

March 02, 2022

To our community,

Hathor reached many milestones in 2021. More than 80,000 non-fungible tokens (NFT) were issued on Hathor; 9 use cases launched their platform; more than 30 NFT collections were created; the Brazilian Securities Commission approved the first [STO platform](#) to run on Hathor; dozens of projects reached out to us to learn how to build on Hathor, and more than 400,000 transactions (we recently passed [600,000](#)) were executed on the network. These numbers reflect what we value most: attracting use cases to our ecosystem.

But we are still in the early days of blockchain. Today, entrepreneurs seek amazing apps that can execute innovative business models on top of blockchains. Tomorrow, industries will reinvent themselves, and the largest companies in the world will be powered by blockchain. Hathor has the technology to be the backbone of these companies.

We have the opportunity to be the first choice among builders, considering larger players are still offering complex and expensive platforms. Our competitors have been working on innovation, but they have yet to deliver simplicity and low costs. Our goal is to consolidate and expand our digital assets position while further enhancing our network's features. We see valuable opportunities in the market we target, and excellent execution is the most important thing for establishing ourselves as a leading platform.

## **IT'S ALL ABOUT USE CASES**

We understand that the best measure of our success is to be chosen as the premier blockchain platform by builders. It directly results from our ability to provide a solid and reliable platform where use cases can develop proof-of-concept and production-ready solutions in a cost-efficient and timely manner.

Hathor's vision is to be the first choice for builders when it comes to blockchain technology. We are here to simplify blockchain technology and push digital solutions further, offering better performance for use cases to reach larger audiences and attain higher profits.

Our decisions have always been consistent with this vision, and we measure our performance using metrics that are attractive for builders and use case growth. We have invested and will continue investing in expanding the number of use cases by providing the proper infrastructure to ensure builders a smooth and safe integration of their solutions with our blockchain.

Focusing primarily on use cases profoundly impacts how we weigh tradeoffs and make decisions. Here are the fundamentals behind our decision-making processes:

- Use cases come first! We always focus on delivering the most easy-to-use tools and supporting the use cases being built on Hathor.

- We consider network security to be the most critical aspect of the network. No use case, especially within large companies, will build their products on a protocol that does not have a track record of reliability. Hence, network issues are always a top priority.
- We constantly invest in improving our technology, working hard behind the scenes to provide new features, tools, and pieces of software that increase our use cases' competitive advantage.
- We work silently on new technologies and announce them when they are real. We love to underpromise and overdeliver, surprising everyone with distinguished products.
- We love telling stories that inspire people and can be tested and executed right away.
- We direct our grant programs towards builders who show sustainability and profitability, supporting those that deliver consistent, successful work. We learn from both their successes and failures.
- We choose long-term growth rather than short-term market reactions.
- We focus on hiring the best and most talented people. We know our success depends on our team being capable of excellent execution.

The above reflects who we are and what we believe to be the best way to establish an enduring blockchain business.

## INFRASTRUCTURE

During 2021, we upgraded our infrastructure to support our growth and improve our service levels:

- Our team grew from 6 to 19 people; we also enhanced our hiring and onboarding process and strengthened our management team.
- Our capacity for receiving new use cases grew significantly after setting up new processes and training material.
- We grew on the education front, releasing new pieces of documentation, preparing a [GitBook](#) to keep developers and use cases up to speed, releasing a [video](#) highlighting why Hathor is scalable, and finally preparing [lectures](#) which we presented at MIT in December of 2021.
- The network reliability for use cases grew considerably with a significant increase in the hash rate, and we became the third-largest among all sha256d proof-of-work networks. The [hash rate](#) reached a fantastic all-time high of 24Eh/s; f2pool, to date the largest mining pool globally, [announced merged mining](#) with HTR; other pools have already started integrating with us, and they will make their announcements at their own time.
- We vastly expanded our network monitoring to both support our enterprise and our use cases. This work behind the scenes is precious for builders and developers but, more often than not, goes unnoticed by the community.
- Hathor's [full node](#) was improved in many ways after releasing 12 new versions. These improvements covered new APIs for use cases, security updates, and tools for

integrations, among other improvements, all crucial for use cases since they must run their own full nodes for integrations.

