



Invest in the future and change the world for the better

**Whitepaper v 2.1  
(updated)**

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# LEGAL DISCLAIMERS

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## Risk Disclosure

This White Paper is for informational purposes only and does not constitute an offer or solicitation to sell shares or securities or any other investment instrument in Hackspace Capital ("HACKSPACE") or any affiliated company in any jurisdiction.

The HACKSPACE tokens ("HAC TOKENS") discussed in this White Paper are not intended to resemble a security (debt or equity) in any form in any jurisdiction. HAC TOKENS are a payment mechanism for products and services developed and offered on the HACKSPACE network. HAC TOKENS are NOT intended for speculative use and any speculative buyers of HAC TOKENS risk significant financial loss.

None of the information or analyses presented in this White Paper are intended to form the basis for any investment decision, and no specific recommendations are intended. Accordingly, this document does not constitute investment advice or counsel or solicitation for investment in any security. Potential buyers of HAC TOKENS should consult their personal legal, tax, financial and other professional advisors as to the implications of buying HAC TOKENS.

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HACKSPACE expressly disclaims any and all responsibility for any direct or consequential loss or damage of any kind whatsoever arising directly or indirectly from: (i) reliance on any information contained in this document, (ii) any error, omission or inaccuracy in any such information or (iii) any action resulting therefrom.

## Regulatory Issues

No regulatory agency in any country or jurisdiction has examined or approved the information set out in this White Paper. The publication and distribution of this document does not imply that the applicable laws, rules or regulatory requirements in any jurisdiction have been complied with.

HACKSPACE has engaged and received advice from legal counsel in the United States of America, European Union (EU), Russian Federation and Peoples Republic of China regarding regulatory issues as they relate to HAC TOKENS. As the regulatory environment regarding Token Sales in the USA is uncertain and changing, HACKSPACE will wait until receiving recommendations from its legal counsel before offering HAC TOKENS to the general public in the United States. As such, the first and all the following emissions of HAC TOKENS envisioned in this White Paper (19 September, 2017) **are not available to USA citizens, green card holders or tax residents.** HACKSPACE will ask any potential buyer to confirm prior to registration that they are not a US citizen, green card holder or tax resident.

Together with its US legal advisor, HACKSPACE will continue to monitor the regulatory environment in the US regarding Token Sales and as appropriate adjust its policy prior to subsequent emissions of HAC TOKENS.

#### Caution regarding 'Forward-Looking Statements'

This White Paper discusses the plans and forecasts of HACKSPACE as regarding its work with EnCata and investment into and development of hardware technology startups. It must be emphasized that these forward- looking statements do not reflect historical facts but the future plans of HACKSPACE.

These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual future results, performance or achievements of HACKSPACE to materially differ from those discussed or anticipated in the White Paper. These risk factors include, among others:

HACKSPACE may be unable to realize the plans for investment and product development discussed in this document due to:

- Poor investment decisions
- Changes in customer preferences/market conditions
- Unavailability of talented/qualified workforce
- Insufficient capital to fully develop network/products

Changes in legal, social, and economic conditions in the countries where HACKSPACE operates which could negatively impact the operations of HACKSPACE and the companies it has invested in.

Changes in the regulation of crypto-currencies and blockchain networks which could limit the ability of HACKSPACE to legally operate as planned in certain countries or jurisdictions.

Catastrophic or long-term technical or security failures in the Ethereum Blockchain.

Dramatic changes in exchange rates between HAC TOKENS and other crypto or fiat currencies.

Force Majeure circumstances such as wars, acts of terrorism, natural disasters or other acts of God.

The above risk factors and others could have a negative impact on the ability of HACKSPACE to fulfill its business plan, potentially resulting in a lack of liquidity or products for HAC TOKEN holders. This could lead to significant deterioration of value of HAC TOKENS and financial loss for owners of HAC TOKENS.

# INTRODUCTION

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Hackspace Capital («HACKSPACE») is creating a dynamic new bridge between the worlds of cryptocurrencies/blockchain technology and crowdfunding. HACKSPACE has partnered with EnCata LLC («EnCata») - an elite design engineering/prototyping company for hi-tech startups - to bring to the public both a new cryptocurrency and blockchain eco-system as well as an ongoing series of cutting edge hardware products and related services on which to spend the currency.

**HACKSPACE Token Sale was launched on September 19, 2017 at 9 PM Singapore time (UTC +8). Similar to other crowdfunding campaigns for hardware products, buyers of the HACKSPACE coins («HAC TOKENS») will be entitled to use their HAC TOKENS to acquire newly developed hardware products and services from the HACKSPACE portfolio of companies («PORTFOLIO») and partner companies. Unlike traditional crowdfunding campaigns, however, HAC TOKENS will allow token holders to acquire not just one piece of a product in its design-to-manufacture stage but any product or service in the PORTFOLIO at up to a **20%** discount and up to 3 months before the official market entry.**

In the brief history of Token Sales, HACKSPACE is providing the first and only opportunity for both investors and users of hi-tech connected products to participate in a range of hardware startups in their early stages and gain access to hi-tech R&D services.

