2023'Q1 REPORT

Hathor Labs

Dear community members,

I am pleased to share our Q1 2023 report, which showcases the positive progress we have made despite challenging conditions.

Our team has been working tirelessly to bring new, promising use cases to Hathor's ecosystem, which will accelerate its growth and open up new business opportunities. We are thrilled about these new developments and the possibilities they bring. We hope that, after reading the full report, you share our excitement as well.

In line with our commitment to uphold the highest level of security, we have launched a Bug Bounty program. This program is designed to identify and address potential security issues and ensure that the software provided by our team remains safe and secure. This action is fundamental in order to guarantee that Hathor Network is prepared and fully equipped for the upcoming features, including Nano Contracts.

Our progress is proof of the dedication and hard work of our talented team, and we could not have achieved this without the support of our community. We are grateful for your continued support and feedback, which have been invaluable in shaping our platform.

As we look ahead to the rest of the year, we remain committed to driving innovation and growth in the blockchain industry. We will continue to work to deliver the best possible experience to our users and build a stronger and more resilient ecosystem.

Sincerely,

Yan Martins

Yan Martins
CEO OF HATHOR LABS

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23'Q1 | EXECUTIVE SUMMARY

We have selected the main milestones of Q1'23 for those who want to quickly be updated on our latest progress, but we strongly encourage you to read through the full report.

01   PRODUCT RELEASES AND UPDATES

Nano Contracts — Our team has completed the foundation for Nano Contracts, enabling support for them in all major infrastructure parts. With this development, we can now focus on improving existing blueprints and developing new ones to support a range of network use cases. Hathor Labs has also built a blueprint SDK, which will enable external developers to create their own blueprints and speed up the adoption of Nano Contracts, reducing dependence on the core team. More information about blueprints and the SDK will be available soon.

02   USE CASES

BRZ — BRZ has been integrated into the Hathor Network - a stablecoin from Transfero Group that is pegged to the Brazilian Real. This new addition to our ecosystem opens up a world of opportunities for developers and enterprises who are looking to enter the exciting world of DeFi and payment applications using blockchain.

ATP by Alvarez & Marsal — The Asset Token Platform was developed as a white-label solution by BizHub, which is the innovation hub of Alvarez & Marsal - a leading global consulting firm with over 7,000 people across four continents. The platform aims to provide a seamless user experience and an efficient time-to-market for those new to blockchain adoption.

Guardiões da Mata — Guardiões da Mata, a Brazilian Regenerative Finance (ReFi) project, has joined Hathor Network's ecosystem, aiming to bring environmental and social transformation through reforestation and revival of the Atlantic forest coverage in Xerém.

03   NETWORK MAINTENANCE

Bug Bounty — We partnered with Immunefi to launch a bug bounty program that offers rewards of up to US$100,000 to researchers who discover vulnerabilities in the Network. At Hathor Network, we take security very seriously, and we believe that transparency and collaboration are the keys to building a strong and secure blockchain network.

23'Q1 | USE CASES HIGHLIGHTS

▶ **ASSET TOKEN PLATFORM BY ALVAREZ & MARSAL**

Assse Token Plataform
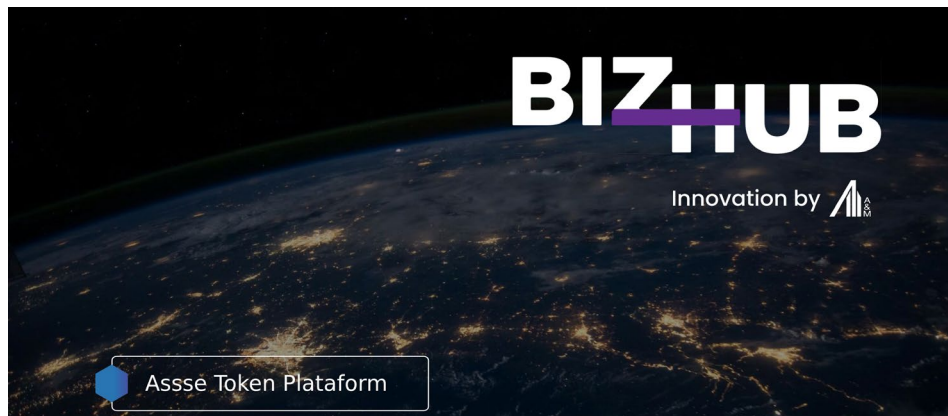
We are happy to announce that the Asset Token Platform, developed by BizHub/ Alvarez & Marsal, was launched to facilitate the adoption of blockchain by new players. This solution can benefit any tokenization project, helping corporations that need improvement in security and reliability and supporting entertainment players with visual arts, music, sports clubs, e-sports, etc.

