stamsel

Stamsel: A Web 3.0 Protocols and Platform for Businesses

White Paper

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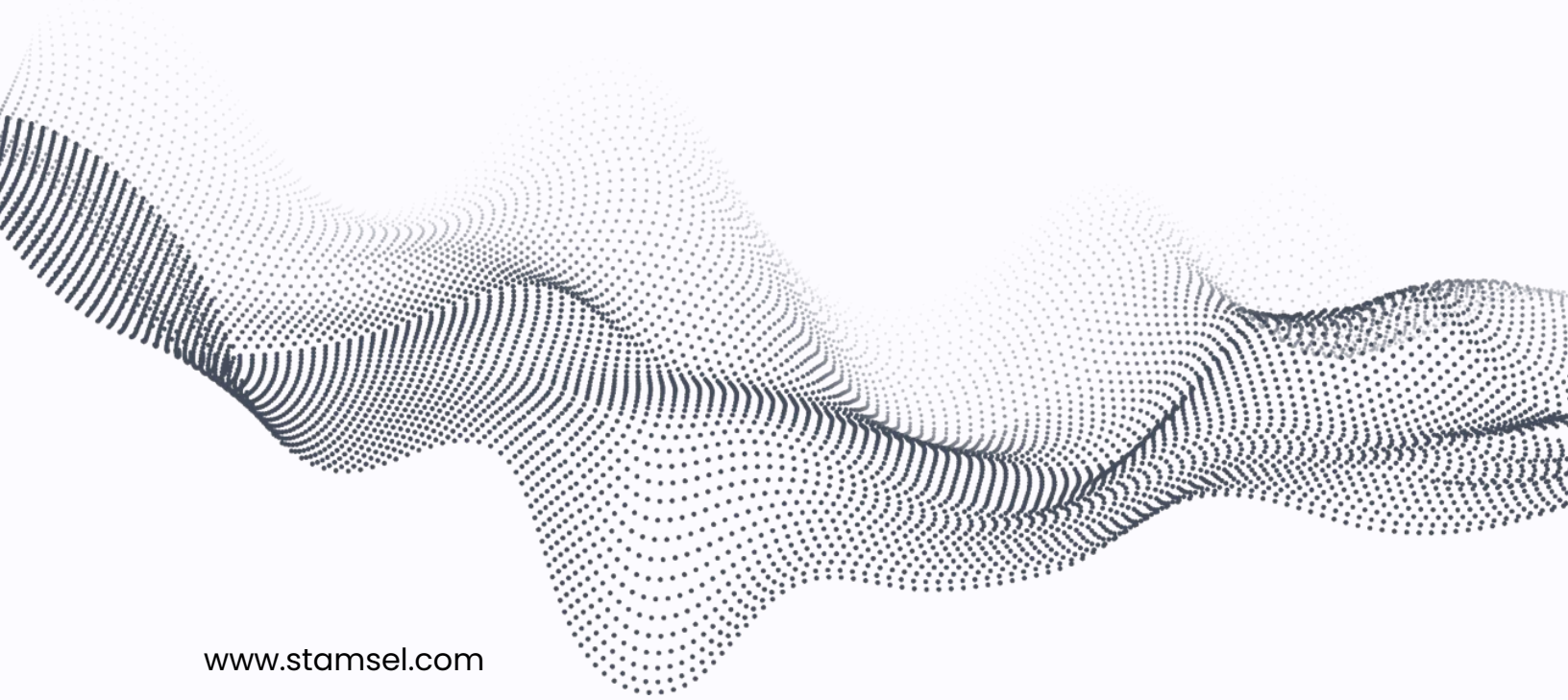
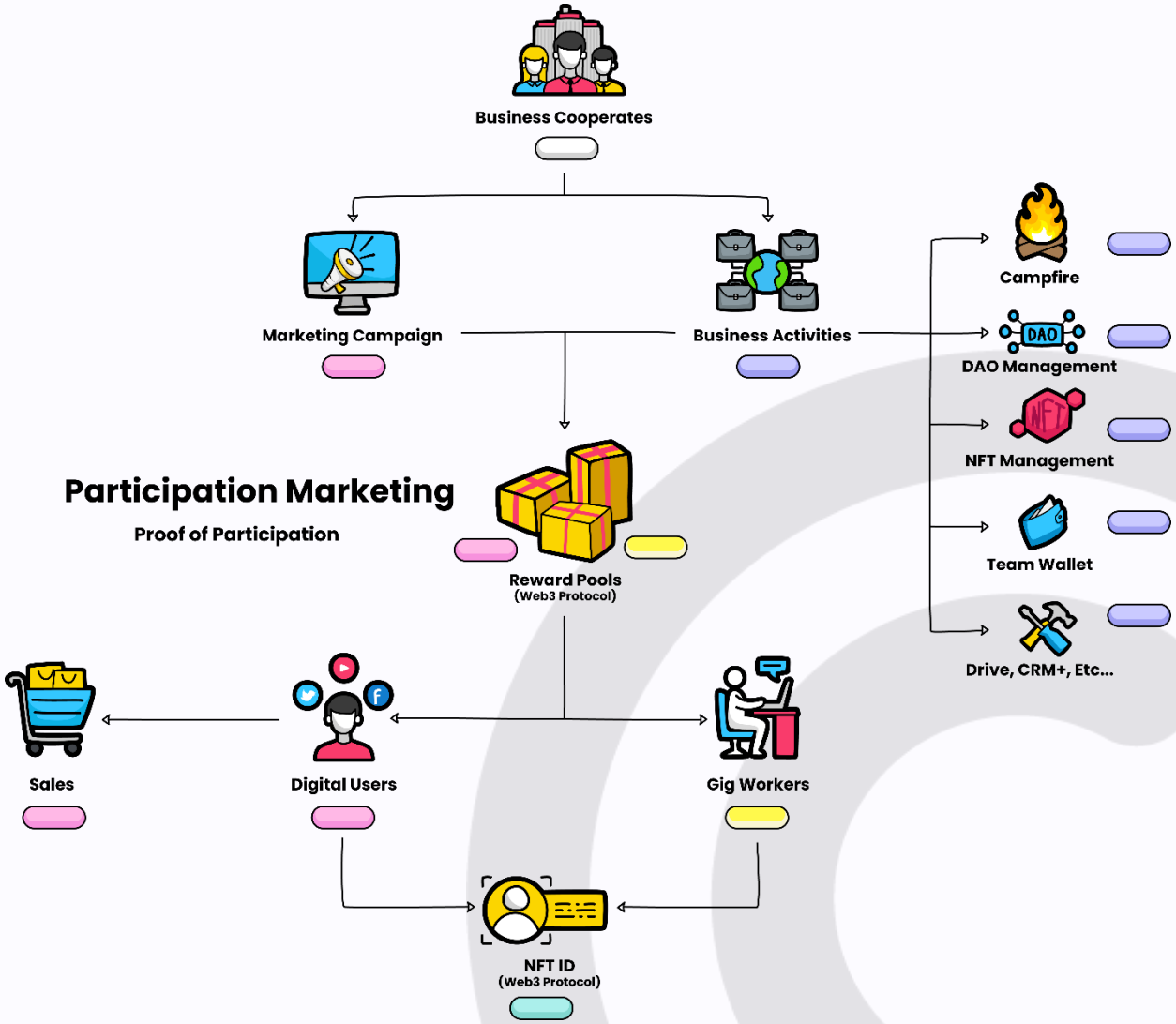


www.stamsel.com

Abstract

We build Stamsel, the first trustless Web 3.0 product consisting of protocols, an all-in-one platform, and tokenomic to help businesses transit from Web 2.0 to Web 3.0. For protocols, we have 'Reward Pool' serving for 'X to Earn' to create an incentive economy in our business ecosystem, and 'NFT ID' bridging the users' real-world identity to Web 3.0. Both protocols are integrable in any associated Web 3.0 applications beyond our platform. The platform consists of a set of service utilities of 'SaaS for Web 3.0' to support general business activities. In particular, the "Reward Pool' service provides a new way for 'Participation Marketing' and 'Gig Economy' to ultimately monetize users' value via 'X to Earn', creating an enormous work and reward community with minimum transaction cost. This defines 'the future of work' as 'work by gamified participation' which can be the main economy accelerator of the metaverse for the new generation. We redefine users, customers, and business corporates as equal 'partners' in our platform. They work, earn, and collaborate to form a decentralized business ecosystem that shapes the new era.

Graphic Abstract



Background

Since Bitcoin, the first well-known blockchain coin, was born a decade ago, the advancement and application of its underlying decentralization technology have been at an unprecedented pace (1). While a number of emerged public blockchains (e.g., Ethereum, Binance smart chain, Harmony, etc.) were being developed for faster, higher volume and cheaper swap and transactions, the application of decentralization technology has heavily gravitated towards decentralized finance (DeFi) such as Curve, AAVE, Uniswap, etc. which locked up to ~220 billion in March 2022 (2).

Among these launched projects, most of them are based on high yield (>10 annually) or high rewarding rate (>100 % annually) to attract liquidity. It creates a 'super growth mirage' when there is an abundance of the global supply of liquidity. However, the 'great story of coins' collapsed as the Federal Reserve of the United States of America (USA) raised the interest rate in April 2022. A particular example would be the breakdown of Terra blockchain whose stablecoin lost its peg to the U.S. dollar, which caused an earthquake within the blockchain economic system whose total value locked (TVL) dropped from ~ 220 billion to ~70 billion U.S. dollars in May 2022. This is more or less within the expectations of rational investors. A detailed look at Terra's business model and similar others suggests most of the models act like 'Ponzi' (Fig. 1) in which the later investors cover the yield/rewarding of the earlier investors until the liquidity inflow could not withstand the bloated 'bubble' value anymore. This phenomenon is just a small version of the 'Dot-com bubble' in 2000 when 'destructing technology and 'easy money' was prevalent at the same time. History is always repeating again and again driven by the enthusiastic investors' feeling of missing out (FOMO).

