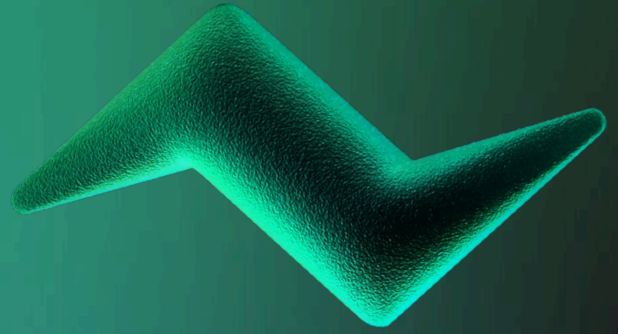


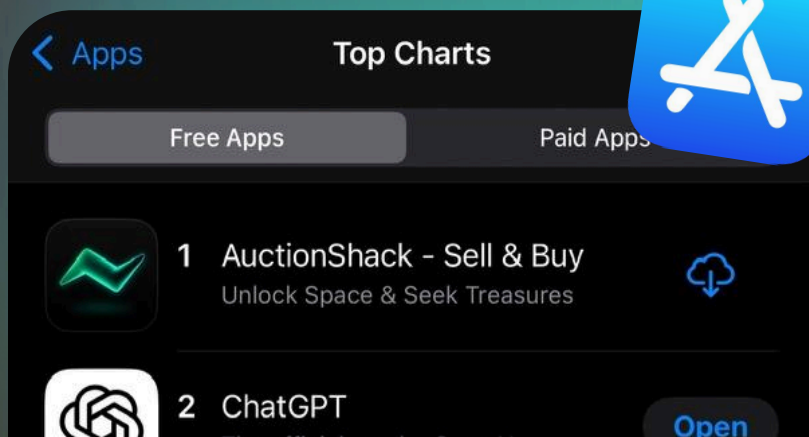
SHACK



# Frictionless Peer-to-Peer (Re)Commerce

Shack is redefining consumer-to-consumer (Re)Commerce as a fee-free, AI-native, and fiat & crypto-enabled auction marketplace that has already proven its ability to capture attention and scale virally in one of the largest global consumer categories. Remarkably, it did so under excruciatingly difficult conditions (operating without employees and with minimal budget). Despite this, Shack surpassed multinational companies on the iOS AppStore charts. Highest iOS AppStore Rankings: #1 in Switzerland, #43 in Germany and #17 in Austria.

Achieved Top Spot in Switzerland





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# Uniquely Positioned for Success

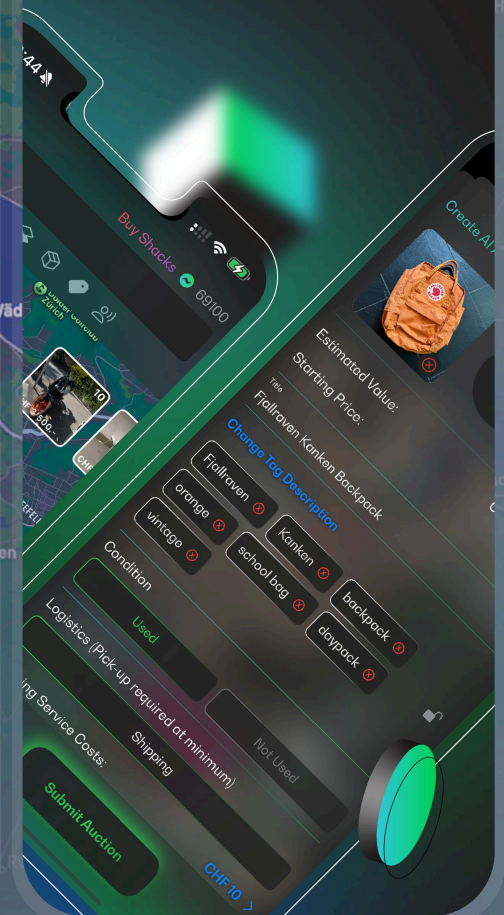
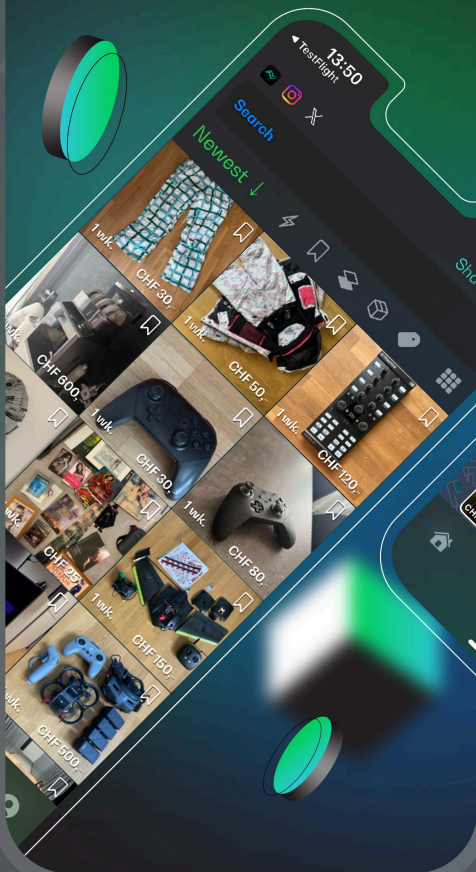
Since Shack's soft launch (Nov 2024 – Apr 2025), the iOS app reached 2,000 installs. In the year that followed, that number has surged to over 100,000 installs. GMV surpassed \$320k across categories, recent Lister retention week 1 as high as 63.8% and week 6 as high as 26.8%. CAC dropped from \$100 → \$2, beating market comps by 30-150x.

This combination demonstrates that Shack's model is not only viable but uniquely positioned to disrupt incumbents that have dominated horizontal online (Re)Commerce for more than two decades. The platform overturns traditional marketplace economics by eliminating all fees, banning professional sellers, fully automating workflows and offering a hyperlocal discovery interface.

Fee-free for buyers & sellers

Private sellers, not pro vendors

Create auctions with AI in seconds





# Macro Trends Driving the Opportunity

## (Re)Commerce

Global resale market at \$500B with 13.6% CAGR, driven by sustainability consciousness and economic pressures

## Automation

Consumers expect seamless, intelligent interfaces that reduce friction from minutes to seconds.

## Onchain Adoption

Rising adoption for onchain solutions unlocks global permissionless trade and tokenization of collectibles

Consumers are trading down without trading off: secondhand now represents a structurally growing share of spend as real disposable income is pressured. In 2024–25, secondhand penetration and spend accelerated across the US/EU apparel resale segment, with resale reaching \$56B in the US and 58% of consumers buying secondhand in 2024; platforms like Vinted grew revenue +36% YoY and turned profitable - signals that a secular shift is underway.

Mainstream rails are integrating crypto: Stripe + Shopify enable USDC in 34 countries; McKinsey expects a “material shift” in payments toward tokenized cash in 2025. This normalizes wallet UX for consumers and merchants.

Simultaneously, AI has moved from niche to mainstream, with users increasingly

expecting seamless, instant, and intelligent interfaces. Shack leverages this by placing AI at the heart of the user experience, allowing items to be listed in less than 10 seconds versus the five to ten minutes required by legacy platforms.

The rise of Shack sits at the convergence of 3 powerful macro-trends (Recommerce, Automation & Onchain) reshaping global commerce. The recommerce economy has exploded as more than 80% of consumers have bought or sold used items in the past year, motivated by both cost savings and environmental consciousness. It outpaces traditional retail, making recommerce one of the most attractive consumer markets of the coming decade.

# \$1.45T

Projected global secondhand market by 2032

Market Research Report: Global Second-hand Product Market size valued at \$0.5T 2024 and expected to reach \$1,45T by 2032, at a CAGR of 13.6%.

