2024'Q1 REPORT

Hathor Labs

To Our Valued Hathor Network Community,

As we reflect on a positive first quarter of the year for the entire industry, I am filled with gratitude and excitement for the future of blockchain technology, especially regarding Hathor Network. The past few months have clearly indicated the growth that defines our sector.

Our team has made significant strides in technology development, notably in preparing to launch our Nano Contracts. We are in the final stages of adjustments and documentation, setting the stage for the forthcoming release of the public testnet.

Additionally, we are in the process of completing the audit of our EVM bridge. This crucial step will ensure security and functionality as we prepare to bridge Hathor Network with EVM platforms to enhance interoperability within the blockchain ecosystem. Our efforts in recruiting validators are advancing, which is a critical initiative for the network's security and performance. The enthusiastic response from the community to these developments has been incredibly encouraging.

We are also delighted to share that the Syncv2 update for our full node has been fully implemented, significantly improving our network's efficiency and user experience.

We're accelerating our global expansion by actively participating in renowned international events. Through these engagements, we're not only increasing our presence but also forging valuable connections that are instrumental to our growth and success in the blockchain ecosystem.

Thank you to our dedicated team, passionate community, and valued partners. Your support and belief in our vision fuel our progress and inspire us to reach new heights.

Together, we are building something truly extraordinary.

Warm regards,

VOLKER KUEBLER
CEO OF HATHOR LABS

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EXECUTIVE SUMMARY

We have selected the main milestones of Q1’24 for those who want to quickly be updated about our latest progress, but we strongly encourage you to read through the full report.

01 PRODUCT RELEASES AND UPDATES

Nano Contracts —In Q1, we’ve focused on enhancing the Nano Contract Core infrastructure and refining the SDK based on beta feedback. Integration efforts for mobile and headless wallets are underway. With code gradually moving to public repositories, we anticipate the open beta phase, marking a significant milestone in smart contract development.

02 USE CASES

In Q1, exciting developments have unfolded within the Hathor Network ecosystem, particularly with two standout projects: **Vórtx QR Tokenizadora** and **Kate Equity**.

Vórtx QR Tokenizadora, authorized as the pioneering over-the-counter market for tokenizing a broad spectrum of financial assets, including banking securities and non-securities, has marked a significant milestone. Following regulatory approval from the Brazilian Securities and Exchange Commission (CVM), Tokenizadora continues to spearhead innovation within Brazil’s regulatory sandbox environment. And the extension of Vórtx QR Tokenizadora’s permit until 2026, promises continued growth within the regulatory sandbox environment.

Kate Capital has opened new business units to extend its business footprint using blockchain tech. Kate Equity has emerged as a transformative force in equity crowdfunding, enabling investments in startups, real estate, and other ventures. Emphasizing accessibility with investments starting from R$1,000, Kate Equity prioritizes compliance and security, ensuring a transparent investment process aligned with regulatory norms from the Comissão de Valores Mobiliários.

Both projects, Vórtx QR Tokenizadora and Kate Equity, anticipate sustained momentum and expansion in the dynamic landscape of alternative investments and asset tokenization.

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USE CASES HIGHLIGHTS

KATE ECF | EQUITY CROWDFUNDING

Kate Equity is a platform that focuses on equity crowdfunding, offering investment opportunities in startups, real estate, and other promising businesses. It aims to democratize alternative investments by connecting entrepreneurs with investors. The platform emphasizes accessibility, allowing investments as low as R$ 1,000, and highlights the simplicity of analyzing and choosing projects matching investor profiles. Kate Equity prioritizes security by adhering to compliance norms and guidelines from the Comissão de Valores Mobiliários, ensuring a safe investment process. For more detailed information, you can visit their website.

EGREENER | CARBON CREDITS

In the realm of blockchain innovation and sustainability, egreener.io stands out within the Hathor Network. Born from the need for reliable carbon credit trading, egreener.io merges technology, transparency, and partnerships to lead Brazil's carbon credit sector. Focused on renewable energy project credits, egreener.io streamlines transactions through blockchain, promoting environmental responsibility and diversification.

Carbon credits represent the reduction of carbon dioxide, marking progress towards sustainability. Acquiring these credits not only offsets carbon footprints but also supports sustainable practices. Additionally, they offer investment potential, with value growth and portfolio diversification.

egreener.io manages the entire carbon credit lifecycle, highlighting Hathor Network's commitment to sustainability and innovation. This partnership reflects our dedication to positive change through technology, driving environmental stewardship and sustainable development forward.