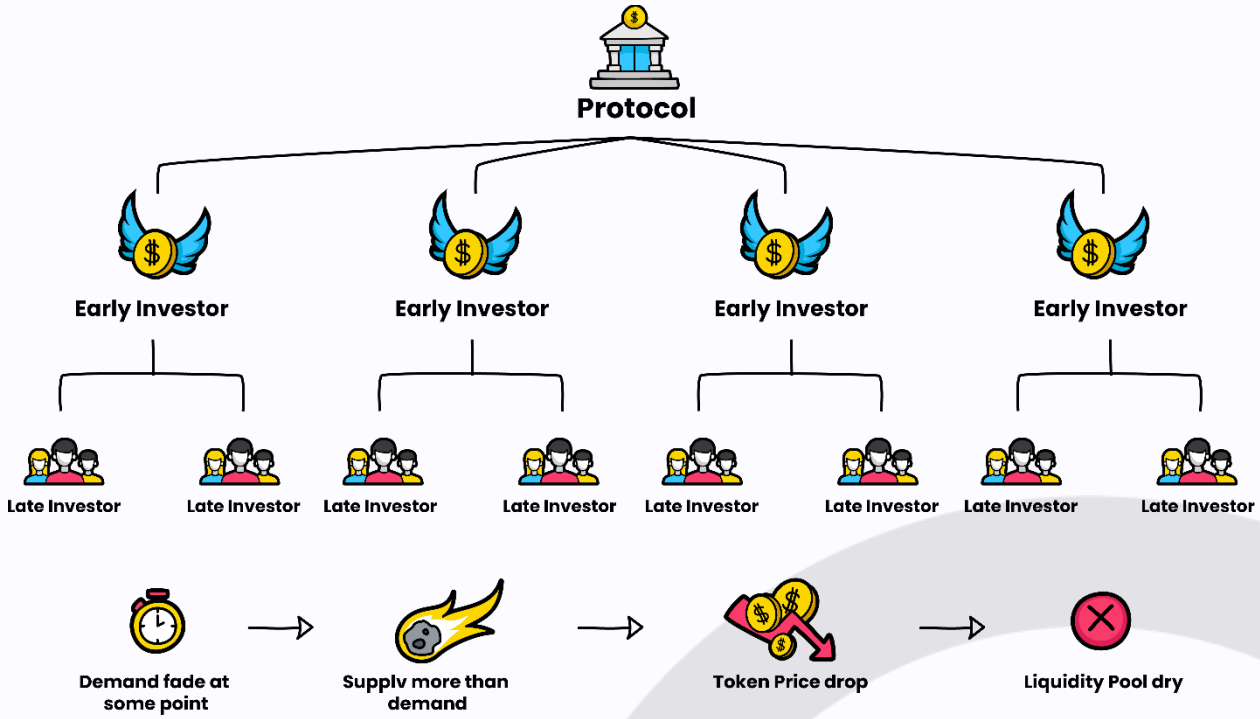


Fig. 1 A schematic diagram illustrating the popular business model of DeFi in blockchain.

Learning a lesson is painstaking but worth taking. Building a business model that contributes to the economy and earns profit is always much more difficult and effort-demanding than an 'easy money' model of DeFi. With the development of a sustainable business model in mind, Stamsel team initialed an idea and developed the first platform using blockchain technology to enable users and business cooperates to transit from the world of Web 2.0 to Web 3.0. This platform is integrated with protocols and tokenomic, which tailors the 'supply' to 'demand' and ultimately generates values from the system rather than from the 'Air'. Our product resolved the identified problems of doing

business in both Web 2.0 and Web 3.0, which can address great market opportunities in social marketing, gig economy, and SaaS for Web 3.0.

In the following, we will explain the problems in both Web 2.0 and Web 3.0 and their associated market opportunities. Then we will elaborate on our product in detail and discuss how it can solve the identified problems. We also compared our product with the available products in the market to demonstrate our strength for competitiveness. Finally, a growth projection of our business will be briefly discussed.

1. Problems and market opportunities

1.1 Web 2.0

To understand the problems of Web 2.0, marketing could be a good example. We found, in web 2.0, digital marketing is one of the most profitable businesses which large corporates such as Google and Meta mainly profit from (*3, 4*). Statistics has shown that world digital marketing spent has doubled from ~236 billion to 492~billion in a four-year period from 2017 to 2021 (Fig. 2a) and this trend is estimated to continue at a compound annual growth rate (CAGR) of ~15% to 2026 (*5*). As a subcategory of digital marketing, the spent on social media marketing accounted for ~37% which is estimated to reach ~45% in 2026 (Fig. 2b). If we average the number to users, the annual spent on digital marketing would be ~$ 101.30 per internet user of which ~$ 37.4 goes to social media advertising (Fig. 2c). The average spending per social media user can be up to ~$51.7 based on the total population of social media users worldwide (~3.5 billion, 76.1% of total internet users) *(6)*. More than half of the digital marking spending goes to large cooperates such as Google, Meta, Alibaba, etc. (Fig. 2d) *(6)*.