U.S. Market Growth: Expected to grow from \$64B in 2025 to nearly \$92B by 2029

European Online Resale : Already €21.6B in 2024, on track to exceed €23.8B by 2025

Generational Shift : 85% of Europeans under 34 have shopped secondhand online

Crypto Adoption : 560+ million cryptocurrency users worldwide



# Why P2P Commerce is Broken

For over two decades, consumers have relied on incumbents like eBay, Ricardo, and Classifieds to sell second-hand goods. While these platforms unlocked billions in trade, their structures are fundamentally outdated and incompatible with modern consumer expectations. Across e-commerce, checkout abandonment averages ~70%; listing creation has similar multi-step friction on legacy marketplaces. AI-native listing compresses steps and directly increases listing throughput and reduces abandonment.

Online peer-to-peer commerce is enormous, but traditional marketplaces are failing ordinary users. Selling an item today feels like a chore with too many steps, high fees, and rigid rules that sap motivation and curtail freedom

The result is a systemic failure: most people avoid selling online altogether because it's such a hassle. High fees and rigid rules force sellers to use specific payment processors and disabling pick-up, losing the local, personal touch that made peer-to-peer special. Authentic listings get buried under spam content and dropshipping that crowd out everyday people's items.

» USERS FACE A TRUST AND PRIVACY PROBLEM – LEGACY PLATFORMS ARE RIFE WITH SCAMS OR POOR VERIFICATION, AND THEY MONETIZE USER DATA AND EYEBALLS WITH RELENTLESS ADVERTISING.

- **Punitive Fees & Ads**  
Legacy platforms charge 10-15% commissions and/or flood the UI with ads, churning liquidity
- **Friction-Heavy Workflows**  
Listings alone require 5-10 minutes each. Listing friction kills supply.
- **Professional Seller Dominance**  
Businesses now supply 60%+ of listings
- **Trust Erosion**  
Scams, Spam and counterfeits undermine confidence





# Shack Remedy Reimagining P2P Commerce

01

## Snap a Photo

AI instantly recognizes the item and generates all listing details

02

## Live Auction

Item appears on hyperlocal map for buyers to discover and bid

03

## Keep 100%

Sellers retain the full sale price with zero fees or commissions

### AI-Native Listing Engine

Users can create an auction in less than 10 seconds by simply taking a photo. Shack's AI instantly generates titles, descriptions, suggested prices, and categories, eliminating the friction.

**Today:** 10s to first draft, 90% accuracy on title/tags;

**Target 12-18m:** sub 2s to draft, 95% accuracy

### Fee-free and Authenticity By Design

Absolutely no transaction fees. Strict ban on professional sellers and visual AI filters ensure every listing is self-shot, restoring trust and community feel. Buyers know they're trading with real people and not spammed or crowded out by merchants and dropshippers.

### Hyperlocal Discovery

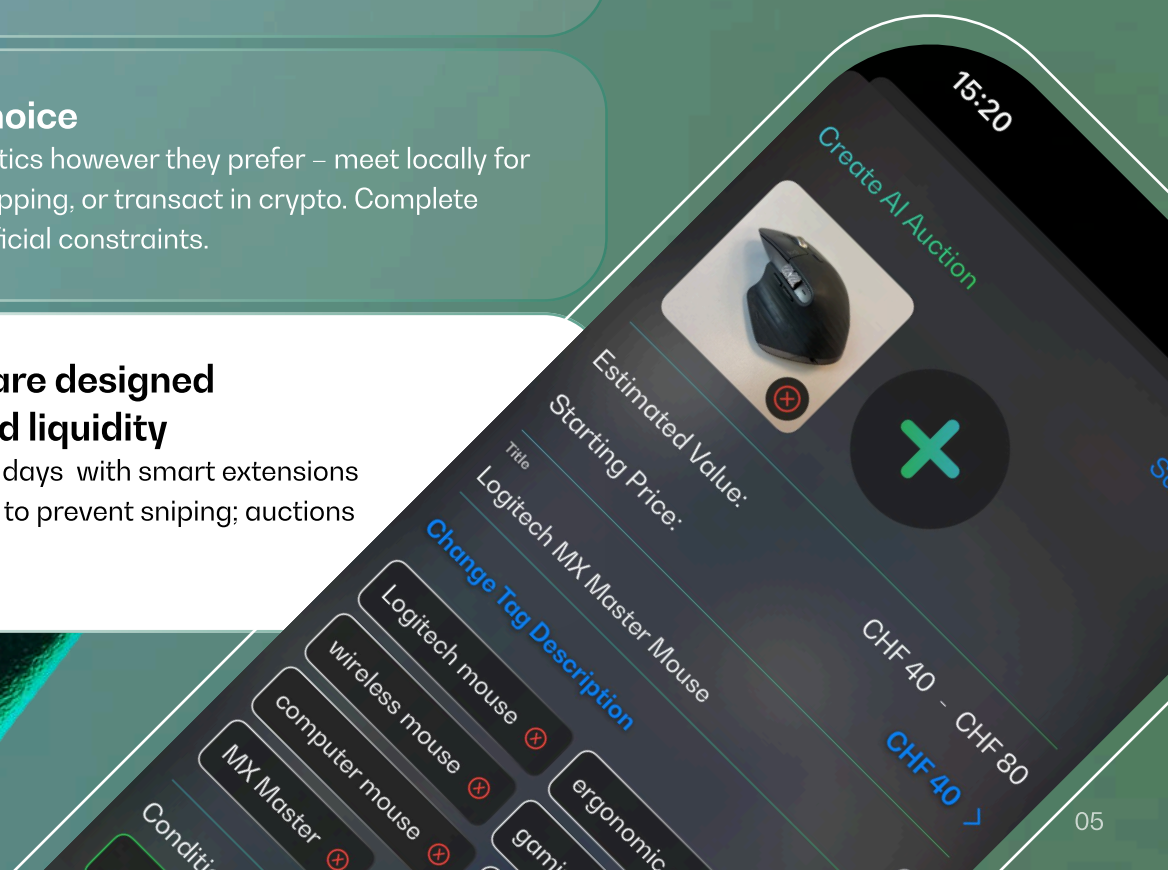
Dynamic, map-based interface shows auctions happening in real-time around users, creating a living marketplace experience that reduces logistics friction.

### Freedom of Choice

Users arrange logistics however they prefer – meet locally for cash, use postal shipping, or transact in crypto. Complete control with no artificial constraints.

### Live auctions are designed for velocity and liquidity

default duration = 7 days with smart extensions on last-second bids to prevent sniping; auctions in case of no bids.





# 100K

## App iOS Downloads since launch

In the DACH region, representing significant penetration in a 100M population market

# 41K

## Auctions Created since launch

Strong marketplace activity with 19'000+ auctions running



## App Store Rating

Based on 986 reviews, reflecting strong user satisfaction

# #1

## Appstore Ranking

Reached #1 rank among all free apps on the Swiss iOS App Store, #43 in Germany and #17 in Austria Shopping.

## Impressive Early Traction

Shack's traction validates both product-market fit and viral growth potential. The platform achieved the #1 position across all iOS apps in Switzerland for three consecutive days following coverage in 20 Minutes, the country's most-read newspaper. This placed Shack ahead of global giants like WhatsApp and TikTok.

Engagement is strong, with an average of 19,014 live auctions per day, and users have created a total of 41,252 auctions. A subset of users has been using Shack for over a year now, hunting deals and praising its simplicity and design.

Financial validation is equally compelling. 600+ users have purchased Shack Coins for premium features, generating \$6,900 in revenue with 85% margins after Apple's

commission. An additional \$220,000 comes from the Shack token sales with Shack Association, proving the dual-track monetization model works.

The parallel layer of token adoption strengthens this case further. The Shack Token, launched on Solana, counts more than 2'300 holders. Over 900 million tokens are in circulation, supported by \$200,000 in decentralized exchange liquidity. This adoption proves that Shack has successfully engaged the crypto-native community, which not only provides capital but also acts as an amplifier of virality. Tokens create a sense of ownership and participation that traditional platforms cannot replicate. While the token is currently non-utility, its existence provides Shack with a reserve of community energy that can be directed into growth, marketing, and eventually governance.

