

- ▲  $AP_a$ : The price of the artwork  $a$  in S related through the above formula to the artist’s ARV.
- ▲  $ARV_t$ : The Artist Reference Value in S at  $t$ .
- ▲  $AS_a$ : The size in  $\text{cm}^2$  of the artwork  $a$ .
- ▲  $R$ : Adjustment coefficient applied to every artwork in S in relation to the ARV of the artist and different depending on the artistic style and support material of the artwork.

### The Artist Reference Value (ARV) Evolution Rules

The ARV of an artist will increase by a fixed percentage of +5% each time for each artwork of that artist sold or resold in S:

$$ARV_t = ARV_{a-1} \times (1 + 5\%)$$

Where:

- ▲  $ARV_t$ : The Artist Reference Value in S at  $t$ .
- ▲  $ARV_{a-1}$ : The Artist Reference Value in S before the artwork  $a$  is sold or resold.

The ARV of an artist will decrease each 30 days in another fixed percentage (-1%) if a month passes without selling any artwork in S. This decrease in the artist’s ARV would be limited to the Minimum ARV (see the following paragraph):

$$ARV_t = ARV_{m-1} \times (1 - 1\%)$$

Where:

- ▲  $ARV_t$ : The Artist Reference Value in S at  $t$ .
- ▲  $ARV_{m-1}$ : The Artist Reference Value in S before the month without artworks selling has passed.

All the new artists in S start from an Initial ARV set by our Artist specialists based on the previous experience of the artists and from there, each one evolves according to their sales in the S market. This Initial ARV of the artist is also the Minimum ARV for that artist, under which the artist never would see depreciated its ARV even if his artworks remain unsold in time.

The artists with no previous recognizable experience will have an initial and minimum ARV of:

- ▲ **Initial and Minimum ARV for all the S artists (excl. VAT taxes):** 7.53 euro cents per  $\text{cm}^2$ .

These S market rules concerning the ARV increase / decrease or the establishment of the Initial and Minimum ARV, could be modified in the future according to several factors (i.e. artistic market environment of each geography). Although these potential modifications in the market rules will never suppose a retroactive change for the artists or users that have already used the S market to do any artwork selling or acquisition. Our will is to guarantee transparency, stability and coherence to the S market through the maintenance of the principles of those market rules.

## The Saisho Market System

### The Artistic Categories

The different artwork categories included in S have different R depending on the artistic style and support material of the artwork. The categories currently included in S and their implied R values are:

- ▲ Painting, photography, engraving or illustration on rigid support (i.e. canvas / table) - **R = 0%**
- ▲ Painting, photography, engraving or illustration on soft support (i.e. paper) - **R = 16.67%**

*\*Photography and engraving are limited to editions of no more than 10 copies.*

In the future, more artwork categories will be included in the S market (i.e. digital art, sculpture...) and these will all be assigned a different R in the moment of their inclusion in the platform according to current market pricing standards.

The S market formula to extract the artworks price from the artist's ARV will be developed in the future to introduce new artistic categories that need more dimensions to be quantified (i.e. Sculpture).