- The ecosystem available for builders has grown in many areas. [Ledger added support](#) for HTR tokens; [Simplex announced VISA cards](#) backed by HTR tokens; [Parfin](#) added support for custody of tokens created on Hathor; we joined the [Messari Registry](#), and [Ankr](#) started offering cloud-based Hathor full nodes for builders.
- Hathor Wallet Headless, used mainly by use cases and exchanges, has continually evolved to fulfill the constantly changing needs of developers. We added new APIs and support for [NFTs](#), empowering many use cases to integrate platforms with Hathor.
- Making sure the network was up and running smoothly took a significant part of our working time in 2021, and we will keep investing in this task in the years ahead.

All these deliverables present a more reliable and trustworthy platform for use cases.

## **COMMUNITY RELATIONS**

Respect for our community is fundamental for sustainable growth. Our community supports us in many ways, and we are very thankful to have you with us. You trust our capacity to execute well and deliver technologies that will empower future industries. You also promote Hathor, increasing awareness and bringing more builders to the community.

We have been learning from our community since Hathor's mainnet was launched in January 2020. Since then, we have already experimented with several types of reports, but we feel most of them missed the mark. Ultimately, these reports concentrated on technical aspects instead of communicating what Hathor is all about: bringing value to builders. Even though our innovative technology is at the center of Hathor, we are driven by delivering high quality services to use cases. From now on, we will concentrate our reports in that direction.

You can expect to see quarterly and annual reports. Quarterly reports will be published within 45 days of the end of the quarter, and annual reports will be published within 90 days of the end of the year. Therefore, there will be three quarterly reports followed by an annual report.

## **NANO CONTRACTS**

We understand and agree Nano Contracts are a highly expected feature, and we would like to take this opportunity to bring everyone up to speed on their development status.

We worked on initial designs and proofs of concept for Nano Contracts in 2021. Due to business opportunities that emerged during the year, requiring us to dedicate more of our resources to other areas, we temporarily paused the Nano Contracts development.

Doing so was strictly a business decision, and it did not hurt any use cases. On the contrary, we have onboarded and supported many projects that didn't need Nano Contracts and were already building on Hathor. If we hadn't prioritized as we did, we might not have had many of the use cases that we all love.

We agree that Nano Contracts are a piece of innovation that will help attract even more

projects to Hathor. And we are looking forward to making them real just as much as you do. To help us achieve this, we have grown our team with product managers and engineers who can take good care of our current builders and features while we have the time to work on Nano Contracts.

In 2022, I will work closely with a product manager to create the best tool for our builders. We have already started onboarding selected use cases who would like to use Nano Contracts to get their inputs and requirements. If you know about any projects which need Nano Contracts, particularly for DeFi related purposes, please ask them to get in touch with us.

## **OUR TEAM**

Hathor's success in 2021 is the product of hard work from a talented and dedicated team. I'm honored to be part of this team and work side-by-side with such motivated people. Hiring and developing the best has been, and will always be, the key to our success.

It's not easy to work for a quickly expanding blockchain company. Expectations are high, and pressure can rise rapidly. On the other hand, we are building a blockchain platform that matters to our community, a technology that could transform industries, and a story worth telling. I'm thankful for our team's passion for Hathor.

## **GOALS FOR 2022**

We are still learning how to bring more competitive advantages to our use cases through blockchain technology. Our goal remains to continue growing these use cases and delivering tools to support the builders behind them. This requires investment in education and development of key partners while we grow our ecosystem. We plan to provide new features to expand what can be built on top of Hathor and attract a broader range of new projects. A big part of our challenge is prioritizing our efforts and investments to deliver compelling value for builders.

We have learned so much since the launch of the mainnet in 2020. There are many challenges and risks ahead to make our long-term vision for Hathor a reality. However, we believe the impact of blockchains will be tremendous and will redefine entire industries. We feel optimistic about the future and very excited about what we want to achieve.

2021 was an incredible year where we laid the groundwork for the future. We are grateful for our community's support, the builders' trust, and our team's hard work. I feel great things are on the horizon.

Respectfully yours,

Marcelo Brogliato  
Founder & Chief Technology Officer  
Hathor Labs