# \$4M

## Marketcap for \$SHACK Token

current token price × total supply.



# Supply Engine as Wedge to Global Horizontal P2P Moat

Friction in supply, not demand, is the core constraint holding the secondhand market back. Marketplaces accrue value differently than regular asset light software products. The value is less the software and more the product it creates: a platform, where the combined revenue of users exceed the revenue of the platform. The more liquidity of buyers and sellers matching, the higher the valuation. Shack is the wedge to that platform: regular people around the world selling anything, matching with global demand. While early KPIs are promising, they pale in comparison to a post-critical mass global P2P (Re)Commerce network.

### Horizontal Convenience unlocks

#### Unique Supply

Regular sellers operate differently than professional sellers. A professional seller is predominantly focused on one vertical, while a regular seller is operating horizontally. The winner of regular selling provides horizontal convenience. Not ten apps to sell, but one app to sell anything. Not ten steps to sell, just one photo.

### Professional Seller Burden

Network theory stipulates that each user increases the value of the overall network. Many professional sellers do the opposite, by flooding (Re)Commerce marketplaces with commoditized retail new goods via API. They extract value from the ecosystem by free-riding visibility (and driving users to their own shop).

### Price unlocks Demand

A marketplace that offers commoditized supply at inferior prices is unsustainable, despite convenience. Unique supply at best pricing drives organic demand. Shack offers unique supply with auction starting prices of 1.

### Early Monetization Trap

If the goal is to build a global horizontal P2P network as fast and efficient as possible, early monetization is a trap. During the cold-start phase there is very little to monetize via consumer ads or services, as the two-sided-liquidity platform is immature. Monetization that hinders growth only drives up CAC making scaling towards critical mass less efficient and delays monetization.

Convenience unlocks unique supply

Liquidity scales retention



Retention increases supply density

Auction with starting price of €/CHF/\$ 1 drive buyer conversion



# Activated Supply More valuable than Input Costs

Shack pays \$5-\$6 per unique private listing vs. implied market value of \$10 - \$90 +

## CAC \$100 to \$2 YoY

Viral meme marketing via socials paired with top decile AppStore conversion

## Install to verified account 33%

1-tap Sign In & Verification enables market leading conversion

## 30%+ lister conversion

List anything in less than 10 seconds provides unparalleled low friction.

## 3.5x listings per lister

Broad category distribution with 30% Fashion, 15% Tech, 14% Home & Living.

Recent marketplace comps value private listings anywhere from ~\$10 to \$110 per listing. Despite lacking brand awareness and liquidity density of incumbents, Shack is already operating below the low end of that range at roughly \$6 per unique private listing acquired. M&A activity suggests that profitability is not a prerequisite for meaningful marketplace outcomes (e.g. eBay acquiring Depop for ~\$1.2B with a \$56M operating loss).

The implication of Shack's low CAC and high conversion towards private listings offers a unique opportunity to scale a next-gen horizontal supply network asset at favorable advertising CapEx. CAC and conversion arbitrage through Shack vs. incumbents are value accretive in themselves. If monetization post critical mass through premium feature, consumer ads or proprietary data to LLMs proves successful as well, asymmetric upside compounds further.

## Cost per Private Listing

|   |           |
|---|-----------|
| eBay · \$48B mkt cap · global monopoly premium        | ~\$80-110 |
| SMG/Ricardo · CHF 4.5B IPO                            | ~\$25-40  |
| Depop · eBay acq \$1.2B · ~70% private                | ~\$25     |
| Poshmark · Naver acq \$1.2B · ~45% private            | ~\$13     |
| Vinted · \$5.4B val · ~60% private                    | ~\$11     |
| Wallapop · Naver acq \$711M · ~65% private            | ~\$10     |
| <b>Shack Engine · 100% private · zero pro sellers</b> |           |
| Oct 25 · DE launch                                    | \$23.94   |
| May 26 · latest                                       | \$6.00    |
| With organic upside                                   | → \$1-2   |

Cost per listing = fully loaded mkt spend ÷ new listings.



# 750K

**Users**

Cumulative downloads by Mid-2027

# \$500K

**Revenue**

Target revenue milestone by 2027

## Strategic Go-to-Market Expansion

Shack's expansion began in Switzerland to refine the product and validate the model. With just CHF 200K and only on iOS, Shack became a local contender in Europe's most expensive and multilingual market and the only one dominated by a major auction platform. The rollout now extends to Germany cultural and linguistic overlap, 10x the population and 50x lower CAC (\$100 → \$2), following the same creator- and PR-driven playbook.

The United States represents Shack's most ambitious move: the world's largest and most competitive consumer market. Expansion there will be community-led, targeting resale creators, sneakerheads, collectors, and crypto communities through meme-driven campaigns and hyperlocal liquidity seeding to ignite network effects.

Shack Token turns expansion into a community-driven flywheel. Instead of relying solely on traditional capital, crypto rails allow anyone worldwide to support and participate in Shack's mission. Holders fuel growth not just financially, but by forming an engaged community that seeds liquidity, provides feedback, and activates markets ahead of Shack's entry. Tokens align incentives across geographies: every airdrop, contest, or campaign ties users closer to Shack while reinforcing liquidity and visibility. As the community grows, so does Shack's capacity to launch in new regions - with crypto holders directly powering the leap from local success to global scale.



# Competitive Landscape Analysis

| Platform             | Fees      | Professional Sellers | Key Point                                  | AI & UX Capabilities            |
|----------------------|-----------|----------------------|--|---------------------------------|
| eBay (global)        | 10-15%    | 60%+ of listings     | High fees, corporate feel                  | Legacy UX, limited AI use       |
| Facebook Marketplace | Free      | Heavy presence       | Scams, no authenticity                     | Minimal AI filtering, weak UX   |
| Vinted               | 5%        | Semi-professionals   | Fashion-only focus                         | Narrow AI use                   |
| <b>Shack</b>         | <b>0%</b> | <b>Banned</b>        | <b>Authentic, Fee-Free, All Categories</b> | <b>AI-native, Map Discovery</b> |

Shack occupies a unique competitive position by addressing the structural flaws that constraints incumbents. eBay cannot eliminate fees without destroying its revenue model. Facebook will not sacrifice ad revenues for authenticity. Vinted cannot easily expand beyond fashion without diluting its brand focus and rebuilding its tech-stack. Classifieds like Leboncoin, Craigslist, or Tutti remain plagued by scams, poor user experience, and stagnant innovation. And Whatnot, while reviving auctions through livestreaming, is designed to professionalize sellers, the opposite of Shack's mission to empower everyday humans through simplicity, authenticity, and fee-free trading.

What distinguishes Shack is its holistic differentiation: fee-free selling, AI-native listing, human-only authenticity, and crypto-powered community participation. Incumbents cannot easily replicate this combination without cannibalizing their core business models.