Paintings



Engraving



Illustration



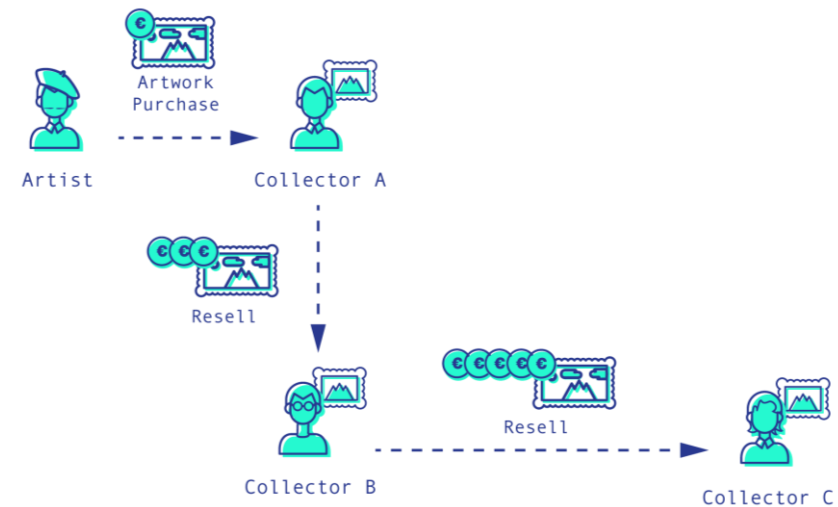
Photography

### The Reselling System

In addition, to promote the vision perceived by the users of the artwork purchase as an investment and not as an expense, the SMS allow the users to put on sale (resell) an artwork previously purchased on the S platform.

That artwork would belong to the set of artworks of a S artist and would be referenced through the already mentioned formula to the ARV of that artist, which is updated with each new artist's artwork sale or resale that occurs in S. This gives the user the opportunity to know exactly if there was any potential surplus value in that acquired artwork if he put that artwork on resale and would incentivized that user to actively promote new artwork selling of that artist to increase that potential reselling surplus value for that artwork.

With this SMS, the S market meets all the conditions to become an online real-time quoted artistic market that serves as an artistic reference worldwide.





## Appendix The Saisho Token Voting Scheme

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## The Saisho Token Voting Scheme

### The Artists' Voting Mechanism

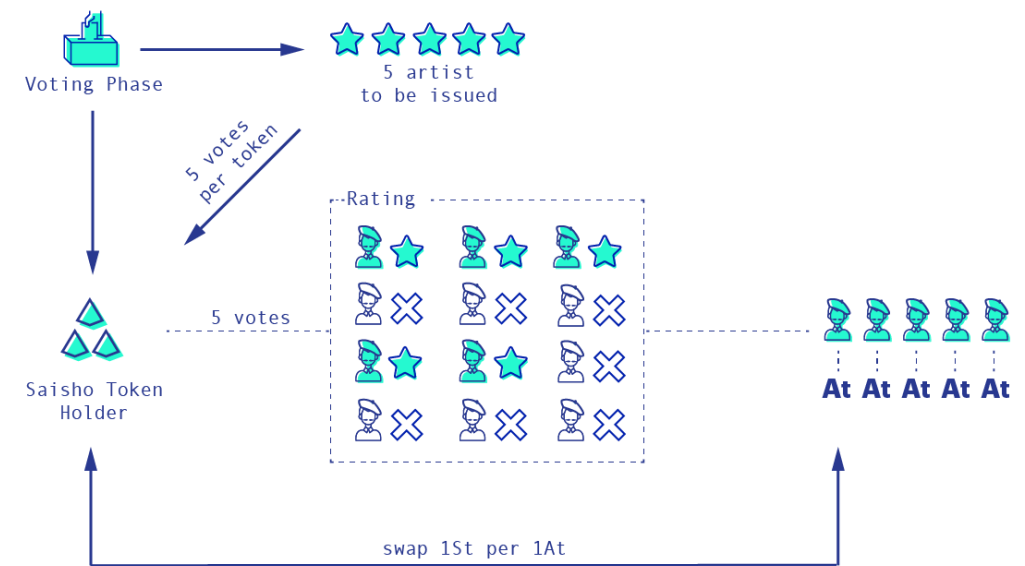
The ST will give the ability to the ST holder to vote in the SI platform the predefined limited number of artists of which AT will have to be issued at each Issuance Date (hereinafter "ID"):

- ▲ Before each ID, the SI platform will provide to the ST holders a long-list with a selection of artists operating in S that have previously accepted and are legally bound to the SI investment rules.
- ▲ Subsequently, the ST holder will have the ability to vote a limited number of artists among this long-list.
- ▲ The number of artists to vote by the ST holder will be equal to the number of artists predefined at the time of the SI based on the funds raised (hereinafter "PNA" or Predefined Number of Artists).
- ▲ Each ST will give the ability to the holder to do one voting right, this is, give one vote to the PNA to be voted in each ID. The more ST a user holds, the more votes this user can give to the artists he likes.