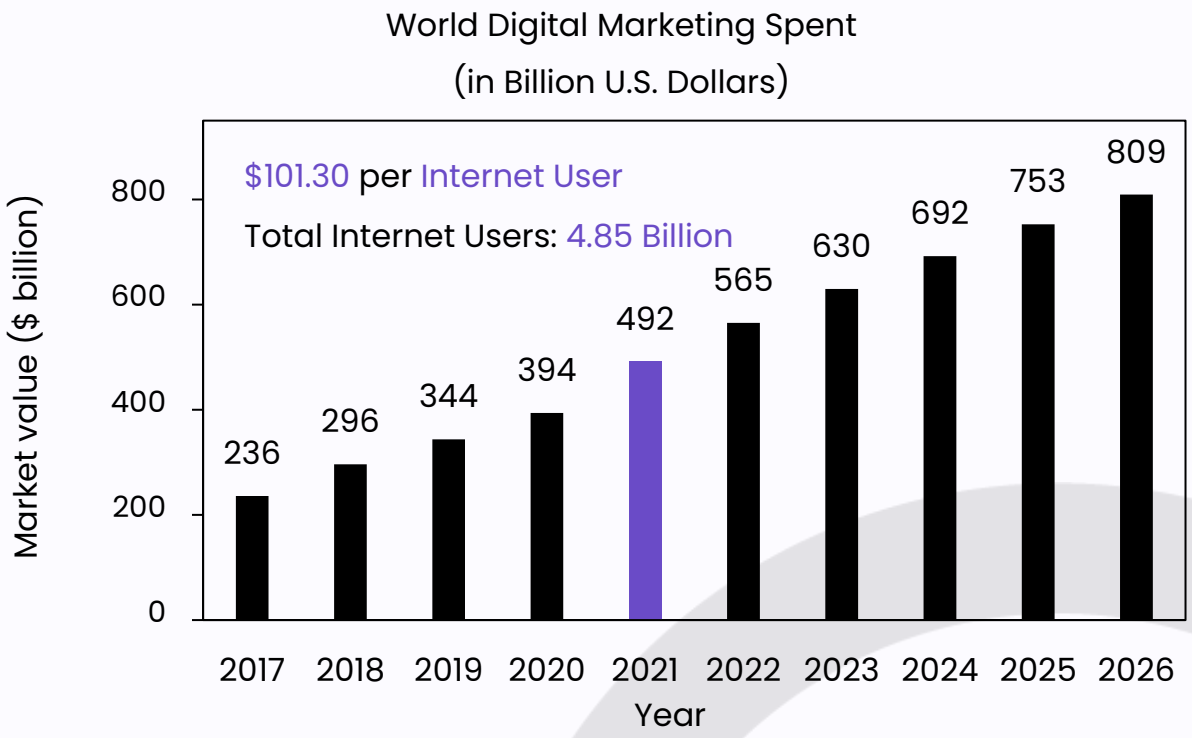


Fig. 2a Statistics of world digital marketing spend

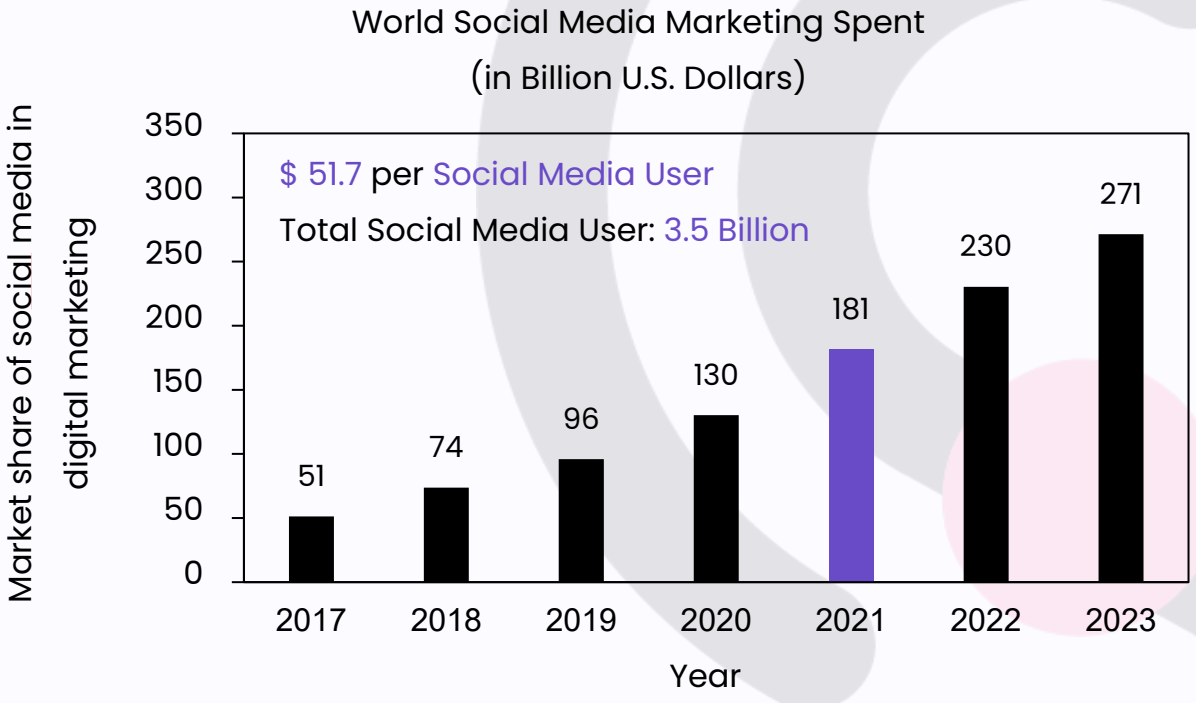


Fig. 3b Statistics of world social media marketing spend

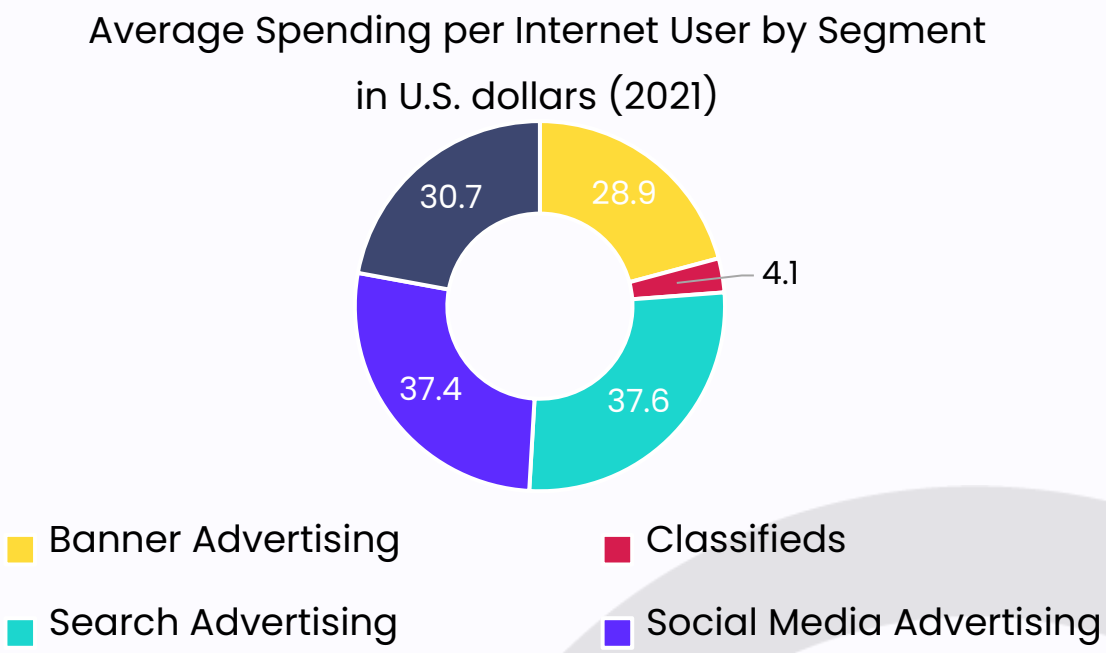


Fig. 4c Statistics of average spending per internet user by segment 2021

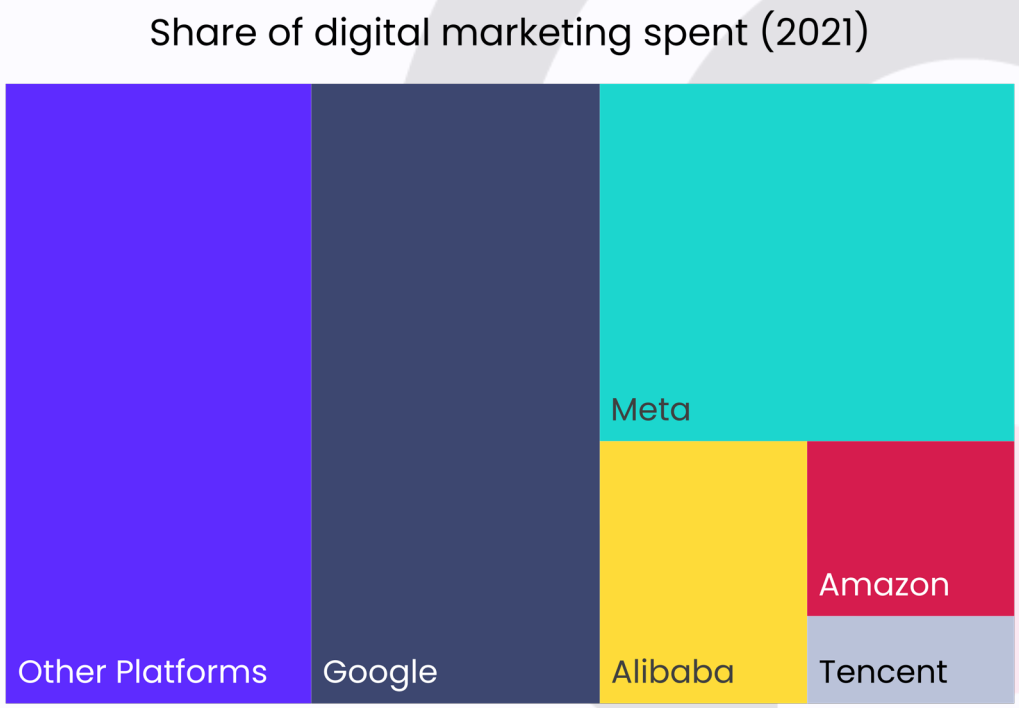


Fig. 5c Statistics of share of digital marketing spent in 2021.

All Figure 2 data obtained from Ref. *(5, 6)*

The huge spending is inevitable as the age of digitalization has driven the internet users to spent ~ 7 hours per day online of which ~2.5 hours are consumed on social media (Fig. 3) (*6*). Besides leisure and staying connected with family/friends, ~76% of users use social media for brand research, highlighting its powerfulness for effective marketing.

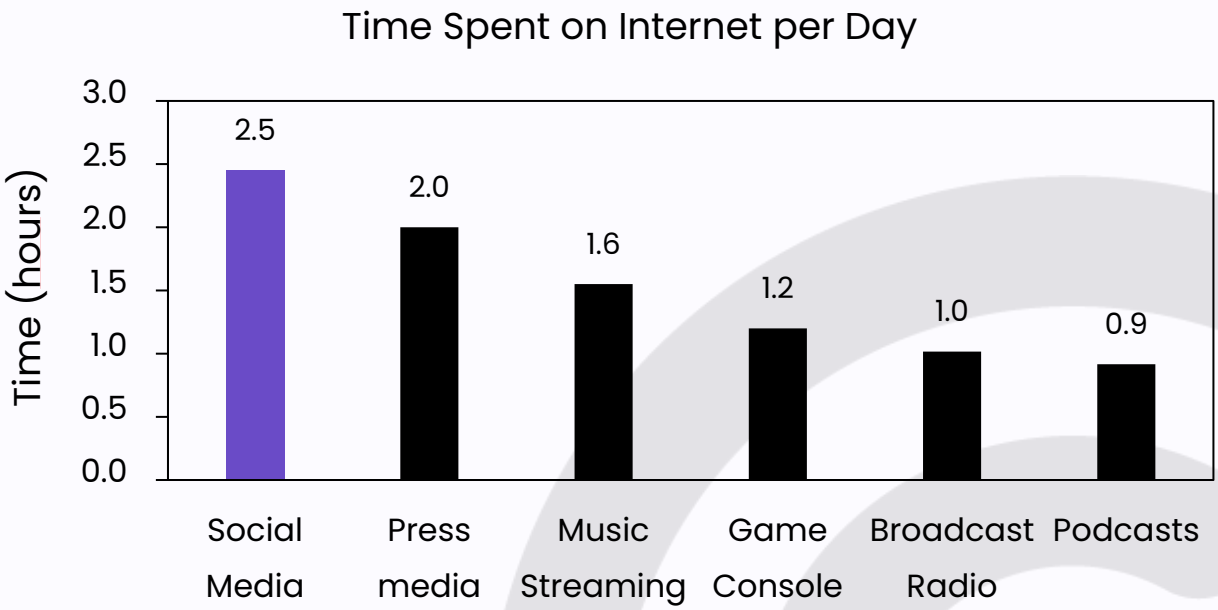


Fig. 3a Statistics of time spend on the internet per day

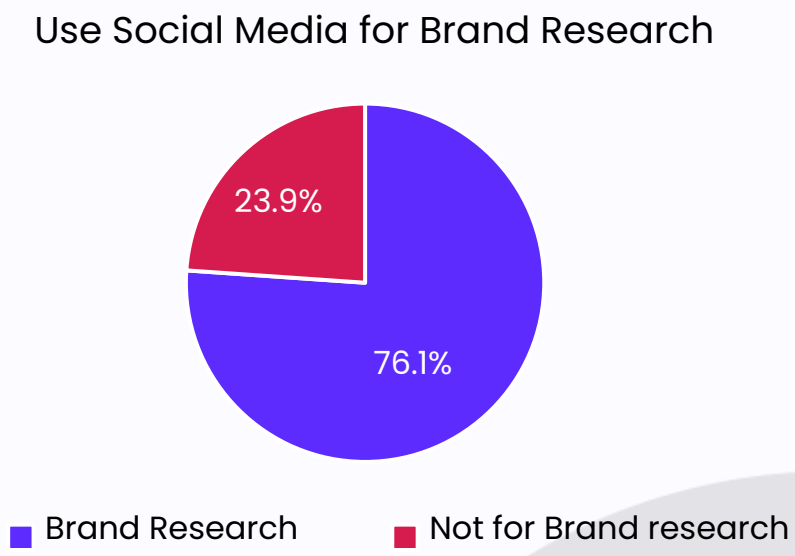


Fig. 3a Statistics of time spend on the internet per day

All Figure 3 data obtained from Ref. *(6)*

While social media users enjoy the elevated life standards brought by the booming content (e.g., videos, shows, movies, etc.), most of them are exposed to the marketing content unconsciously or involuntarily. This drives some of the social media cooperates to earn more as some of the users are willing to pay to avoid any advertisement content. At the same time, these social media cooperate can make another portion of profit by sharing the big data with the business cooperates for targeted marketing. This kind of traditional marketing forms an unclosed 'triangle model' (Fig. 4) in which users have little information about the business cooperates behind their watched advertisements and need efforts to build trust with a particular business product. The business cooperates, on the other hand, have little direct access to their potential customers, which forces them to largely rely on social media cooperates to boost their product awareness. This 'triangle model' is a paradigm of web 2.0 in which businesses and customers are mainly connected by large social media cooperates who not only hold the ownership of the big data but also make profit from both parties (business cooperates and users). Users here become a commodity and are valuable for both business cooperates and social media

companies, but they are not being paid. This centralized marketing model not only brought little mutual benefits between business cooperates and customers (e.g., social media users) but also ultimately bloat the monopoly and autocracy of big social media cooperates.

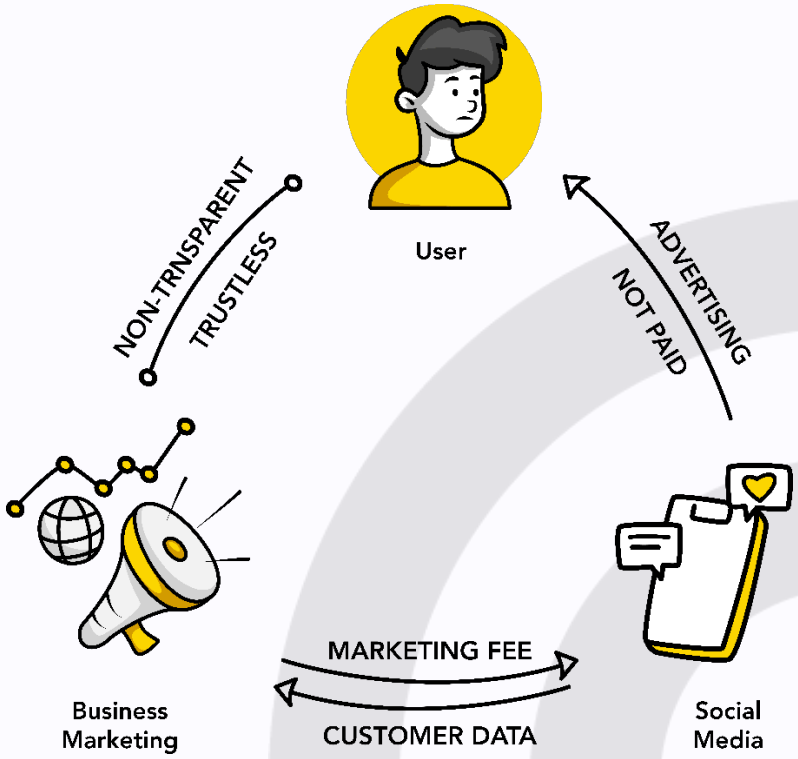


Fig. 6 A schematic diagram illustrating traditional social media marketing model.