This white-label platform was an effort of BizHub, the innovation hub of Alvarez & Marsal, a leading global professional services consulting group, to offer a smooth user journey and an effective *time to market* for new blockchain adopters.

▶ **BRZ STABLECOIN**
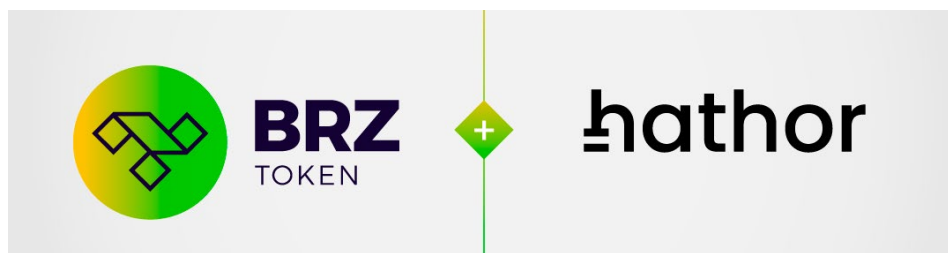
We are thrilled to announce that we have integrated the BRZ, a stablecoin referenced in Brazilian currency, into Hathor Network.

With the entry of BRZ, everyday transactions such as payments and remittances will be able to be done in a reliable and stable way, reducing fees and delays associated with traditional payment methods. Furthermore, the integration will facilitate trading operations on exchanges, allowing traders and investors to buy and sell other cryptocurrencies without having to convert them back into fiat currency. The increased liquidity generated by the stablecoin will help the development of the Hathor Network in the Decentralized Finance (DeFi) segment, as this type of coin is an essential component of lending and other financial activities using blockchain. International transactions will also benefit, as the integration will provide a more efficient and cost-effective alternative to traditional remittance services while reducing fees and delays.

We have put together a FAQ addressing all your doubts. Please check it out here.

▶ **STO GROWING**

COINTELEGRAPH
Brasil

GINO MATOS   17 FEB 2023

QR Vórtx Tokenizadora emitirá primeiros CRI e CRA tokenizados do Brasil

Tokenizadora também confirmou participação no sandbox regulatório da CVM até 2024

Vórtx QR Tokenizadora is continuing to grow and has achieved yet another milestone. In February of this year, the Brazilian Securities Commission (CVM) granted authorization to the platform to issue the first-ever tokenized Real Estate Receivable Certificates (CRI) and Agribusiness Receivable Certificates (CRA) in Brazil. Due to their low risk and unique tax status, these securitized fixed-income securities are highly regarded in Brazil for financing real estate and agribusiness projects. As previously reported, the company has already conducted four issuances of securities tokens that were authorized by the CVM, totaling approximately USD 35 million in private bonds under the coordination of major banks like Itaú BBA and Santander. It's exciting to see how Vórtx QR Tokenizadora is broadening its portfolio and actively collaborating with regulators and market players to enhance the speed and efficiency of the financial market.

▶ **GUARDIÕES DA MATA**

Last March, we welcomed Guardiões da Mata, a Brazilian Regenerative Finance (ReFi) project, to Hathor Network's ecosystem. This project has a grand vision of bringing about a complete environmental and social transformation through reforestation and the revival of the Atlantic forest coverage in Xerém, a district located near Rio de Janeiro. Additionally, the project is committed to educating the younger generation about web3 technology and sustainability.