## Shack's Advantage

Built from ground up with different assumptions, liberated by legacy constraints

## Defensive Moat

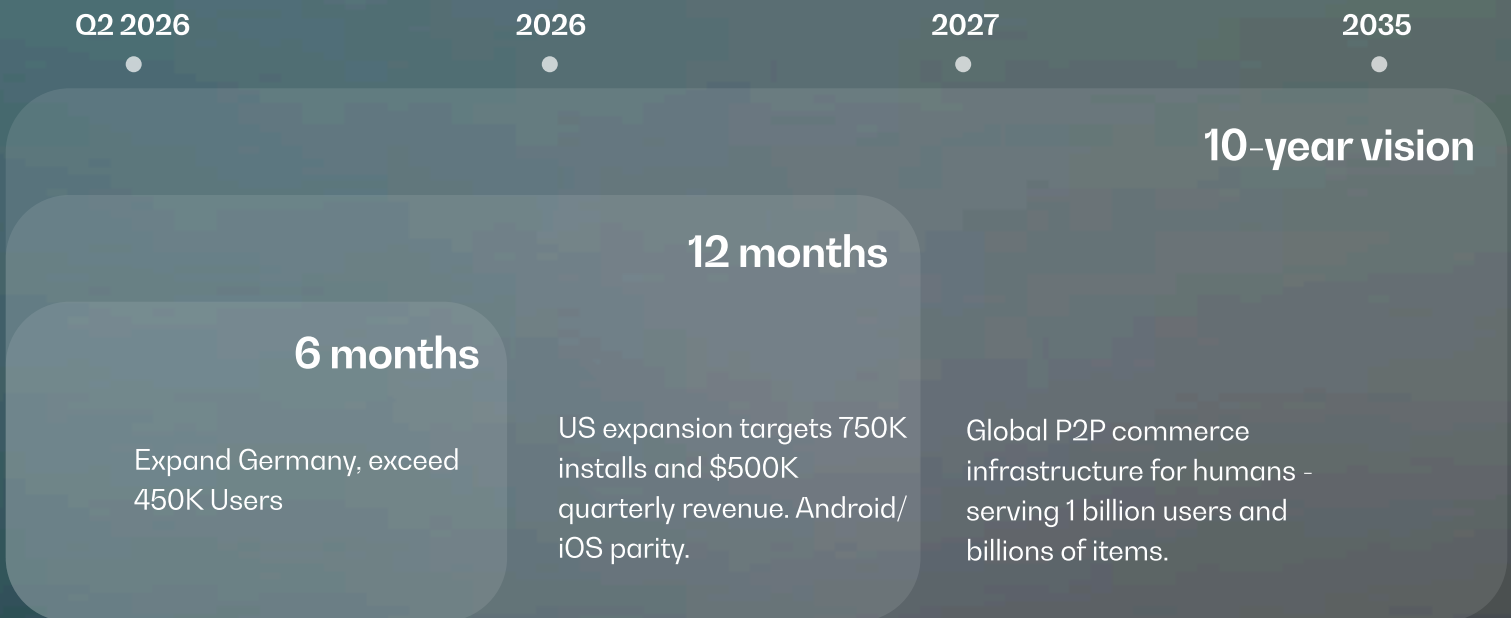
Frictionless, authentic supply creation that drives hyperlocal communities, something incumbents without AI, an interactive map, and with pro-seller models struggle to replicate.



# Clear Roadmap to Global Scale

Each milestone reduces risk while expanding opportunity scope. The roadmap provides clear KPIs at every stage: installs, auctions, revenues, and token adoption. Capital deployed accelerates proven growth levers rather than speculative experiments.

If you remove all monetary and time frictions from listing and align users with a community token, supply explodes and a zero-fee, AI-native marketplace outcompetes incumbents on liquidity and trust.



## Short-term | 1y

## Medium-term | 2y

## Long-term | 5y

Product

iPad beta, Shack Map 2.0, AI Listing v3, Shack Search 2.0, new creator tools, Verification v2, wallet integration. Infra ready for 10M+ auctions.

Android/iOS parity, gamification, e.g. Lootboxes / Quests / Rankings live, standardized stablecoin checkout, on-device AI for privacy and integration. Infra scales for 100M+ auctions.

Shack available on any device, 1-click listing/buying/settlement, autonomous logistics/payment rails where compliant, full gamification. Infra supports 1B+ auctions.

Business

Germany rollout. USA pushes installs to ~750K cumulative, liquidity reaches 0.3–0.4M live auctions, active user at 0.2–0.3M MAU and 25–35K DAU. Early brand partnerships with e.g. Red Bull.

US scaling. DACH installs reach 1–2M, global installs 5M+, liquidity at 5–10M live auctions. User base expands to 1–2M MAU and 0.2–0.3M DAU. Shack Token yield from Shack AG revenues.

Global installs 50–100M+, daily liquidity at 50–100M auctions, active base of 15–30M MAU. Shack becomes the global human commerce graph, merging culture, memes, and recommerce at scale.



## Peer-to-Peer Commerce for Humans

### Automation

UX automated through AI and autonomous logistic networks.

### Global Scale

P2P (Re)Commerce infra supporting billions of users.

### Task-First Organisation

Company runs decentralized on outcome-driven tasks without offices.

### Community Powered

Shack Token creates a vibrant community that participates in the long term mission.

### Sustainability

Circular economy extending product lifecycles and reducing waste.

## Vision 2035

# 1 Billion Users

Shack's long-term vision extends far beyond incremental marketplace improvements. By 2035, the company aspires to create the world's first P2P commerce network - a decentralized, AI-native, crypto-powered infrastructure enabling one billion humans to exchange tens of billions of items with unprecedented speed, trust, and efficiency and the first global repository of goods in personal possession - the ultimate network moat.

This transformation addresses global retail's core problems: overproduction and waste. Shack's P2P commerce network directly counters these by extending product lifecycles and promoting circular consumption.



# Proven Leadership & Lean Organization

Operates as task-first organization, leveraging decentralized network of senior developers, designers, and specialists with equity/token participation for long term alignment. This keeps burn exceptionally low while ensuring capital flows directly into outcomes rather than overhead and offices.

The organizational structure balances entrepreneurial agility with institutional credibility. The dual-entity model (Shack AG and Shack Association) provides regulatory insulation while the lean operating model ensures capital efficiency. This combination enables rapid scaling without bureaucratic overhead.

**Legal structure and regulatory compliance are supported by LEXR Law Switzerland, ensuring Shack's token model and corporate setup remain aligned with Swiss and international standards.**



## Julius Ilg

Founder & CEO

Former Chief Commercial Officer at Ricardo (eBay of Switzerland). Brings a rare combination of insider marketplace expertise and global e-commerce scaling experience from Wayfair. Learned SwiftUI and TypeScript from scratch to become a product-first tech founder, combining deep operational insight with hands-on technical execution. This unique background provides a sharp understanding of incumbent weaknesses and the asset-light infrastructure required for global scale.

### Ben Gottlieb

#### Client Development - Founding Team

- 5 Star rating with 1374 reviews on Codementor
- Worked with several Fortune 500 companies
- 30+ years of mobile experience (Newton → Palm → iOS)

### David Scheutz

#### Full-Stack Development - Founding Team

- Instrumental in Keeta's crypto token rise to \$1.5Bn market cap
- 10+ years mobile experience (paired with Blockchain)
- Supported 7 startups from idea to launch (5 still active today)

### Lena Wilke

#### Design & Branding - Founding Team

- Supported multiple start-ups, several raising \$20M+
- 10+ years experience as a brand and UX/UI designer

+ Situational freelancers for Finance, Animation, Marketing, and Community



# Risk Management & Mitigation Strategies

Shack is designed with structural resilience. A regulatory-compliant dual company/association structure, a lean task-first organization, AI-native integrations (not patchwork add-ons), an interactive map, onchain rails, and a staged roll-out to ensure reliable scalability and product-market fit - combined with community-powered participation, turn classic global marketplace vulnerabilities into durable competitive moats.

## Regulatory Risk

**Risk:** Shifts in marketplace, payment, or crypto regulations. **Mitigation:** Dual company/association structure + Shack Coins ensure compliance; token follows legal rails.

## Platform Dependency

**Risk:** App Store restrictions or fee policies. **Mitigation:** Android + web reduce reliance; Shack Coins keep revenue App Store-compliant while crypto rails expand independence.

## Liquidity & Adoption

**Risk:** Marketplaces fail with insufficient supply and demand liquidity. **Mitigation:** 10-second AI-native listings and a fee-free model rapidly seed authentic supply. Hyperlocal map amplifies engagement and network effects as an additional enabler at scale.

