



PLEASE READ THIS SECTION CAREFULLY. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, PLEASE CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISOR(S). NO INFORMATION IN THIS WHITEPAPER SHOULD BE CONSIDERED TO BE LEGAL, FINANCIAL TAX OR ANY OTHER ADVICE.

TO ENHANCE THE PROJECT ANTICIPATED IN THIS WHITEPAPER, WE WILL GENERATE HMT AS A CRYPTO-TOKEN POWERING THE TECHNOLOGICAL DEVELOPMENT. WE EMPHASIZE IN THE STRONGEST POSSIBLE TERMS THAT A “HMT” TOKEN DOES NOT REPRESENT OWNERSHIP OR A SECURITY INTEREST IN HAMSTER MARKETPLACE OR ANY OTHER ENTITY. NOR IS A HMT TOKEN RELATED TO ANY OTHER ASSETS OR PROPERTIES. THE TOKEN DOES NOT GRANT A CLAIM AGAINST OR REPRESENT A DEBT OWED BY HAMSTER MARKETPLACE OR ANY OTHER ENTITY AND SHALL NOT BE CONSIDERED A DEBENTURE. IF YOU DETERMINE THAT HMT MAY CONSTITUTE A SECURITY SUBJECT TO REGULATIONS IN ANY COUNTRY, WE STRONGLY ADVISE YOU NOT TO ACQUIRE THEM AND SUGGEST YOU IMMEDIATELY NOTIFY US OF ANY POSSIBLE RISKS.

TO ACQUIRE HMT, YOU SHOULD GENUINELY BE INTERESTED IN CONTRIBUTING YOUR SKILLS, TIME, ENERGY AND EXPERTISE TO THE HAMSTER MARKETPLACE. ONLY FREELY AVAILABLE CAPITAL SHOULD BE USED FOR A PARTICIPATION IN THE MARKETPLACE BY THE ACQUISITION OF HMT AS ADVERSE EFFECTS TO ITS VALUE UP TO A TOTAL LOSS CANNOT BE EXCLUDED.

WE DO NOT MAKE OR PURPORT TO MAKE, AND HEREBY DISCLAIM, ANY REPRESENTATION, WARRANTY OR UNDERTAKING TO ANY ENTITY OR PERSON IN RELATION TO THE TRUTH, ACCURACY AND COMPLETENESS OF ANY OF THE INFORMATION SET OUT IN THIS WHITEPAPER OR DRAFT THEREOF. WE HAVE NO OBLIGATION TO UPDATE, MODIFY OR AMEND ANY STATEMENT IN THIS WHITEPAPER OR TO OTHERWISE NOTIFY A RECIPIENT THEREOF IN THE EVENT THAT ANY MATTER STATED HEREIN, OR ANY OPINION, PROJECTION, FORECAST OR ESTIMATE SET FORTH HEREIN, CHANGES OR SUBSEQUENTLY BECOMES INACCURATE OR UNTRUE.

TO THE MAXIMUM EXTENT PERMITTED BY THE APPLICABLE LAWS, REGULATIONS AND RULES, WE SHALL NOT BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR OTHER LOSSES OF ANY KIND, IN TORT, CONTRACT OR OTHERWISE (INCLUDING BUT NOT LIMITED TO LOSS OF REVENUE, INCOME OR PROFITS, AND LOSS OF USE OR DATA), ARISING OUT OF OR IN CONNECTION WITH ANY ACCEPTANCE OF OR RELIANCE ON THIS WHITEPAPER OR ANY PART THEREOF BY YOU.

FINANCIAL AUTHORITIES DO NOT ALWAYS HAVE CLEAR GUIDANCE AS TO THE TAXATION REGIME FOR CRYPTO-ASSETS. POTENTIALLY, BLOCKCHAIN TECHNOLOGY CAN CHANGE HOW TAX IS CALCULATED. WE HAVE TO STRESS THAT PRIOR AND DURING YOUR PARTICIPATION IN THIS PROJECT, YOU NEED TO TAKE INTO ACCOUNT YOUR PERSONAL CIRCUMSTANCES TO FULLY ASSESS THE TAX, LEGAL AND ECONOMIC IMPACT.

INTRO

HMSTR MARKETPLACE

Blockchain of gadgets is a decentralized blockchain-based ecosystem for

- 1) hardware entrepreneurs and startups, creating and selling gadgets (with intellectual property) / including DIY, garage startups, local factories;
- 2) customers, and clients, users;
- 3) venture capital funds and crowdfunding/sale platforms (tech startups that needed pre-seed or seed, A-round funding).

Hamster selects the leading companies with the ambition of becoming future unicorns, and its unique scoring solution is able to make predictions and then help entrepreneurs achieve a billion-dollar capitalization, returning investors the amount they have invested a thousand times over.

The Hamster Marketplace protects the interests of seed investors and crowdfunding platforms, and will also become a provider for millennial users, giving them secure, direct access to the world's innovations. Hamster Marketplace is conducting a token sale with a sum total of fees of no more than \$14MLN.

HAMSTER FEATURES AND INITIATIVES IS BUILDING NEW FEATURES

- 1) AI-economies in smart homes and cities
- 2) development of own blockchains for gadgets and
- 3) secondary market sales (GAS one of the native tokens that are used on the platform to pay for blockchain and additional services) - all of this is for innovative technological devices on the horizon over the next 4 years on the basis of The Exchange Stabilization Fund (ESF) and Non-Profit Foundation, HMSTR Blockchain Lab. HMSTR Marketplace has 300+ pilot customers as startups in this moment.

Moreover Hamster consists of a trading platform, an incubator for manufacturers who are just starting out, the Stabilization Fund, a non-profit foundation, HMSTR Blockchain Lab, and an exchange, an Incubator and Marketplace between Kickstarter-Amazon-Angel. list for gadgets (an ecosystem for hardware entrepreneurs and startups that create and sell gadgets (with intellectual property) and customers with the opportunity of building towards an AI-driven Smart Houses and Smart Cities economy, developing its own "block-chain for things", and a secondary market for innovative technology devices - in prospect over the next 4 years)

Donation / sponsorship. "Investors who believe in the potential of an entrepreneur have an opportunity to purchase creator tokens (HMT_creatormame). This type of smart contract is perfect for investors who want to capitalize on an entrepreneur's long-term potential e.g. the young entrepreneur who needs money to open his tech startup. You, as an investor, choose to support Bill by Yoshiqiao (HMT_BillyYoshiqiao) for a low price. As Bill becomes successful, his personal tokens (HMT_BillyYoshiqiao) grow in price. You, as an investor, can resell these tokens for a higher price"

Functionality and economy provide two types of Marketplace Hamster blockchains: Ethereum and Emercoin. The third is its own unique hardware blockchain for subscription payment systems and upsale economy on the hardware market, protection of customers' personal data, and management of Smart Homes and Smart Cities. Which supports the principles of safe green technologies.

PROBLEM STATEMENT

Hamster Marketplace is focused on the innovative electronics segment, which is worth \$90 billion (10%) as estimated in 2017, with the growth of +27.41% up to +347.36% during the next 3 years, depending on the niche:

1. wearable electronics
2. consumer robotics
3. smart home solutions
4. AR/VR
5. consumer UAV (Drones)
6. consumer electronics accessories

Unlike traditional niches of consumer electronics, which grow by 5% per year.

In the United States in 2020 every second job will be taken by millennial, which is the main target market for innovative technologies and gadgets. The Global Consumer Electronic Accessories Market is poised to grow at a CAGR of around 9.5%, to reach approximately \$65.3 billion by 2025.

The Hamster Marketplace protects the interests of seed investors and early investment platforms, and will also become a provider for millennial users, giving them secure, direct access to the world's innovations. Hamster Marketplace holds token sales with total fees of no more than 14,000,000 dollars. The HMT token is ERC20-compatible and has 6 utility functions built into its economy.

- AI-economies of smart homes and cities;
- Development of native blockchains for creating a network or individual elements for blockchainization of payment-based gadgets;
- HMT token integration with the economic model of manufacturing companies;
- Development of subscription-based payment system and the an upsale product of economy on the hardware market
- Secondary market sales (GAS one of the native tokens that are used on the platform to pay for blockchain and additional services
- Donation / sponsorship. Investors who believe in the potential of an entrepreneur have an opportunity to purchase creator tokens (HMT_creatorname). This type of smart contract is perfect for investors who want to capitalize on an entrepreneur's long-term potential e.g. the young entrepreneur who needs money to open his tech startup. You, as an investor, choose to support Bill by Yoshiqiao (HMT_BillYoshiqiao) for a low price. As Bill becomes successful, his personal tokens (HMT_BillYoshiqiao) grow in price. You, as an investor, can resell these tokens for a higher price.

97% shutdown rate for hardware startups show that startups cannot enter the mass market, bring their inventions to a mass audience, or protect investors' money.

Only 24% raised a second round compared to 46% for tech companies generally. A full 97% of the consumer hardware companies we tracked died or became zombie companies. In all, 56% of consumer hardware startups analyzed raised their first funds on a site like Kickstarter or Indiegogo.

BLOCKCHAIN

Two types of blockchain ensure Hamster Marketplace's functionality and economy: Ethereum and Emercoin. The third is its own unique hardware blockchain for subscription payment systems and upsale economy on the hardware market, protection of customers' personal data, and management of Smart Homes and Smart Cities. Which supports the principles of safe green internet technologies.

HMT token has used Ethereum as a convenient solution to run MVP and create smart contracts. But owing to problems with scalability and security, volatility and cost of transactions in the Ethereum system, Hamster is developing its own unique hardware blockchain of gadgets with a decentralized system. On the one hand, a smart contract in Ethereum is a plus when it comes to creating the token but, on the other hand, it is a disadvantage regarding the functioning of Hamster Marketplace's internal mechanisms. This is yet another reason for creating a native blockchain: when there is a high user activity on Hamster Marketplace, the expense side will increase, taking into account the price of actions in the Ethereum system. The most important issue is security. Therefore, the placement of complete Turing codes in the blockchains and its compulsory execution by all participants is not planned on account of the inability to guarantee the blockchain's security. The potential risks of existing blockchains are: bugs in particular Ethereum smart contracts (with the correct operation of a virtual machine) can be a danger to specific implementations of Hamster Marketplace, and errors in virtual machines can lead to the compromising of the entire system. In either case, there is a risk not only of financial losses but also of the destructive work of gadgets between themselves and the user. Therefore, HMSTR Marketplace has its own blockchain of gadgets.