Unlike traditional finance models that prioritize short-term profits, Regenerative Finance is all about promoting the well-being of communities and the long-term health of the planet while also generating strong financial returns. This approach involves responsible financial practices, investing in sustainable development projects and companies, and making ethical and sustainable financial decisions.

Here you can find more information about the enablers of Guardiões da Mata, Instituto Zeca Pagodinho e Código Brazuca.

PRODUCT RELEASES AND UPDATES

▶ **WEB WALLET**

In Q1, we [announced](#) our preliminary plans for integrating the Hathor Wallet with web apps (dapps) and Nano Contracts. Since the announcement, we have created technical designs and proofs of concept for the solutions we have been considering.

After considering each solution's pros and cons, we started implementing Wallet Connect support in our mobile and desktop wallets. Wallet Connect is a protocol that enables wallets and other applications to communicate with the browser, e.g., by scanning a QR code or using deep linking to log in to dapps and sign transactions. If you have used a crypto wallet before, chances are you have already used Wallet Connect.

We have started the implementation in the mobile wallet, since we have already made a POC for it. The POC and the full design we made for Wallet Connect can be viewed on [GitHub](#).

The design lists the RPC methods that we will implement first. If you are planning to build something and need any other methods than the ones listed, we would love to hear from you. Feel free to comment directly on the GitHub design or get in touch with our engineers on Discord.

We also considered building on MetaMask Snaps, which lets developers connect other blockchains to the popular wallet. However, as MetaMask Snaps is currently in a prerelease stage, we decided now wasn't the right time to start building on it. We see MetaMask Snaps as a good solution for a web wallet on Hathor, and we will keep an eye on their development and security audit status. The MetaMask team is currently working on these things and has an ETA of Q3 2023. Once we see a production release approaching, we may start a project to build on it.

We also made a design and POC for MetaMask Snaps, which can be viewed on [GitHub](#).

If you are a developer and would like to develop a wallet on Hathor, we want to connect with you to help. Please reach out to us on [Discord](#).

Push notifications — Push notifications were added to the mobile wallet on Android in Q1. This feature will notify you whenever you receive a new transaction or an update to an existing transaction. The iOS wallet will get push notifications in early Q2.

Wallet service — The wallet service was tested externally with the help of our user testing group, consisting of selected community members and admins. The testing showed great enhancements in the loading speed of both the mobile and desktop wallet. A user with a huge wallet consisting of around 11,000 addresses saw the wallet initialization time reduced from around 30 minutes(!) to 15 seconds after being added to the wallet service. Although that is an extreme case, the wallet service will surely improve the wallet UX for the majority of users. After the external testing, we started the public rollout of the wallet service in Q1, adding it to a limited number of user wallets. We expect to continue this gradual rollout in Q2.

Other wallet updates — The mobile and desktop wallets both received new releases in Q1, adding various improvements and bug fixes and preparing them for the rollout of the wallet service.

▶ **NANO CONTRACTS**
We have now completed the foundation for Nano Contracts. This means we now have support for Nano Contracts in all the major parts of our infrastructure, including Hathor Core (API for the wallets, WebSocket for real-time updates, Consensus, P2P Sync,Storage, and Execution), the wallets (wallet library, desktop wallet UI, and headless wallet), the explorer, and the transaction mining service.

Going forward, we can now focus more of our resources on improving the existing blueprints and developing new ones to support a multitude of use cases on the network.

Perhaps the most exciting piece of Nano news for both users and developers is that we also built a blueprint SDK (Software Development Kit) in Q1. In simple terms, the SDK will enable external developers to create their own blueprints while making sure that the code and functionality are within the requirements of the network. We also expect the SDK to speed up the adoption of Nano Contracts and make it less dependent on blueprints created by Hathor Labs' core team.

Look out for a blog article focused on blueprints for more details on how the SDK will work and what you can build with it. We look forward to seeing the creativity and new use cases that this exciting new tool will unleash!