## Trust & Safety

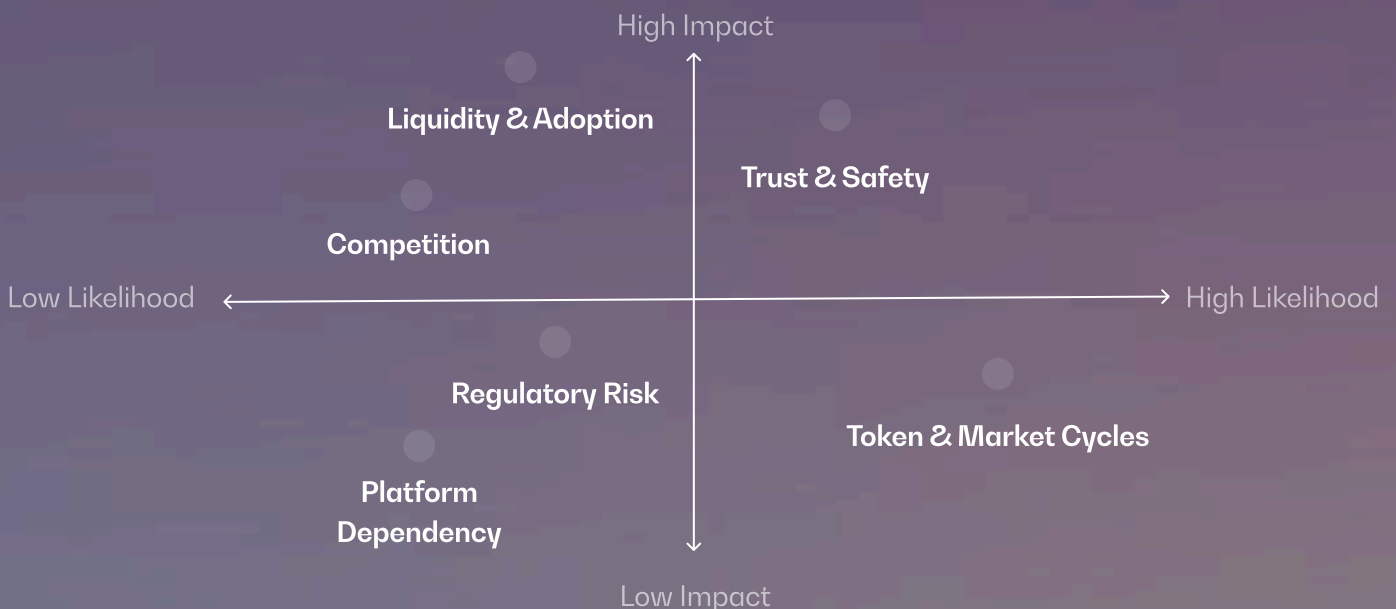
**Risk:** Spam, fraud, pro sellers, and dropshipping undermine user trust. **Mitigation:** AI-detection, ID verification, prevention of pro sellers/dropshippers protect authenticity. Ratings and local pick-up enable community detection and inhibit fraud .

## Competition

**Risk:** Competitors could attempt to replicate Shack. **Mitigation:** Incumbents can't adopt a fee-free, ad-free model without destroying their business model. AI and crypto patchwork are not sufficient for consumers. New challengers are unlikely, as VC Zeitgeist is not anchored on C2C marketplaces - for now.

## Token & Market Cycles

**Risk:** Volatility creates scaling risks. **Mitigation:** Lean task-first organization enables rapid spending shifts. Shack Coins (IAP) anchor stability; token provides optional upside and long-term participation.





# Financial Profile & Funding Requirements

Shack's financial profile reflects both early-stage validation and inherent scalability. Current revenues of \$227,000 prove monetization while maintaining exceptionally lean burn rates through the zero-employee model.



### Gross Margins

After Apple's 15% commission on Shack Coin sales

## Funding Ask

**CHF 0.5M - CHF 1M @ 10 - 15% dilution**, through angel investors and strategic partners. Capital accelerates proven growth levers with measurable KPIs rather than speculative experiments.



### Early Revenue

\$7,000 from Shack Coins plus \$220,000 from Shack Token sales

### Germany Expansion

→ CHF 400,000 marketing budget unlocks 200K+ additional users

Agent Logistic Stack via €0.5m grant by IBB

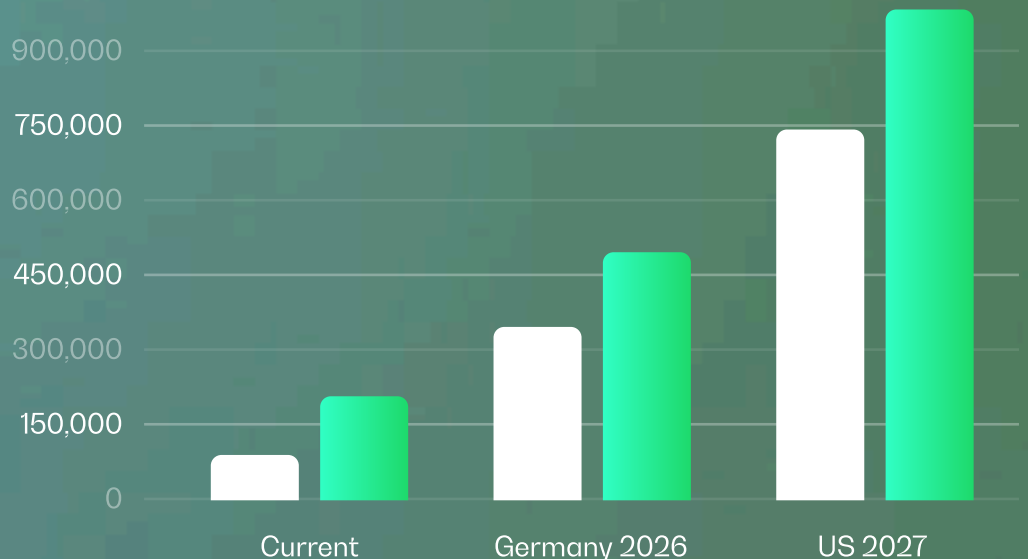
→ Reduce friction of selling through automated P2P logistics

→ **Unlock Seed Round by Q4 '26 - Q1 '27**

CHF 2M - CHF 4M to scale to 750,000+ users

Users

Revenue in \$





# Investment Highlights & Compelling Opportunity

Shack represents a rare convergence of global market opportunity, proven early traction and capital efficiency that beats incumbents pre-branding and network-effects tailwinds. Operating in a \$500+ billion (Re)Commerce market growing at double-digit rates, Shack has already demonstrated viral adoption, achieving #1 App Store rankings and outcompeting global giants in its home market.

## Peer-to-Peer Commerce for Humans

## Traction & Capital Efficiency

100K Users, Week 6 Lister Retention of up to 26.8%, \$227K Revenue, Top ranks on the iOS AppStore. CAC declined from \$100+ to \$2

## Structural Moats

Fee-free transaction model, AI & Mobile native, pure P2P community participation create advantages competitors cannot replicate without destroying their business models.

## Clear Expansion Path

Disciplined geographic rollout: Germany 2026, US & Android 2027. Target 750K installs and \$500K quarterly revenue by 2027.

## What's the one thing you need to believe for Shack to win global P2P (Re)Commerce?

Shack sits at the intersection of three irreversible global adoption curves: Online (Re)Commerce, workflow automation & onchain rails.

## Why Now?

Shack has moved beyond concept into execution with measurable traction, yet remains early enough that valuation reflects current risks rather than future potential. The CHF 0.5 - 1M round offers unique entry before Germany and US scaling milestones significantly increase both valuation and investor demand.

## The Vision

By 2035, Shack aims to serve billions of users through a global peer-to-peer (Re)Commerce infrastructure, building the first exhaustive, decentralized repository of goods in personal possession, the ultimate form of network lock-in. This is not just C2C platform competition, but the foundation of sustainable, community-driven commerce for automated workflows in an onchain future.