The Emercoin blockchain is used to implement quality control for gadgets and provide accurate shipping information for each manufacturer. In addition, Emercoin has two protection methods: PoW and PoS. The coin also helps to implement voting and self-management elements for participants in the HMSTR Marketplace. Emercoin is also useful for transparency of financial indicators of the HMSTR Marketplace and of the tokenized hardware businesses/start-ups/manufacturers.

Hamster's own blockchain of gadgets works for blockchainization of gadgets that have undergone scoring and have been selected for the Hamster incubator. When maintaining the basic principle of a distributed consensus of blockchain, there is a need to create a native protocol to support payments carried out using gadgets, subscription payment systems, and up-sale economy on the hardware market, the protection of personal data of customers and management of the Smart Home and Smart City as part of the principles of safe green Internet technologies. High volatility of the value of the tokens and the technical problems of current solutions mean that a ready-made system cannot be used.

SECURITY OF PERSONAL DATA ON A BLOCKCHAIN PLATFORM

European Union law on the protection of personal data (General Data Protection Regulation, GDPR) adopted in May 2016 will become binding in all the countries of the European Union in May 2018. "Personal data" means any information that identifies, or that

can be used to identify, an individual: his name, phone number, ethnicity, social security number and, of course, billing information. This can be done directly or indirectly using a number of factors inherent to physical, psychological, mental, economic, cultural, and social identity. Starting May 2018, there will be stricter accountability for violation of the rules on processing of personal data: up to 20 million euros in fines or 4% of the annual global revenue of the company. If you enter a zone where the new European rules on data protection are in force or plan to provide goods and services to EU countries, you need to undertake a comprehensive assessment of the company's methods and means of processing personal data, and bring them into line with the new GDPR rules. GDPR legislation has four key requirements. Companies must be prepared to provide information about how they manage individuals' personal information, as well to transfer or destroy it upon request. In addition, there are limits put upon uses of data that has already been collected. Data must be easily overwritten or deleted. Companies will have to configure IT systems/processes so that it is possible to permanently delete data on a private individual, including any archived data. This requirement alone may necessitate costly upgrades of IT systems and changes to databases. Companies will be required to clearly specify all intended uses of data, as well to disclose information about third parties to whom the data is transferred. Companies around the world are struggling to meet these new requirements. According to a recent survey by PwC, 54% of U.S. companies consider preparations for complying with the GDPR to be the most important task in the field of data protection, and 38% of respondents consider this task to be a priority. Only 6% of respondents have completed the training, 71% are now running their business in line with the GDPR requirements, while 23% are yet to even begin preparations. The costs are staggering: 77% of respondents estimate the cost of compliance to be over \$1 million.

The solution to the General Data Protection Regulation from Hamster Marketplace will not only protect all participants free of charge but will also be able to be transferred to other interested companies. General Data Protection Regulation by Hamster Marketplace identifies WWW users on the basis of the NVS subsystem and decentralized client SSL certificates using distributed personal data storage. The infrastructure is based on blockchains; a decentralized trusted store of hash sums of client SSL certificates. The certificates can be generated locally by clients without any external authorization services and can be quickly replaced as needed, which makes both scheduled replacement and quick revocation of compromised certificates effective. Also, the concept of the system of Personal Data is offered. This is a set of decentralized distributed "cards" with data. The sharing of proposed services allows the creation and updating of accounts "in one click", as well as having a login without a password, a secure connection with unlimited multiple servers, and the prevention of personal data being stored by the vendor. The novelty of the proposal lies in the complete decentralization of the system, that is the absence of a certain group of authorization servers under single control, as is the case with Kerberos, OpenID, TeddyID, and the like. On today's Internet, the main way to authenticate a client on a server is to use a system of passwords, and for the store to keep the personal data of the purchaser. Our login system is based on client SSL certificates, which provide both client authentication and create a secure encrypted channel of communication with the server, i.e., all the services of a secure connection in one package. Unlike other SSL systems, there is no trusted CA in our system; and its role is performed by the decentralized blockchain. Therefore, a client-side SSL certificate without any restrictions and interaction with anyone can be entirely and quickly generated on the client side and updated anytime.

Personal Data is stored in an encrypted form in the blockchain, and an information link contains the decryption key. Thus, access to information is not just granted to anyone but only to those websites for which a corresponding certificate containing a link is used; and the website does not retain data after processing the data necessary for ordering is carried out. The combined capabilities of Personal Data with SSL open up the possibility of creating a detailed and complete account in a single click - without the need to enter a new password, submit information about yourself, or verify an e-mail address.

It is also possible to receive a secure payment. By using this mechanism, the server is guaranteed to send payment to the certificate's owner only, and no one else. As a result, even if a personal account is hacked, it will be impossible to modify the address contained in the account or withdraw funds to anywhere except to the wallet assigned to it.

HAMSTER FUTURES & INITIATIVES:

PRINCIPLES AND OBJECTIVES

At the moment, HMSTR Marketplace has 300+ pilot customers and startups. In addition, Hamster consists of a trading platform, an incubator for beginner manufacturers, the Exchange Stabilization Fund (ESF), the Non-Profit Foundation, the HMSTR Blockchain Lab, and a stock exchange, which in the next 4 years will perform for innovative technological devices the function of "funneling promising hardware manufacturers, inventors and technology holders". The selection of startups/partners is underway to set up the following areas:

1. AI economy for smart homes and cities; Hamster creates a network of devices selected through our verification, which are combined using artificial intelligence into a network to create a system of smart homes, and into a system of smart cities.

The Smart City system is the concept of integrating several information and communication technologies (ICT) and Internet of things (IoT solutions) for managing city property; City assets include, but are not limited to, local information systems departments, schools, libraries, transport, hospitals, power plants, water supply and waste management systems, law enforcement, and other public services. The aim of creating a Smart City is to improve people's quality of life through urban informatics technology to improve the efficiency of services and meet the needs of residents. The company Arup estimated that the global market for smart urban services will amount to \$400 billion per year by 2020. Examples of the Smart City technology and programs have been implemented in Milton Keynes, Southampton, Amsterdam, Barcelona, and Stockholm. An important cluster of "smart city" tech companies exist in Israel, where Tel Aviv received the World's Smartest City award in 2014. In 2017 the headliners were: Seoul, Tokyo, New York, Vienna, Boston, Amsterdam, Stockholm, Paris, and San Francisco.

Asian smart cities are on the rise, according to a report released.

The [2017 Smart Cities Index](#) from EasyPark Group, a smart parking company that advocates smart city development, listed Singapore at no. 2 and Tokyo at no.6. Taipei, Seoul and Daejeon, South Korea, Hong Kong, Beijing, Shanghai, Kuala Lumpur, New Delhi and Mumbai also made the list. Some experts suggest that Asia could become the world's leading region for [smart city development](#). China announced that [500 of its cities would be smart](#), or would at least be undergoing smart city transformations during 2017. In 2014, Singapore launched a landmark Smart Nation program through which it is gathering [unprecedented amounts of data](#) about [all aspects of city life](#). That information may be used as predictive data for disease outbreak preparedness or disaster management, as well as more personalized quality of life and safety initiatives. However, the program also raises significant concerns about data security and personal privacy both in Singapore and more broadly.

2. Developing your own blockchain. Existing smart contract technologies have volatile tokens and an expensive non-stable system of distributed consensus blockchain for HMSTR Marketplace tasks. HMSTR blockchain of gadgets combines a number of advanced and economically feasible solutions for existing systems, for example the analog "GAS" for Ethereum for the secondary sales market and the re-establishment of the network requirements that are not currently available (GAS is one of the internal tokens that are used on the platform as a way of paying for Blockchain and additional services) - all of this is for innovative technological devices in prospect over the next 4 years based on The Exchange Stabilization Fund (ESF) and the Non-Profit Foundation, HMSTR Blockchain Lab.

3. HMT token integration. HMSTR Marketplace aims to find or help develop the hardware solutions that would help integrate HMT tokens into the economic model of a gadget's or a network of combined devices' functioning.

4. Development of a subscription payment system and upsale economy on the hardware market. Development of a monetization system using the gadget.

OVERVIEW:

THE INNOVATIVE ELECTRONICS AND CA MARKET

Hamster Marketplace is focused on the innovative electronics segment with its growth of +27.41% up to +347.36, depending on the segment, during the next 3 years.

The consumer electronics market shows growth of no more than 5% per year.



MARKET TRENDS:

- Every day, you receive 876 patents and new inventions according to the USPTO
- The number of IoT devices will exceed the number of mobile phones by the end of 2018;
- Explosive growth within individual categories of the innovative electronics segment is up to +347.36 during the next 3 years, so a +27.41% increase in the speed of smart devices appearing is forecast;
- 8.4 bln connected "things" will be in use in 2017, and will reach 20.4 bln in 2020, with total spending on the endpoints and

services of almost \$2 trillion in 2017

- China, North America, and Western Europe are driving the use of connected things, and these three regions will together represent 67% of the overall IoT installed in 2017
- The growth in the market for innovations due to the influx of millennial users.