*The users will obtain with the ST holding the capability to actively influence in the art patronage of the SI platform.*

The Voting Period (hereinafter "VP") will be open between the 60 days and 30 days before of each ID. Once the VP has ended, an arithmetical sum of all the votes will define the number of artists (equal to PNA) selected with the voting (hereinafter "AW" or Artist Winners"). Then, the platform will give to the holders the results of the voting through the SI platform.

In the ID, 30 days after VP has ended, the AT of the AW in the voting will be issued and the ST holders will have the ability to exchange their ST with this newly issued AT.







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## The Artist Token Valuation Methodology

### The Artist Token Base Case Scenario

The ST (1ST = 1 € at the moment of the IP) and the AT (1 ST = 1 AT at the IDs) are the units of measure of the value of the artists to be tokenized in the future. The number of AT an artist issue at the ID, the more value an artist has.

The value of each artist to be tokenized in the future (hereinafter the Artist Tokenized Value or “ATV”) is calculated at the moment of the IP according the following formula:

$$ATV (\text{€}) = \sum_{t=1}^{N=6} \frac{(NAP_t \times TAP)}{(1 + IRR)^t}$$

Where:

- ▲ **ATV:** Artist Tokenized Value is the current value in € of the part of the future proceeds generated by the artist at S that are tokenized, calculated through the discounted cash flows methodology.
- ▲ **NAP:** Nominal Artist Proceeds are the Net Annual Proceeds obtained by the artist in S in the future periods in €, being already deducted the VAT taxes and the S managing costs applicable to each selling.
- ▲ **TAP:** Tokenized Artist Proceeds is the percentage of economic rights over the NAP tokenized and that represents the total AT issued by that artist. All the artist’s categories issued have the same TAP equal to a 30%.
- ▲ **IRR:** The IRR is the discount rate applied to the NAP and is different between each of the artist categories according to the implied risk of each of them.
- ▲ **N:** The N is the number of years that an AT is active, from the ID to the last PD, which the same to all the artist categories and is equal to 6 years.

Subsequently, the total NAP generated by the artist in the future would be:

$$Total\ NAP(\text{€}) = \sum_{t=1}^{N=6} NAP_t = NAP_1 + NAP_2 + NAP_3 + NAP_4 + NAP_5 + NAP_6$$

The S market follows specific rules for the price formation of the artworks (based on the ARV) and its evolution on time. In line with this, we can be more precise in the calculation of the NAP for each period generated by the artist in the future:

$$NAP_t(\text{€}) = I_t - SF_t$$

Where:

- ▲ **SF<sub>t</sub>:** S market managing costs applicable to each selling in form of a fee over the sales produced; in case of the tokenized artists, this fee is equal to a 10% of the artist’s annual income net of VAT taxes.
- ▲ **I<sub>t</sub>:** Annual income net of VAT taxes generated by the artist at S in the year t, that can be itemized as follows:

$$I_t (\text{€}) = \left( AvARV_t \left( \frac{\text{€}}{\text{cm}^2} \right) \times ASR_t (\#) \times AvSZ_t (\text{cm}^2) \times \left( 1 + \frac{300}{AvSZ_t} \right) \right) + \left( AvARV_t (\text{€/cm}^2) \times R \times ASS_t (\#) \times AvSZ_t (\text{cm}^2) \times \left( 1 + \frac{300}{AvSZ_t} \right) \right)$$

Where:

- ▲ **AvARV<sub>t</sub>:** The arithmetical average from t-1 to t of the Artist Reference Value in S measured in €/cm<sup>2</sup>.
- ▲ **ASR<sub>t</sub>:** The number of rigid material artwork sales done by the artist in S along the year t.
- ▲ **ASS<sub>t</sub>:** The number of soft material artwork sales done by the artist in S along the year t.
- ▲ **AvSZ<sub>t</sub>:** The arithmetical average size in cm<sup>2</sup> of the total artworks sold by the artist in S from t-1 to t.
- ▲ **R:** Reduction coefficient applied to the ARV in the S market only for artworks created in soft materials, equal to a 16.67%.