The proceeds from this Token Sale will be used to:

- Invest in existing and future hardware startups which will provide goods and services for HAC TOKEN holders.
- Build a factory for mass producing the products developed by HACKSPACE startups to reduce costs, control quality and accelerate the process.
- Develop hackerspaces, R&D centers and a startup academy to aid and develop future inventors and entrepreneurs to assure a perpetual volume of quality products for HAC TOKEN holders.

HAC TOKENS can be freely bought, sold and traded on the HACKSPACE platform or other liquid exchanges, and thus individuals looking to acquire certain products through the PORTFOLIO can purchase the HAC TOKENS from existing holders on the exchange platform and receive up to a **20%** discount on their desired product or service within its ecosystem.

HACKSPACE expects the exclusive and high quality deal flow via EnCata and the fact that certain products, services and discounts will be available **only** to token holders will create long-term ongoing demand for the HAC TOKENS.

This White Paper will expand on the following four key elements of HACKSPACE and the HAC TOKEN Sale:

#### HACKSPACE

- Background and Structure
- Mission
- Vision
- Management Team

#### HACKSPACE partnership with EnCata

- Background of EnCata
- Development of Hardware Startups
- HACKSPACE-EnCata Working Relationship

#### HACKSPACE Deal Flow and Current Projects

#### HACKSPACE Token Sale

- Token Sale General Information
- Token Sale Overview
- Rights of HAC TOKEN Holders
- Use of Proceeds
- Term Sheet
- HAC TOKEN Distribution and Bonuses

# ABOUT HACKSPACE CAPITAL

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## Background and Structure

HACKSPACE is a company formed in 2017 for the purpose of investing in and developing the most promising early stage technology hardware and connected hardware startups identified by its strategic partner, the engineering catalyst EnCata.

HACKSPACE also serves as an online platform/shop, where people can acquire products and services created and offered by HACKSPACE startups and partner companies. HACKSPACE provides startups with multilayered support such as: organization of administrative processes, legal support, business consulting, coordination and supervision of the project's life cycle, marketing via its partner companies, R&D, scientific research, engineering development and preparations for mass production.

## Mission

The founders of HACKSPACE are driven by the goal of building and improving upon successful ideas and technologies for the betterment of humanity. In the case of this Token Sale, HACKSPACE wants to expand upon and improve the game changing crowdfunding concept for technology hardware products.

While similar to crowdfunding in that buyers of HAC TOKENS («BUYERS») purchase products before they are fully developed and produced, with HAC TOKENS the BUYERS are protected from losing their money if a product is never fully developed. This is because the HAC TOKENS they acquire via their initial purchase can be used on any product or service developed in the HACKSPACE PORTFOLIO.

Thus, while some companies and products invested in by HACKSPACE might fail (although the direct working relationship between HACKSPACE and EnCata will reduce the likelihood of such failure), the HACKSPACE funding structure means that BUYERS will never lose their money via individual product/company failure as BUYERS can use their HAC TOKENS for another HACKSPACE developed product or simply sell their HAC TOKENS to others.

The founders of HACKSPACE believe this will not only protect BUYERS from financial loss, but also accelerate the development of products via crowdfunding efforts, thus increasing



the amount of innovative and beneficial products for society at large.

## Vision

The Token Sale and creation of a blockchain platform for the rapid development and distribution of the most promising hardware technology products is just the first stage in the vision the HACKSPACE founders have for improving the world through engineering. HACKSPACE wants to expand beyond its initial product development/distribution platform to create a worldwide engineering ecosystem to provide talented young inventors and entrepreneurs the ability to most quickly and efficiently realize their dream products. HACKSPACE plans to use funds from its development to create hackspaces<sup>1</sup> and infrastructure in key global innovation hotspots to train and foster the next generation of inventors and entrepreneurs. In an increasingly divided world, the HACKSPACE team believes in the powerful combination of creative young minds using science and technology to develop products which heal divisions and help create common experiences and unity among the disparate peoples of the world.

## Management Team



**Mikhail Zhyvets**

CEO at Hackspace Capital

Systems Engineering degree from the Belorussian State University of Information and Radioelectronics. Mikhail has been involved in the game development industry as an engineer, company founder and executive manager for 12+ years. His most famous title “World of Tanks” has generated more than \$1 billion in revenue; among the top five free online games in the world.

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<sup>1</sup> Hackspaces can be defined as social places for engineers and tech-entrepreneurs with certain manufacturing and office facilities which create a collaborative environment where new hardware startups and engineering teams can emerge.



**Oleg Kondrashov**

CTO at Hackspace Capital, CEO at EnCata

Oleg Kondrashov graduated from the faculty of Mathematics and Mechanics of Belarus State University. CEO and founder of EnCata, the leading engineering catalyst in the CIS. Founder and CEO of BDC Air, BDC Holding and BDC, ALC. An expert on LEAN management and production, Mr. Kondrashov is a frequent speaker on innovative technology at international seminars and conferences. He was named Minsk "Person of the Year 2016 for Industrial Innovation."