HAMSTER MARKETPLACE PRIORITY NICHES:

1. Wearable Electronics

- Lifestyle
- Sport and Fitness
- Healthcare
- Entertainment

\$4.12 billion in 2017. Wearable Electronics Market is forecast to reach \$7.15 billion in 2020 (+73,54%)

2. Consumer Robotics

- Entertainment
- Security and Surveillance
- Education
- Telepresence
- Service

\$4.435 billion in 2017. In 2020, the consumer robotics market is projected to grow to 10.7 billion U.S. dollars (+ 141.26%)

3. Smart-Home Solutions

- Washing machine
- Refrigerator
- Dishwasher
- Air conditioner

\$32.1 billion in 2017. For 2020, the source forecasts the global smart home market to grow to around 40.9 billion U.S. dollars (+27,41%)

4. AR/VR

- Video games
- Live events and video entertainment
- Healthcare

3.6 billion U.S. dollars in 2017, 17.8 billion in 2020 including the [sales of head-mounted displays](#). (+347,36%)

5. Consumer UAV (Drones)

- Entertainment
- Security
- Research
- Agriculture
- Drones for children

global market revenue expected to be more than \$6 billion in 2017 and to grow to more than \$11.2 billion by 2020 (+86,66%)

6. Consumer Electronics Accessories

- Audio & Video
- Camera & Photo
- Phone Electronics
- Car Electronics
- Entertainment & Games
- Office

The Global Consumer Electronic Accessories Market is poised to grow at a CAGR of around 9.5% to reach approximately \$65.3 billion by 2025.

* www.alliedmarketresearch.com, www.statista.com, www.businesswire.com, www.researchandmarkets.com, Zion Market Research www.gartner.com

THE MAJOR BUYERS OF GADGETS:

- gadget fans;
- millennials.

Millennials (Generation Y) are the users of the new millennium; they are representatives of the marketing age-group born between 1984 and 2004. Their number comes to 81,425,978 people in the US alone.

Millennials are expected to make up approximately half of the U.S. workforce by 2020. Even though research has shown that millennials are joining the workforce during a tough economic time, they are still optimistic, as shown by the fact that when around nine out of ten millennials surveyed by the Pew Research Center said that they currently have enough money or that they will eventually reach their long-term financial goals.

It is becoming apparent that the consumer electronics market potential lies in the innovations niche, and that the main buyers of CE will soon be the millennials.

“MILLENNIAL-DRIVEN HARDWARE RENAISSANCE”/PRODUCT DEVELOPMENT, THE MILLENNIAL WAY

The millennials are the first generation to truly live by its own set of consumer and business rules. As consumers, they expect the brands they follow to share their principles (much as Gen X and Boomers did before them). But as entrepreneurs, they're also able to deliver on it. In years past younger generations had to rely on companies run by older generations to sell them products and services. Those companies might have refreshed their marketing to appeal to new, presumably naive customers, but they saw no imperative to shift their underlying business practices. These days greater access to information makes it harder for companies to market themselves one way (as green, local, or socially responsible) but behave another.

Many of today's disruptive companies, from Facebook and Pinterest to Warby Parker and Airbnb, were founded by millennials; the companies that are changing how we build and use technology, like Nest and Tesla, have Gen X founders but are largely run by millennials. As the cost of setting up business drops, and social media continues to level the advertising playing field, a 24-year-old can found a company almost as easily as a seasoned businessman, and have a similar shot at success. This has created for the first time a kind of generational closed loop, in which young consumers can spend their money with companies from their own age group – companies who share their customers' principles, as a matter of habit. And these young entrepreneurs aren't using their principles just as a selling point or viewing them as a drag on their bottom line, to be minimized and eventually jettisoned. What I learned in that meeting is that, for a lot of millennials, principles like “make it local” and “take care of your workers and your environment” are simply viewed as the cost of doing business.

Millennial entrepreneurs don't need to be persuaded, but even if they did the pace of technological change has rendered their idealistic approach a good business approach. It's serving entrepreneurs well, especially in rapidly growing categories like connected homes, wearable devices, and the Internet of Things. These product categories often gain more from the speed and flexibility of local production than they can save through offshoring. Some examples of millennial-founded connected device start-ups manufacturing domestically include Mimo, the wearable baby monitor that attracted attention at CES; Revolve Robotics, who handle the production of their Kubi Telepresence Robot in-house in San Francisco; and Flow, a Berlin-based tech startup who manufactures their programmable computer controller in their native Germany and has written about why hardware startups should manufacture locally. Right now the advantage of speed to market is most true with high-end products – which some have pointed out are the focus of the millennial-driven hardware renaissance – but eventually, it will spread to mid-range, too. In fact, as global marketplaces become more fluid and production costs continue to drop, the millennial approach to product development is going to make sense in a lot of other categories. The good news is that this sort of principle-driven production doesn't have to be limited to millennials. As millennial entrepreneurs rack up commercial successes, and millennial consumers approach Boomer-like levels of buying power, there's every reason to believe that they're the ones who will define commerce – and product development – in the next couple of decades. The degree to which idealism drives that definition may be unfamiliar, but the principles themselves are not: Take care of your workers and your community. Reduce your impact on the environment. Be honest with your customers and your partners. Any manufacturer or designer, of any generation, should have no trouble grasping these beliefs – all you need to do is shift them from the “nice-to-have” column into the “competitive advantage” one. And recognize that doing the right thing and doing the smart thing has never been so closely aligned.

THE PROBLEMS OF THE INNOVATIVE ELECTRONICS MARKET

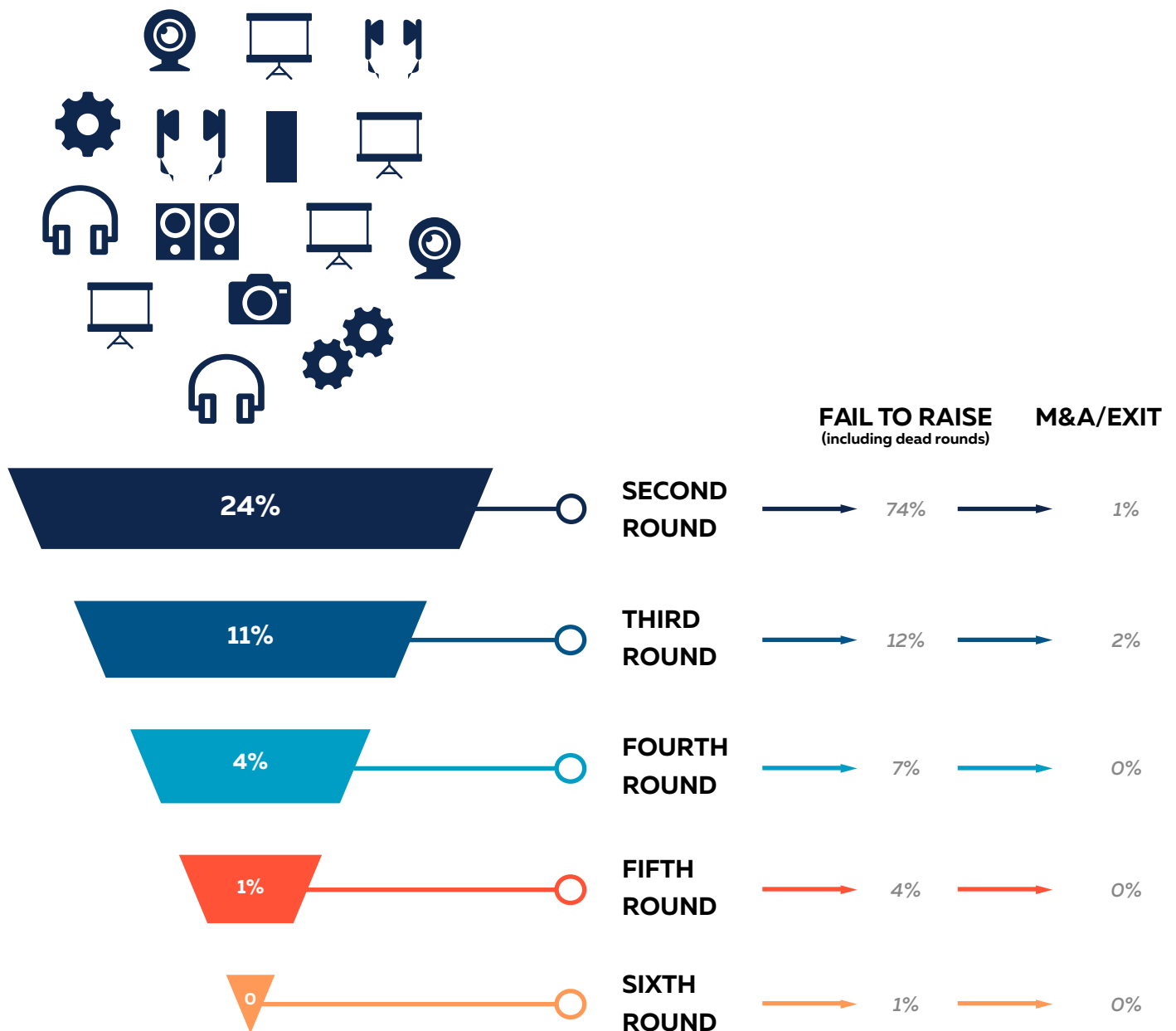
THE PROBLEMS FOR MANUFACTURERS AND INVESTORS (“HARDWARE IS HARD”)

A study conducted by cbinsights.com has tracked the chances of a technological startup, including a hardware one, succeeding after attracting the initial round of investment. Only 46% of them will manage to attract even one more round.

It was also found that 70% of them will die or become “zombies”, i.e., self-sustaining. These are the walking dead of the venture ecosystem who may be earning revenue but are not successful enough to conduct an IPO or be the next billion-dollar M&A. As hard as it is for all tech startups, it is even more difficult for consumer hardware companies. See the data below.

As the graph shows, they have a very small chance of survival.

Only 24% raised a second round compared to 46% for tech companies generally. A full 97% of the consumer hardware companies we tracked died or became zombie companies. In all, 56% of consumer hardware startups analyzed raised their first funds on a site like Kickstarter or IndieGoGo. Intuitively, it makes sense that many hardware startups fail after one round of financing. The second quarter of 2017 saw nearly \$1.2B in funding to consumer hardware startups. And the last year was a record year for deals and dollars. Some \$4.4B went into consumer hardware across 624 separate deals. Half of the activity went to early-stage opportunities, including nascent companies in emerging areas like robotics, smart-home solutions, and AR/VR.



Investors continue to actively fund hardware startups, despite both these statistics and the well-known “cemetery of hardware startups” where Jawbone, Juicero, Flip, Pebble, and many others are listed.