## The Artist Token Valuation Methodology

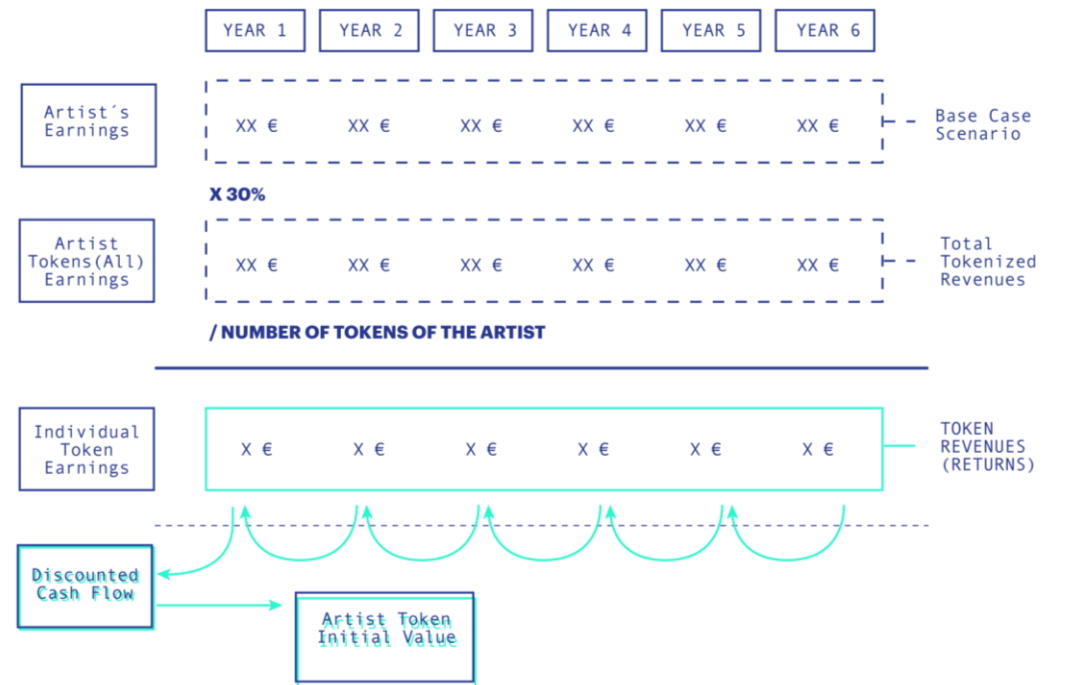
### The Artist Token Base Case Scenario (Cont.)

Considering the previous page and the SMS, it is possible then to model the future cash flows of an artist in S considering some standard hypothesis (i.e. number or future artwork sales, average size of the future sales...) that states the future pricing of the artist artworks and the evolution of the artist future income in S.

These hypothesis, based on reasonable market standards in S, are used to establish the reasonable current value of the artist in S (based on the discounted cash flows of its net returns in the platform), and, subsequently, the ATV. There will be different hypothesis for each of the different artist categories to be tokenized.

These hypotheses together that allow to model the future performance of the artists in S and set a defined ATV per artist category, together they constitute the Base Case Scenario (hereinafter "BCS").

The ATV of each artist category is initially set at the moment of the IP based on the BCS market hypothesis for the future performance of the artist in S. This way, the SI investors in ST at the moment of the IP will know exactly the implied IRR they would be investing at in the moment of the ST-AT conversion (in the ID) according to the BCS hypothesis for each artist category.



## The Artist Token Valuation Methodology

### The Artist Token Categories

As commented previously in the paper, there are five different artist categories in which the artists to be tokenized and issued in the future IDs will be included. The main difference between the different categories is the ATV of each artist category, which is derived from different BCS hypothesis at the ID.