## Investment Conclusion

Shack is building what incumbents cannot and what consumers increasingly demand: a global, human-first commerce network that is frictionless, fair, authentic, and community-driven. For investors seeking exposure to the future of global P2P (Re)Commerce, Shack represents a compelling opportunity to back a platform at the inflection point of local success and international scale.



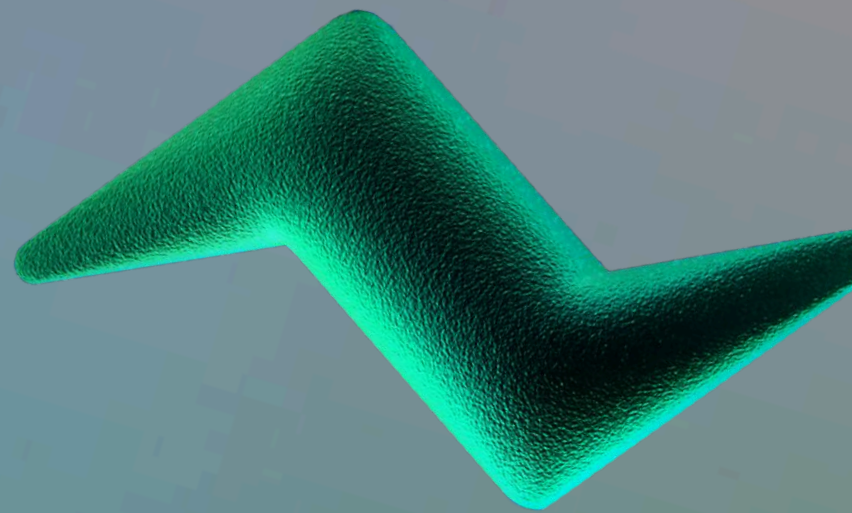
# Get in touch with Shack

Let's scale globally.

**Julius Ilg**

CEO - Founder

[ir@shack.xyz](mailto:ir@shack.xyz)



# Shack



# Appendix: Shack Business Model, Tokenomics, and Market Analysis

## Dual-Entity Structure (Shack AG + Shack Association)

Shack is organized as two Swiss entities: **Shack AG**, a standard for-profit company (Aktiengesellschaft), and **Shack Association**, a nonprofit foundation registered under Swiss law[1]. Shack AG operates the marketplace app and handles development, marketing, and customer-facing functions, while Shack Association holds the community token and oversees governance and ecosystem stewardship. The relationship is formalized by a Service Level Agreement (SLA): the Association raises funds (e.g. via token sales) and directs them to Shack AG in exchange for delivering the technical platform and running the service. This split aligns incentives and limits risk. By separating token/community functions into a nonprofit, Shack minimizes regulatory exposure under Swiss FINMA rules. In effect, Shack AG can operate like a normal tech startup while the Association ensures the mission and community remain central. This “mission-driven foundation + execution company” model is seen in other blockchain projects (for example, the Solana network employs Solana Labs for development and a Zug-based nonprofit foundation for ecosystem support[1]).

- **Regulatory Rationale**

Swiss law distinguishes **payment tokens** (like cryptocurrencies) from **utility tokens**. According to **LEXR**, a Swiss law firm specializing in blockchain regulation, payment tokens are intended to be used as means of payment and are therefore considered cryptocurrencies[2]. By issuing the \$SHACK token via a nonprofit Association, Shack confines all token-related activities within a structure recognized for its transparency and community-oriented purpose. This setup ensures that Shack AG itself is not classified as a financial intermediary under Swiss law. The dual-entity framework has been legally vetted by LEXR and deliberately structured to enhance regulatory resilience.

- **Organizational Balance**

Shack AG “focuses on scaling and monetization” while Shack Association “maintains neutrality, credibility, and long-term stewardship of the ecosystem.” This separation provides continuity beyond any individual team and ties token-holder interests to company performance. It also means that as Shack grows, the flow of funds can invert: initially the Association funds AG (via the SLA) to bootstrap the app, and later Shack AG’s revenue will support the Association’s mission. The SLA ensures stable cash flows to the company even with zero-fee trading.



## Service Level Agreement (SLA) Funding Mechanism

Under the SLA, the token-holding community (via Shack Association) actively finances Shack AG. In practice, when the token sale or community treasury generates funds, a portion is paid to Shack AG for providing the marketplace service. This mechanism provides funding to Shack AG. For example, early adoption of the token generated community capital that fed through the SLA to cover development and marketing, demonstrating the dual-track model works. Importantly, these funds are **added revenue** – they flow into the company on top of any in-app revenue – and they do not rely on charging sellers or buyers. This effectively subsidizes growth without transaction fees. Eventually, as the marketplace reaches scale and users begin to spend tokens within the app, the direction can reverse: Shack AG would then be able to fund community initiatives. In short, the SLA ties the success of the token and community to support for the app, creating a feedback loop. The SLA proves that community-driven funding works without fees.

## Community-Governed, Zero-Fee Marketplace Vision

Shack's core product is a peer-to-peer marketplace with **no buyer or seller fees**[3]. This zero-commission model is designed to eliminate the largest barrier in C2C commerce. Traditional marketplaces (e.g. eBay, Ricardo) charge 10–15% on sales, discouraging casual sellers and eroding trust. By contrast, Shack sellers keep **100% of the sale price**[3]. In practice, removing fees significantly increases supply (Shack estimates that combining fee-free listings with its AI-assisted listing tool will lift weekly listings by >35%). From day one, seller fees on Shack have been 0%, ensuring that individuals keep 100% of their sales proceeds and positioning Shack as the most attractive marketplace for casual sellers[3]. Previously, the platform applied small buyer fees, but these were fully eliminated in Q3 2025 and today Shack is 100 % fee-free for buyers and sellers. This move further reinforces Shack's vision of a truly fee-free marketplace and is already driving higher buyer engagement and stronger network effects, with both sides of the marketplace now transacting at zero cost.

To compensate for zero fees, Shack monetizes optional premium features. Users pay (with in-app "Shack Coins") for things like boosts (higher visibility), highlights, identity verification, or other conveniences[4]. In effect, revenue is generated from value-added services rather than per-transaction cuts. Early metrics show this model working: 600+ users have already purchased Shack Coins for premium features, yielding about \$6,900 USD in gross revenue. This model produces 85 % net margins after Apple fees and is complemented by SLA funding from the Association, which adds ~\$ K from the community side. Margins will further improve thanks to Apple's App Store Small Business Program, which reduces the commission on in-app purchases from the



standard 30% to 15% for companies under \$1M annual revenue. Since Shack's in-app monetization relies on Shack Coin purchases for boosts, highlights, and verification, this lower fee structure effectively doubles net margins at the current scale. In practice, it means Shack retains 85% of Shack Coin revenue (versus 70% under the standard program), strengthening unit economics and extending runway as the platform scales.

Crucially, Shack intends the marketplace to be **governed by its community**. The \$SHACK token is planned to evolve into a governance token: holders will eventually vote on product direction, feature roadmap, and ecosystem initiatives. In the long run, this decentralized governance means major decisions will reflect user interests. For example, Rarible launched its RARI token as a governance instrument so that active creators and collectors on its NFT marketplace could vote on platform upgrades[5]. Similarly, Shack's vision is a human-centric platform: fee-free transactions, AI-powered convenience, authentic local selling (e.g. a geolocation map interface[6]), and community control.

## Shack Tokenomics: Structure, Evolution, and Role

The Shack token (\$SHACK) is a Solana-based token (launched by Shack Association) integral to the ecosystem. Its current status is as a “memecoin”: a community-driven crypto token with no immediate utility in the app. This was an intentional choice to align community belief and participation while remaining regulatory-compliant and ensure regulatory simplicity[4]. Under FINMA definitions, tokens used primarily as digital currency or stores of value are “payment tokens” subject to strict rules[2]. By positioning \$SHACK as a memecoin/community currency (not a formal payment method or promise of profit), Shack sidesteps having to register it as a payment or asset token. In practice, this means it functions for community engagement rather than serving as the in-app currency at launch.