B7TOKENS | TOKENIZATION OF COURT-ORDERED GOVERNMENT DEBT PAYMENTS

The B7 Tokens is an innovative platform for investing in court-ordered debt securities, starting with investments as low as R$100. It was founded by Bachega Advogados, a Brazilian firm with over 40 years of legal market expertise, offering a unique and secure approach to investing in judicial payment orders. The platform promises unmatched profitability through judicial token investments, combining cutting-edge technology with solid legal knowledge to provide high-potential investment opportunities and safety for its clients.

VORTX QR TOKENIZADORA | TOKENIZATION OF BANKING AND NON-SECURITIES ASSETS

We're excited to share the latest developments regarding the Vórtx QR Tokenizadora project. Tokenizadora has achieved a significant milestone: it has become the first authorized over-the -counter market to tokenize and trade a wide range of financial assets, including banking securities and non-securities.

This expansion follows regulatory approval from the Brazilian Securities and Exchange Commission (CVM), allowing the platform to digitize assets such as banking credit notes, deposit certificates, and more. With this authorization, Vórtx QR Tokenizadora aims to democratize access to asset trading, enhance liquidity, and reduce costs associated with these assets. Since its inception, Tokenizadora has tokenized over R$212 million worth of financial assets, distributing over R$45 million in investor remuneration.

The project continues to drive innovation within the regulatory sandbox environment. With Hathor Network serving as the underlying blockchain infrastructure, Tokenizadora is well-positioned to lead the transformation of Brazil's tokenization landscape. Looking ahead, the platform remains dedicated to expanding the scope and volume of tokenized assets, fostering liquidity in secondary markets, and pioneering novel operations within Brazil's financial ecosystem. Find more details here.

By the end of the first quarter, the Brazilian Securities and Exchange Commission (CVM) disclosed an extension of the permit granted to Vortx QR Tokenizadora until 2026. This extension intends to provide enhanced opportunities for projects to thrive within the regulatory sandbox environment. Consequently, heightened growth is anticipated for Vortx QR Tokenizadora in the future.

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PRODUCT RELEASES AND UPDATES

NANO CONTRACTS

In Q1, we primarily worked on the Nano Contract Core, creating and implementing a design for supporting Nano contracts in consensus and refactoring the storage system. We have also been developing a new version of the Nano Contracts SDK, implementing some new features requested by beta testers.

We have also been working on adding support for Nano Contracts in the mobile wallet and the explorer, as well as adding new APIs to support Nano Contracts in the headless wallet.

The open beta phase of Nano Contracts is also approaching quickly, and some of you have noticed we are regularly moving more code to a public repository. We can't wait to open the doors to Nano Contracts to the public and let everyone glimpse the future of smart contracts!

EVM BRIDGE

Development of the Hathor EVM bridge was finished in Q1, and it will open up for a plethora of new use cases on the network. It will allow for the transfer of assets and data between Hathor, Ethereum, and other EVM networks and bring benefits such as:

- **Increased interoperability**

The primary advantage is the seamless interoperability between Hathor, Ethereum and other EVM networks. This allows for transferring assets, information, and smart contract calls across different networks, enabling a more connected and accessible ecosystem.

- **Expanded user base**

By connecting to the EVM ecosystem, Hathor can tap into Ethereum's substantial user base and market liquidity. We hope this exposure will help attract new users and developers to Hathor.

- **Enhanced liquidity**
The bridge facilitates asset transfers between Hathor and other blockchains, which can significantly increase the liquidity of assets on Hathor. We are already discussing collaborations with use cases.

- **Stablecoins**
We see the bridge as a necessary step towards bringing USD stablecoins to Hathor, and we are having discussions with stablecoin issuers about this.

- **Cross-chain dApps and services**
Developers can create dApps and services that leverage the strengths of both EVM and Hathor. Maybe you have an idea for a dApp that might use Ethereum for EVM smart contract capabilities while utilizing Hathor for faster and feeless transactions?

- **Access to Ethereum's DeFi ecosystem**
Ethereum's DeFi ecosystem is one of the most developed and sophisticated in this space. By using the bridge, projects building on Hathor can gain access to Ethereum's DeFi platforms, tools, and services, expanding their financial service offerings.