**Michael Tavis**

CFO at Hackspace Capital

Michael Tavis is a US citizen with undergraduate and graduate degrees from Dartmouth College and Princeton University. He was previously a Citicorp investment banker and managing director of the \$340 million Russian American Enterprise Fund. Before joining Hackspace Capital, Mr. Tavis has been founding, investing in and managing a series of start-up manufacturing companies in Eastern Europe.



**Dr. Petr Dudin**

CCO at Hackspace Capital, Partner and CSO at EnCata

Petr earned his BSc and MSc in chemistry from Belarus State University, following with PhD

in nanotechnology from University of Warwick (UK). Petr then worked in management consulting and in a private equity fund as an analyst, covering an investment portfolio worth \$50 million in equity. In 2015 Petr joined EnCata as a partner, implementing his vision of 'catalyzing' hi-tech and scientific ideas into marketable products.



**Petr Sidelnikov**

Transaction Manager at Hackspace Capital

Petr is graduated from Belarus State Economics University (BSEU). Petr has 14 years of work experience in finance. Petr was on the currency control board of the largest bank in Belarus, followed by 6 years of experience as a senior financial analyst.



**Fedor Mukin**

CIO at Hackspace Capital

Fedor is a well-known developer and investor in the game development industry with 15+ years of experience. Fedor acted as the CEO of ARISE game studio, which originally initiated development of the World of Tanks game (still holds the Guinness record for the Most Players Online Simultaneously on one MOG Server). Under Fedor's management ARISE studio was successfully acquired by the Wargaming Company.



**Alexander Malykhin**

Head of Marketing at Hackspace Capital.

Graduated Belarusian State University of Informatics and Radioelectronics from the faculty of Computer Systems and Networks. Alexander has years of experience developing, monetizing and promoting products on mobile platforms. He has invested in medical project Flo Period & Ovulation Tracker on the seed-stage.



**Aleksandr Levanovich**

Financial Manager at Hackspace Capital

Graduated from Belarusian National Technical University. Has a vast experience in the cryptocurrency field. Cryptotrader, miner, moderator and administrator of Graphene (D-POS) communities in Telegram. As a part of RuDEX team Aleksandr has established the entrance gate to Bitshares exchange for Russian-speaking users and became a top-delegate of this very exchange. Also is a top-delegate of GOLOS major network.



**Michael Vaga**

Marketing Manager at Hackspace Capital, CEO at HandEnergy

Considered by many as a prodigious tech-entrepreneur, Michael is the inventor and founder of the HandEnergy startup, which raised over \$120,000 in a crowdfunding campaign and drew much media attention from The Telegraph, BBC, Mashable and others. Michael is a talented full-stack software programmer, design engineer and marketing wizard.

# HACKSPACE – ENCATA PARTNERSHIP

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## EnCata

A key element to HACKSPACE success is a constant pipeline of cutting edge technology products to offer holders of HAC TOKENS and the public at large. HACKSPACE has thus entered into a formal agreement with EnCata, the leading regional catalyst for hardware startups, to receive an exclusive first look and right of refusal at investing into startups with which EnCata is working.

EnCata ([www.encata.net](http://www.encata.net)), is based in the dynamically evolving and engineering rich tech hub of Minsk, Belarus. A December, 2016 Wall Street Journal article labeled: «Belarus is emerging as the Silicon Valley of Eastern Europe» highlights the growing importance and opportunity of Belarus as a hi-tech and development center. There are currently 40,000 Belorussian software engineers, and such popular applications as MSQRD, AIMATTER, Viber, Klondike, Knights&Brigts, Zombie Farm and World of Tanks originated in Belarus.

EnCata, founded by 2016 Minsk «Person of the Year for Industrial Innovation», Oleg Kondrashov, employs nearly 100 developers, design and manufacturing engineers in taking the most promising hardware startups from Russia, Belarus, Ukraine and Kazakhstan from the 'good idea' stage to a company with completed 3D design, manufacturing documentation, bill of materials and fully functioning prototypes ready for mass production.

EnCata provides a fully integrated 'one stop' service for tech entrepreneurs in order to help them develop the most appealing and efficient products possible. EnCata not only performs the necessary tasks of creating the engineering design documentation and working prototypes, but also acts as a full service engineering consultancy in organizing the most cost effective product development and manufacturing process. EnCata houses all the necessary facilities in one place, including a design office, project office, its own production managers and consultants, impressive world-class R&D facilities and an array of industrial machinery for industrial prototype manufacturing. EnCata is working under the philosophy of LEAN and Toyota Production System (TPS) that helps to manage the entire Product Lifecycle. EnCata is able to impart its knowledge and experience with these systems to its clients.

EnCata has become the darling of regional private investors, business angels and incubators as EnCata's full service 'catalyst' program provides the highest chance of success

for hardware startups. It is fair to say that EnCata has virtually no quality competition in its central markets of Russia, Belarus, Ukraine, Kazakhstan and thus has a virtual monopoly in seeing and working with the best startup teams and projects in the region.