Unlike Ethereum-based ERC-20 tokens, the Shack token is built on Solana using the SPL format. This technical choice offers key advantages: Solana's infrastructure supports **higher throughput and lower transaction costs** than Ethereum[7], making it far better suited for microtransactions and high-frequency marketplace activity. Solana is designed for scalability and low transaction latency, and transactions on Solana are generally much less expensive than on Ethereum[7]. While ERC-20 is the dominant standard for tokens on Ethereum, Shack's adoption of the SPL standard allows it to leverage Solana's scalability and speed, ensuring that the token can handle the volume of listings, payments, and community incentives that a global zero-fee marketplace requires.

Key metrics (circa mid-2026) include: total supply of 1 billion \$SHACK, with 80% of tokens subject to a vesting schedule (July 2025–July 2026) to ensure long-term alignment. Currently about 900 million \$SHACK are circulating among ~2,000 holders. The token hit \$4 M market cap (current price × circulating supply), supported by **≈ \$200 K on DEX**.



Through the Shack Association's token activities, we have already generated approximately \$220,000 in token sales, transparently managed through our wallets\*. These funds have been strategically deployed to cover critical growth expenses including the BitMart exchange listing, verification and compliance costs, community engagement initiatives, and design/animation work to strengthen brand identity, demonstrating both the effectiveness of our community-driven funding model and the transparency of on-chain capital allocation.

Evolution to utility/governance is planned in stages. Initially \$SHACK is purely a community token, but it will be layered into the app over time. Future features will allow token holders to unlock premium app functions (staking, voting, etc.) and ultimately decide governance questions. This roadmap mirrors other crypto communities. For example, Braintrust's BTRST token was introduced by the nonprofit Braintrust Foundation to reward freelancers and clients for contributing to the talent network[8][9], giving shared ownership and governance to the community. Shack's team emphasizes that the memecoin identity itself is a growth driver (it creates buzz and culture), but with a clear plan to add real utility.

## Fundraising and Liquidity Role

The \$SHACK token provides community-funded capital and marketing reach. Early token sales funded the Association and SLA, as noted above. The existence of the token also “creates a reserve of community energy” – holders often promote the brand, a form of viral growth. In other words, \$SHACK drives community engagement and word-of-mouth that the company would not get from a closed corporate model. For example, Shopify recently announced that merchants in 34 countries can now accept the USDC stablecoin via Stripe[10] – this reflects how mainstream crypto rails are becoming. Eventually, token liquidity (on DEXes) stands ready to provide value support: token holders have a stake in raising the network's value, aligning incentives.

## Comparison to Other Community-Token Models

Shack's dual-structure, tokenized approach has precedents. For example:

- **Braintrust**

A talent marketplace. It explicitly split into Braintrust Inc. (the for-profit network operator) and the Braintrust Technology Foundation (a U.S. nonprofit) which issues the BTRST token. The BTRST token is used to reward the community and govern the network, aligning incentives between the platform and its users[8][9].

- **Rarible**

An NFT marketplace that launched the RARI governance token for active buyers and sellers[5]. RARI holders could vote on platform upgrades and earn rewards, making governance directly responsive to users.



- **Uniswap/Compound**

Major DeFi projects that launched governance tokens (UNI, COMP) to reward users and gradually transfer protocol control to the community.

- **AI-First Marketplaces**

Outside crypto, some startups automate listing flows. For instance, tech firms note that “AI-powered marketplace listings” can automatically compose descriptions and personalize the selling process[7]. Shack builds this into its core UX from day one.

In all these cases, the common theme is user empowerment via technology and tokenization. Shack’s combination of a token-backed foundation model and AI-led workflow finds analogues in these emerging projects. It effectively takes proven Web3 patterns (community tokens, DAO governance) and applies them to the secondhand commerce domain.

## Macro Trends in Recommerce, AI, and Web3

### Recommerce Market Growth:

The recommerce economy spans several layers of activity with distinct market sizes. Industry reports estimate the fashion resale segment, focused on secondhand apparel and accessories, is expected to reach roughly \$350–400 billion by the end of the decade[11], driven by double-digit annual growth and the rapid adoption of online resale platforms. In Europe alone, Amazon estimates the online resale market for used and returned products at €21.6 billion in 2024, growing to about near €24 billion in 2025[12] and continues to expand steadily year over year. When including other categories such as **electronics, furniture, vehicles, and refurbished goods**, the **global secondhand products market** reaches a much broader scale, valued around **\$0.5 trillion in 2024** and projected to exceed **\$1.4 trillion by 2032**. Global secondhand commerce is booming across all segments and consumer behavior is shifting structurally. Sustainability concerns and tight household budgets are pushing more Gen Z and millennial shoppers to buy used: one study found 85% of Europeans under 34 have bought secondhand online[13]. Fast-growing pure-play platforms echo this trend: for example, Vinted’s 2024 revenue was up 36% year-over-year (making it profitable)[14]. Collectively, these dynamics confirm that recommerce is **outpacing traditional retail** and represents one of the **most compelling global consumer growth markets of the decade**.

### AI Automation of Listing and UX:

Advances in AI are transforming marketplaces. Modern consumers expect quick, intelligent tools. For example, previous research showed 76% of shoppers get frustrated if personalization is lacking[15]. Shack leverages this by placing AI at the heart of the user flow: sellers can snap a photo and within seconds the app generates titles, descriptions, prices, and categories[16]. This “AI-native” listing model reduces listing time to as little as a few seconds, compared to several minutes on traditional platforms. Currently 10s to first draft at 90 % accuracy; target < 2s and 95 % accuracy within 18 months.”



Shack removes the main friction point in peer-to-peer commerce: the tedious process of creating a listing. This not only improves the user experience but also dramatically increases listing completion rates, reducing drop-offs and boosting supply.

### **Web3 and Crypto-P2P Influence:**

Digital payments and community ownership models are rapidly evolving. Stablecoin adoption is accelerating: McKinsey reports that the total value of issued stablecoins has doubled in the past 18 months<sup>[17]</sup>. Stripe's move to enable millions of merchants to accept USDC<sup>[10]</sup> shows crypto payments entering mainstream commerce. Today there are well over half a billion crypto users worldwide<sup>[18]</sup>, normalizing crypto wallets and token transactions for average consumers. Tokenization of collectibles like trading cards has unlocked significant consumer demand with examples like Collector Crypt, which surpassed \$1Bn GMV. In other industries we see tokenized networks (Braintrust, Uniswap, etc.) where token holders direct the protocol. Shack leverages these ideas in a commerce context. By merging a traditional marketplace with onchain solutions, Shack taps modern network effects: token holders become evangelists, and true ownership can lock-in user engagement in ways classic marketplaces cannot.

Taken together, these macro drivers reinforce Shack's thesis: consumers want low-friction, sustainable commerce, while new technology (AI, crypto) makes a fresh kind of marketplace possible.

## **Competitive Landscape**

We compare Shack to legacy and emerging platforms:

- **eBay (Global)**

Charges 10–15% on sales, with a large portion of listings from professional sellers. eBay's UX is decades-old and "corporate" in feel. It cannot easily remove fees without destroying its business model. eBay uses modest AI (best-seller tags, search filters), but overall offers a legacy interface.

- **Facebook Marketplace**

Free for basic listings, but flooded by resellers and often plagued by scams. There are no transaction fees, but user trust is low (fake listings, impersonation). Minimal use of AI (aside from simple sorting) means poor fraud filtering and discovery. FB's model relies on ads and data collection, which conflicts with the authenticity that peer-to-peer sellers want.

- **Vinted**

Free to list, but charges ~5% commission on sales (paid by buyers). Focuses exclusively on fashion & accessories. Vinted's community is younger and largely casual sellers, but the narrow vertical limits scope. AI is used sparingly (e.g. basic auto-tagging); Vinted has limited tech differentiation.