▶ **SIDE DAGs**
Side DAGs are separate networks running alongside Hathor's mainnet while maintaining the same level of security. These networks can be permissioned or private and are typically designed for enterprises looking for greater flexibility to allow their business to achieve the level of transparency they desire.

In Q1, we researched and explored different approaches to side DAGs to better satisfy potential client requirements. We created a POC of a network with a PoA (Proof-of-Authority) consensus algorithm, describing features, challenges, and potential future work for different network types and consensus algorithms.

Summarized, side DAGs allow companies and projects to:
- Run private and permissioned hybrid networks.
- Easily configure their own network with their specific business rules.
- Explore blockchain technology in a safe and secure environment.
- Avoid the risk of sharing any confidential data.
- Customize their network's execution environment, e.g., EVM or other VM compatibility.
- Customize their network's consensus algorithm, e.g., PoW, PoS, PoA (or a combination).
- Customize their network's validation rules.
- Customize their network's fee rules.

The above bullets are a combination of existing and future features.

If this sounds interesting to your business or use case, please don't hesitate to contact us by email – commercial@hathor. network – or Discord to discuss your requirements.

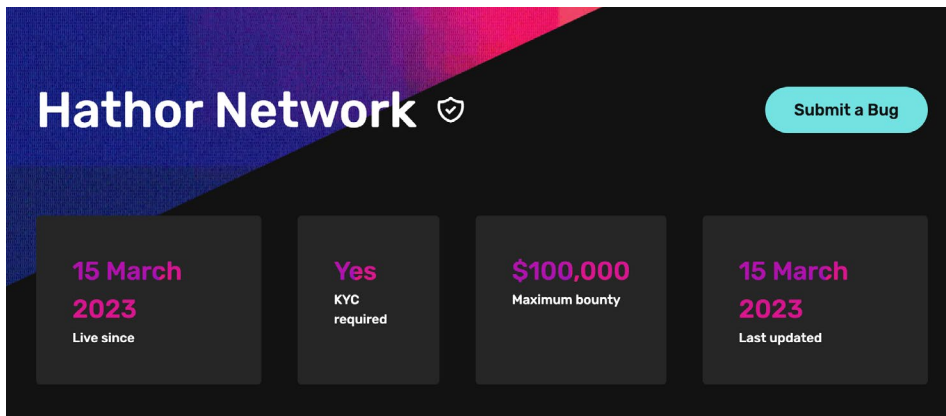# 23'Q1 | PARTNERSHIPS

▶ **A&M BizHub**
This quarter we celebrated our partnership with BizHub, the Alvarez & Marçal innovation hub in Brazil. Our desire to facilitate the entrance of companies into the blockchain industry is what motivated this alliance. A&M is a leading global professional services firm that provides advisory, business performance improvement and turnaround management services. With over 7,000 people across four continents, A&M delivers tangible results for corporates, boards, private equity firms, law firms and government agencies facing complex challenges.

BizHub/A&M understands that those working with blockchain today are essentially writing the future of technology. Currently, the hub is already developing the tokenization of steel, rewards programs, and bank bonds, and the choice to partner with Hathor Network was due to its advanced technology. Hathor's blockchain infrastructure is also interesting for this partner because it enables public network solutions with high availability and lower costs.

We have confidence in this partnership to bring us closer to our mutual goal of facilitating the adoption of blockchain technology in the market.

23'Q1 NETWORK MAINTENANCE

▶ **BUG BOUNTY**

Hathor Network 🛡

Submit a Bug

15 March 2023	**Yes**	**$100,000**	**15 March 2023**
Live since	KYC required	Maximum bounty	Last updated

We are thrilled to announce our partnership with Immunefi, as we launch a comprehensive bug bounty program aimed at strengthening the security of our systems. The bug bounty focuses on identifying vulnerabilities in Hathor's core and native wallets, and we are offering up to US$100,000 in rewards to researchers who help us achieve our goal.