Critically, for HACKSPACE, EnCata engagements require 3-6 months of close working cooperation with the founders and management teams of the startups. Thus, EnCata not only understands which are the most promising products emerging from the region, but their close work with startup teams enables EnCata a lengthy period to evaluate the quality of management, which is arguably the most critical element of any successful enterprise.

EnCata's R&D centers are the heart of the company, where EnCata's engineers develop new designs and also manufacture sophisticated prototypes. R&D centers are built on the Toyota Production System.

### **Development Process of Hardware Startups**

EnCata utilizes the US Space Agency (NASA) Technological Readiness Level («TRL») classification system to identify 1) the developmental stage of startups EnCata engages and 2) the necessary process to bring the company and the product ready for mass production and market launch. TRL is based on the scale from 1 to 9, where 9 is a working technology and a finished product fully prepared for the production chain. Most startups fail at TRL-3/4 (lab demonstration and home-built prototypes) but EnCata's one stop program takes companies from this stage through TRL-9, ready for mass production and public launch.

- TRL 1. • General principles observed and reported. Scientific knowledge generated, general concept proposed.
- TRL 2. • Concept formulated in greater details, applications identified and assessed.
- TRL 3. • First lab demonstration, key predicted parameters validated.
- TRL 4. • Key functionality demonstrated and documented in a form of MVP.
- TRL 5. • Prototype or system elements validated in a relevant environment.
- TRL 6. • Full-scale prototype demonstration .
- TRL 7. • Prototype performance fully demonstrated in operational environment.
- TRL 8. • Final configuration of the prototype demonstrated through a set of validated tests. Production documentation completed.
- TRL 9. • Final product entering the market.

## **HACKSPACE – ENCATA WORKING RELATIONSHIP**

HACKSPACE and EnCata have agreed that EnCata will identify to HACKSPACE its most promising hardware/connected hardware products and teams and HACKSPACE will have the first exclusive opportunity to review and invest in these projects.

During the first nine months of 2017, EnCata has been engaged in approximately 50 projects and identified 10 exceptional companies which it has referred to HACKSPACE. Most of EnCata's projects involve Russian and Belorussian startups but have also recently included projects in the USA and Oman. Start-up projects are brought to EnCata from sponsored incubators or entrepreneurs who need a quality, reliable engineering catalyst to advance their projects from early TRL stages to mass production readiness at TRL-9. Often, when entrepreneurs bring projects to EnCata directly, EnCata will organize pre-seed funding to provide the essential early financing. EnCata has been so successful in the quality and reliability of its work with incubators, that it has established a relationship where it provides an initial review of projects for the incubators to streamline the bureaucratic work of the administrators. Incubators then pass their accepted projects back to EnCata for product development and implementation.

When a startup, led by EnCata, has advanced its project to TRL-9, the startup needs to raise a seed funding round of capital to finance and bring to market the first mass produced batch

of its product. The required capital will generally be in the range of \$500,000 - \$2 million. It's at this stage that EnCata will identify its absolutely best products and management teams and refer them to HACKSPACE as a potential source of capital. With assistance from EnCata, HACKSPACE then carries out a thorough due diligence of the product, market, management team and capabilities of the startup. In addition to seed funding for mass production, HACKSPACE/EnCata will assist the startup in branding of the product, creating unique photo and video content, developing a marketing campaign for a "loud launch" of the product on the international market, potentially creating and realizing a crowdfunding campaign (for market evaluation and analysis); performing viral media campaigns and direct advertising of the product in physical and digital media space.

As part of the investment protocol, HAC TOKEN holders (at a discount of up to **20%** of the advertised price) will be given priority in receiving the first run of the produced product.

As opposed to traditional crowdfunding campaigns where a buyer advances money prior to full product development in order to be among the first to receive the product, HAC TOKEN holders receive the same benefit of first delivery, but WITHOUT the risk that they lose their money if the product is never delivered. HACTOKENS are only exchanged for the actual product or services introduced through the HACKSPACE platform.



# HACKSPACE CAPITAL DEAL FLOW

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Currently, there are 10 hardware startups which EnCata has referred to HACKSPACE based on what EnCata views as superior products with superior management. These products (and most of the anticipated HACKSPACE products going forward) are primarily connected hardware products, combining real world devices with sophisticated operational and/or community oriented software.

Four of these projects are still in internal development and six are approaching TRL 9 and ready for further investment in mass production and market entry. HACKSPACE expects as many as 20 more projects will enter the pipeline by year end. The following describes in more detail the six live projects which HACKSPACE intends to bring to market in the near future.

## **Circulation of HACTOKEN within the HACKSPACE ecosystem. Introduction of Hackstarter program.**

HAC TOKEN is a cryptocurrency that was created in order to unite engineers from all over the world. HAC TOKEN provides startup teams with complex help in turning their idea into the product ready for mass production.

The first step on the way to product creation is manufacturing of the working TRL4 prototype. HACKSPACE invests its funds in the establishment of Hacsplaces that provide engineers, inventors and hardware enthusiasts with access to all the materials and equipment necessary for TRL4 prototype manufacturing.

All the financial relations within hacsplaces and HACKSPACE ecosystem are established by the means of HAC TOKEN. For the most successful projects, HACKSPACE will provide HAC TOKEN grants for usage of the platform's manufacturing services.