What is the probability of these investments not being lost, and why will 97% of hardware startups not be able to provide their investors with an exit through M&A transactions and public listing?

But it is possible to tease apart some common drivers if you look closely. We sifted through nearly 400 failed consumer hardware startups from our database, and identified the reasons for failure among a subset of them, and found that some of the main reasons include:

1. Inability to find enough consumers
2. High burn rate
3. Lack of interest after initial crowdfunding
4. Product strategy mistakes

The list of well-funded flameouts we looked at includes companies such as NJOY, Pearl Automation, Coin, Plastic, and Jawbone, as well as lesser-funded startups like Inq Mobile, Bia Sport, Electroloom, and others.

The main reason for the collapse of startups and for the loss of investment is the inability to find the right market and deliver the product information to the “right” consumers: those who provide a sufficient sales volume for company growth and can become brand ambassadors for mass consumers.

- The marketing budget for expansion onto the global market starts at \$5 million.
- Innovative products have no indexing in search engines, their own distinct audiences, or a recognizable brand, which makes marketing difficult and increases its cost. The same is true for large e-commerce platforms (“Internet-to-Internet”)
- The need to use the services of intermediaries:
 - negotiations can take 9 months or more;
 - the minimum circulation for the retail channel is not less than 10,000 devices (impossible for small-scale production);

- the emergence of chains of 3–15 intermediaries;
- the growth of the product's final cost of up to 500%;
- financial and reputational losses.

The above-mentioned information reflects the main problems of young gadget manufacturers:

- a lack of venture capital;
- the ignorance or misunderstanding of the ways to scale their business;
- inaccessibility of global markets.

2. PROBLEMS FOR BUYERS

Because of the existing culture of consumption and the structure of retail markets, end users encounter the following problems:

- At the moment, there is no single global platform for innovative electronics and gadgets that gathers together all the latest products from small manufacturers and inventors from around the world;
- There is no objective information about product quality;
- There is the great risk of buying a faulty product;
- There is no objective information about delivery times;
- There is no guarantee that the goods will be received;
- There is the vulnerability of personal data;
- The inevitable overpayment owing to there being 3–15 intermediaries;
- The uncertainty that the best price is being offered.

THE PROPOSED SOLUTION

Hamster Marketplace offers a solution to the problem encountered by manufacturers, investors, and buyers.

Hamster consists of a trading platform, an incubator for manufacturers who are just starting out, the Exchange Stabilization Fund, a Non-Profit Foundation, HMSTR Blockchain Lab, and an exchange, an Incubator and Marketplace between Kickstarter-Ama-zon-Angel.list for gadgets (an ecosystem for hardware entrepreneurs and startups that create and sell gadgets (with intellectual property) and customers with the opportunity to build towards an AI-driven Smart Houses and Smart Cities economy, developing its own “blockchain for things” and a secondary market for innovative technology devices — in prospect over the next 4 years).

At the moment, HMSTR Marketplace has 300+ pilot customers and startups, innovative electronics manufacturers who are still too small to be independent players on the global market, and a target audience represented by early adopters, tech fans, millennials, and investors in hardware technologies. Thanks to incubation, Hamster selects leading companies with the ambitions of becoming future unicorns, and its unique scoring solution is able to make forecasts and then help entrepreneurs reach billion-dollar capitalization, returning investors thousands of times the sum they invested. The Hamster Marketplace protects the interests of seed investors and the platform for early investment and will also become a provider for the millennial generation, giving them secure direct access to the world's innovations. The manufacturer will be able to become a player on the global market without prior marketing costs, users will gain access to the most interesting devices and technologies at reduced prices owing to the fact that blockchain eliminates many intermediaries and infinite duplication, and the investor will be able to invest in a startup proven to be solvent and have the option of exiting the venture deal. The modern model of Internet retail has inherited all the negative traits of real trading networks which focus mainly on the major manufacturers. An excess of replicas, fakes, and recurring items from different resellers only exacerbates the situation by blocking access to the market's innovative products and leaving no chance for the growth of small industries. At the same time, the Hamster Marketplace, in contrast to the personal pages of stores of each manufacturer or local platforms, guarantees quality control for products, deliveries, and information security. Blockchain, as a reliable transparent accounting mechanism and, most importantly, one that is insusceptible to external influence or manipulation, lies at the heart of Hamster Marketplace. The inclusion of records about items bought, orders placed, and the tracking and delivery of supplies ensure that the interaction between manufacturer and customer is transparent. The invariability of the blockchain guarantees that all the ratings, reviews, and statistics of sold and delivered goods are based on fact. Blockchain will be used for:

- quality control and accounting of defective products;
- fixing delivery information with subsequent ratings;
- encryption, privacy, and security of personal data.

Hamster Marketplace will be a “springboard” for manufacturers and gadgets with the potential to go global. For this, we envision an incubator, initial support, feedback with comments on the defect ratio and the audience's preferences, and a direct-sales tool.

VERIFICATION OF MANUFACTURERS

LEVEL 1 — BUSINESS (APPROVAL) VERIFICATION

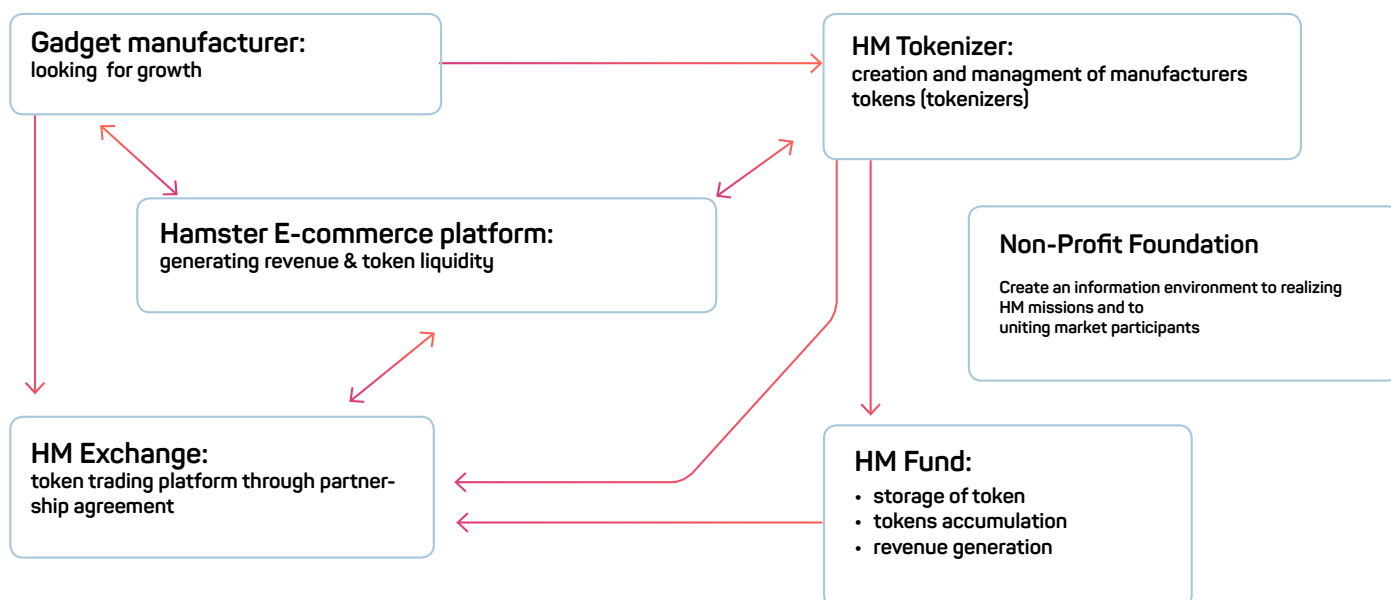
To allow entry to the trading platform, we evaluate the quality of products, production capacities, delivery rules for the manufacturer (geolocation, the need for special permits, and promptness of delivery by the manufacturer to a particular region).

LEVEL 2 — TOKENIZER VERIFICATION

In the incubator, we evaluate the current business model, technologies, and patents of the manufacturer. The objective is to find potential technological market leaders and potential participants in the “Smart City” and “Smart Home” spin-off projects, in HMT integration, in development of a subscription payment system, and in upscale economy in the hardware market

STRUCTURE OF HAMSTER

The journey to the Hamster Marketplace for the startup begins with verification, which results in the hardware manufacturer being able to enter the marketplace and the Hamster incubator. At the end of the incubation period, the manufacturing company attains a new level of business development: integration into the world token economy. The startup's tokens are listed on the Hamster Marketplace Exchange, with some of them moving to the Hamster Marketplace Stabilization Fund



TARGET AUDIENCE

The profile of the average gadget buyer:

- 18 to 40 years; the income is average or above average; higher or vocational education;
- possesses progressive views and open to everything new and innovative;
- prepared to buy products quickly and easily, based on first impressions and personal preferences without being influenced by the standard marketing and advertising to which major manufacturers resort.

More than 80 million people in the United States are millennials and the majority are buyers of gadgets. Millennials are already having a significant impact on the development of many market segments. These people are positively disposed towards different devices, and act as both buyers and manufacturers. They are also the first generation of digital natives, and their affinity for technology helps to shape how they shop. They are used to instant access to price comparisons, product information, and peer reviews.

It is the mature technology fans with the money to spend on their hobbies, as well as the progressive youth who provide the backbone of so-called innovators and early adopters. These are the consumer categories that determine a product's future. Such people until recently could be found on crowdfunding platforms, which accommodated more than 14,000,000 Kickstarter users, 11,000,000 indiegogo users as well as users of the remaining 450 crowding platforms

Weaknesses of crowdfunding platforms for backers, which the Hamster Marketplace guards against:

- they significantly overpay for earlier models;
- they obtain devices with serious delays regarding deadlines;
- they risk not seeing the financed inventions at all.