Our Bug Bounty program is an open invitation to security researchers and "white-hat" hackers to test the security of our systems and report any discovered vulnerabilities. By incentivizing researchers to identify potential weaknesses, we hope to proactively identify and resolve any security concerns before they can be exploited. Ultimately, the program aims to enhance the security of our systems and ensure the safety of our users' assets.

For a detailed breakdown of the bug bounty program, as well as the associated rules and regulations, please visit our dashboard. We encourage interested researchers to participate and help us in our mission to provide a secure platform for all users.

▶ **SYNC V2**
The development of Sync v2, which you can read more about on our blog and in previous reports, has been completed, and in Q1, we started preparations for the rollout and upgrade of Hathor's

mainnet. We are now running bridges and full nodes with Sync v2 only on mainnet and are planning to complete the network upgrade in Q2.

▶ **SIMPLIFIED INTEGRATIONS**

One of Hathor's strengths is the simplicity it offers developers that are building on the network. There is no need for any blockchain-specific languages or knowledge about blockchain concepts. You can simply build apps and integrate using any language you prefer.

However, up until now, applications that want to interact with the full node have had to write their own sync algorithm and handle all cases (like reorganization). This algorithm can become very complex and consume lots of development resources. To tackle this, we have implemented a built-in event management system with an API to simplify integrations and interactions with the full node. We expect this new system to bring great time savings for any project integrating with Hathor. We will soon publish a guide on how you can make use of this simplified integration process in your project.

▶ **FINAL HALVING**

Hathor Network underwent a critical development at the beginning of this quarter. On January 10, we had a halving event that reduced block rewards from 16 to 8, marking the final reduction in newly mined token rewards since the Network's mainnet launch three years ago. This reduction is of significant importance to the Network's growth, as it has helped to maintain the scarcity of HTR while balancing rewards for miners and holders.

The Hathor Network's halving event represents a shift towards greater sustainability and economic stability for the Network. As the final reduction in block rewards, it marks a milestone in the Hathor Network's evolution and points towards a promising future for the blockchain platform.

| # MARKETING HIGHLIGHTS

▶ **WEB3MBA - HACKATON**

In Q1, Hathor Network participated in the Web3MBA Hackathons, a course created by Bit2Me, a leading expert in finance technology and cryptocurrency in the Hispanic world. The Hackathon featured seven teams, each tasked with tackling complex challenges presented by top industry players, such as Google, Telefonica, KPMG, Iberdrola, and Accenture.

Our Chief Marketing Officer, Diego Guareschi, supported participants in their training and development by contributing to their efforts and hosting an introductory AMA session with Web3MBA. This provided participants with an opportunity to gain a deeper understanding of Hathor Network's unique features and advantages.

As one of the event's infrastructure providers, we were delighted to play a key role in the Hackathon. The event's highlight was the selection of the winning team, which successfully solved Accenture's Carbon Credit Tokens challenge, as the overall winner of the Hackathon. This effort underlines Hathor Network's commitment to innovation and the advancement of the blockchain industry. Check the full presentation here.

▶ ETHEREUM RIO

Our Head of Global Business Development, Leandro Pereira, participated as a panelist at Ethereum.Rio. The panel focused on the challenges related to adopting DeFi and the diverse perspectives surrounding it.

As one of the most prominent cryptocurrency events in South America, Ethereum Brasil acts as a gateway for international Web3 projects seeking to establish a foothold in the Brazilian and LATAM region. Leandro's presence at this event in an example of our dedication to promoting global DeFi adoption.

▶ PR RELEASES

The launch of three outstanding use cases built on Hathor Network garnered the attention of the Brazilian Media. Guardiões da Mata, the ReFi project built with the support of Instituto Zeca Pagodinho and Códico Brazuca, was showcased in an article

by BeingCrypto. The piece explored the importance of having a more regenerative economy that prioritizes sustainability.

The Asset Token Platform built by BizHub/A&M was also portrayed in a prominent media channel, Valor Econômico. According to the article, BizHub, the innovation arm of Alvarez & Marsal, invested in the platform aiming to sell it to companies that want to raise funds in an easier and cheaper way through tokenized assets. The choice of Hathor, says the BizHub director, Thiago Nascimento, was due to its cost-benefit and accessibility when compared to other chains like Ethereum, for example.