- **Innovation and experimentation**
We hope to see the bridge encourage innovation by allowing developers to experiment with novel, hybrid solutions that utilize the best features of both EVM and Hathor's ecosystem.

- **Faster, free transactions**
Transactions are faster and free when processed on Hathor. This should be particularly appealing for applications that require high throughput or lower transaction costs.

You can read a blog post on the EVM bridge here.

▶ WALLETS

- **Scaling the wallets**
As part of our ongoing efforts to better scale our wallets, we rolled out several improvements to our wallets and their backend to prepare them for future growth and new features. The changes include a substantial upgrade to our wallets' storage scheme that will benefit all use cases. This new solution

redesigns how we interact with storage, focusing on modularity and asynchronous processing, resulting in an enhanced user experience and better performance.

The new storage scheme is a significant step towards a higher-performing lib and enables us to implement faster wallets and services with less effort. Ultimately, this will lead to more reliable use-case integrations and a better user experience.

With the recent improvements, we bring users some immediate benefits while simplifying the integration process for use cases. Altogether, we are confident that these changes prepare the wallet infrastructure for the future growth of Hathor Network.

Read the full story on wallet scaling on our blog.

- **Wallet Service Event Queue integration**

Last year, we developed the Event Queue, an efficient event management system equipped with APIs. This system simplifies integrations and interactions with the Hathor full node, eliminating the need for developers to write their sync algorithm. If you missed it, you can read the full details in this blog post.

Earlier, our wallet service sync daemon operated by utilizing the full node's WebSocket and HTTP APIs to maintain synchronization with the full node. With this approach, we had to manually handle reorganizations, which was maintenance heavy as all the potential edge cases that were already being handled in the full node, had to be dealt with again in the daemon.

It was precisely with cases like this in mind that we developed the Event Queue feature. So in Q1 we designed, developed, and implemented a new sync mechanism using the Event Queue, replacing the old sync daemon. This new daemon sits between the wallet service and the full node, listening to the events from the full node and making sure the event order is respected while sending them to the wallet service.

- **Ledger app audit**

We developed our Ledger app for the Hathor Desktop Wallet a couple of years ago, but it hadn't been audited yet, which meant that you had to put your Ledger device in developer mode to be able to use it with HTR. In Q1, we collaborated with one of Ledger's partners for app audits, and we are happy to share that our app passed the review. The final audit report has been sent to Ledger, and we are now waiting for them to make our app available in their production environment. Once that happens, you will be able to use your Ledger with HTR without setting your device in developer mode.

Going forward, we are considering additional improvements to our ledger integration. We are initiating an integration into Ledger Live for HTR, and we have projects in our backlog to add support for custom tokens with Ledger, as well as support for the Hathor mobile wallet and any third-party wallets.

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NETWORK & MAINTENANCE

FULL NODE

In Q1, we released two new versions of Hathor’s full node, both packed with new features, improvements, and fixes.

- **Sync v2 released**

Most importantly, the long-awaited Sync v2 protocol (blog post here) was finally enabled by default for everyone in version 0.59.0 of the Hathor full node.

The new protocol has been running stable in our own and selected partners’ infrastructure for a few months already, and it is now ready to be released to the entire network.

With this version, Sync v1 and v2 are running alongside each other. Anyone can still choose to enable Sync v1 only if they want to. However, we plan to release new versions with Sync v1 disabled by default and eventually removed from the code altogether.

- **Merkle-path length upgrade**

Another noteworthy improvement in the full node, is the testing of an upgrade to the Merkle-path length. In our ongoing efforts to increase transaction capacity in merged mining with Bitcoin, we have begun testing the expansion of the maximum Merkle-path length from 12 to 20. This release marks an important step towards improving mining tool compatibility with this future enhancement.

- **Feature Activation**

It’s also worth noting that we are using the Feature Activation process (read more about it in this blog post) to change the Merkle path length, and this is the first time we are using the process for a real feature update. We are using it to test dummy features on mainnet as well, so by updating your full nodes, you will be helping us in testing the Feature Activation process.