At the same time, the audience of crowdfunding platforms is ready to support new manufacturers and new products and share information about them with acquaintances and through social media, thereby promoting the emergence of new niches and markets. The marketing strategy for the Hamster Marketplace is to attract audiences from crowdfunding platforms in order to shape the core of innovators and early adopters, and provide them with a more secure and convenient service. Hamster Marketplace also identifies target audiences and producers. When analyzing the hardware startup market, it should be taken into account that the majority of them are not included in statistical studies: DIY manufacturers and small-scale “garage” manufacturers. For example, Kickstarter has 6,099 successfully completed hardware startup projects; AngelList (angel.co) has 6,817 hardware startups

POSITIONING AND STRUCTURE.

INCUBATOR AND MARKETPLACE: BETWEEN KICKSTARTER AND AMAZON

Crowdfunding actually plays a big role in the consumer hardware ecosystem and the proliferation of problematic startups: Sites like Kickstarter and IndieGogo make it possible for hardware entrepreneurs to raise money (or even take pre-orders) for concept designs or poorly functioning prototypes. According to a study by Kickstarter and a professor at the Wharton School of the University of Pennsylvania, 9% of projects on the platform failed to deliver rewards to backers. Eight percent of all Kickstarter dollars pledged were dumped into failed projects, and 7% of backers never received their requested rewards. Only about two-thirds of backers said their reward was delivered on time.

This financing system is a good fit for the start of production but does not allow building long-distance sales. The condition for listing on crowdfunding platforms and for effective customer attraction is a significant discount that backers receive in return for the long wait for the finished product. In turn, buyers receive products they have paid for at a considerable delay, and often don't receive anything at all. For the first time Kickstarter has shown the scale of invention in the world: today, there are already more than 131,000 successfully financed projects. But with the same degree of confidence, this may be considered a census of losers: we have already discussed above the figures asking just how many of them went beyond supplying a single batch of goods to their sponsor backers. Exiting to stable sales on a major online marketplace is a transition to a new level, and many novice vendors are simply not strong enough for this. Even overcoming entry thresholds to the largest existing online sale platforms is not something all projects can handle.

It is in this niche market, between Kickstarter and Amazon, that the Hamster Marketplace will make a place for itself. Hardware startups have a common problem: some have not been able to move from a “garage start-up” to functioning production, others have remained purely local players. Hamster Marketplace not only gives start-ups a sales platform, but also helps grow the business side of the production process, as well as attracting the investments necessary for further expansion.

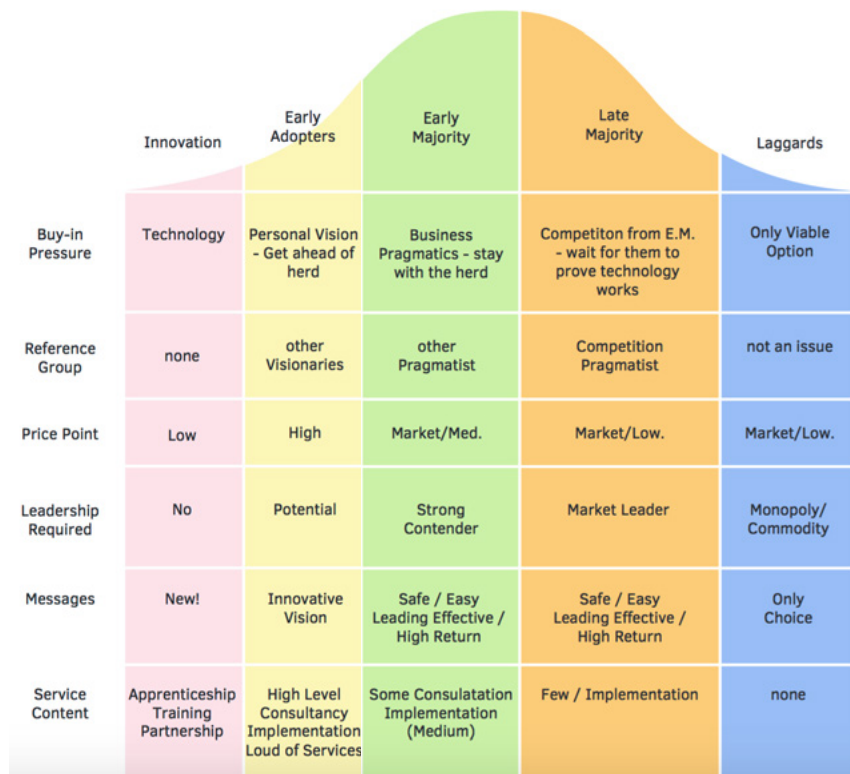
GO TO MARKET STRATEGY

Hamster Marketplace will occupy a niche for gadgets and hardware start-ups between Kickstarter-Amazon-AngelList, presenting the platform for beginner and small manufacturers of innovative electronics, for which it will become the “first global marketplace incubator”, and will offer:

- An incubator for reaching a high level of project development
- Integration into the world token economy and the potential to attract investment
- The chance to become a project in one of the Hamster pools: smart house, smart city, hardware blockchain, subscription payments system and up-sale economy in the hardware market
- reasonable conditions of entry to the direct sales platform, according to which the producer pays a commission on each sale to the amount of 15% of the cost, or works without commission, accepting HMT tokens as a means of payment
- the right to determine their own priorities through blockchain votes;
- an audience consisting of early adopters who are ready to purchase innovative products.

Hamster Marketplace will not be free for manufacturers. However, the combination of the above factors makes the conditions for placement and sales on Hamster much more affordable and attractive than any other big project, allowing even a small manufacturer to develop their project and increase sales.

The basis for attracting buyers to the Hamster Marketplace is an integrated approach to working with producers and their primary audience. Each hardware project on Kickstarter has 1,380 backers. The crowdfunding platform consists almost entirely of early



	Innovation	Early Adopters	Early Majority	Late Majority	Laggards
Buy-in Pressure	Technology	Personal Vision - Get ahead of herd	Business Pragmatics - stay with the herd	Competition from E.M. - wait for them to prove technology works	Only Viable Option
Reference Group	none	other Visionaries	other Pragmatist	Competition Pragmatist	not an issue
Price Point	Low	High	Market/Med.	Market/Low.	Market/Low.
Leadership Required	No	Potential	Strong Contender	Market Leader	Monopoly/Commodity
Messages	New!	Innovative Vision	Safe / Easy Leading Effective / High Return	Safe / Easy Leading Effective / High Return	Only Choice
Service Content	Apprenticeship Training Partnership	High Level Consultancy Implementation Load of Services	Some Consultation Implementation (Medium)	Few / Implementation	none

Why will backers from one project buy gadgets from other projects on Hamster Marketplace?
5 components of the sales audience for any high-tech product:

Innovators (2.5%)
Early Adopters (13.5%)
Early Majority (34%)
Late Majority (34%)
Laggards (16%)

adopters and innovators: the most valuable people in terms of audience creation. The plans of the Hamster Marketplace include working directly with manufacturers who have passed through the assembly stage successfully. It is through them that information about the platform will be broadcast to their own audience. With Hamster Marketplace's coordination, manufacturers will be able to attract about 30% of their audience to the site. Why will this work?

- A private audience is loyal to the manufacturer and trusts a project it is familiar with.
- Customers will be attracted from among the users of crowdfunding platforms on favorable terms.

Backers will receive:

- unique merchandise, all in one place; niche DIY products
- new inventions, appearing on Hamster Marketplace sooner than on other platforms;
- moderation of the producers presented;
- the absence of similar or identical goods;
- accounting of producers' defect ratio recorded in the blockchain;
- low price guarantee mechanism
- Secure purchases, even with transactions using an unknown startup from another region.

For a young entrepreneur in high technology, the hardest task is to attract "innovators" and visionaries who are not afraid to buy a brand new product (service) and share their positive experience with the more conservative element of potential consumers. The bulk of "Innovators" are young people with incomes above the average for their region. It is they, together with Visionaries who are the people who can foresee the success of a product, relying solely on their own assessment of its potential, and who provide the "launch pad" for any given product. The Innovators and Visionaries will determine how actively the next category of buyers - the "Early Adopters" - will react to the product or service. First of all, Early Adopters "draw out" the next, this time the main, category of consumer, the "Early Majority". The "Early Majority" means a sufficiently mass layer of users, which, based on the experience and feedback of preceding groups, is involved in the sales process for and the using of the proposed service. Unlike the group of innovators and the slightly larger group of Early Adopters, the number of users from among the Early Majority group is already considerable. The "tail" of this group most often has an "equator" of audience growth. The Early Majority, besides the explosive growth of the user audience, performs one more important function - it forms the base of trust in the service from the conservative part of the public, which habitually occupies a skeptical and wait-and-see attitude. In the Late Majority, the sales funnel starts to collapse, which forms another category of users - the "Conservatives". The sale finally closes, and the service gets a complete picture of their audience.

From this diagram is derived the following: the most important to a particular product are the Innovators and Early Adopters, the number of which depends upon the size of the "Majority" group. In the case of the Hamster Marketplace, where thousands of different products will be presented, there is the effect of audience cross-over: users from among the Early Adopters of a particular product may be the Conservatives for the sales funnel of another product, but having a common characteristic in the form of age and solvency facilitates their transition from funnel to funnel. That is, the consolidation of diverse products that need Innovators and Early Adopters within the same platform, causes synergy and audience cross-over. As a result, we get the fair effect: a buyer who has come for a particular product may very likely become interested in the "neighboring stall", although initially this product was not targeted at him, which, taken together, increases the sales volumes for all the vendors.

HAMSTER MARKETPLACE TOKENIZATOR AND INCUBATOR

The immediate goal of the incubator is to create an environment in which hardware startups can develop their business concepts and make use of the incubator's resources (legal, technical, operational). The long-term goal is to grow the next generation of unique hardware. After companies have been selected for the incubator, the goal is to reach new levels of business right up until we reach 1 billion capitalization, becoming a token-holder of such a company at the earliest possible stage. The hardware technology market is already producing something that in the future will allow current inventors to build a unique company. Blockchain technology + digital assets, smart contracts and model string tokenization must play a key role in the development of this market

STRING TOKENIZATION STAGES:

- blockchain integration into the company's working mechanics
- integration of the token in the functionality of hardware devices
- legal and technical support;
- consulting
- PR & marketing
- listing

RULES:

- The incubator works for the projects that have undergone scoring for free
- 10% of the tokens after tokenization of the project move to the Hamster Marketplace Fund
- Tokens may be replaced by Equity
- The base cost of paid tokenization is \$100,000.

