

Gath3r Token Economic Model

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30/12/19

Disclaimer and forward looking statements

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Neither Gath3r, nor any of its Affiliates, Members, or Personnel offer a guarantee or assurance that GTH will have any value at the time that the block rewards are awarded or thereafter, or will have liquidity at any future time. Any and all holder of GTH recognize that the legal jurisdiction that they live and/or work in may have different regulatory schemes that cover blockchain tokens, and affirm that they will conform to any and all regulatory schemes that apply to them, including, but not limited to: securities regulation, money transfer laws, money laundering laws, anti-terrorist financing laws, etc.)



In light of the coming raise and the growing interest in our project and platform, we are sharing a more in-depth look into the economic model of our token, GTH. The raise will be based on an audited ERC20 token and main net transition will be realized with a 1:1 swap. Based on the different features of the actual platform and the way they impact supply and demand within the market, here is a thorough breakdown:

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Demand

Masternodes - A GTH masternode will cost 250k GTH tokens to set up. The ROI on masternodes would be over 100% per annum for the first 80 of them, which would be expected to be snapped up quickly and decrease to around 45% by the time 200 masternodes are running on the network. Average annual ROI for other active masternode coins in the market is between 25-45%, which is why the benchmark of 200 masternodes is being considered. 22.5% of the block rewards are planned to be allocated as masternode rewards, masternodes will constitute the backbone of Gath3r network, therefore will be compensated accordingly. At 200 nodes, 40-45% of the circulating supply of GTH would be locked in them. The amount of GTH required for 200 masternodes would cost between \$1-1.5m, depending on the market price at the time. These would have to be purchased from exchanges by users wishing to set up a masternode, contributing to demand for tokens.

Merged Mining - The hash rate from publishers will be offered to existing cryptonight algorithm (and other algorithm coins in the future) coins to onboard as child chains, to add security to these chains and reduce the chance of 51% attacks. Gath3r will charge a significantly lower price per 1 Mh/s to child chains, to increase their hashrate and improve their security.

As per projected hashrate available from publishers to offer to child chains within the first year, offering this below current market price would yield an estimated \$26k per month, which would be payable in GTH by child chains purchasing this hashrate. Child chains can also pay this in their native coin, where in such case these coins will be used to buy back GTH.

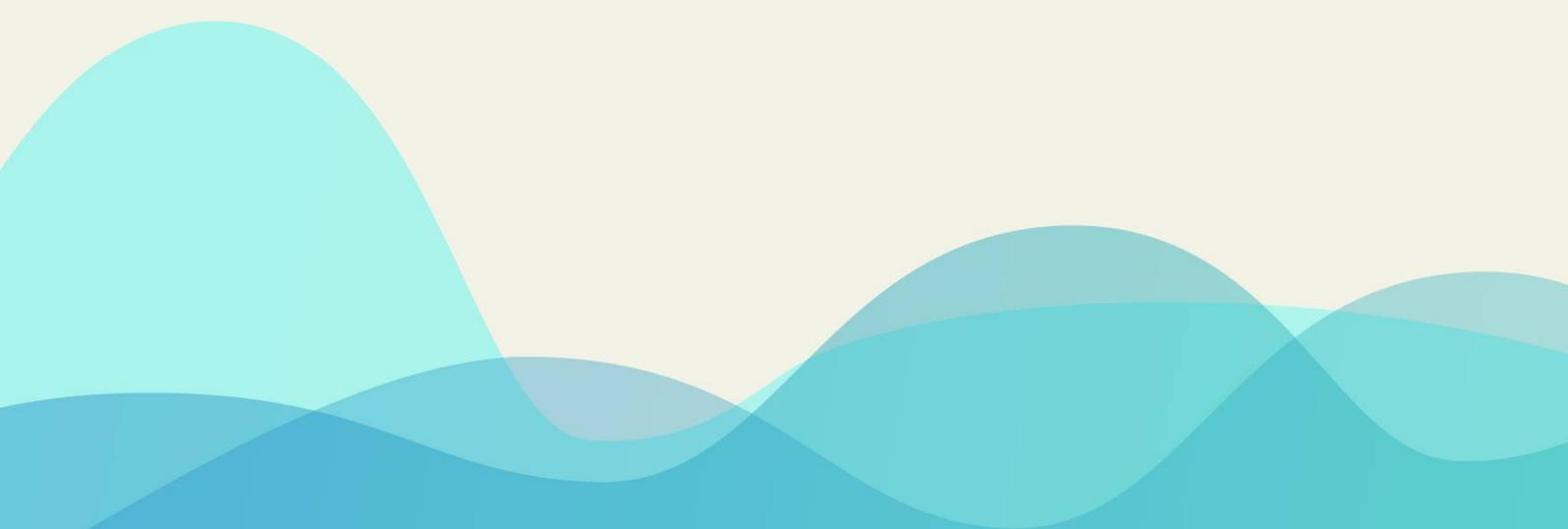
Compute power as a service (CPaaS) - 20% of CPaaS revenue would be used to buy back GTH tokens from the open market. Clients would be charged a rate 25% lower than current market rate from Google for similar cloud computing services. The CPaaS revenue from just 3 largest companies we are in talks with to implement CPaaS with for the first year would be as follows (*Note: large companies are not necessarily needed, onboarding smaller clients with the same total demand as one big client utilizing CPaaS would net the same revenue for Gath3r*):