- **Record network hashrate**

Over the past year, Hathor has experienced periods with fluctuating hashrate. There have been several reasons for this but we are happy to say that the hashrate has now stabilized itself in the multiple exahash range again. Not only that, it has reached record levels, closing in on 30 exahash per second during its peaks!
You can follow historical and real-time statistics of the network hashrate on our explorer.

The rollout of the Sync v2 protocol on mainnet should get much of the credit for the soaring hashrate with its many improvements for full node runners, such as significantly reduced CPU usage and fewer mined blocks being orphaned.

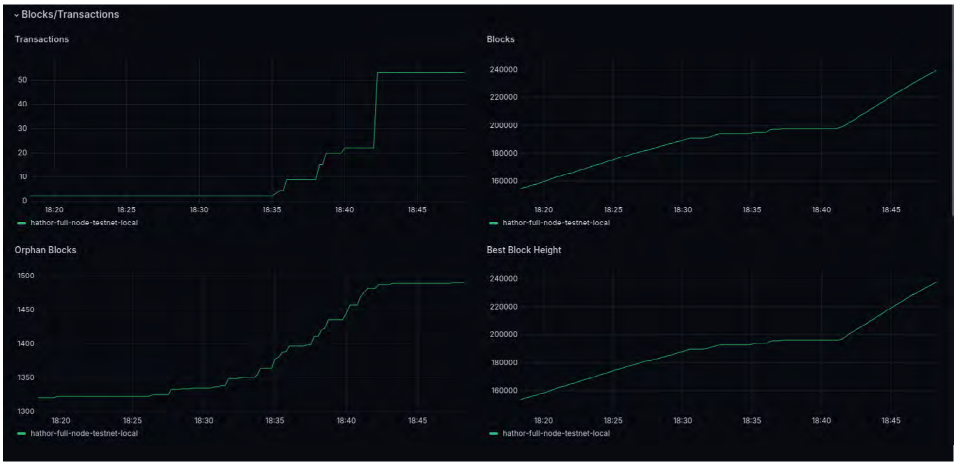
Overall, Sync v2 is heavily contributing to the network's increased stability and performance, and together with the Feature Activation process and a few other ongoing projects that we will cover in more detail later, it is one of the dependencies for the successful rollout of Nano Contracts later this year. We could write a book about all the moving parts for Nano Contracts (relax, we won't) and how all of the projects that we work on are equally important. Nano Contracts cannot be successful on its own; it needs a healthy, stable, and thriving network behind it.

With the implementation of Sync v2 and the many enhancements it brings to the network, we ask that you upgrade your full nodes at your earliest convenience, to maximize the benefits for yourself and for all other network participants.

You can download the latest version of the full node from our GitHub.

If you need any assistance upgrading your full node, check out our guide: How to upgrade Hathor full node.

SYSTEM MONITORING DASHBOARD



We have created monitoring tools and a dashboard for use cases to view the health and status of their Hathor full nodes. This ensures that resources are not under stress and that the nodes are in sync with the network. If there is demand for it, we may expand this monitoring solution to include other parts of an integration later.

Above are some screenshots of the dashboards that can be made available to you.

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MARKETING HIGHLIGHTS

OFFLINE EVENTS

The team participated in numerous offline events this quarter. We were present at **Web Summit Qatar**, where thousands of international entrepreneurs, investors, and leaders gathered at the Doha Exhibition and Convention Center (DECC). We had a busy morning at the DECC, and it was truly inspiring to witness the vibrant activity surrounding Web3 in the MENA region.

Additionally, our CEO, Volker Kuebler, actively engaged in **#CRYPTO2030!** Hosted by WCF2030 in Davos, Switzerland, this event marked the beginning of 2024, bringing together industry leaders, experts, and innovators in the world of Web3!

Furthermore, our CMO, Diego Guareschi, made a presentation at **Smart Summit 2024** on the topic of "Tokenization of Securities Assets within the scope of the CVM Sandbox." Attendees had the opportunity to meet Diego in Blockchain Rio's Digital Finance room at 14:00, where insightful discussions on the subject took place.