HAMSTER MARKETPLACE PLATFORM

Hamster Marketplace is a platform, providing liquidity of HMT tokens and the sale of goods for participants in the Hamster Marketplace project.

The Hamster Marketplace e-commerce platform brings together producers, consumers and innovation. Manufacturers enter the platform after verification or tokenization. An essential condition for being able to enter the platform is that production is already up and running, and that it fundamentally distinguishes HM from crowdfunding sites. The Hamster Marketplace users can find all the new gadgets and inventions from even the smallest, local manufacturers. The sale carried out is direct, and if it uses HMT tokens as settlement funds, no commission is paid. Use of the platform is secure as each party works with the Security of Personal Data system on a Blockchain Platform. Buyers can see fixed in the blockchain information regarding the quality ratings for each item and the delivery ratings for each manufacturer.

There is a system of price parsing on the trading platform, analyzing the sites, including the manufacturer's homepage. The price is shown automatically at the bottom, thus guaranteeing the best market price for this product.

Below are the economic indicators for the trading platform's activity, depending on the amount of fees that a part of the token sale.

	Amazon	Aliexpress	Ebay	HAMSTER MARKETPLACE
For Manufacturers:				
Commission (including referral fee, fba fee, payment fee)	up to 30%	up to 8%	up to 20%	from 0%
Access to consumers contact information for sellers	×	×	×	✓
Opportunities for attracting investment	×	×	×	✓
Startup incubator	×	×	×	✓
An audience of early adopters and innovators:	Partially	×	×	✓
For Buyers:				
Everything brand new from the electronic's world in one place	×	×	×	✓
Verification of manufacturers by the quality of the product and production capacity	×	×	×	✓
Simplicity of selection due to the absence of low-quality competitors	×	×	×	✓
Transparent registration of defective goods	×	×	×	✓
No fake or subjective reviews	×	×	×	✓
For hardware startups investors				
For hardware startups investors	×	×	×	✓

VENDORS AND SALES

	No. of vendors	Attraction cost \$	Vendor's buyers	New buyers on the HM platform for every vendor	Cost of attracting new buyers \$	Total buyers on the marketplace	Average no. of purchases per backer per year	Vendor sales (unit/year)	Marketplace sales (units/year)	Marketplace turnover (\$/year)	Marketplace earnings \$
	1	600	1,380	460	1,380	460	0.01	5	5	598	69
\$2 million	600	360,000	1,380	460	82,800	276,000	0.4	184	110,400	14,332,000	1,656,000
\$7 million	900	540,000	1,380	460	1,242,000	414,000	0.5	230	207,000	26,910,000	3,105,000
\$14 million	1,500	900,000	1,380	460	2,070,000	690,000	0.8	368	552,000	71,760,000	8,280,000

THE EXCHANGE STABILIZATION FUND (ESF)

The main objective of The Exchange Stabilization Fund (ESF) is stabilization via diversification of managed crypto assets transferred to Hamster Marketplace ownership from the Tokenizer. 10% of the tokens from each of the tokenized projects become the property of the company, which makes it vital that the disposal of the asset, its storage and exit are at peak cost. The fund constitutes a Hamster Marketplace profit generation point owing to the sale of startup tokens.

HAMSTER MARKETPLACE EXCHANGE

IPO for hardware companies is an infrequent phenomenon, but we all know about the major sales of Beats headphones, Nest thermostat, or Oculus Rift headsets

Only 17 consumer hardware startups have gone public since the start of 2012, and the category has averaged less than 50 total exits per year over the last five years. However, there have been over 55 exits per year in each of the last 3 years.

This means that pre-seed / seed investors did not have a chance to acquire part of the user hardware manufacturing company. To change this situation, we are launching the Hamster Marketplace Exchange block. Anyone will be able to buy or sell tokens from projects that have been tokenized by the HM Tokenizer on our stock exchange. Also on the exchange will be top-level crypto-currencies and HMT tokens.

Hamster Marketplace Exchange is a partner block, and the Hamster Marketplace does not have the task of developing it. This will be carried out by the owners of the payment institution license. Hamster Marketplace Exchange is needed for the initial listing of project tokens after the tokenizer. At this stage, site users can connect to the up-coming project and become token holders of future unicorns. After companies' growth dynamic has been demonstrated, their tokens are listed on external exchanges.

NON-PROFIT FOUNDATION-HMSTR BLOCKCHAIN LAB

The mission of the Hamster Marketplace is developing technology, helping local inventors, producers and users of technology, and changing the current situation whereby only large corporations decide what technology buyers will consumer. To create an information environment conducive to realizing this mission and to uniting market participants around the realization of the mission, a non-profit Foundation of HM is being created. The participants are manufacturers, inventors, innovators. The establishment of industry unions, conducting training and events: these are the basic tools for the Foundation of the HM Fund's activities. The organization is self-governing and through the Emercoin blockchain vote. The budget of the organization is transparent and is also available in a blockchain environment.

TOKEN COMMERCIALIZATION, DISTRIBUTION AND PERSPECTIVES

The goal of selling tokens on Hamster Marketplace

To finance the creation and launch of the Hamster Marketplace, Hamster Marketplace LLP is organizing and carrying out a crowd-funding campaign through the offering of tokens in a token-sale process in 2018.

The money raised during the crowdfunding campaign will go towards:

- starting and developing the Hamster Marketplace IT-platform website and mobile applications;
- attracting manufacturers of innovative electronics and gadgets;
- attracting buyers interested in acquiring unique items;
- developing and implementing a mechanism for decentralized management using “digital trust” tools, primarily the block-chain;
- creating a stabilization fund
- creating an incubator with a string tokenization function

BACKGROUND INFORMATION ON THE HMT TOKEN (HAMSTER MARKETPLACE TOKEN)

The HMT Token or the Hamster Marketplace project token is a digital smart contract on the Ethereum platform that provides access to the special functions of the Hamster Marketplace trading platform and is used for mutual settlements with vendors working on the platform, as well as for integrating the projects participating on the platform into the economy. The issue of tokens is carried out one time only to the amount of 10 million HMT, of which 7 million tokens will be available for open sale at the price of \$2. At the end of the token sale, the number of tokens actually sold will be taken to be 70%. Another 30% are added from the reserved remains of the issued tokens, which is divided between the project founders, team, advisors and participants of the bounty company. 70% of the pool of tokens assigned to the founders will be credited through a smart contract, delayed up until the launch of the public beta platform Hamster Marketplace, but by no more than 9 months. Tokens used as a reward for the team and project advisers will be credited through a smart contract delayed up until the launch of the public beta platform Hamster Marketplace, but by no more than 9 months. Bounty tokens used as a reward to participants are credited at the end of the token sale and are transferred through a smart contract, delayed up until the launch of the public beta platform Hamster Marketplace, but by no more than 9 months, or are paid immediately in cryptocurrency equivalent to \$2 per token at the rate at the time of the payment.

Remaining unsold and unallocated HMT tokens from the token sale are destroyed and will not be issued for resale. Repeated and additional issue of the token is not allowed by the terms of the smart contract; Holders of HMT tokens will be able to forward, receive and store them in the usual Ethereum-wallets, and in the personal account on hmstr.io.

FUNCTIONALITY AND THE HMT TOKEN ECONOMY

The HMT token is a utility (functional) smart Ethereum blockchain contract designed for use in the Hamster Marketplace. Tokenization of Hamster Marketplace’s work is one of the primary and key elements of its future infrastructure. From the moment the platform is operational, the HMT tokens will be used for:

- investment in new hardware startups
- the service charge for the Hamster Marketplace payment platform;
- commission-free sales on the manufacturer’s platform ;
- the payment for Hamster Marketplace’s internal promo;
- security guaranteeing compliance with all the requirements for a verified producer;
- discounts on purchases on Hamster Marketplace for buyers when paying in tokens;
- access to additional functions on Hamster Marketplace.

- donations to support new technologies

The internal HMT token rate is used when calculating the number of tokens needed for the payment of commissions, internal promotions and access to the platform's additional features, and at the time of launch of the public beta will be set at \$10. To pay for goods, receive discounts and as collateral, the market price of the HMT token at the time of the transaction will be used. If the value of the token increases in the free market to 80% of the nominal value, the internal rate of the token on the Hamster Marketplace will be adjusted upwards. Thus, the owners of HMT tokens can count on a discount on service platforms of no less than 20% in comparison with any other payment method.