The typical problems of social media marketing can be seen everywhere in other businesses of Web 2.0 as well. Users are not rewarded for value creation and hold no ownership of their digital assets. The barrier set by the middleman (e.g., social media company) for data access makes small and medium businesses (SMBs) vulnerable to keep competitiveness in the market. These kinds of middlemen are also big players (e.g., 99design) in gig economy in which gig workers must make payments to get access to their potential customers. The impacted market value associated with gig economy can be greater than 400 billion (Fig. 5). Thus, the problems of Web 2.0 can be summarized as follows.

- Web users are not rewarded for participation and value creation.
- User data are non-transparent and belongs to the big players.
- Users and businesses usually don't have ownership to their digital assets.
- All the networks are centralized and dominated by big market players.
- Small and medium businesses (SMBs) are struggling to survive due to the barrier set by the big players.

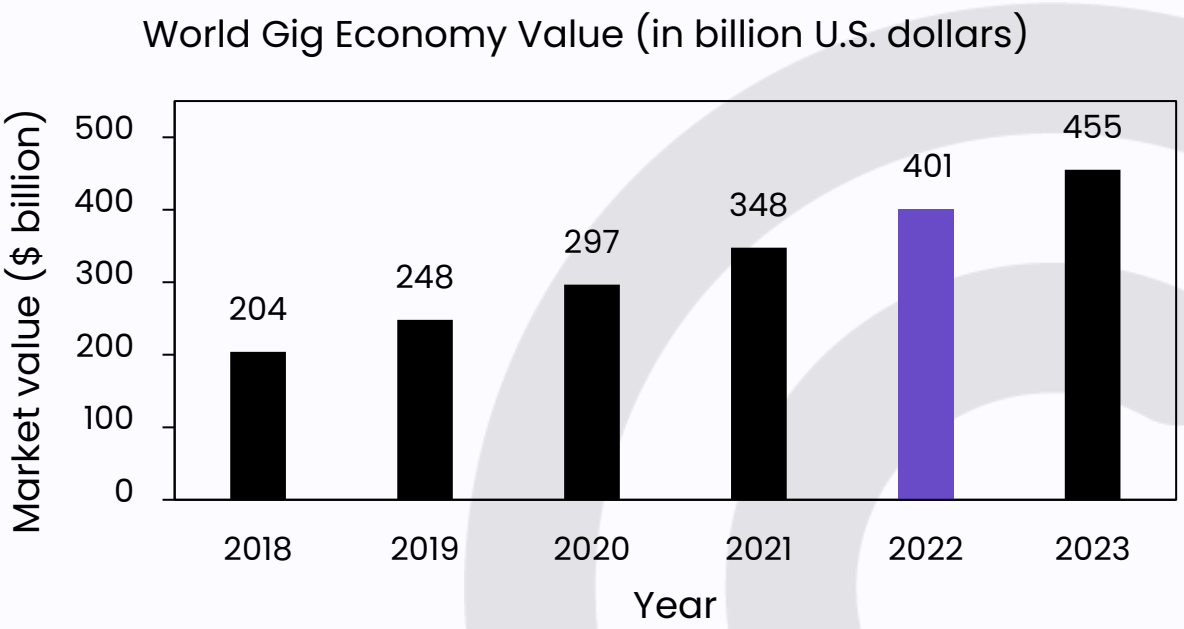


Fig. 7 Statistics of market value of world gig economy from 2018 to 2023. Data obtained from Ref.*(7)*

1.2 Web 3.0

Problems in Web 3.0 is straightforward and can be easily seen. First of all, most of the business models and tokenomic, especially GameFi, to our best knowledge, are unsustainable like 'Ponzi' . They always need the new users to cover the payment for older users (Fig. 1). Another phenomenon is that most DAPPs served as decentralized finance (DeFi) only, and the real-world application using blockchain technology is very limited. One of the reasons for this phenomenon could be a lack of entry points for non-technology businesses to get into the space. For example, businesses can't easily setup a reward pool or get an on-ramp payment gateway for cryptocurrency. When it comes to micro-transaction, high gas fees (> 50 cents per transaction) charged by most public chains impose a big barrier for businesses to keep profitable. For general users who have been getting used to the world of Web 2.0, it requires a steep learning curve to use the product in Web 3.0 due to unfamiliar UI.

In addition, though the emerged decentralized autonomous organization (DAO) is a brilliant ideal to gather and amplify resources and users' intelligence, no infrastructure and tools are currently available to support this application as well as any other normal business operations in Web 3.0. Thus, there is a lack of basic tools and utilities, such as software as a service (SaaS), to support businesses to transit from Web 2.0 to Web 3.0. SaaS in Web 2.0 (Fig. 2), is also a fast-expanding market boomed by cloud technology. Statistics (Fig. 6) show the SaaS end-user-spent has increased ~42% from 121 billion to 172 billion in less than 2 years (2020-2022) (*8*). The huge market potential can be easily projected to Web 3.0 with the fast advancement of blockchain technology.

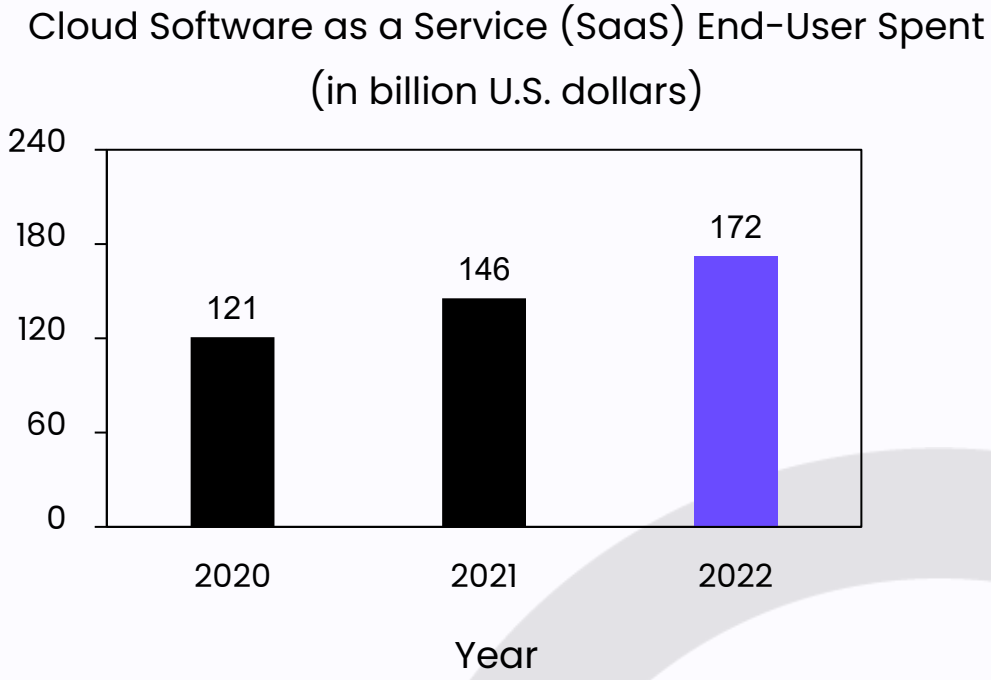


Fig. 8 Statistics of cloud software as a service (SaaS) end-user spent from 2020 to 2022. Data obtained from Ref. *(8)*

2. Solutions

To solve the problems in both Web 2.0 and Web 3.0 discussed above, we need a product that has the following features.

- Protocols to monetize users' value with minimum gas fees for transactions
- Essential tools and utilities for businesses to enter Web 3.0
- An all-in-one platform to streamline everything for maximum efficiency
- User-friendly UI and guides to reduce the learning curve

In addition, business model and its associated tokenomic must be sustainable in both short and long run. Stamsel provides all the solutions listed above and our goal is to enable business cooperates to transit from Web 2.0 to Web 3.0. The combined value (> 800 billion) of social media marketing, gig economy and SaaS in Web 2.0 would be the potential market of our product. In the following, we will give a detailed elaboration of our product and business model which we believe can ultimately revolute the current business system in Web 2.0.

3. Stamsel

Our product consists of three layers including protocols, platform and tokenomic (Fig. 7). We firstly build a protocol to monetize users' value via 'X to Earn' through 'Reward Pool as a Service'. To avoid fraud and improve onboard efficiency across multiple channels, we also built a protocol of 'NFT ID' for universal 'Know Your Customer' (KYC). These protocols are incorporated into our all-in-one collaboration platform. This platform provides all the essential tools and utilities for business operations and DAOs. To further support the platform, we carefully designed a sustainable dual tokenomic system to provide essential governance and currency for business running. All these combined give us a sustainable business model for both short and long run.