The next step of development is the creation of a preserial prototype - TRL8. According to the HAC TOKEN circulation scheme, startups can independently, or with the help of grants, use discounts from HACKSPACE service companies in order to reach the TRL8 stage of prototyping.

After reaching the TRL8 stage, a prototype moves to the Hackstarter program. Hackstarter is a crowdfunding campaign within the HACKSPACE platform. It allows individuals to research the market and determine their product demand. Consumers interested in participating with the product's crowdfunding campaign can make preorders with HAC TOKENS of fiat funds. Hackstarter program is a more convenient and accessible alternative

to a crowdfunding campaign for a startup. In comparison with Kickstarter or IndieGoGo, Hackstarter has a simplified system of participation; therefore, it doesn't have restrictions for any countries, companies or bank accounts.

After a successful Hackstarter campaign, raised HAC TOKENS ensure the product's preparation for mass production. Later the product gets the store section of the HACKSPACE platform where customers can acquire the product using HAC TOKENS and get a discount up to 20%.

Thus, the circulation of a HAC TOKEN is a foundation of the HACKSPACE ecosystem. HAC TOKEN ensures and provides startup teams with all the recourses necessary for the development of any product from idea into a finished product.

### **HandEnergy ([www.hand.energy](http://www.hand.energy))**

HandEnergy's revolutionary energy ball is the first portable generator of "green" energy using only the movement of the human hand. Created by 19 year old prodigy Michael Vaga, the device contains a unique generating system which via the gentle rotation of the ball in your hand allows both electricity generation and energy storage for charging mobile devices such as smartphones, portable speakers, etc... The initial model comes in an attractive design in black and white. There is the option of Bluetooth synchronization of the HandEnergy ball with a mobile device, and the ball itself can be used as a game controller, owing to the accelerometer inside. The HandEnergy ball comes with its own mobile App platform with the goal of creating a vibrant online community of HandEnergy users engaged in different challenges and competitions. The device is light (only 280 grams), and if desired can be charged by a regular power outlet.

HandEnergy has raised more than \$120K on crowdfunding platforms. There have been many articles posted about the device on outlets such as The Telegraph, BBC, Mashable and many others; and the HandEnergy promotional video on its website has been viewed more than 10 million times!!!! HACKSPACE is making its first live investment in HandEnergy and expects first delivery of the product in the fourth quarter 2017.

### **Smart Pourer ([www.spourer.com](http://www.spourer.com))**

Smart Pourer is a technically sophisticated pouring cap with a special contactless tag used primarily to measure and record information regarding spirits and alcoholic beverages. Smart Pourer provides very useful information for all participants in the production and consumption of alcoholic drinks, from manufacturers to distributors to bars and restaurants

and finally the end consumer.

For the consumer, smart pourer is a valuable tool in measuring the gross amount of alcohol consumed at a particular sitting or over a longer period of time such as a week or month. At home or in a bar, the consumer can set a limit on alcohol consumption and smart pourer will stop pouring or notify the participants (i.e. bartender) when the limit is reached. As smart pourer measures the alcohol content of a drink, it can also be used by consumers to keep bars and restaurants honest in not allowing them to 'water down' drinks. The smart pourer tag can be used as a payment device, allowing consumers to swipe their cards or smartphones against the tag and be automatically billed for the drink. Finally, smart pourer can monitor home consumption of alcohol, assuring that non-intended users (sorry kids!) don't secretly raid the liquor supply.

Smart Pourer allows bars and restaurants to monitor consumption by clients (recently bars have been sued by customers involved in drunk driving accidents), pouring habits of bartenders and customer trends and preferences.

Finally, smart pourer provides valuable ongoing information to manufacturers and distributors on which particular beverages are 'hot' in which particular regions, etc...

The smart pourer App will provide users with targeted statistics and records on all information associated with the consumption of alcohol. The App will also provide an interactive feature, providing consumers information regarding nearby bars or restaurants and the current availability of desired beverages.

## **Smart Cup**

In keeping with a beverage theme, HACKSPACE will also bring to its HAC TOKEN holders a 'smart cup' for automated preparation of coffee, tea, baby food, soup and other beverages/foods requiring temperature preparation and control.

Smart Cup comes with a user friendly mobile App that notifies you when the beverage is ready and maintains the desired temperature until the user is ready to consume it. The smart cup is particularly safe and convenient for making baby food; it executes the cycle of water boiling, preparation, cooling and temperature maintenance until your baby is ready to eat. It's precise temperature control prevents any chance of your baby eating food which is either dangerously hot or disappointingly cold.

Smart Cup owners will be able to purchase specially prepared capsules of tasty and nutritious coffee, tea, babyfood, soup, etc..., further simplifying the preparation process.

## **Sleep Capsule**

It is not possible to overrate the importance of sleep. Sleep is the basis of our physical and mental well being, our mood, creativity and efficiency. Aside from regular nighttime sleep, it has been repeatedly proven that short rest during the day can be very beneficial to our health, concentration and effectiveness. NASA researchers have shown that 20-30 minute naps (NASA claims 26 minutes is the ideal nap time!) allow the sleeper to reach the critical Stage 2 sleep cycle, enhancing alertness and concentration thereafter.