PRIVILEGES OF HMT TOKEN OWNERS

1. Hamster marketplace gives access to early investments in hardware startups after the hamster incubator only in HMT tokens.
2. Possibility of paying for service fees with HMT tokens - the Hamster Marketplace service charge provides for maintenance and development of the platform. The fee is held by the platform as the minimum possible commission ensuring the marketplace's recoupment from sales in the currency of purchase - be it Fiat or Crypto-currency. To save on this fee, manufacturers may pay the fee in HMT tokens. The amount of commission in tokens will be calculated at the internal rate ($HMT \geq \$10$, but not less than 125% of the market price). Any manufacturer, who had previously bought HMT at the token sale price, with a discount on the presale or on the crypto-exchange, will be able to save significantly due to the difference in the nominal and real exchange rate of the coin.
3. Platform commission-free sales tool when paying with tokens - for goods purchased on the Hamster Marketplace with HMT tokens, no commission is charged. Thanks to this, the seller can provide customers with a discount when paying in HMT tokens on the price in other currencies by the amount of the commission or slightly less to increase their margin. The resulting tokens can be spent on paying commissions for sales promotions, in other currencies and other services.
4. Means of payment for the internal promo on the Hamster Marketplace - The platform's specialization in niche manufacturers allows you to avoid direct competition with the majors or popular consumer goods. But there is a growth of internal competition as the number of vendors on the marketplace is increasing (at least 1,000 in 2018, 2,000 in 2019) and this will create a need for tools for internal promotion. Sellers will have the following available on the marketplace: a priority display in the search and promo-blocks; banner advertising; the possibility of conducting polls among users; a priority hit in the "Recommended" block; email-lists (advertising blocks in service messages);
5. A deposit that guarantees vendors' compliance with the requirements of the Hamster Marketplace when they are verified - A vendor who does not gain enough points to pass verification on the attendant parameters that do not relate to the quality of the product or key business processes (for example, in matters of documentation, licensing, copyrights), but who guarantees the deadline for the correction of shortcomings, may start selling on the Hamster Marketplace, by leaving a deposit in HMT tokens. If the terms of the deposit are violated, the tokens are retained in favor of the marketplace, and vendor sales are frozen until they are completely removed from the platform. If the terms are fulfilled, the tokens are credited to the vendor account on the marketplace, which he can use to pay for the platform services.
6. There is zero commission from purchases on Hamster Marketplace when paying with tokens - HMT tokens provide privileges not only for manufacturers but also for shoppers on the platform. Tokens can be used to pay for any purchase on Hamster Marketplace, even if the seller does not specify HMT among the accepted means of payment. When paying on the marketplace, HMTs are automatically converted into one the seller's accepted currencies at the exchange's rate. The buyer's saving consists of the reduction in the price of the goods by the amount of the marketplace's commission, which does not apply when using HMTs inside the platform.
7. Access to additional functions of the Hamster Marketplace - owners of the HMT tokens will be able to access information not only about the products and manufacturers that are on the platform, but also about the list of projects that are in the process of verification and even about vendors who are in the "basket" (about those who were denied access to the Hamster Marketplace). Also, holders of HMT tokens will have access to sales statistics by product category, including the average check, the total number of purchases and the socio-demographic profile of Hamster Marketplace buyers both for product categories and on the platform in general. This will be unique information for both producers and IT-journalists or just fans of new technologies.

SALES PROCEDURE FOR HAMSTER MARKETPLACE

TOKENS

The sale of Hamster Marketplace tokens is a crowdfunding campaign that will launch in 2018, during which funds will be raised to launch, fill and promote the Hamster Marketplace. Fundraising will take place through the public sale of special digital Hamster Marketplace tokens - smart HMT contracts on the Ethereum platform;

- It will sell 7 million HMT tokens at \$2 token;
- Cryptocurrency is the only accepted payment method: Bitcoin, Ethereum, Emercoin, Wave and others;
- The crowdfunding campaign for the Hamster Marketplace will be recognized as having taken place in the event that \$2 million + is raised;
- In the event that less than \$2 million is raised, all payments made by participants in the crowd funding campaign will be returned to their wallets;
- Tokens purchased as part of a token sale are added to the buyer's account immediately upon receipt of payment
- To be allowed to withdraw HMT tokens from a personal wallet (for example, to personal Ethereum wallets) it will be necessary to pass the identification procedure (KYC);
- Tokens accrued outside of the crowdsale (bonus tokens, bounty rewards, team rewards, etc.) may not be able to be withdrawn for a period of up to 9 months or up until the launch of a public beta version of the marketplace;
- After the launch of the public beta marketplace, all tokens, including bonus and bounty tokens, will be available for use to make payments for platform services, to pay commissions and for receiving discounts even if their owner did not undergo or complete the KYC procedure.

VALIDATION AND LIQUIDITY OF HAMSTER MARKET-PLACE TOKENS

1. Revising the mechanics of payments to bounty hunters - We offer bounty hunters two models for receipt of rewards: tokens or money converted at the nominal crowdsale rate. If you select payment in tokens, they will be frozen. Selling tokens on the Exchange will be possible only after the launch of the public beta project or 9 months after the end of the main crowdsale round. Payment of rewards in monetary equivalent will take place immediately after the end of the fundraising campaign.
2. Frozen share of project founders and early investors - In order to exclude suspicions of manipulation of the exchange rate by the founders, early investors or any other persons who purchase or have already purchased tokens on special terms and at a large discount, the project team freezes their circulation for the same period as for token bounty hunters.
3. The accelerated pace of development - In addition to the team engaged in crowdsales and fundraising, we already have a fully-fledged development team. It is already busy creating the alpha version of the marketplace and is preparing to launch it within five months. Should the current pace of development be maintained, the launch of the public beta will take place slightly ahead of the Road Map schedule - at the beginning of the fourth quarter of 2018.
4. Post marketing and active work with the audience - To ensure post-marketing activity, we have a full-fledged team of specialists, a detailed plan for promoting and highlighting the platform, and an earmarked budget.
5. In establishing the price of the token and in developing Hamster's fiscal policy, the methodology of the Bank of Canada is being taken into account.

This equation describes the effect of three factors affecting the exchange rate of virtual currency that are common in the context of the value of money: the exchange rate increases in the volume of the payments for goods and services with virtual currency, TB_t ; and it decreases in the velocity of virtual currency, V_t , and in the total quantity of virtual currency, M_t . The expression in also includes a fourth factor affecting the exchange rate of virtual currency, which is the quantity of virtual currency held in the speculative position, Z_t .

$$S_t^{\text{€}/\text{B}} = \frac{S_t^{\text{€}/\text{B}}}{(M_t^{\text{B}} = Z_t^{\text{B}}) V_t^{\text{B}^*}}$$

EMBEDDING HMT INTO THE FINANCIAL MECHANICS OF THE PROJECT

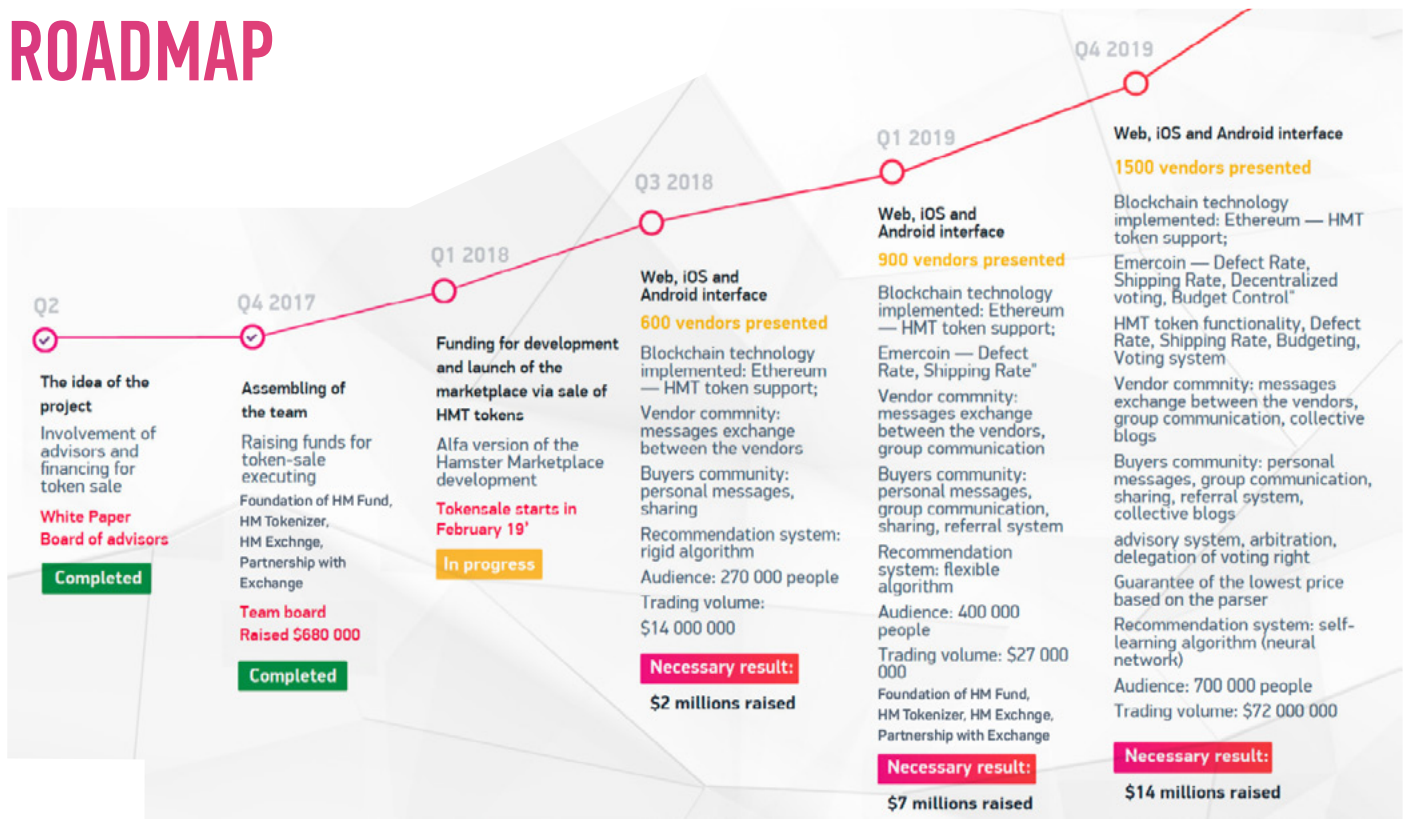
The HMT token is not just a tool for crowdsales and fundraising, it is a fully-fledged economic marketplace model. It has the potential to keep growing steadily, not only at the time of launch, but also throughout Hamster Marketplace's entire existence.