The different artist categories are named from 1 to 5 and will have at the ID the following values and the following implied IRR for the AT investors from the ID to the end of the AT lifetime (Buy&Hold basis) under the BCS hypothesis:

Artist Category (hereinafter "AC") (Type)	Value in ST at ID (# of AT Issued)	Ref. Implied IRR for Investor at ID (%)
1	81,018 AT	25.7%
2	164,181 AT	24.3%
3	279,656 AT	22.0%
4	461,240 AT	20.4%
5	1,113,284 AT	18.2%

The difference in the valuation of each AC and its different cost in ST is directly related to the more expected ATV of the artist of one AC to another, based on the difference in the BCS hypothesis from one to another. The higher expected ATV, the higher cost in ST for the investors at the ID.

The difference in the reference implied IRR between each of the categories is directly related to the different risk associated to the different categories of artist. This is included in the cash flow modelling of the artist as different initial BCS hypothesis and, as a result, the implied IRR for the investor is different from one category to another.

In qualitative terms, the different categories represent the grade of consolidation of the artist in the S market, which defines the grade of risk of investing in each artist and, consequently, the level of return associated under the BCS. For example, the hypothesis of the artworks sold up to the ID in S for an artist of the AC1 is 12 artworks sold, while an artist of the AC5 is 20 artworks sold (almost the double). This is one of the signs that represents the grade of consolidation of each artist in the S market before the ID; in this case, a higher risk (and implied return) would be associated to the artist of the AC1 than the one of the AC5, as the first one has historically sold less artworks in S. As simple as this.

We have commented above that the different ACs have different BCS hypothesis, but also share some common hypothesis. **In the following sections we will disclose the common and particular hypothesis of each category.**



## The Artist Token Valuation Methodology

### The Common BCS Hypothesis

The common BCS hypothesis for all the AC comprises not only the S market artworks pricing conditions and evolution but also the following specific hypothesis for the evolution of the different parameters that could affect the future NAPs of each artist:

Common Hypothesis	Unit	Value
1. Growth in AvSZ per Artwork Sale	%	1.0%
2. Saisho Sales Fee per Artwork Sale	%	10.0%
3. Growth in ASR & ASS per Annum		
<i>For Artists with ARV lower than 0.34 €/cm<sup>2</sup></i>	%	25.0%
<i>For Artists with ARV between 0.34 - 0.68 €/cm<sup>2</sup></i>	%	15.0%
<i>For Artists with ARV between 0.68 - 2.28 €/cm<sup>2</sup></i>	%	5.0%
<i>For Artists with ARV higher than 2.28 €/cm<sup>2</sup></i>	%	-5.0%

Where:

- ▲ **Growth in AvSZ per Artwork Sale:** This hypothesis represents the increase in the size of the artworks sold by an artist in time and it is measured in the percentage increase of the AvSZ per artwork sold by the artist in S. The rationale of the hypothesis is that the higher value and market recognition an artist has, the bigger format in its artworks would be using, in line with the current artistic market dynamics.
- ▲ **Saisho Sales Fee per Artwork Sale:** The S market managing costs applicable to each selling in form of a fee over the sales produced; in case of the tokenized artists, this fee is equal to a 10% of the artist's annual income.
- ▲ **Growth in ASR & ASS per Annum:** This hypothesis represents the annual increase in the number of artworks sold by an artist from one year to the next one. The rationale of the hypothesis of being a decreasing growth rate, even decreasing in artists with high ARV, is that the most valued artists will probably derived into higher format (with higher price) artworks sales but less growth, or even decrease, in the number of artworks sold per year, just as happens in the current art market. These highly valued artworks would have a lower potential purchasers base so the number of total artworks sold by that artist per year would not be increasing from a determined level of pricing.