The integration of BRZ stablecoin with Hathor Network got picked up by Panorama Crypto. The article highlights the importance of this project to broaden the reach of BRZ in the crypto market and to solidify Hathor's ecosystem.

COMMUNITY HIGHLIGHTS

▶ **NANO INSIGHTS**


[Check Dozer's full episode.](#)

[Check Bullz Club's full episode.](#)

As part of our continuing series, Nano Insights, we have had the pleasure of getting to know the team members of Dozer Protocol. They are currently working on building a Decentralized Exchange, which will serve as the underlying infrastructure for their Lending Protocol. In the second episode, we had the opportunity to speak with the developers of Hathor Bullz Club, who are working on a staking protocol that will serve all the projects building on the network. We are eagerly anticipating further updates on their progress as the testing phase for Nano Contracts commences.

▶ **LEADERSHIP FORUM —** EPISODE 4 YAN MARTINS
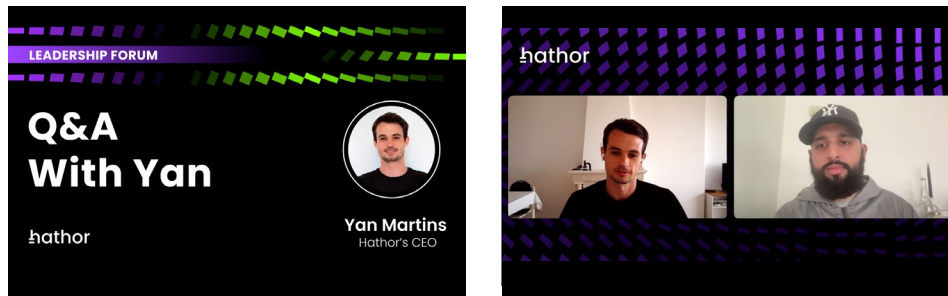
On our latest episode of the Leadership Forum with our CEO, Yan Martins, we delved into the exciting future of the Hathor Web Wallet, exploring the initial designs and POCs, as well as our current implementation using WalletConnect. We also explored the SDK being developed by Cryptum, the tokenization platform currently under construction by Alvarez & Marsal on the Hathor network, and the growing demand we are seeing from companies for Side DAGs.

Additionally, we provided more in-depth information on our Bug Bounty program in partnership with Immunefi, as well as the ongoing Nano Contracts testnet. Find the full episode here.

▶ **Q1 LEDGER SURVEY**

The ongoing Q1 Ledger Survey aims to assess community satisfaction and engagement with Hathor's ledger implementation. At Hathor, we are always seeking new ways to enhance the usability and security of our platform, and community feedback plays a critical role in this process. The results of the survey will guide us in identifying key areas for improvement and proactively implementing changes that enhance the user experience. As a network, we remain committed to prioritizing user feedback and fostering increased community engagement.

