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Project	Swell Network
Upside Lean-in	TLDR; This is a bet that a Swell Network can capture market share from the US\$6.88B liquid staking market currently dominated by Lido with a 78.2% market share. Swell Network is an innovative new Ethereum liquidity staking protocol, making staking easier for ETH holders. Whether it be liquid stakers of ETH or users wanting to run their own staking nodes, the Swell Network platform enables these users to maximise their Ethereum staking yield and contributes to a healthier and more decentralised Ethereum staking ecosystem. Swell Network leverages successful liquid staking functions from successful protocols such as Lido and RocketPool and combines them to offer a full suite of products for the whole 'ETH Staking Ecosystem' 1. Liquid Staker - The simple liquid staker wanting to stake their ETH without spinning up a node 2. The Permissioned & Permissionless Node Validator - Wanting to set up with less than 32 ETH (16 ETH is the current minimum) and earn commission on top of their stake 3. Staking-as-a-Service Providers - Swell Network offers a 'whitelabeled' ETH staking configuration for platforms wanting to leverage the Swell Network backend infrastructure Swell Network will have a liquid staking derivative swETH that will be issued once ETH is staked on the platform. The ETH stake on the Swell Network will be encapsulated by an NFT. Different to the rebasing derivatives such as stETH, swETH will not rebase. The yield from staking paid in swETH will be redeemable via interacting with the NFT keeping track of the yield earned.

Swell Offering



Stake

Stake ETH and receive swETH with your swNFT. Earn higher returns in a fully non-custodial and secure manner.

+4%ⁱ
APR

Stake Now

* Estimated average base yield from ETH staking less validator fees.



Stake & Vault

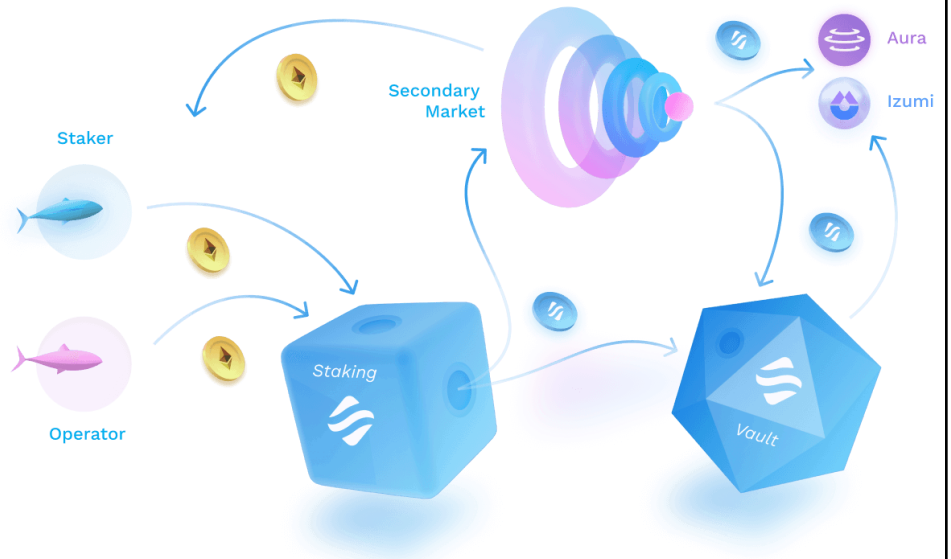
Stake ETH and receive swETH with your swNFT. Use your swNFT Position to enter Swell Vaults. Earn higher returns all in one place.

+6%ⁱ
APR

Coming Soon

* Estimated average base yield from ETH staking plus average yield from Swell Vaults.

Swell Networks Ecosystem Visualised:



	The co-founders of Swell Network, Daniel Dizon and Lecky Lao, are crypto natives that have been involved in crypto for more than five years. Lecky Lao is the CTO in charge of the development activities and the core developer group. He is a well-equipped solidity engineer with experience across two successful DeFi protocols, Synethix and dHedge. Daniel Dizon, the CEO, is responsible for managing investor and protocol partnerships, steering the protocol, following the roadmap, and reviewing proposals posted by the DAO and lastly, managing the core protocol contributors that now consist of 13 individuals.
Founders	Lecky Lao - https://www.linkedin.com/in/leckylao/ Daniel Dizon - https://www.linkedin.com/in/daniel-dizon/
Website	https://swellnetwork.io/
Round Details	Round: Liquidity Round Round size: 10% Fully-Diluted Valuation: 100M Runway: Format: 5 x Liquidity provision postponed. Will not be mandatory. Will propose this separately as part of treasury management / yield proposal.
Terms	Vesting schedule: 30 month linear vest, starting with 5% unlock. Target allocation for Upside DAO: \$100k - \$200k
Other Committed Investors	Apollo Capital Management Fernando Martinelli Jordan Momtazi IOSG Ventures Crypto3 Capital Framework Ventures Michael Anderson Maven 11 Capital Arrington XRP Capital GTA Ventures Suji Yan David Hoffman Ryan Sean Adams Mark Cuban Kain Warrick