## The Artist Token Valuation Methodology

### The Particular BCS Hypothesis for each AC

The particular BCS hypothesis for each of the AC is composed of the following:

Particular Hypothesis	Unit	AC1	AC2	AC3	AC4	AC5
1. ARV at ID	€/cm <sup>2</sup>	0.135	0.149	0.164	0.181	0.200
2. AvSZ at ID	cm <sup>2</sup>	3,000	3,060	3,122	3,185	3,249
3. ASS / (ASR & ASS)	%	30%	25%	20%	15%	10%
4. ASR + ASS at ID	#	12	14	16	18	20

Where:

- ▲ **ARV at ID:** This hypothesis refers to the starting ARV in S of each AC; it is an estimate straightly related with the number of artworks sold in S by the artist previously to the ID (ASR + ASS at ID) following the S market pricing evolution rules.
- ▲ **AvSZ at ID:** This hypothesis refers to the initial AvSZ of the artworks sold by each artist in S at the ID; it is an estimate done considering the average of the size of the artworks sold in S.
- ▲ **ASS / (ASR & ASS):** This hypothesis refers to the percentage of soft material artworks sold over the total of artworks sold by an artist in S; it is an estimate done considering the type of material used by the artists in relation to their consolidation and performance in the S market.
- ▲ **ASR + ASS at ID:** This hypothesis refers to the number of artworks sold in S by the artist previously to the ID; it is an estimate straightly related with the starting ARV in S of each AC at the ID.



## The Artist Token Valuation Methodology

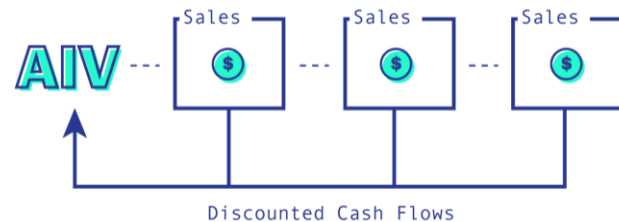
### The Artist Token Intrinsic Value

#### The Artist Token Intrinsic Value at ID

Considering the previous pages, under the BCS hypothesis for each of the AC, the ATV of each AC have been set deriving into a different value in ST for investors at the ID of each artist's AT.

At the ID, the artist of which AT will be issued will effectively have similar but not necessarily the same metrics in S to the BCS hypothesis. Although, the price in ST for that AT issue (1 ST = 1 AT at ID) and the number of AT issued per AC are fixed. So, it will be the duty of the investor to analyze the final metrics of each artist and take into consideration the Artist Intrinsic Value (hereinafter "AIV") to extract the final implied IRR under the BCS each artist's AT would have at the ID.

To calculate the AIV of each AT at the ID, the parameters that could be different from the BCS of this document are the *AvSZ at ID* and the *ASS / (ASR & ASS)*. With the update of these two figures and considering the rest of the parameters above, every investor will be able to reach the real AIV of each AT at ID, with which extract the implied IRR of their investment in each artist. This means that even in the AC and considering that all artists in the same AC are issued the same number of AT, there could be artists more financially attractive than other considering different parameters in the *AvSZ* of the artworks sold by each artist in S at the ID or the percentage of soft material artworks sold over the total of artworks sold by an artist in S.



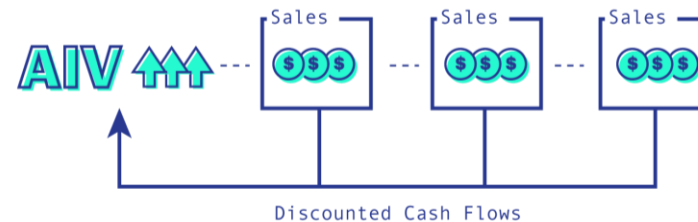
#### The Artist Token Intrinsic Value during the Lifetime of the AT (the Liquidation Value)

As the AT have not only economic rights over the artist's income in S but also liquidation rights in exchange of artworks/services from the artist, the SI platform will update periodically the AIV of each artist's AT.

The formula to calculate in each period the AIV is the same as the one shown above referred to the ATV and the common BCS hypothesis for the future cash flows modelling are the same than the ones shown above. The difference will be in the particular BCS hypotheses assumed, maintaining the implied IRR at ID of each AC as the discount rate applied; as the AIV calculated would register the last data of the parameters each artist and update the formulation of the cash flows starting from those levels:

- ▲ The last ARV registered of the artist in S before the AIV update.
- ▲ The real *AvSZ* historically (moving average) registered in S before the AIV update.
- ▲ The real *ASS / (ASR & ASS)* historically (moving average) registered in S before the AIV update.
- ▲ The real *ASR + ASS* sold (moving average) in S before the AIV update.