EnCata is currently engaged in a project developing a recreational portable sleep capsule to facilitate 20-30 minute naps, either at the workplace, home or even in specially created "nap centers". The project, in coordination with clinical specialists and the Moscow RAS Institution of Higher Nervous Activity has targeted the price of the capsule at less than \$5,000, roughly half the cost of similar products on the market.

A key component of the nap capsule is a special App which has been developed to control the capsule from mobile devices. The App monitors the sleep cycle so that the nap ends (with appropriate acoustic and light accompaniment) at the most 'wakeful' phase (i.e. when the body is ready to wake up) of the sleep cycle so one feels refreshed and alert. The App also provides diagnostic information from each nap.

## **Clean & Pure**

Neuroscientists have repeatedly proven the impact of overall air quality and aroma on our mood, well being and effectiveness. HACKSPACE will introduce to its HACTOKEN holders a unique portable device for the creation and maintenance of a healthy microclimate inside and around the workspace. The device is easily activated through connection by USB port to a computer or through a regular electric outlet or power unit. Clean & Pure is of small size and thus easily fits on a corner of a standard work desk and can be taken home after the workday to improve the home climate also.

A special mobile App has been developed for Clean & Pure which, among other things, will maintain and control the device for air purification, ultrasonic humidification, ionization, temperature and humidity control and the monitoring of oxygen and carbon dioxide levels.

In addition, the App and device can custom program aromatization of the work area, with a variety of available scents. The device can also function as a portable air conditioner for particularly hot days or office environments.

# HACKSPACE TOKEN SALE

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## Token Sale – General Information

Token Sales have become very popular during the past two years as a means of fundraising or crowdfunding, allowing startups mostly associated with cryptocurrencies and blockchain technologies to raise funds from a diverse worldwide investor/client base to be used to finance the startup's products or services. In exchange for liquid cryptocurrencies such as bitcoin or ether, investors/clients are provided with newly minted digital coins or tokens issued by the sponsoring startup. These coins can be freely traded and their value can be connected to the profitability or activities of the startup or can be exchanged for future goods or services of the startup. Through August, 2017, more than \$2 billion has been raised via Token Sales.

The HACKSPACE Token Sale, as described in the following paragraphs, is similar to other Token Sales in that HAC TOKENS can be freely traded for liquid cryptocurrencies or fiat currencies. It differs from many Token Sales, however, because the HAC TOKENS are in no way dependent on the operating results or profits of HACKSPACE, but instead can always be traded for tangible developed products and top-notch engineering services of the HACKSPACE companies. In this way, the HACKSPACE Token Sale more resembles an improved version of a crowdfunding campaign.

Similar to crowdfunding campaigns, HAC TOKEN holders pre-fund the development of tangible products or services, but crucially, HAC TOKENS are freely tradable so if the desired product never reaches the market or the HAC TOKEN holder changes his mind, he can simply sell/trade the TOKENS to others interested in the products. As HAC TOKEN holders will be able to acquire HACKSPACE products and premium services introduced through the HACKSPACE ecosystem up to 3 months before the official market entry and up to 20% below the advertised price, there should always be a strong demand for HAC TOKENS. Thus, as opposed to traditional crowdfunding campaigns where buyers are tied to the development of a particular product and risk losing their money if the product is never developed, HAC TOKEN holders are free to sell their HAC TOKENS at any time on a liquid exchange or HACKSPACE platform or use their HAC TOKENS for the purchase of different products or services than they initially intended. This provides HAC TOKEN holders less risk of loss and more flexibility than in standard crowdfunding campaigns.

## HAC Token Sale Overview

HACKSPACE has authorized the issuance of up to 1.000.000.000 (one billion) HAC TOKENS, with 51% to be issued directly to the public in daily sessions of 24 hours each. The first issuing session was conducted on September 19, 2017, where 255 000 000 HAC tokens have been distributed to investors. HAC TOKENS are sold in an auction format, with the price of the HAC TOKENS determined at the completion of the auction.

Following the daily token emission scheme, HAC Token Sale session will issue **1 000 000** HAC TOKENS every day starting from December 21, 2017 which in total will make up 255 Token Sale session.

Distribution of acquired HAC tokens is conducted after 4 hours of each completed session for crypto investors. For Bank Cards investors - distribution is conducted after 4 hours of each completed session but acquired HAC TOKENS become accessible 30 days after each completed session. The status of such HAC TOKENS marked as Frozen and being fixed according the day when the investment was made.

All the investments with the amount of less than 0.05 ETH cannot be refunded.

## Rights and Opportunities of TOKEN holders

Buyers of HAC TOKENS will have the right to:

- Exchange HAC TOKENS for goods and services produced by the HACKSPACE network of companies. HAC TOKEN HOLDERS will receive the products up to 3 months in advance and at a significant discount to the general market.
- Exchange HAC TOKENS for engineering services with minimal contracts and paperwork, significantly reducing the barriers between engineering service providers and their clients.
- Freely exchange HAC TOKENS for other crypto or fiat currencies on liquid exchanges or sell HAC TOKENS via the HACKSPACE platform to buyers interested in acquiring HACKSPACE goods and services.