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| Company A | Company B | Company C | |
|------------------------------------|-----------|--------------------|---|
| \$514,924 | \$780,188 | \$386,193 | Revenue after accounting for 25% discount over Google's current market rate |
| Revenue generated | | \$1,681,305 | Over 12 months |
| Buyback of GTH tokens (20%) | | \$336,261 | Over 12 months |

Staking - All coins bought / earned through mining / rewarded by master nodes can be automatically sent to the staking wallets: Stakers will earn interest on their coins while having a higher power of validating transactions. 7.5% of the block rewards are planned to be allocated as staking rewards as stakers will be contributing to maintain the Gath3r network along with master nodes.

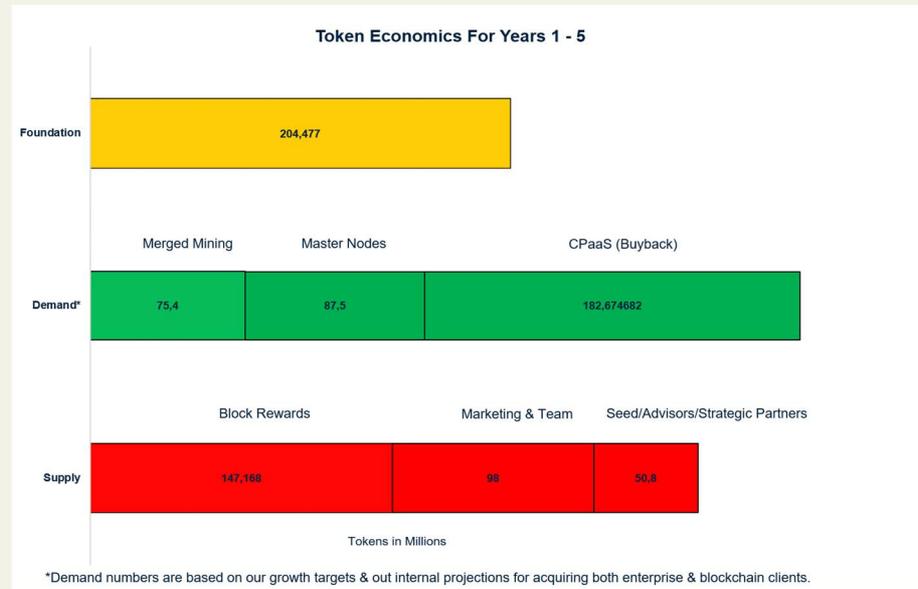
Enterprise Integrations & Smart Contracts - All clients that wish to integrate our blockchain and build a platform on it benefit from our entire technology stack and technical support from our team. This service is performed based on a pre-agreed price depending on the complexity of the project, paid in GTH and/or in child chain's coins. Smart contracts enable unifications of blockchains. Every auxiliary chain forking of the Gath3r chain will inherit Gath3r's smart contract capabilities, ultimately allowing for interoperability. Being affordable on a micro level, the network interaction charges based on these elements will be contributing to GTH coin economy as these fees would be dynamic to ensure to not create macro volatility.



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Overview Snapshot



Supply

Block rewards - once the blockchain is live, block rewards will be continuous and emit 115,200 GTH tokens per day with a split of 70% PoW / 22.5% Masternode / 7.5% PoS rewards until halving at block 600,000 which would take ~2.28 years from when halving triggers. This equates to 3.456 million GTH per month until first halving, which amounts to \$104k worth of GTH per month at an average market price of 3 cents. These block rewards will be split between publishers, masternodes and stakers, we will assume that all of these will be sold off and hence be the main source of selling pressure each month. In the mid-term future, we plan on evolving the CPaaS business so that all payment will be made in GTH. It should be noted that all POW will be provided through publishers only. NOTE: Neither Gath3r, nor any of its Affiliates, Members, or Personnel offer a guarantee or assurance that GTH will have any value at the time that the block rewards are awarded or thereafter, or will have liquidity at any future time.

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Exchanges - After listing and after accounting for locks and vesting of various token holders, there would be around 51m GTH released in the first 12 months to seed token holders, advisors and other strategic partners. This comes to an average of 4.25m GTH per month for the first year, which amounts to \$127k worth of GTH per month at an average market price of 3 cents. There will be no more tokens released to these parties in future years hence this would not be contributing to selling pressure.