This way the AT holders will know exactly the liquidation value of the AT in case they want to acquire any artwork or service from the artist using those AT. In addition, this AIV would be a reference for external investors to put price to the AT in case they want to acquire AT in the secondary market.





## Appendix The Artist Token Production Timing

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## The Artist Token Production Timing

### The Artist Token Production Timing

The number of artists of which AT will be issued at the different ID will be calculated considering the number of ST Finally Distributed (hereinafter “STD”) in the IP and the following schedule.

First, the Theoretical Weight of AT (hereinafter “TWA”) to be distributed to each AC would be the following:

	Unit	AC1	AC2	AC3	AC4	AC5
TWA	%	30%	25%	20%	15%	10%

Following the TWA and the STD, we would extract the Theoretical Number of Artists per AC (hereinafter “TNA”) to be issued in the next years with the following formula:

$$TNA_a = \frac{STD \times TWA_a}{ATAC_a}$$

Where:

- ▲ **ATAC<sub>a</sub>**: Number of AT issued per each AC, equal to the value of each AC in ST.
- ▲ **TNA<sub>a</sub>**: Theoretical Number of Artists per each AC to be issued in the next years.
- ▲ **TWA<sub>a</sub>**: Theoretical Weight of AT to be distributed per each AC.
- ▲ **STD**: Number of ST finally distributed in the IP.

After, we would distribute among the following 6 years the TNA of each AC following the Annual Distribution Weight per AC (hereinafter “ADW”).

As the number of artists to be issued must be a whole number, for this distribution we will round the without decimals the number of artists to be issued per each AC and ID:

ACs / IDs	Unit	IP	+12m*	+12m*	+12m*	+12m*	+12m*	+12m*
AC1	%	0%	15%	15%	15%	15%	20%	20%
AC2	%	0%	0%	15%	15%	20%	20%	30%
AC3	%	0%	0%	10%	15%	20%	25%	30%
AC4	%	0%	0%	10%	15%	25%	25%	25%
AC5	%	0%	0%	0%	10%	25%	30%	35%

After this process, the total of AT pending to be assigned to an AC in the IDs as consequence of this rounding methodology would be automatically assigned to AC1 in the last ID. In case there is any pending deviation, the last artist of the AC1 group to be issued would have a different number of AT issued (and consequently less share of its future income tokenized) to exactly match the number of AT pending to be distributed.



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## The Regulatory Framework

The tokens sold in the ICO will be sold by [Saisho ICO Company], a Bermuda Exempted Company to be incorporated under the laws of Bermuda.

The tokens are not a “share” or a “debenture” as defined in the Companies Act 1981 of Bermuda, and as such this whitepaper will not be subject to the prospectus requirements thereunder. Also, as the tokens are not “securities” as defined in the Exchange Control Act 1972 of Bermuda, the sale and subsequent transfer of the Saisho tokens will not be subject to the Bermuda exchange control regime. The applicable laws to the sale of tokens in Bermuda, at the time of issuance of the whitepaper, are those applicable to the sale of goods. Shall any other laws governing the sale of tokens be enacted in Bermuda during the ICO Period, [Saisho ICO Company] will ensure its compliance with the new regulations, suspending further sales of tokens temporarily if at the moment no other option is available to ensure the compliance of the sales with the applicable laws and any investor protection measures.