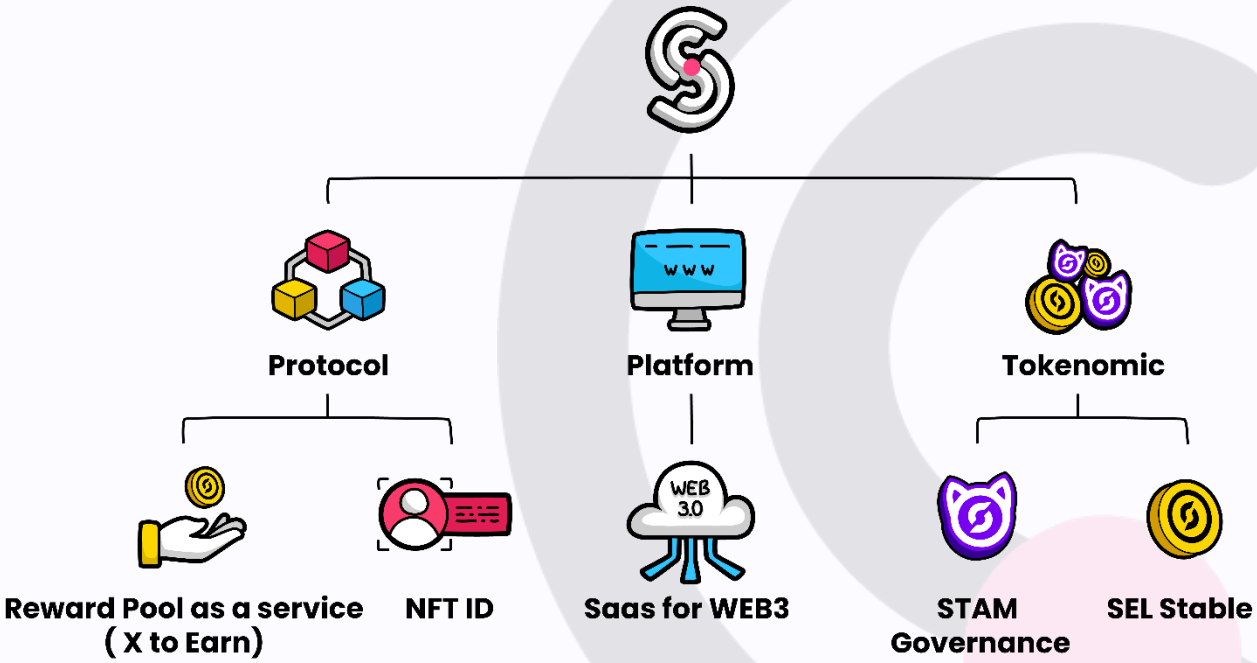


Fig. 9 Schematic illustrating Stamsel product structure.

3.1 Protocols

3.1.1 Reward Pool as a Service (X to Earn)

Reward Pool as a Service' protocol enables business cooperates to establish their own 'Reward Pools' to remunerate the users instantly who completed a specific task. It establishes a new work mode for users to earn by participation. Taking social media marketing as an example (Fig. 8), the business can create an 'advertisement rewarding pool' using their marketing budget and remunerate the platform users who watch/click the advertisement through user wallets. To further amplify the promotion effects, business cooperates could gamify the marketing campaign. For example, to finalize the earnings, the users are required to complete a small task (e.g., retweet a post, conducting a quiz, etc.) designed based on the marketing objective. This kind of 'Participation Marketing' can not only incentivize the users to consciously expose the marketing content but also attract potential customers who are really interested in the associated products the business advertises. The nature of the rewarding mechanism via 'proof of participation' could create a network effect continuously attracting new users to join. Meanwhile, users with similar appetites can form communities through 'Campfire' in our platform, which can further boost product awareness and sales conversion. This kind of 'Reward Pool' can be extended to gig businesses or any other business activities such as rewarding their employers who closed a sale, established a new customer, etc. To put it simply, every user in the platform can perform 'X' (X = speak, play, watch, perform, work, and buy, etc.) to earn from various 'reward pools' created by businesses.

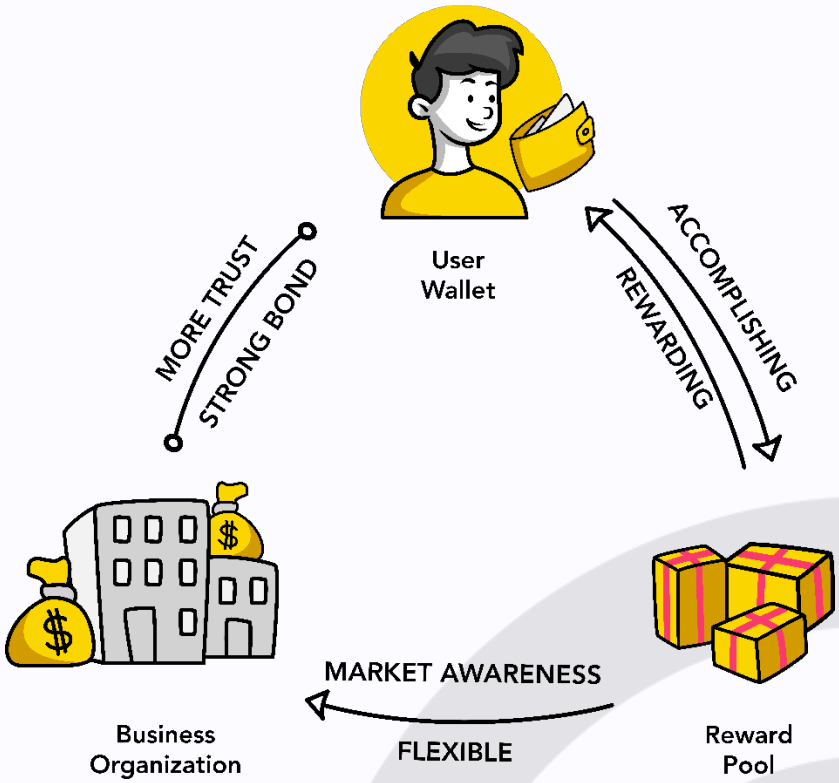


Fig. 10 Schematic diagram illustrating social marketing in Web 3.0.

The connections of business-business, business-user, and user-user are through wallets only. The data and activity of each wallet can be seen and traced by anyone in the blockchain network, ultimately boosting data transparency and passing the data ownership to each user. This kind of transparency builds a trustless environment in which the business can easily identify, approach, and analyze their customers while users need little effort to build trust towards a product. At the same time, the privacy of each party can be well protected due to the nature of anonymity.

'X to Earn' requires large amount of transactions which will impose a significant cost burden on businesses due to high gas fees. In order to solve the issue, our team initiated and implemented the idea of 'mirror chain' into the protocol (Fig. 9). The main chain only functions for deposit and withdrawal while the 'mirror chain' will take over the transactional burden and post the finalized proofs back to the main chain when

wallet users withdraw their tokens from the vault. This gives us the advantage to deploy our vault in any chain with minimum gas fees. This can be an important utility in Web 3.0 where 'X to Earn' is a popular approach. The protocol API will be open sourced so that developers can create reward pools without writing their own smart contracts.

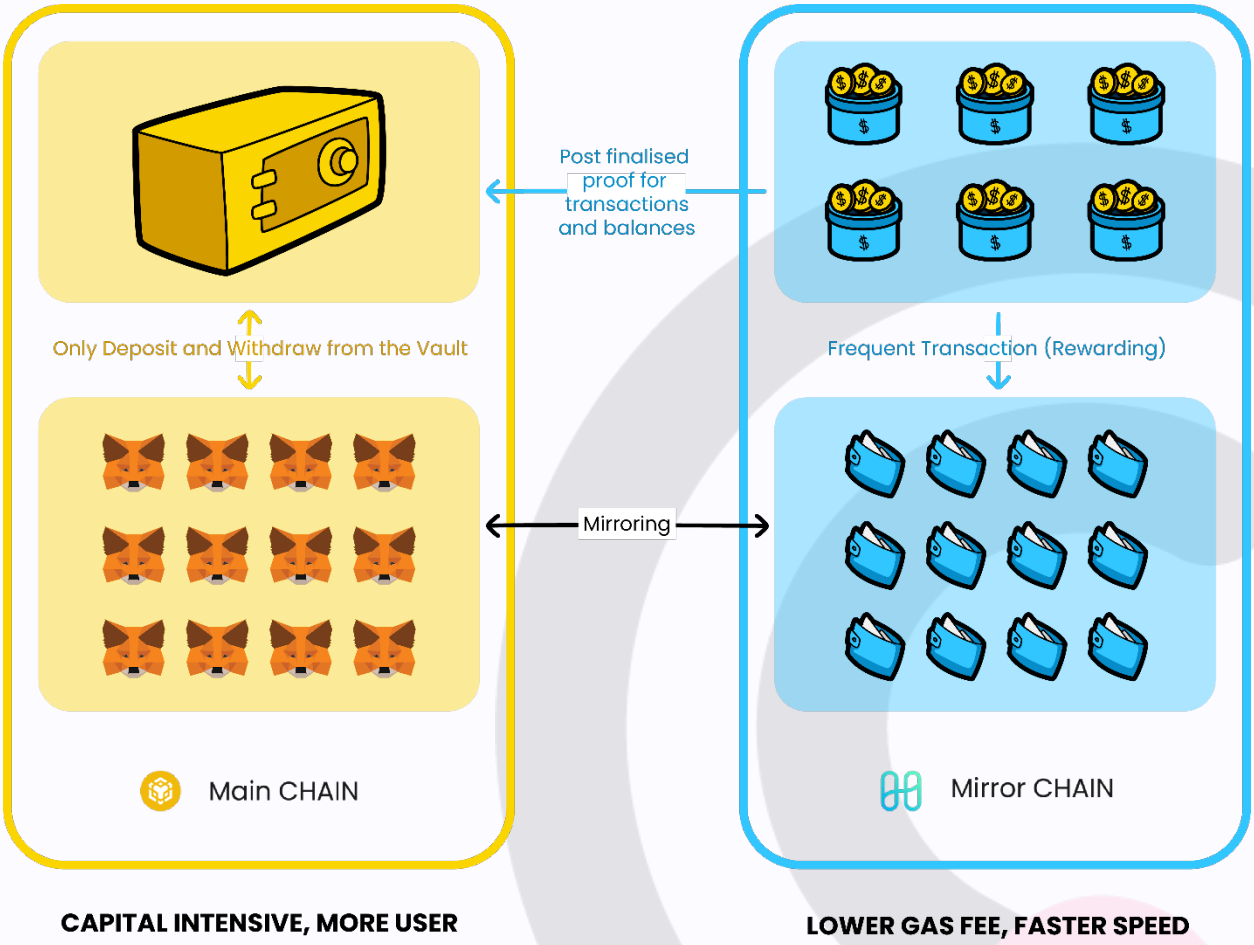


Fig. 11 Schematic diagram illustrating the idea of 'mirror chain'.

3.1.2 NFT ID as a Service

Though Web 3.0 embraces anonymity to ultimately protect the privacy and security of any users, we believe 'Know Your Customer (KYC)' is vitally important for critical businesses to avoid fraud, spam, and criminal acts as well as comply with regional laws and regulations. We developed a protocol for 'NFT ID as a Service' (Fig. 10) allowing each user to do KYC once in a life and get a non-transferrable NFT ID which can only be authorized by the owner for sharing. The KYC data would be encrypted and stored in blockchain network and our KYC provider to ensure ultimate identity security. NFT ID establishes a trustless ecosystem in which users can avoid repetitive KYC across different applications within our business ecosystem. It is a 'zero knowledge proof' solution to protects users' privacy and security but also maximize onboard efficiency and trust. This protocol could be extended to any Web 3.0 business for maximum trust.