▶ WATER COOLER BREAK

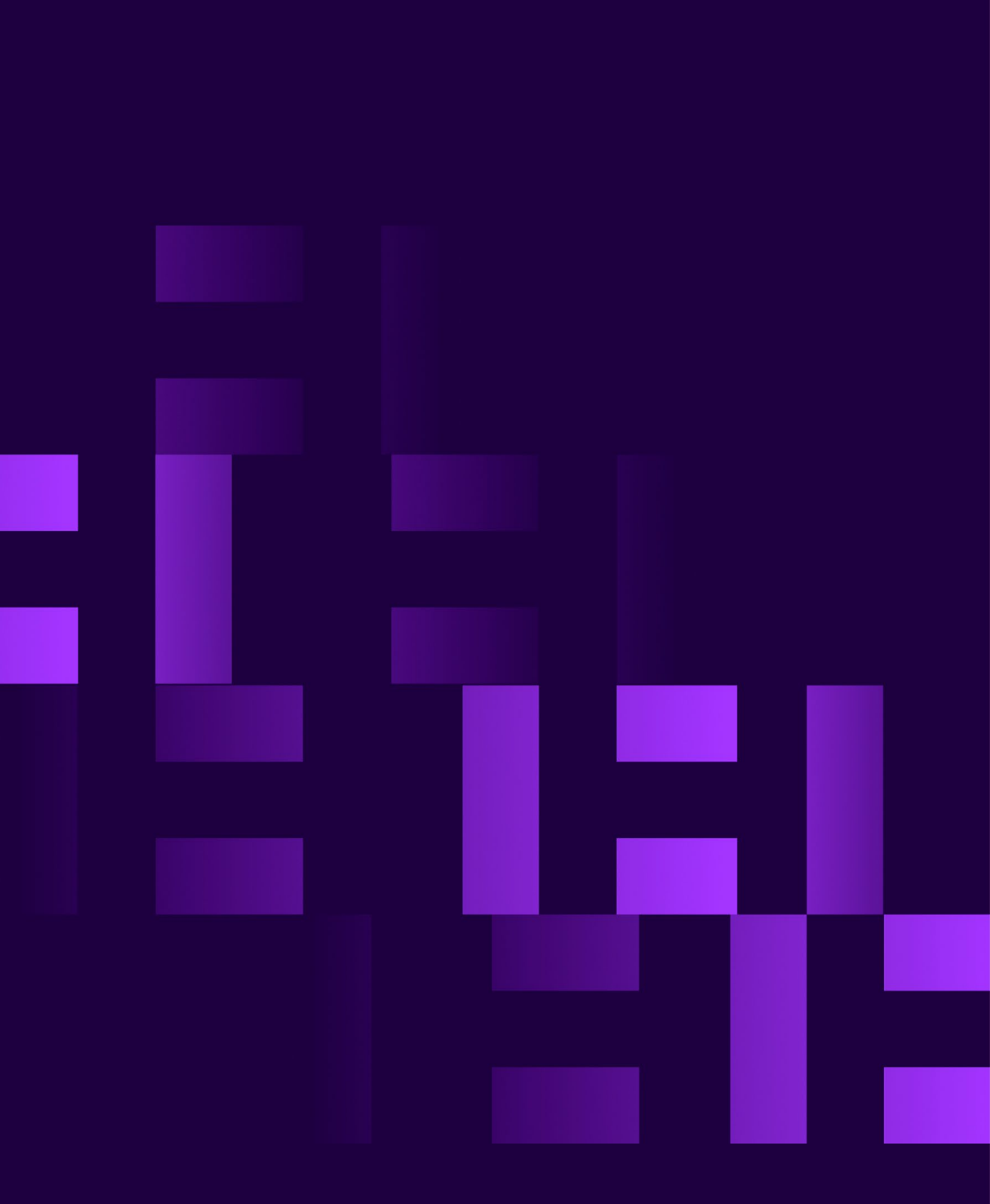Water Cooler Break
Updates for the Community

For Q1 we decided to change the way our Water Cooler Breaks were presented. Formerly held as live community calls on Telegram, we have decided to transition this initiative to a podcast-style format in order to enhance accessibility and provide more concise, focused content for the community.

During our recent Water Cooler Breaks, we celebrated the third anniversary of Hathor's Genesis and our mainnet, as well as the latest Hathor halving. We also discussed our exciting partnerships with Cryptum, Alvarez & Marsal, and unveiled Nano Insights, a new podcast initiative designed to keep our community members informed about Nano Contract tests and the talented teams working on them.

In addition, we delved into our Web Wallet plans and the Bug Bounty program. We also touched on the recent extension granted by the CVM to Tokenizadora, enabling their continued participation in the regulatory sandbox, and the approval of the tokenization and offering of Agricultural (CRA) and Real Estate (CRI) assets.

Going forward, you can access all future recordings exclusively on the Hathor Network - Announcements channel via this link: https://t.me/HathorNetworkAnnouncements

Q1'2023 REPORT | Hathor Labs