Foundation - 51% of the total token amount will be allocated to the Gath3r Foundation - Foundation's purpose is to help increase adoption of the GTH chain by awarding grants (both in GTH and FIAT) to promising projects/developers who would then build on the GTH chain. Additionally, their secondary objective is to act as custodian and deploy funds if/when needed to benefit the ecosystem. Gath3r as a holding company has no control over the foundation, the foundation board would be made up of a majority of external stakeholders and a minority of Gath3r founders/advisors. Foundation tokens will be locked for 6 months post listing, and vested over 3 years after lockup. Note we have included the supply details here, however foundation tokens will only be sold if needed and approved by the board. Foundation board members would have vested interests to ensure the successful adoption of the Gath3r network

Partnerships & Marketing - 15% of the total token amount will be allocated and used for these activities. These tokens will be locked for 3 months post listing, and are planned to be utilized over

3-5 years as needed by the Company. Note we have included the supply details here, however Marketing tokens will only be sold if needed.

The Gath3r platform's main features revolve around merged mining, enterprise sales (for example, the computing power generated from the visitors of the websites using the web miner can be used through CPaaS by businesses to cover their data processing needs), masternodes and web browser mining, as well as the mobile staking wallet. Each of them address a certain stakeholder within the ecosystem.

Enterprise Sales - The two main products relating to this are Compute Power As A service (CPaaS) and the auxiliary chains integrations.

Merged Mining - Addresses website/application owners, as it increases the profitability of the web miner, as well as any integrated auxiliary chain, as it contributes to increasing the security of the network.

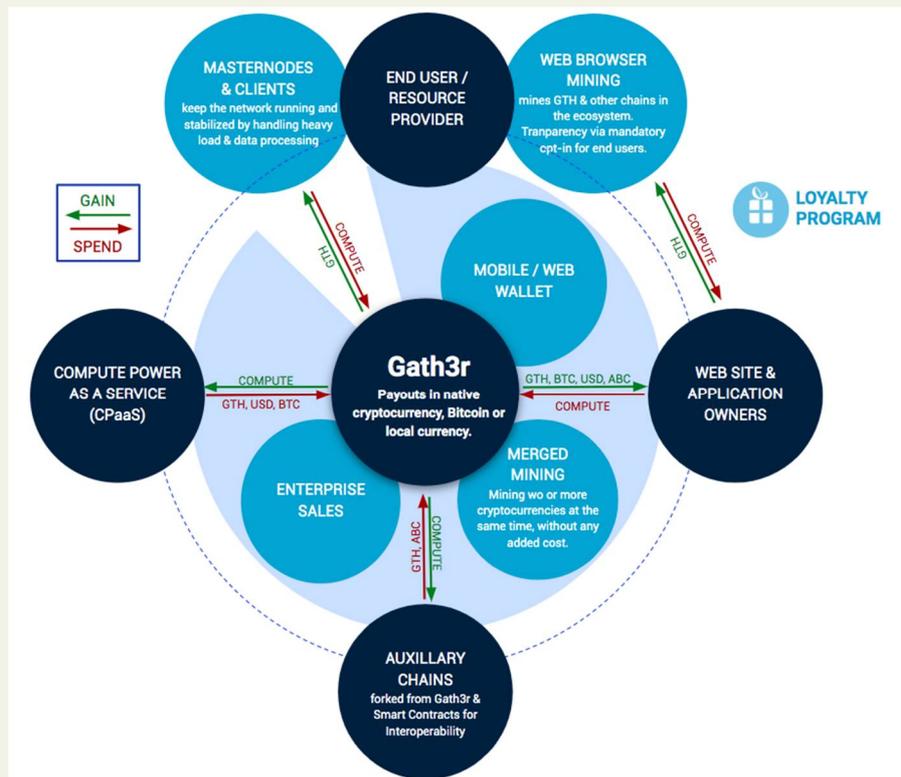
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Web Browser Mining - This feature is specifically tailored towards publishers, helping them create a new revenue stream, as well as increasing loyalty through the Loyalty Program and also improving the user experience by reducing/eliminating ads. Through the Loyalty program, website owners can opt to share a portion of their gains with their most loyal visitors, with exact percentages and amounts being decided solely by the publisher.

Masternodes - This feature helps secure the network and can serve as a passive income for the holders of GTH.

Mobile Staking Wallet - This is a feature that can address not only the owners of GTH but the publishers earning GTH as well, as it can be automatically transferred into the wallet in order to generate more GTH.

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For additional details regarding fund utilization, roadmap and other basic token details, please visit the [Technology](#) page of our website, or for any other questions don't hesitate to contact us on Hello@Gath3r.io.