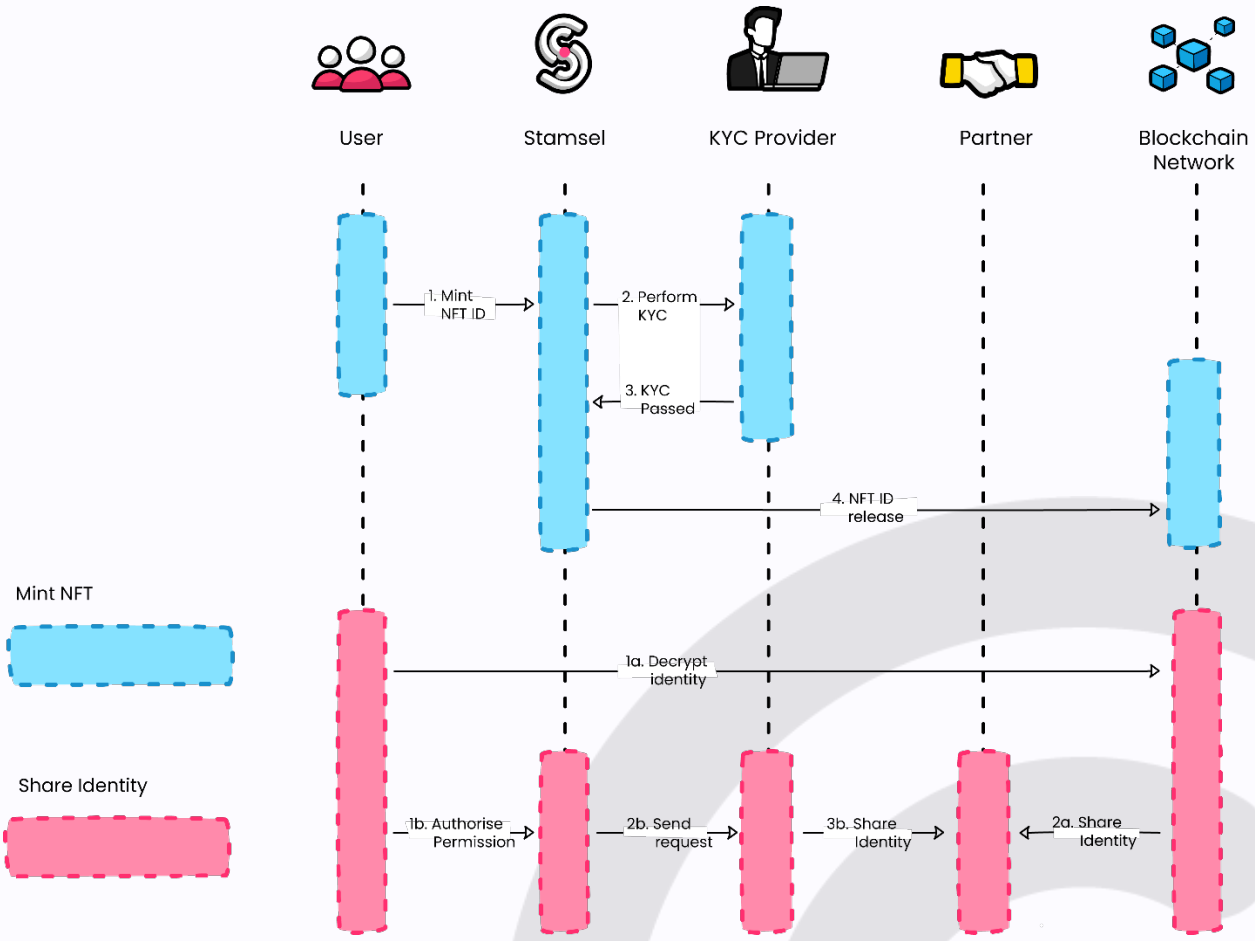


Fig. 12 Schematic diagram illustrating the 'NFT ID as a Service'.

3.2 Platform

All the developed protocols were integrated into an all-in-one platform which consists of multiple decentralized business application services (DeBAS). The DeBAS can be understood as 'SaaS for Web 3.0', which provides basic service applications to enable cooperates to streamline business activities in a decentralized network. Table 1 summarizes a list of key application services provided by our platform for cooperates conducting their daily business activities. Customer Relationship Management (CRM), Invoice, and Drive are typical services being seen in Web 2.0 SaaS which have some intrinsic limitations in doing business. On the one hand, most of businesses use these applications separately and, in most cases, need to install multiple application software (Apps), which set great barriers for cross-business collaborations. On the other hand, employees need to undergo repetitive registration, installation, and uninstallation of these Apps when changing their jobs from one company to another. To solve these problems, we streamline everything by enabling each wallet to be a unique identity, to access any applications within our platform based on the permission level. Each wallet can speak and form various communities within our Messaging Center, ultimately improving business communications across different channels. In addition, we integrate applications with 'Reward Pool', crypto payment and file/data storage in a decentralized network, better supporting business processes and operations in Web 3.0. Users can easily share their works and files within our platform across different businesses including joining a new company via a few clicks, which provides a better mechanism for remote-working users.

We also provide services of NFT and DAO management, as well as DeFi to allow businesses to easily take advantage of the emerging blockchain applications. A particular mention would be 'Team Wallet' which is an expensive cooperate banking service in Web 2.0. When it comes to Web 3.0, majority of wallet applications can be only managed one by one in an isolated manner, which can be a problem when

conducting team management in daily business activities. Here, we implement a smart contract to allow each team member to access and manage the 'Team Wallet' via on-chain multi-signs. We believe 'Team Wallet' serves as an essential utility for businesses to manage their crypto assets in Web 3.0.

Table 1 A list of key decentralized business application services (DeBAS) provided in Stamsel platform.

	Problems in Web 2.0	**Stamsel Platform in Web 3.0**	
Application		**Function**	**Advantages**
CRM	▪ No instant reward for sale process	▪ Sales management and reward	▪ Leads management with instant reward
Invoice	▪ Chargeback ▪ Accept fiat payment only	▪ Invoice issuing and business payment	▪ No chargeback ▪ Cryptocurrency acceptance (hands-on and hands-off)
Drive	▪ Central storage ▪ Single fail point	▪ File/data storage in multiple endpoint	▪ Files/data storage in decentralized networks
Messaging Center	▪ No wallet-to-wallet channel ▪ No multichannel communication	▪ Messenger for wallets ▪ 'Campfire' as group channels ▪ Turn emails to chat	▪ Enabling wallet to speak ▪ Collaboration and communication across different channels
NFT management	▪ Little access to NFT market	▪ NFT creation, management, and airdrop	▪ Creation and management of NFT collections

DAO management	▪ Little access to DAO	▪ DAO launch, proposal management, and voting	▪ Member-owned communities without centralized leadership
DeFi	▪ Little access to DeFi	▪ Crypto asset swap/staking ▪ Limit order ▪ Collateral lending ▪ Cross-chain bridge	▪ Aggregator swap bridge with lower slippage ▪ Multiple protocol connection for highest yield
Team Wallet	▪ Expensive vault services	▪ Multi-sign wallets on chain	▪ Essential utility for businesses to manage their crypto assets

In summary, we think doing business in Web 3.0 is a completely different landscape compared with that of Web 2.0. Distinctive terminologies of Web 2.0 such as users, customers, employees, employers, and business cooperate are treated equally as 'partners' in Web 3.0. The 'partners' interconnect and mutually collaborate with each other to 'Earn by Participation' and form 'partnerships'. Stamsel protocols and platform use blockchain, a destructive technology, for trustless 'partnership' establishment. We use the idea of 'X to Earn' to directly connect and reward 'partners' who participate the work within this network. The wallet in our platform serves as an identity of each partner for content access control and rewarding. All the wallets can communicate, work, earn and collaborate within our ecosystem.

3.3 Tokenomic

To further empower Stamsel platform, we established a sustainable tokenomic system in which STAM is the governance token while SEL serves as the stable token (Fig. 11). Both tokens are decentralized with SEL pegged to the U.S. dollar. SEL was designed using the ERC-20 token standard and is native to the Ethereum compatible blockchain. It mirrors the value of U.S. dollar with very low volatility. SEL can be obtained through minting or exchange with other cryptocurrencies. SEL buyers (e.g., Stamsel paid users) mint SEL through SEL protocol by depositing USDC or other stable tokens. For example, for ~$1 worth of SEL minted, the buyers need to deposit $1 worth of USDC or equivalent stable token into SEL treasury.

STAM, as a governance token, is non-stable and serves as utility token in the protocol. It is intrinsically volatile and holds rights to governance and utility of Stamsel platform. STAM can be acquired by minting through bond issuance protocol or exchange with other cryptocurrencies. Minting STAM could be trigged by either STAM buyers or SEL protocol. Minting STAM by SEL protocol was designed to provide liquidity for STAM in the Stamsel ecosystem. To put it simply, for $1 worth of SEL minted, the SEL treasury will mint STAM coins equivalent to $0.2. The minted STAM coins, together with the received USDC in SEL treasury, form the SEL collateral. In other words, SEL was designed to be always over collateral with 100% USDC plus STAM coins with values depending on the market price. We also implemented a protocol to ensure SEL to be tightly pegged with U.S. dollar (Fig. 12). When the price of SEL is above $1, the protocol will mint SEL and supply them to the market through liquidity pool. When SEL is below $1, the protocol will buy back SEL from the market and redeem it via burning the excessive value of STAM tokens through SEL treasury.