HACKSPACE believes that the opportunity to acquire goods and services of HACKSPACE and partner companies at up to a 20% discount should always provide a liquid environment

and strong global demand for sellers of HACTOKENS, given its products and services are at the core of science and technology development.

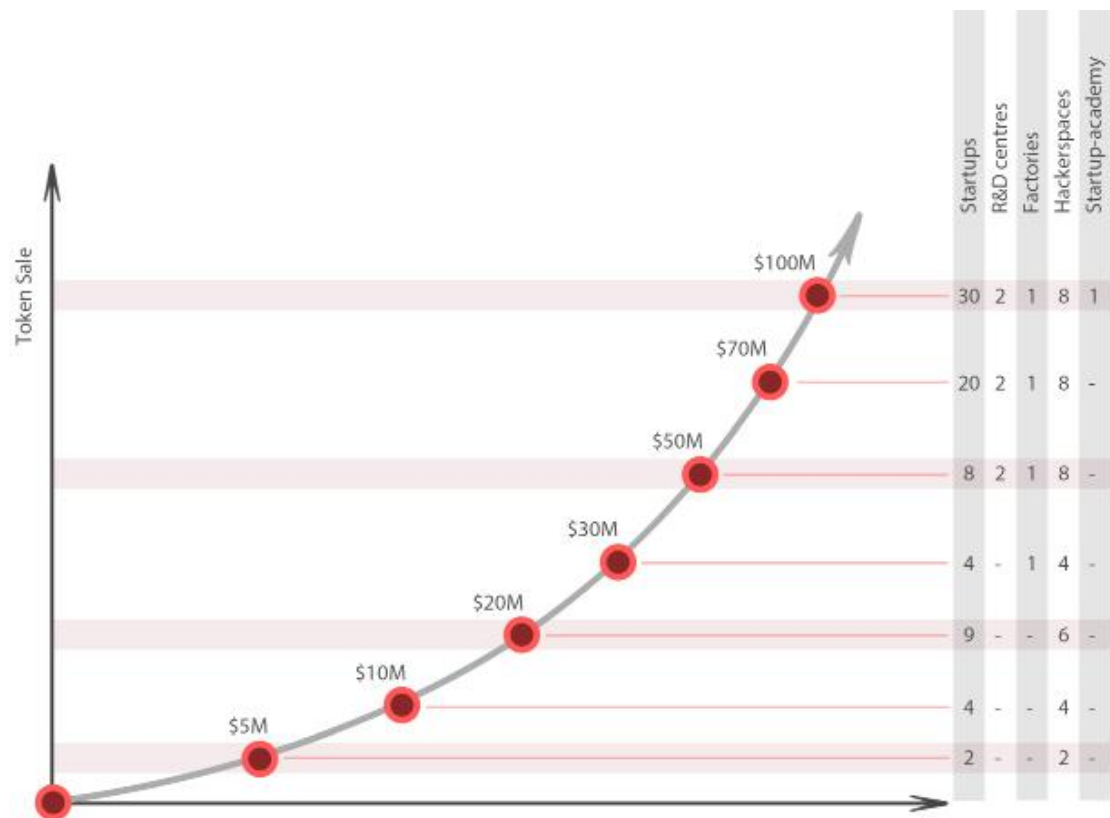
### **Use of Proceeds**

HACKSPACE will use the proceeds from the Token Sale to

- Complete the development of its existing startup projects
- Create its proprietary online platform
- Hire specialized marketing, analytical and product development staff
- Further develop its R&D and engineering infrastructure to support the premium services offered through this Token Sale.
- Build a production center to manufacture and reduce production costs of the newly developed products of HACKSPACE portfolio startups.
- Accelerate its project development pipeline
- Create hackspaces and infrastructure in key global innovation hotspots to train and mentor the next generation of inventors and entrepreneurs.



Attracted investments	Use of Proceeds
\$5M	<p>Finish the development of the online HAKERSPACE platform. Launch of HandEnergy official sales through Amazon and other world retailers. International marketing campaign,SMM. Technical support, analytics, tests and examinations. Formation of a new team, recruiting of new employees.</p> <p>Investment in another startup (2 in total) and opening 1 hackerspace.</p>
\$10M	<p>4 startups funded for mass-production. 4 hackerspaces to be opened.</p> <p>Preparation and execution of crowdfunding campaigns for market analysis. Development of an online shop and international hardware platform.</p>
\$20M	<p>9 startups funded for mass-production. 6 hackerspaces to be opened.</p> <p>Further expansion and growth of the online platform through sustainable sales.</p>
\$30M	<p>4 startups funded for mass-production. 4 hackerspaces to be opened.</p> <p>Major expansion in HACKSPACE infrastructure: opening 1 factory for products mass-production.</p>
\$50M	<p>8 startups funded for mass-production. 8 hackerspaces to be opened.</p> <p>1 factory for products mass-production opened. 2 R&amp;D centers opened.</p>
\$70M	<p>20 startups funded for mass-production. 8 hackerspaces to be opened.</p> <p>1 factory for products mass-production opened. 2 R&amp;D centers opened.</p>
\$100M	<p>30 startups funded for mass-production 8 hackerspaces to be opened 1 factory for products mass-production opened 2 R&amp;D centers opened</p>