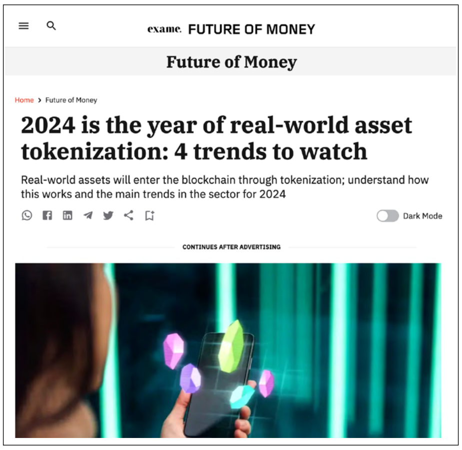
ONLINE EVENTS & PODCASTS

In Q1, we aimed to bolster our online presence through engaging activities such as AMAs and podcasts. During an **AMA session with CoinEx Spanish**, our CMO, Diego Guareschi, delved into various topics. Diego provided an overview of Hathor, emphasizing our BlockDAG architecture designed to address scalability and high fees in the blockchain industry. He highlighted our vision for tokenization and our role as a global leader in the space, particularly in Brazil and LATAM. Guareschi also discussed upcoming developments such as Nano Contracts and EVM interoperability, poised to enhance our offerings and facilitate global expansion. Additionally, he addressed topics including PoW vs. PoS, interoperability, Nano Contracts, and Side DAGs, underscoring our commitment to innovation and client-centric solutions. The AMA recording in Spanish is available here, with an English transcription provided on our blog for those interested in further details.

Diego Guareschi also joined two YouTube podcasts this quarter. The first was with **Future Money**, conducted in Portuguese, and the second was held in English with **Independent Academy**. In both discussions, we delved into various topics including the origin of Hathor, our vision, current network progress, use cases, partners, the future of tokenization and DePIN, and more. Be sure to check them out: Future Money and Independent Academy.

Our CTO and Founder, Marcelo Brogliato, made his second appearance on the FinTrender Podcast, where he discussed the journey of Hathor Network and Hathor Labs, highlighting their evolution. Marcelo also provided some insights into the future developments of the network. Check the podcast in Portuguese here.

PR RELEASES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Future of Money

Home > Future of Money

2024 is the year of real-world asset tokenization: 4 trends to watch

Real-world assets will enter the blockchain through tokenization; understand how this works and the main trends in the sector for 2024

Dark Mode

CONTINUES AFTER ADVERTISING


Valor

Edição impressa | Últimas Notícias

Criptomoedas

Hathor faz parceria com empresa argentina para estimular mineração 'verde' de criptomoedas

Blockchain brasileiro entregará duas vezes mais tokens por conta da matriz utilizada pelo parceiro

Por Ricardo Bomfim, Valor — São Paulo

31/01/2024 09h14 · Atualizado há 2 meses

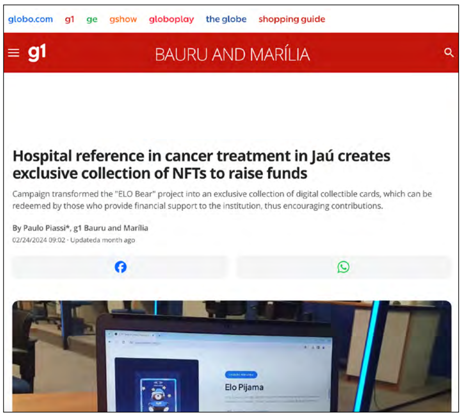

COINTELEGRAPH Brasil

BTC	ETH	BNB	SOL	XRP	ADA
R$335.208	R$16.026	R$2.922	R$745	R$2,73	R$2,512
-2,54%	-2,44%	-1,62%	-3,26%	+3,13%	+1,17%

CASSIO GUSSON 30 JAN 2024

CVM e Banco Central unidos em torno de Tokens RWA, mercado chega a R$ 3 bilhões e especialista aponta 4 tendências para o setor

O Banco Central do Brasil (BC) e a Comissão de Valores Mobiliários (CVM), destacaram recentemente que mantêm um convênio permanente para troca de informações sobre tokens RWA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g1 BAURU AND MARÍLIA

Hospital reference in cancer treatment in Jaú creates exclusive collection of NFTs to raise funds

Campaign transformed the "ELO Bear" project into an exclusive collection of digital collectible cards, which can be redeemed by those who provide financial support to the institution, thus encouraging contributions.