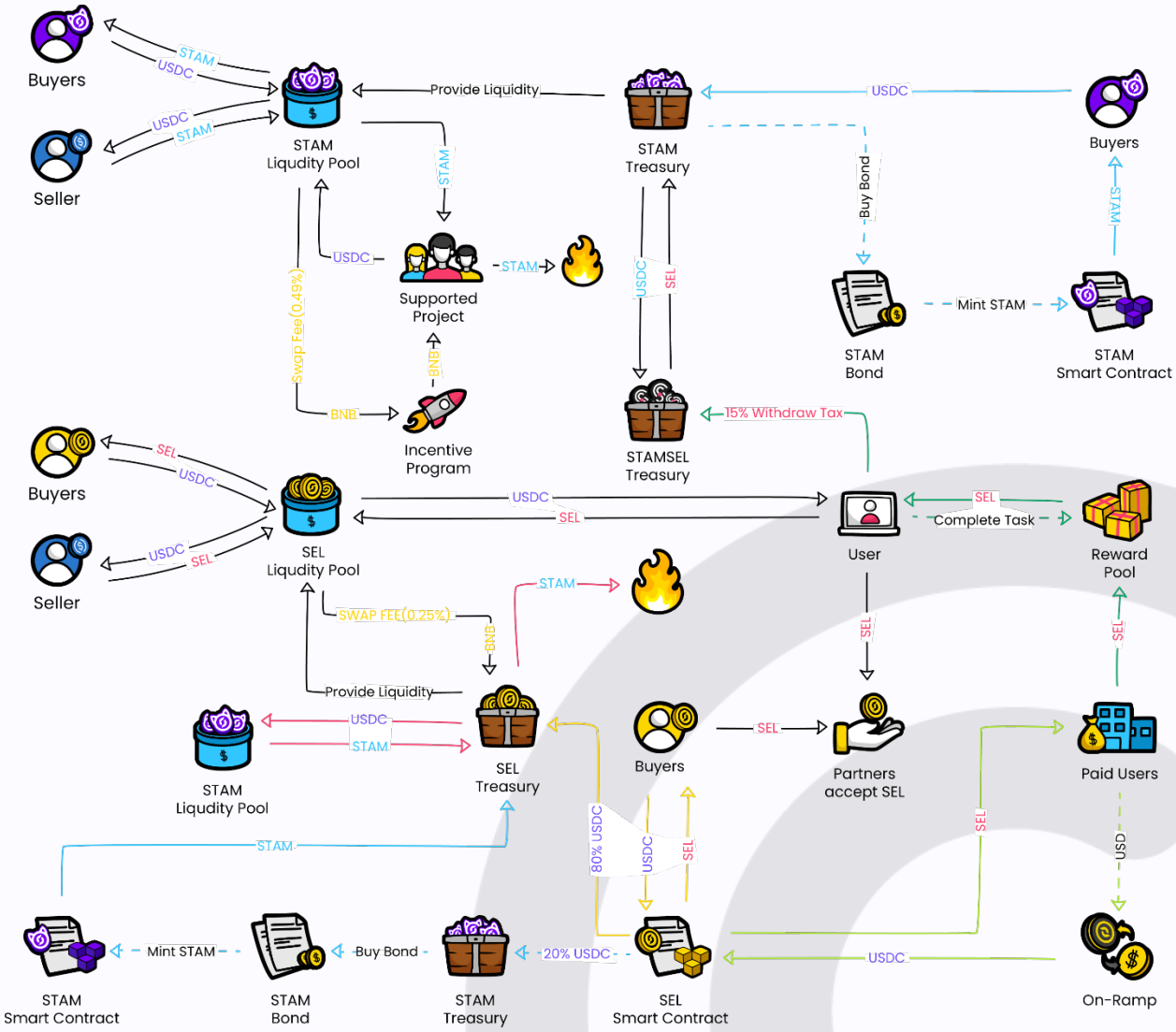


Fig. 13 Schematic diagram illustrating the details of Stamsel tokenomic.

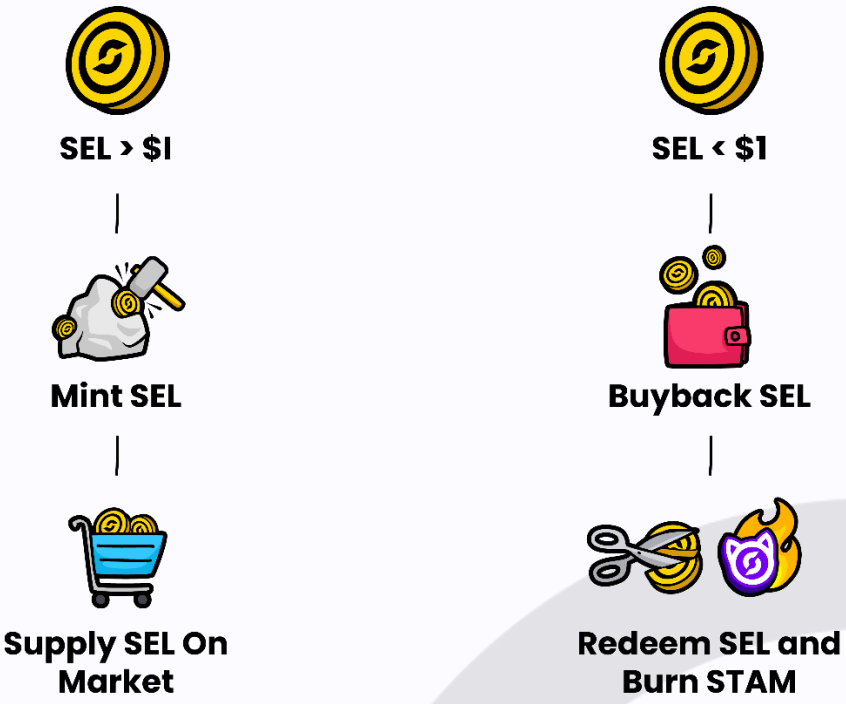


Fig. 14 Schematic diagram illustration the mechanism to keep SEL tightly pegged with U.S. dollar

SEL holders can either stake their tokens for an annual interest yield or use SEL for business activities such as forming a SEL 'reward pool' within Stamsel platform. SEL users can swap (buy or sell) their SEL through liquidity pools which are formed by SEL, STAM and other stable tokens such as USDC. SEL swap will incur a 0.25% fee which will go into the SEL treasury and is allocated as the profit of the protocol to pay yield for SEL holders. Within the platform, users are rewarded with SEL from the 'reward pool'. The withdrawal of rewarded SEL will incur a tax of 10% for swapping with STAM or 15% for SEL only. The tax will serve as the profit of the platform and goes into the Stamsel treasury. Besides protocol tax, users need to use STAM or SEL tokens to pay for premium memberships or unlocking some DeBAS services in the platform. These fees also serve as the profit of our platform and go to Stamsel treasury.

In summary, SEL was designed to be backed by both USDC and STAM in the SEL treasury which is expected to be over collateral all the time. (Fig. 11). Unlike most other existing

tokens serving for DeFi only, SEL was designed for doing business and generating real revenue and values in Web 3.0. If we resemble SEL as a 'currency' in the real world, this 'currency' has more than 100% 'reserve' and is backed by its 'Country' (Stamsel platform) which can generate 'GDP' (revenue) in the world of blockchain. This design not only safeguards its 'currency' stability but also ultimately ensures its credibility.

Stamsel platform also has a STAM treasury serving for DAO governance. In the blockchain world, DAO is generally performed as a protocol that enables its holders to vote and make decisions. However, it seems less suitable for businesses at their infant stages (e.g., technology startups) when time-critical decisions/actions are required to keep its competitiveness and grasp elusive market opportunities.

Therefore, we designed DAO (STAM treasury) to be a special investment vehicle where users can not only invest in Stamsel platform in a decentralized way but also participate some important decisions (Fig. 11). This DAO will receive 50% profit shared by Stamsel Treasury and can be invested via minting STAM through bond issuance protocol. All the STAM holders are treated as DAO investors and form a powerful governance right of Stamsel. Holders can also stake their STAMs in our platform for an annual yield.

During volatile time, when total STAM valuation (Equation. 1) is below STAM treasury (Equation. 2), SEL treasury will buy STAM (Fig. 13). Through this mechanism, the price of STAM can always be kept above its floor price, limiting the potential risk within the protocol. Similar to SEL, swap STAM through liquidity pool will incur a 0.49% fee. The STAM swap fees form the 'Stamsel Incentive Program' which supports business partners in the Stamsel ecosystem. The benefited businesses need to buy STAM as a return in an agreed period of time. These returned STAM tokens will be burned to further support a sustainable growth of STAM price with deflation economy.

$$V_{STAM} = Q_{STAM} \times P_{STAM,m} \qquad \textit{Equation. 1}$$

$$V_{Treasury} = Q_{STAM} \times P_{STAM,f} \qquad \textit{Equation. 2}$$

$$P_{STAM,f} = \frac{V_{Treasury}}{Q_{STAM}} \qquad \textit{Equation. 3}$$

$V_{STAM} = Total\ valuation\ of\ STAM$

$V_{Treasury} = Total\ valuation\ of\ STAM\ treasury$

$P_{STAM,f} = Floor\ price\ of\ STAM$

$P_{STAM,m} = Market\ price\ of\ STAM$

$Q_{STAM} = Total\ STAM\ in\ circulation$

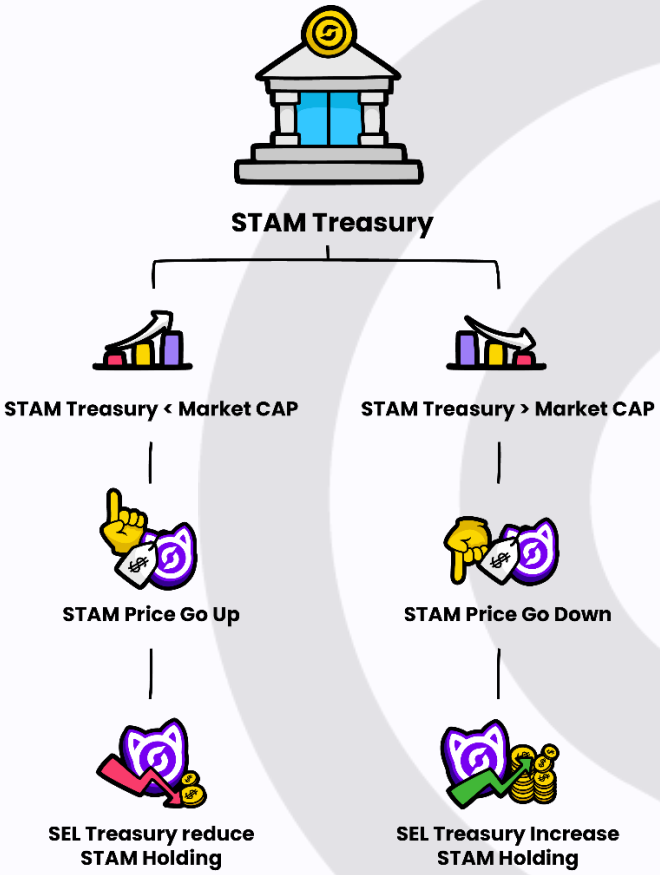


Fig. 15 Schematic diagram illustrating the mechanism to support STAM floor price.

In summary, we designed a sustainable decentralized tokenomic for Stamsel ecosystem. The stable token SEL is backed by both 100% stable assets and Stamsel revenue growth, while the utility token STAM forms a DAO which has governance rights of Stamsel. The design of our tokenomic not only gives strong support for treasury growth to gain total value locked in the system but also support STAM price to give the best return to token holders (Fig. 14). We also implemented multiple protocols and mechanisms to ensure a super stable SEL and sustainable growth of STAM. To our best knowledge, this is the first tokenomic system in the blockchain world that is backed by a sustainable business whose growth is driven by generating real values.