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## Investor Guarantees

### Guarantee Scheme for Investors

#### For Saisho Token Holders

Summary of the guarantee scheme granted in favor of the investor/owner of Saisho Tokens:

- ▲ **Information:** The token holder will have access through the Saisho ICO platform to an annual report made by Saisho containing information on the use of the funds with regards to the business' growth and subsequent evolution of Saisho;
- ▲ **Escrow scheme investment:** Bidirectional escrow investment system implemented in the ICO smart contract;
- ▲ **Refund Scheme:** Full refund of the amount invested in the ICO if the buyer's wallet does not comply with the regulatory checks to be carried out by the Saisho's compliance officer;
- ▲ **Resale of Saisho Tokens (i/ii):** If, after the last issuance date of Artist Tokens, any Saisho Token has not been converted, for a period of 6 months after that date, the token holder may sell the Saisho Tokens remaining in his wallet back to Saisho in exchange for artworks on the Saisho Marketplace. Each Saisho Token will be exchanged for 0.5 EUR of value in artworks;
- ▲ **Resale of Saisho Tokens (ii/ii):** If after the last issuance date of Artist Tokens, Artist Tokens has not been issued according to the total number of artists Saisho committed to issue at the end of the ICO, during a period of 6 months after said date the token holder may sell the Saisho Tokens remaining in his wallet (which could not be changed to Artist Tokens due to lack of artists to invest in) to Saisho in exchange for artworks on the Saisho market platform at a value of 1€ for each token.

#### For Artist Token Holders

Summary of guarantee scheme granted in favor of the investor/owner of Artist Tokens:

- ▲ **Information:** The token holder will have access through the Saisho ICO platform to an annual report made by Saisho containing information on the use of the funds with regards to the business' growth and subsequent evolution of Saisho;
- ▲ **Artist Guarantees:** All the artists from whom Artist Tokens are issued will have some commitments to fulfill during the following 6 years since their issuance:
  - ▲ (i) minimum number of square centimeters of artworks to be added to the platform annually during the next 6 years, equivalent to double of the square centimeters to be sold according to the model described in the Whitepaper during the next 6 years; and
  - ▲ (ii) exclusivity of sale with Saisho of all the artworks produced by the artist before (all free artworks of the artist out of circuit with third parties i.e. galleries) and from the moment of its issuance until the end of the Artist Token lifetime.

In the event of non-compliance of any of these commitments, the artists will refund the Artist Token holder the amount in ethers of 0.1667 € (1/6 €) for each pending year until the expiration of each Artist Token in circulation (value of the original investment in the ICO per token).

To guarantee the financial solvency of the artists, some of the artists issued will sign with Saisho at the time of their issuance additional guarantees (i.e. life insurance, pledge on economic returns, pledge on real estate assets, ...) considering the risk associated case by case;

- ▲ **Artworks Collateral:** If the artist does not comply with his business plan as initially stipulated in the Whitepaper, the token holder will, at the expiration of the sixth year and with the liquidation of the Artist Tokens, be entitled to acquire the artist's work in Saisho during the following six months, for the same amount as the difference between (i) the theoretical returns that the artist would have obtained according to the model described in the Whitepaper, and (ii) the returns actually obtained by the token holder after the Artist Tokens' six years period of expiration/life span has elapsed.



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## Glossary

- ▲ S: Saisho
- ▲ SMS: Saisho Market System
- ▲ SI: SaishoICO
- ▲ ST: Saisho Token
- ▲ AT: Artist Token
- ▲ ID: Artist Token Issuance Date
- ▲ SET: Security Token
- ▲ UT: Utility Token
- ▲ IP: ICO Phase
- ▲ PNA: Predefined Number of Artists
- ▲ ATV: Artist Tokenized Value
- ▲ NAP: Nominal Artist Proceeds
- ▲ TAP: Tokenized Artist Proceeds
- ▲ BCS: Base Case Scenario
- ▲ IRR: Internal Rate of Return
- ▲ ARV: Artist Reference Value at S
- ▲ AC: Artist Category
- ▲ AC1: Artist Category 1
- ▲ AC2: Artist Category 2
- ▲ AC3: Artist Category 3
- ▲ AC4: Artist Category 4
- ▲ AC5: Artist Category 5
- ▲ AIV: Artist Intrinsic Value
- ▲ STD: Saisho Token Distributed in the ICO Phase
- ▲ TNA: Theoretical Number of Artists per each AC
- ▲ TWA: Theoretical Weight of AT to be distributed to each AC
- ▲ ATAC: AT issued per AC
- ▲ m = Months

S Δ I S H O