By Paulo Piassi*, g1 Bauru and Marília

02/24/2024 09:02 · Updateda month ago

We proudly present our team's active engagement with various media outlets. As we reflect on our achievements and milestones, it's evident that our dedication to pushing the boundaries of what's possible in the digital realm remains unwavering. Here are the highlights:

Diego's insightful piece featured in **Exame** sheds light on the burgeoning trend of real-world asset tokenization in 2024. His article delves into four key trends to watch, providing invaluable insights into the future of money.

Our strategic partnership with Cryptogranjas to promote green cryptocurrency mining garnered attention from **Valor Econômico** and **NeoMundo Estadão**. This collaboration not only emphasizes our commitment to sustainability but also highlights our efforts to revolutionize the mining sector through innovative solutions.

Diego's interview with **Coitelegraph** brought further recognition to Hathor Network. He discussed the collaboration between the Brazilian Securities and Exchange Commission (CVM) and the

Central Bank of Brazil regarding RWA tokens. Diego outlined four prominent trends shaping the sector, reinforcing Hathor's position as a pioneering force in the industry.

Our partnership with Lifeverso to create a unique collection of NFTs for fundraising purposes was featured on **G1**, one of the biggest news gateways in Brazil. This showcased Hathor's commitment to social responsibility. Collaborating with a renowned cancer treatment hospital underscores our belief in leveraging blockchain technology for meaningful causes. **NeoMundo Estadão** also featured this partnership, focusing on creating a donation system using blockchain technology.

Our involvement in the RWA tokens market, as discussed in Diego's interview, was also covered by **CoinTelegraph,** reinforcing our presence in the industry. Additionally, **Beincrypto** highlighted the launch of NFT collections by a leading oncology hospital, underscoring Hathor's role in facilitating innovative fundraising initiatives.

As we continue to pioneer advancements in blockchain technology and foster strategic partnerships, Hathor Labs remains at the forefront of innovation. We are proud of our achievements in Q1 2024 and look forward to pushing the boundaries of possibility in the coming quarters.

23'Q4

COMMUNITY HIGHLIGHTS

In Q1, Hathor Network celebrated significant community achievements. We kicked off the year by securing the **Best Blockchain Project Award**, a recognition of our community's unwavering support throughout 2023. We extend our heartfelt gratitude to everyone who voted and stood by us during this journey.

As part of our commitment to community engagement, we launched a **Community Satisfaction Survey**, underscoring the importance of gathering feedback and suggestions for the network's continuous improvement. Additionally, Founder & CTO Marcelo Brogliato shared insights into the transformative potential of SIGHASH BITMASK through a short video, shedding light on its impact on decentralized exchanges (DEXs) and the enhanced utilities it brings to the $HTR coin. Another video featured CTO Marcelo Brogliato discussing key use cases on Hathor, showcasing how institutions are leveraging blockchain technology and the optimal features Hathor offers for their products.

In line with our focus on keeping the community updated with current network tech upgrades, we published informative blogs focusing on the scaling improvements made to Hathor Wallets and the impending launch of Hathor's EVM Bridge. The first one highlighted the substantial upgrade to our wallets' storage scheme, designed to benefit all use cases. This new solution redesigns how we interact with storage, focusing on modularity and asynchronous processing, resulting in an enhanced user experience and better performance. The latter blog highlighted the bridge's vital role in facilitating seamless interoperability between Hathor and Ethereum or other EVM-compatible networks, emphasizing the importance of federators in ensuring secure token transfers. We're pleased to announce that we've reached the required number of federators, with applications currently closed.

WATER COOLER BREAK

During Q1, we released two episodes of Water Cooler Break: episode 9 and episode 10. We discussed recent partnerships, use cases, product development, events in which we participated, and more. Be sure to check out these easily digestible podcasts on our announcements channel on Telegram.

LEADERSHIP FORUM

In Q1, our CEO, Volker Kuebler, engaged with the community during the 8th episode of the Leadership Forum series, offering updates on network upgrades and business developments. Among the highlights were the completion of the private beta phase for Nano contracts, prompting updates on GitHub repositories and preparations for the upcoming public beta phase.

Additionally, progress on the EVM bridge was nearing completion, with Hathor actively recruiting validators to ensure its security and stability. Simultaneously, full integration with Ledger is on the horizon pending the completion of a security audit. Furthermore, the relaunch of the grants program was announced, offering developers grants of up to 1 million HTR to support projects building on the Hathor platform. For further insights and updates, the full episode can be watched here.

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www.hathor.network