- **Whatnot (Live Auctions)**

Zero listing fee, but targets collectors via livestream auctions. Whatnot professionalizes the experience (talent hosts, production). It is entertainment-driven and favors niche sellers. In contrast, Shack bans pros entirely and seeks broad commodity auctions, making its marketplace appeal to any casual user, not just collectors[19].

- **Classifieds (Craigslist, Leboncoin, Tutti, etc.)**

Generally free for sellers in many categories. However, they suffer major trust issues and almost no modern UX or transaction support. Listings sit in static lists; buyers/sellers negotiate ad hoc. They have not innovated (no AI, no payment integration) and remain vulnerable to fraud. Shack aims to solve exactly those problems.

Shack combines advantages incumbents lack. As the deck observes, “Shack occupies a unique competitive position by addressing the structural flaws that burden incumbents”. Key differentiators are [3][16]:

- **Zero-Fees for Everyone**

Unlike eBay (10–15%) or Vinted (~5%), Shack charges no commissions on transactions[3]. Sellers keep 100% of proceeds. This encourages greater supply and frequency of listing.

- **Strict “Humans-Only” Policy**

Shack bans professional (commercial) sellers. Every item is from a genuine individual seller, restoring community trust. In contrast, eBay and many classifieds are dominated by commercial posts. Authenticity is a strong selling point[19].

- **AI-Native Instant Listing**

Shack’s mobile app lets anyone create an auction in ~10 seconds from a photo[16]. Legacy platforms require multi-step data entry (often several minutes). Rapid listing drastically improves UX and conversion.

- **Community Ownership**

Early adopters hold the \$SHACK token and influence the future platform (through planned governance). No incumbent has a comparable community-aligned token model. This crypto-powered incentive layer can boost word-of-mouth and loyalty in ways Facebook or eBay cannot (for example, Rarible and Braintrust have shown how governance tokens energize their communities[5][9]).

- **Hyperlocal Focus**

Shack’s map-based interface shows live auctions around you in real time[6]. This taps local demand (supporting meetups or same-city delivery) in a way that global sites do not.

Combined, these create a marketplace that is fundamentally different: one built for individuals, with modern technology, and without hidden costs. As one investor deck notes, “Shack occupies a unique competitive position by addressing the structural flaws that burden incumbents.”



## Analogous Crypto-Native and AI-Driven Models

Several ventures illustrate Shack's concepts in action:

- **Braintrust (Talent Network)**  
A tokenized freelance marketplace. It similarly uses a company vs. foundation split. The nonprofit Braintrust Technology Foundation issues the BTRST token[8]. BTRST holders earn rewards and governance rights based on their contribution (e.g. job referrals, vetting)[9]. This aligns incentives: instead of paying platform fees, users share in the network's success. Shack's structure and token plan are in the same spirit.
- **Rarible (NFT Marketplace)**  
Rarible created an open-source NFT marketplace that issued the RARI governance token to all active users[5]. Early airdrops and governance rights incentivized participation. Shack echoes this model but in the physical goods space: the \$SHACK token is meant to give everyday sellers a voice, just as RARI did for digital creators.
- **Uniswap/Compound (DeFi DAOs)**  
In decentralized finance, projects routinely bootstrap communities with tokens. Uniswap Labs launched UNI and Compound Labs launched COMP, airdropping governance tokens to users. While those are financial protocols, the playbook is similar: use token incentives to reward early adopters and hand over control. Shack follows this DAO-like approach for a commerce app, turning traditional buyers/sellers into stakeholders.
- **AI-First Marketplaces**  
Outside crypto, there are startups automating listing flows. Some e-commerce and real estate platforms now employ AI to generate descriptions and optimize pricing. Tech articles note that "AI-powered marketplace listings" can automatically compose descriptions and personalize the selling process. Shack builds this into its core UX from day one. While no major incumbent (like Craigslist or Facebook) has adopted AI listing at scale yet, Shack is an early mover on making AI a default marketplace feature.

In all these cases, the common theme is user empowerment via technology and tokenization. Shack's combination of a token-backed foundation model and AI-led workflow is unusual but finds analogues in these emerging projects.

## Early Traction and Growth Projections

Shack's pilot launch in Switzerland (population ~9 million) has shown strong early traction. Key performance metrics to date include:

- **App adoption**  
100,000 app downloads (iOS) since launch, a notable penetration for a new marketplace.
- **Listings**  
41,252 auctions created on platform, with about 19,000 live each day, reflecting robust two-sided activity.



- **Organic growth**

Shack reached the #1 free app spot in the Swiss iOS App Store for several days, briefly outpacing giants like WhatsApp and TikTok, indicating significant organic/viral adoption after media coverage.

- **Engagement**

The app has a 4.4-star rating (from >950 reviews), suggesting high user satisfaction. In February 2026, 16K active in the past 30 days, WAU/MAU 33%.

- **Revenue**

Shack has generated about \$227,000 USD of early revenue via its non-fee model. This breaks down as ~\$7K from 600 users buying Shack Coins (for premium features), plus ~\$220k through token sales. Though modest in absolute terms, these results validate Shack's monetization strategies without charging fees. The ~85% margin on coin sales is very encouraging for scalability.

### **Internal Projections**

The Shack team models rapid growth with scale. For example, management forecasts 2–3 million daily active users and 5–10 million live auctions by ~2028 in Western markets. At that scale, even a small percentage of users buying premium features would yield substantial revenue. Crucially, Shack estimates that removing fees and adding AI listing will boost supply by >35%. In practical terms, if weekly listings grow by 35%, the platform's inventory and transaction volume would jump accordingly. Given network effects, this could easily translate to many-fold increases in liquidity.

To illustrate: 35% more listings on a 41K base means adding ~15K listings. Even if 1–2% of those extra listings convert to premium feature sales (at, say, a \$1–\$5 average), that alone adds thousands to weekly revenue. Meanwhile, a larger supply attracts more buyers, accelerating virtuous network effects. In summary, Shack's projections rely on leveraging these "network levers" (zero fees + AI) to dramatically expand activity.

These forecasts align with emerging trajectories in this market: ThredUp's resale report and other analyses anticipate recommerce doubling or tripling in the next 5–10 years<sup>[11][12]</sup>. Shack's initial metrics in a small market show product-market fit; if replicated in larger markets (e.g. DACH region, US), the app could capture meaningful share.



## Conclusion of Appendix Findings

Shack's dual-entity, tokenized structure underpins a unique value proposition: a community-aligned, fee-free auction marketplace with AI-powered ease. Our analysis shows this approach addresses real pain points in peer commerce. Market trends (recommerce boom, AI ubiquity, rising crypto adoption) strongly favor Shack's model<sup>[11][12]</sup>, and competitive analysis confirms incumbents cannot easily match its combination of features. Early traction, though nascent, confirms product-market fit and the viability of both token and non-token revenue streams. Finally, by citing analogous projects (Braintrust, Rarible, Solana), we see that Shack's organizational and token framework is not untested: it follows successful Web3 playbooks for scaling user-owned platforms<sup>[5][8]</sup>. All together, these factors support Shack's case as a novel but substantiated next-generation recommerce platform.

The one conviction required to believe in Shack's success is simple: Shack eliminates the frictions that hold back traditional marketplaces, positioning itself where global momentum is strongest, at the intersection of AI-driven automation, the explosive rise of recommerce, and the accelerating adoption of stablecoin rails<sup>[17][13]</sup>. If these three forces continue to shape digital recommerce, Shack is uniquely placed to capture this global momentum and become the default global C2C auction platform.

Sources: All data and claims above are drawn from Shack's internal documentation and market research, supplemented by industry reports and news articles. Key external references include AuctionShack's website and whitepapers<sup>[3][16][6][4]</sup>, industry articles on recommerce and token regulation<sup>[11][12][13][15][17]</sup>, and comparative examples of community-token models<sup>[8][9][5]</sup>.



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86HbnJdwqfjyHPHvtxQ1Jq7AJSF7sL5apTuhhSvRnpt2