	Q3, 2018	Q4, 2018	Q1, 2019	Q2, 2019	Q3, 2019	Q4, 2019	Q1, 2020	Q2, 2020	Q3, 2020	Q4, 2020
Number of vendors	400	900	1256	1612	1968	2324	2644	2964	3284	3604
Number of customers	184000	414000	556674	699348	842022	984696	1084883	1185070	1285257	1387243
Number of purchases	62100	144900	159227	182299	208714	238957	237905	272377	311844	357030
Volume of tokens for sale/purchase of goods. \$	807300	1883700	2069952	2369887	2713282	3106441	3092765	3540901	4053972	4641390
Volume of tokens to pay vendors' commissions to the marketplace. \$	27945	65205	71652,15	82034,55	93921,3	107530,65	107057,25	122569,65	140329,8	160663,5
Volume of tokens for vendors' marketing. \$	1400	1680	1736	1747,2	1749,44	1749,888	1749,9776	1749,9955	1749,9991	1749,9998
Volume of tokens for access to additional functions. \$	1840	4140	5566,74	6993,48	8420,22	9846,96	10848,83	11850,7	12852,57	13872,43
Volume of tokens for verification deposit. \$	12000	15000	10680	10680	10680	10680	9600	9600	9600	9600
Total demand for tokens. \$	850485	1969725	2159585,89	2471342,23	2828052,96	3236248,498	3222021,058	3686671,346	4218504,369	4827275,93

The schedule of possible demand for tokens in the secondary market, based on the use of the token functionality on the site



ROADMAP



OUR GOALS IN 3-4 YEARS

1. The selection of and partnership with technology holders - the future unicorns of the CE market
2. The create of its own blockchain system to work with selected devices and to integrate HM tokens into the economy of the new technologies
3. The establishment of a network of smart cities, based on HM technologies
4. The development of a system of up-sale and subscription payments on the hardware market

DEPLOYMENT

Hamster Marketplace is being created to change the market for innovative gadgets. To attain its goals and significant growth, not only will the company's current situation help, but also the concrete steps HM will take:

1. The selection of and partnership with technology holders - the future unicorns of the CE market
2. The create of its own blockchain system to work with selected devices and to integrate HM tokens into the economy of the new technologies
3. The establishment of a network of smart cities, based on HM technologies
4. The development of a system of up-sale and subscription payments on the hardware market

The creation of the HM innovation funnel, the attraction of consumers from among the numerous millennials, and the ease of investing and supporting promising start-ups can change the current consumer electronics market (the current volume is \$900 billion) and will make it possible for HM to become a significant player on this market

RISKS AND DISCLAIMERS

This Whitepaper has been prepared by us for the sole purpose of assisting prospective participants in deciding whether to participate in the Hamster Marketplace. We emphasize that this is an open-source initiative where everyone makes the decision independently.

We further note, that financial information contained in the Whitepaper and accompanying materials is unaudited. The projections contained herein and the accompanying materials are based on certain assumptions. No assurance can be given that these assumptions will prove to be correct, and, accordingly, no assurance can be given that actual results will conform to the projected results.

The development teams of the project expressly disclaim any responsibility for ensuring the accuracy or completeness of the information contained herein and in the accompanying materials. Accordingly, neither of us, nor any other individuals or entity, nor any of our affiliates, representatives or advisors will be subject to any liability for any inaccuracies in or any omissions from materials contained herein or the accompanying materials or any other oral or written information provided with respect to the HMT or Hamster Marketplace and no express or implied representations or warranties will be deemed to have been made with respect to the Whitepaper or any other matters.

Neither the project management nor the core development team, nor any affiliates, representatives or advisors are under any obligation to update, supplement or correct this Whitepaper or accompanying materials in any respect, or otherwise to provide any recipient or reviewer of these materials with access to any additional information. In addition, the project management and core development teams, reserve the right, without prior notice to any reviewer or recipient of this Whitepaper or any accompanying materials, to terminate, at any time, further participation in this project and we reserve the right to modify any applicable procedures, without giving advance notice thereof and without providing any reason therefor.

We emphasize in the strongest possible terms that a HMT does not represent ownership or a security interest in Hamster Marketplace or any other project or entity. Nor is HMT related to any other assets or properties. The token does not represent a debt owed by Marketplace or its founders or any other entity, and shall not be considered a debenture. To acquire HMT, you need to be genuinely interested in contributing skills, time, energy and expertise to the Hamster Marketplace. If you determine that HMT may constitute a security subject to regulations in any country, we strongly advise you not to acquire them and suggest you immediately notify us of any possible risks. In addition, we feel compelled to advise you of the following risks, and indicate that these and additional risk need to be factored in your decision.

TECHNOLOGICAL & ORGANIZATIONAL RISKS

We will build upon technology which we developed with our partners. The system has been tested and is considered to be reliable and stable. The token system will be based on the Emercoin and Ethereum technologies which both have certain technical risks.

A major technical challenge will be to enable automatic generation of more complex smart contracts, which involve complicated work of several parties.

TOKEN VALUE RISKS

Due to the very short history of crypto tokens and crypto-economic systems, there are several challenges that token holders face when trying to value these projects and underlying tokens.

First, among the organizational risks, one needs to consider that historically the electronics industry has been fragmented. Even though we are attracting a significant number of interested partners to our ecosystem, having them all join the Marketplace will require negotiations.

Second, the short history of crypto tokens has generally shown an even shorter lifespan of many of the projects. This is especially true because projects present a big principal-agent problem. This is different than a startup that usually raises money in a series of different rounds over several years.

Third, there is some level of systemic risk associated with the crypto markets that cannot really be diversified away. The industry is too nascent for that. Therefore token-holders take on both project-specific risk and market risk when they acquire tokens in a specific sector

The systemic risk is very hard to predict, due to the short time-span, and is unique to the industry. Everything from hard forks to new crypto attacks are a source of systemic risk that traditional investments don't suffer from.

Finally, many projects are interdependent, which causes dependency risk to projects. For example, a crypto project built on Ethereum will be affected by things happening in Ethereum, like a bug found in a compiler, or an attack on the Ethereum network.

And further, as layers of the ecosystem build up, this dependency risk deepens.

REGULATORY RISKS

Generally, as the development of blockchain tokens continues to enable new business models, new legal issues come into focus. For developers, legal and regulatory uncertainty can be one of the main barriers to building new blockchain protocols and applications, including the Hamster Marketplace. The legal risks are examined in the Legal Framework for Blockchain Tokens (see references). This Framework has been prepared in collaboration by Coin Center, Union Square Ventures and Consensys.

We note that recently, there has been growing interest in whether, and in what circumstances, crypto-tokens may constitute “investment contracts” under the U.S. Supreme Court’s *Howey* test, or similar regulations around the world, rendering them securities subject to regulation in the United States and other countries. The resources listed immediately after this Section take a deep dive into that issue, exploring the structural, marketing and other key considerations that may make crypto-tokens more- or less-likely to be securities under *Howey*. As these resources demonstrate, the *Howey* test is highly fact-dependent, indicating that certain crypto-tokens may be securities under *Howey* whereas others – if properly designed – may not.

If you determine that our tokens may constitute securities subject to regulation in any country, we strongly advise you from acquiring them and suggest you immediately notify us of the possible risks.

Tax, legal and economic risk

If you decide to participate in this ICO without proper consultation of tax, legal and economic advisors, taking into account your personal circumstances, you might not be able to fully assess the tax, legal and economic impact a participation in this ICO could have on you.

Insufficient or faulty consultation can lead to unintended or unforeseen tax, legal and economic consequences. The absence of advice from experts such as financial advisors, lawyers and tax consultants can have detrimental consequences for a participant in this ICO. Prospective participants should carefully consider the following risks together with their expert advisers before deciding whether a participation in the ICO is suitable for them or not. The Hamster Marketplace is not liable for a loss in connection with erroneous or insufficient consultation or advice provided by third parties.

The exchange of virtual currencies without taking into account the individual circumstances and the financial situation of the participant might have negative consequences. The decision to obtain HMT should take into account the individual knowledge of the participant. Only freely available capital should be used for a participation in this ICO as a total loss cannot be excluded.

REFERENCES

Bank of Canada Staff Working Paper 2016-42 August 2016 On the Value of Virtual Currencies by Wilko Bolt et al/Research Division De Nederlandsche Bank and Financial Stability Department Bank of Canada Economics of Initial Public Offering, Dr. Avtar Sehra et al, August 2017 Top Issues, Insurance. PWC Annual Report 2017 Peter Van Valkenburgh, A Securities Law Framework for Blockchain Tokens, COINCENTER (Jan 25, 2016) Discusses certain blockchain token “rights” that likely to decrease the risk of blockchain tokens being categorized as securities under the *Howey* test.

Reuben Bramanathan, Introducing the Blockchain Token Securities Law Framework, THE COINBASE BLOG (Dec. 12, 2016) Discusses the result of a joint initiative of Coinbase, Coin Center, Union Square Ventures and Consensys.

Houman B. Shadab, Why Cryptoequity May Not Be Securities, Lawbitrage (Nov. 12, 2014) In this piece, NUY Law Professor Houman B. Shadab discusses a number of factors that would make certain tokens less likely

to constitute securities.

Jason Somensatto, How are Cryptocurrency Investments Different than securities Investments?, COINCENTER (Feb. 11, 2015) Distinguishes tokens sold primarily for an “consumption motive” from tokens likely to be considered securities.

Josh Boehm, Dax Hansen and Josh Boehm Speak at Stanford Cyber Initiative About Blockchain Tokens, VIRTUAL CURRENCY REPORT (Apr. 12, 2017) Linking to a slide deck featuring analysis of token sales under securities and other laws. Also available [here](#).

J. Dax Hansen & Carla L. Reyes, Legal Aspects of Smart Contract Applications: Digital Asset Sales and Capital Markets, Supply Chain Management, Land Registries, Government Records and Smart Cities, and Self-Sovereign Identity (May 2017) Discusses the application of the Howey test to digital asset sales.

A Securities Law Primer, SELC e-resource library, CommunityEnterpriseLaw.Org.

Brito, Jerry and Shadab, Houman B. and Castillo, Andrea, Bitcoin Financial Regulation: Securities, Derivatives, Prediction Markets, and Gambling (January 15, 2015). COLUMBIA SCIENCE AND TECHNOLOGY (2014). Proposes that certain bitcoin denominated instruments that may otherwise fall within the Howey test for investment contract be excluded if they are “bitcoin economy transactions” – transactions in which the entire use of the instrument is within the blockchain ecosystem in which the token was created.

Peter Van Valkenburgh, Could your decentralized token project run afoul of securities laws?, COINCENTER (Sept. 20, 2016) Describes a number of elements that will make a token less likely to fit the Howey test, including building “tokens that have a use-value and are not mere speculative investments.”