## Term Sheet

Project Description	Hackspace Capital aims to create an innovative engineering ecosystem with a network of elite technology companies realizing their products and services on our platform. With the help of HackStarter program, Hackspace Capital provides projects with the opportunity to get preorders, use a number of production services and as a result sell their engineering products all over the world.
Hackspace Capital Description	Hackspace Capital is a venture fund which finances cutting edge hardware/connected hardware projects from the seed stage through mass production.
Token Symbol	HAC
Total Tokens authorized	1 billion
Token Background	HAC is built as an ERC token on the Ethereum Blockchain
Start Date	19 September 2017, 9 PM Singapore time (UTC +8) 3 PM Munich time (UTC +1) 2 PM London time (UTC 0) 9 AM New York (UTC - 4) 4 PM Moscow (UTC +3) 10 PM Tokyo (UTC +9) 9 PM Beijing (UTC +8)
Total Coin Offering Sessions	255 sessions, 24 hrs each
Token Price	Determined at completion of each monthly auction. Token price will be determined 'post'-factum', upon completion of each Token Sale session, by simply dividing the [revenue received from the Token Sale session] by the [number of tokens sold]. Acquiring HAC tokens investors obtain prepaid discount coupons for HACKSPACE products and services. All the HAC token holders have the opportunity to buy and sell HAC tokens to other investors via exchanges.

Percentage of all HAC tokens for public	51%
Percentage of all HAC tokens for Hackspace Capital current and future projects (startups)	39%
Percentage of all HAC tokens for marketing, bounties, advisors, bonuses etc	5%
Percentage of all HAC tokens for long-term alignment of interests	5%
Target Amount Public Token Sales (Not fixed)	\$100,000,000.00
Project Status	Live Company

Determined at completion daily auction. Token price will be determined 'post'-factum, upon completion of each Token Sale session, by simply dividing the [revenue received from the Token Sale session] by the [number of tokens sold]. Acquiring HAC tokens investors obtain prepaid discount coupons for HACKSPACE products and services. All the HAC token holders have the opportunity to buy and sell HAC tokens to other investors via exchanges. All the acquired HAC TOKENS will be distributed after 4 hours at the completion of each session. In case of the Bank Cards investments HAC TOKENS will become available after 30 days at the completion of each session.

Beginning with the second scheduled auction of HAC TOKENS, HACKSPACE retains the right to postpone or change the time and/or date of such auctions.

## Token Sale Referrals

Beginning with the second scheduled auction of HAC TOKENS, HACKSPACE retains the right to postpone or change the time and/or date of such auctions.

HACKSPACE TOKEN holders can also earn bonus HAC TOKENS via referrals. HAC TOKEN holders will receive a bonus equal to **5%** of the value of HAC TOKENS purchased by any individual or group referred by them to HACKSPACE.

## CONCLUSION

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Here, at HACKSPACE Capital, we believe that inventors are our future. We see our mission as the creation of an innovative engineering ecosystem for young inventors throughout the world. Our desire is that every talented inventor has access to all the necessary resources to turn their ideas into reality as quickly and effectively as possible. Perhaps some of them may not only improve our individual lives but also improve the world at large. Our aim is the establishment of the world's best engineering ecosystem with the fastest and most organized process of product realization from "idea stage" to mass production.

We also believe that blockchain technology and cryptocurrency are the future of transactions. For that reason, we are creating our own online platform where holders will be able to exchange HAC TOKENS for products and services presented by our startups. Considering the anticipated growth of HACKSPACE and the quantity of our present and future startups, we expect that HAC TOKENS will become a convenient, liquid currency, enabling an accelerated development of innovative products.

Aside from providing the development of world changing products, HACKSPACE believes that the ability to exchange HAC TOKENS for any product in the HACKSPACE network (at up to a 20% discount!) and freely sell HAC TOKENS to others who want those products, should provide security and ongoing demand for the HAC TOKENS. Our ongoing investment into the most exciting companies will provide a constant supply of desirable products on which HAC TOKENS can be spent.

Invest in the future and change the world for the better!

## Legal entity

<b>Name</b>	HACSP CAPITAL LTD
<b>Reg. Number</b>	HE 372187
<b>Type</b>	Limited Company
<b>SubType</b>	Private
<b>Name Status</b>	Current Name
<b>Organisation Status</b>	Active
<b>Adress</b>	16 Pentelis str., Nicosia 2401, Cyprus

### Changes made in version 2.1

Information regarding the circulation of HAC TOKEN within HACKSPACE platform.  
Changes in HACKSPACE deal flow: introduction of Hackstarter program.  
New goals for HACKSPACE ecosystem development.  
Changes in the amount of Token Sale sessions.  
Team replenishment.