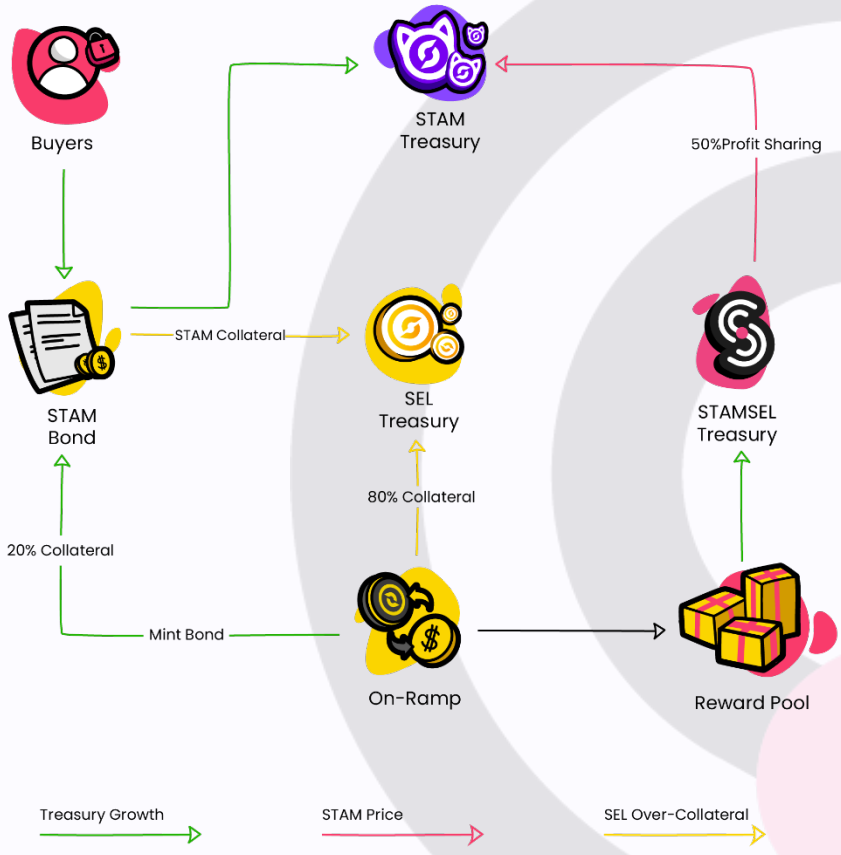


Fig. 16 A schematic illustrating of relationships among different treasuries.

4. Business Model

Our business mainly profits from the following.

- Reward Pool protocol will charge 10% -15% taxes on 'X to Earn'. Whenever users withdraw the reward from the vault, a higher tax will be charged if withdrawing with SEL while a lower tax will be charged if withdrawing with STAM. These will encourage users to stake STAM to avoid taxes and support the long-term demand of STAM.
- Platform earns subscription fees per user (let's say $10 per month per member for a team user). SEL and STAM staking could save subscription fees and support treasury growth.
- Treasuries of both STAM and SEL can be used to provide liquidity yield farming on Curve.
- Cooperate DeFi, affiliated to our team wallet, will earn commission fees on every swap, bridge, and even on-ramp payment.

The flywheel of our business is schematically demonstrated in Fig. 15 showing a positive feedback loop. 'X to Earn' can attract users to use our platform for earning. More users will attract more businesses to join. Business subscriptions and use of protocols will drive SEL demand. SEL demand contributes to Stamsel revenue. And SEL demand plus Stamsel revenue, will push STAM price up. STAM growth will raise market awareness of Stamsel. Everything can be done in an organic way once we have enough initial forces to get it to start running. We think tokenomic will play a vital role in attracting new users to get enough market awareness.

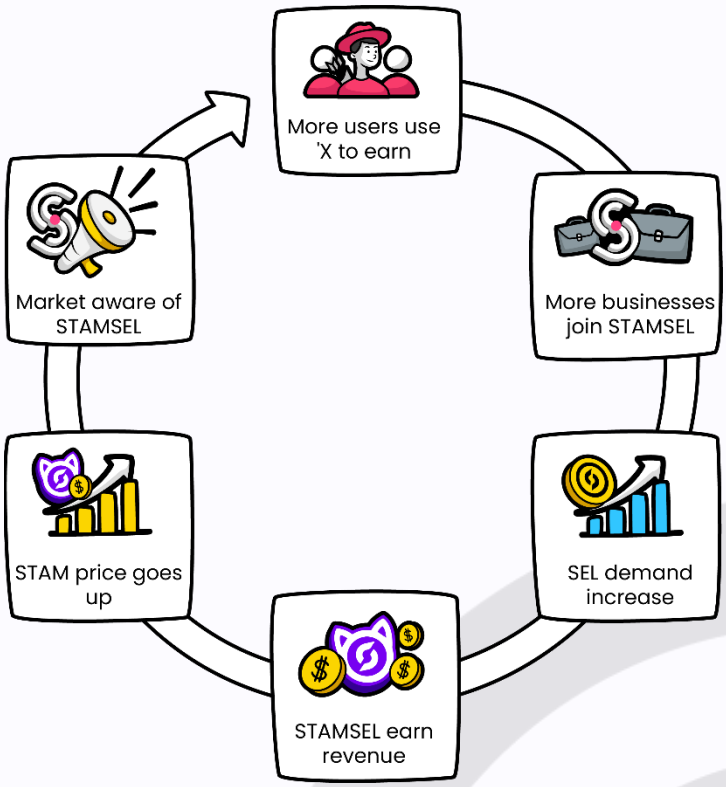


Fig. 17 Growth flywheel of Stamsel.

5. Potential Growth

Stamsel will have an initial public issuing of 1,000,000 STAMs at $1 and 500,000 SEL (Table 2). The total amount of STAM available for mint will be fixed at 80,000,000. Among them, 10% will be reserved for strategic investors along with our business life. For each STAM minted, 0.25 extra STAM will be automatically minted and distributed to the early investors (0.15) and our team (0.1). We project 20% of STAMs will be minted by SEL protocol, which will give 50% for DAO protocol to mint via bond sale (Table 3).

Table 2 Information of SEL issuing and price.

STAM	
Issuing	
Initial amount	1,000,000
Initial price (IDO)	$1
Total amount	80,000,000
SEL	
Issuing	
Initial amount	500,000
Fixed price	$1

Table 3 STAM share for each category of token holders.

	Percentage (%)	**Amount**
Strategic Investors	10%	8,000,000
Early Investors	12%	9,600,000
Team	8%	6,400,000
SEL protocol	20%	16,000,000
Bond Sale	50%	40,000,000

We assume our business will undergo exponential growth along with STAM price after three-quarters of warm-up. The exponential increase of STAM price will result in less STAM can be minted for each minted SEL. We assume STAM minting rate via bond sale follows a similar trend to SEL protocol, leading to an overall lower STAM minting rate. We model STAM minting rate using a logarithmic function typically adopted in economic modeling. We project 80% of STAMs will be minted in 4.5 years and 95% will be minted in 6.5 years. This gives us two logarithmic equations for SEL protocol (Equation. 4) and bond sale (Equation. 5) respectively.

$$y = 0.082ln^{x} + 0.037 \qquad \textit{Equation. 4}$$

$$y = 0.204ln^{x} + 0.093 \qquad \textit{Equation. 5}$$

$$x = year\ (x > 0.75)$$
$$y = \%\ STAM\ minted$$

Based on the equations, we plotted STAM minting rate graph (Fig. 16) to demonstrate the potential growth of our business. We believe the value of our business can be almost fully realized in 7 years after launch. It is to be noted that this model is based on a conservative assumption of STAM price which is not a typical scenario in the existing blockchain startups who issued tokens for fund raising. We believe STAM minting rate mirrors the growth of our platform including economic scale, number of users, revenue, and profit etc.

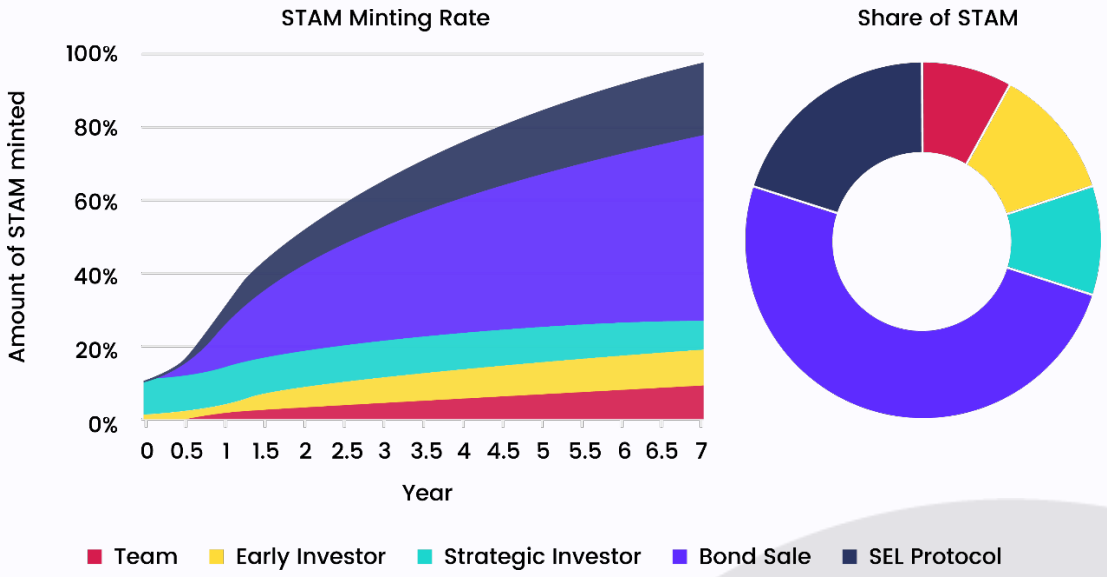


Fig. 18 Graphs showing STAM minting rate in a seven-year scale and the share of token holders.

6. Conclusion

In conclusion, we developed Stamsel, a product consisting of an all-in-one Web 3.0 platform and cross-chain protocols (Reward Pool as a Service & NFT ID as a Service) using blockchain technology. It is a decentralized platform to generate real values from business activities including Participation Marketing, Gig Economy, and SaaS for Web 3.0 rather than from the 'Air'. We use the idea of 'X to earn' to incentivize everyone (e.g., businesses, users, customers etc.) in our platform to work, earn, collaborate and form 'partnerships' via active participation. Such a gamification model is further facilitated by integration of decentralized SaaS applications which help businesses streamline everything and smoothly transit from Web 2.0 to Web 3.0. Our carefully designed tokenomic not only monetizes users' 'participation' but also builds a democratic DAO community. This combination forms a business ecosystem that has a great expansion potential in the world of Web 3.0.

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