Problem	Centralised ETH staking providers are full 'custodial'. Lido currently has a monopoly on the decentralised liquidity staking market with 78.2% market share. RocketPool do not offer the staker the choice and transparency of nodes they are staking with (via atomic deposits). No ETH staking protocols are utilising financial NFTs to track and distribute the staking yield. Minimal ETH staking protocols are offering yield bearing vaults using the native liquid staking derivative within their platform (reducing the smart contract risk participating in yield farms elsewhere).
Solution	Swell Network is full 'Non-custodial' Swell Network can be a decentralised liquid staking alternative to Lido. Swell Network will allow depositors to choose their validator nodes to stake with and leverage atomic deposits giving complete transparency on all ETH stakes (e.g what node operator they are with) Stakes will be encapsulated within an NFT giving the staker more transparency on the stake e.g it will show: • The amount of ETH staked • The amount of swETH issued • The ETH address of the validator node • The date and time of staking • The Unique Identifier of the NFT Swell Network provides an end to end experience for stakers and node operators, it allows users to stake their ETH on Swell and begin earning yield, receive their staked derivative and lastly, boost their yield through staking the derivative ETH on vaults all on the Swell Platform.
Market overview /size	Currently 14.3M ETH staked and growing rapidly. https://pro.nansen.ai/eth2-deposit-contract/

ETH Deposited



Depositors

Lido Finance	4,274,656
Unknown	3,418,918
Coinbase	2,066,976
Kraken	1,176,512
Binance	930,432
Staked.us	437,696
Bitcoin Suisse	294,048
Rocket Pool	283,760
Stakefish	279,520
Other	1,096,193



Target Market	- Initially: ETH liquid stakers, permissionless & permissioned node operators - Next: Staking-as-a-Service platforms (whitelabelling Swell Network products)																																																		
Business model	- Staking Commissions - Vault Trading Fees - Price-discovery-as-a-service listing fees																																																		
Why Now?	- First-mover advantage (Financial NFTs & Atomic Deposit technology) - ETH2.0 Confirmed, ETH staking validated.																																																		
Traction	6k+ on whitelist (w/ \$1.4M in ‘min investment’ commitments after significant filtering & capping at \$10k) 1.2k+ testnet users 15k+ on Discord, 15k+ on Twitter, 10k+ on LinkedIn																																																		
Competition & Differentiation	Designing a Superior Solution. As the pioneer of Staking 2.0 - Swell is delivering a differentiated protocol layer solution for Ethereum. Staking 2.0 Staking 1.0 <table><thead><tr><th></th><th> Swell Network</th><th>Permissionless Staking Pools E.g. Rocket Pool</th><th>Permissioned Staking Pools E.g. Lido</th><th>Centralized Exchanges E.g. Kraken</th></tr></thead><tbody><tr><td>Fully Non-Custodial.</td><td>✓</td><td>✓</td><td>✓</td><td>X</td></tr><tr><td>Liquid Staking Composability.</td><td>✓</td><td>✓</td><td>✓</td><td>X</td></tr><tr><td>Permissionless for Node Operators.</td><td>✓</td><td>✓</td><td>X</td><td>X</td></tr><tr><td>Staking Derivative + Financial NFT.</td><td>✓</td><td>X</td><td>X</td><td>X</td></tr><tr><td>All-In-One DApp Vaults.</td><td>✓</td><td>X</td><td>X</td><td>X</td></tr><tr><td>Choice of Node Operator.</td><td>✓</td><td>X</td><td>X</td><td>X</td></tr><tr><td>Transparency via Atomic Deposit.</td><td>✓</td><td>X</td><td>X</td><td>X</td></tr><tr><td>User as Direct Depositor.</td><td>✓</td><td>X</td><td>X</td><td>X</td></tr><tr><td>White Label Protocol.</td><td>✓</td><td>X</td><td>X</td><td>X</td></tr></tbody></table>		 Swell Network	Permissionless Staking Pools E.g. Rocket Pool	Permissioned Staking Pools E.g. Lido	Centralized Exchanges E.g. Kraken	Fully Non-Custodial.	✓	✓	✓	X	Liquid Staking Composability.	✓	✓	✓	X	Permissionless for Node Operators.	✓	✓	X	X	Staking Derivative + Financial NFT.	✓	X	X	X	All-In-One DApp Vaults.	✓	X	X	X	Choice of Node Operator.	✓	X	X	X	Transparency via Atomic Deposit.	✓	X	X	X	User as Direct Depositor.	✓	X	X	X	White Label Protocol.	✓	X	X	X
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Go-to-Market	• Liquid staking round (closed) • Guarded Launch of Staking (started) • Public Sale on scheduled within months (Coinlist) • Full 'Go-Live' • Staking Vaults opened
Use of Funds	• Liquidity Retention • Scaling team • Runway buffer • Audit and bug bounty costs • Protocol-owned liquidity for initial markets
Key Risks / Assumptions	• Technical / Development Setbacks + Smart Contract Risk ◦ Being at the forefront of ETH2.0 staking development, Swell Network may have risk of setbacks due to technical difficulties that may arise • Inability to attract ample liquidity ◦ Swell Network has mitigated this risk strongly by raising via a Liquidity round whereby approx \$50M worth of ETH has been pledged for staking on Swell.
Due diligence	Meetings conducted: • 1:1 with Upside GM • Deep dive / Q&A with Working Group. • Apollo Capital Advisors and Early Stage investors