



HBAR SUPPLY DEMAND DYNAMICS

- Token launching on **September 16, 2019**
- SAFT 1 & 2 vesting periods recently amended
- SAFT 1 initial supply **reduced by over 95%**
- SAFT 2 initial supply **reduced by over 75%**
- **381m HBAR Day 1** effective circulating supply
- **586m HBAR Day 7** effective circulating supply
- At **\$0.25** Day 1 effective market cap is **only \$95.3m**
- If the project is listed on top tier exchanges, can the effective market cap reach \$150-250m?

Bering Waters OTC Desk

Ewelina Leszczak
CEO & Founder
ewelina@beringwaters.com
Telegram: <https://t.me/BeringWaters>
www.beringwaters.com

xFutures Exchange

Heslin Kim
Managing Director
heslin@xfutures.io
Telegram: <https://t.me/CheslinK>
www.xfutures.io

Price & market cap simulations

Day 1 Effective circulating supply

Circulating supply	Price per token	Market cap	CMC position
381m	\$0.15	\$57.2m	#81 Below coins such as Verge, Aeternity
381m	\$0.25	\$95.3m	#58 Below coins such as Lambda, ICON, THETA

Day 1 Total circulating supply

Circulating supply	Price per token	Market cap	CMC position
1.590b*	\$0.15	\$238.4m	#31 Below coins such as Ontology, Dogecoin
1.590b*	\$0.25	\$397.4m	#25 Below coins such as Maker, NEM

*Inflated by 1.2bn due to Community Earn Programs of which at least 1.0bn will be Hashgraph reserves and remain undistributed

Price and market cap simulations

Day 7 Effective circulating supply

Circulating supply	Price per token	Market cap	CMC position
586m	\$0.15	\$88.0m	#64 Below coins such as Augur, Pundi X, Bitshares
586m	\$0.25	\$146.6m	#41 Below coins such as ZB, Qtum

Day 7 Total circulating supply

Circulating supply	Price per token	Market cap	CMC position
1.795b*	\$0.15	\$269.2m	#31 Below coins such as Zcash, V Systems
1.795b*	\$0.25	\$448.7m	#24 Below coins such as Tezos, NEO

*Inflated by 1.2bn due to Community Earn Programs of which at least 1.0bn will be Hashgraph reserves and remain undistributed

OTC Market Analysis:

Unlocked test tokens:

Hedera has distributed test HBAR tokens. There is a very limited volume in circulation. OTC prices for those are between **\$0.20 and \$0.25**. They will be tradable simultaneously with the first unlocked tokens and the price is an indication of the value.

Pre-amendment OTC transactions:

OTC transactions (min \$100k) executed between March 15, 2019 (Market cap 139bn, 50.82% dominance BTC) and 15 August, 2019 (Market cap 264bn, BTC dominance 68.4%) were at a price of \$0.03 (March) to \$0.05 (August) before the Day 1 circulating supply was reduced. According to the previous schedule, Day 1 effective circulating supply would have been at least 2.55bn HBARs.

Other interesting information:

- Day 1 distribution to SAFT holders scheduled for September 16th.
- Rumors of possible listings on top exchanges with Upbit & Liquid confirmed.
- Hashgraph is one of the top projects of the year to be released.

Disclaimer:

The numbers above arise from our research and are the best estimates from sources such as https://www.hedera.com/HBAR_Coin_Economics_Paper.pdf but the accuracy is not guaranteed. Do your own research before relying on any information presented in this document.

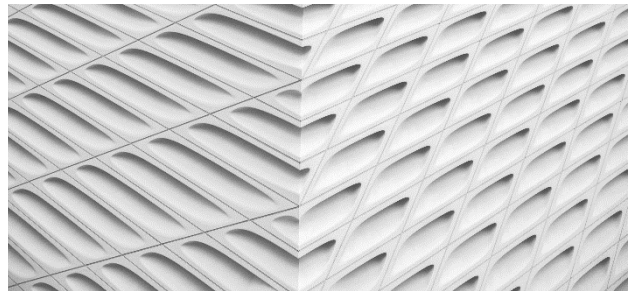


Executive Summary

- Hedera Hashgraph is creating public applications programming interfaces to enable three services: micropayments, storage and smart contracts.
- Seed round investors' acceptance of vesting changes and management's decision to lock up large amounts show a commitment to the project.
- Powerhouse Hedera Hashgraph Council members include IBM, Tata Communications, FIS Global, Nomura Holdings & Boeing.

Project Background

- Hedera Hashgraph is a decentralized public network where anyone can carve out a piece of cyberspace to transact, play, and socialize in a secure, trusted environment.
- Hedera Hashgraph is an innovative variation of a standard blockchain on the basis of the technology called DAG. Basically, operations are recorded not via the chain, but via a directed acyclic graph.
- Hashgraph supports decentralized applications, and it is based on an asynchronous Byzantine-Fault Tolerance (aBFT) consensus. In this protocol, the network keeps honest consensus as long as less than 1/3 of the nodes are malicious, which makes the system attack resistant and secure.
- Hedera has Permissionless Consensus (or Open Consensus) with a closed Governance Model. This separation of governance from consensus is designed to ensure continued decentralization over time. Hedera's governance terms ensure no single member will have control, and no small group of members will have undue influence over the body as a whole
- HBAR coin is designed to be fast, which leads to low network fees, making very small



microtransactions practical. When the Hedera platform is running at scale, any user will be able to run a node in the network and earn cryptocurrency payments for doing so.

- The file system allows users to store information, with consensus on exactly what is stored and what is not stored. Every node in the shard stores the same files, so they will not be lost if one of the nodes crashes. Stored information can only be deleted by those that were given permission.
- Part of Hashgraph's core services, smart contracts written in Solidity let users transact on the network without the need for middlemen, more commonly known as trusted intermediaries. Smart contracts allow for distributed applications to be easily built on top of Hedera.

SAFT 1 Token Metrics & Vesting Information

SAFT 1

- Raised \$3,000,000
- \$0.001 per token
- Total Supply: 3bn tokens

VESTING SCHEDULE

Post – Amendment			Pre – Amendment	
Distribution Time	% of SAFT	Tokens	% of SAFT	Tokens
Day 1	1%	30m	40%	1.2bm
Day 7	1%	30m	-	-
Day 7 total	2%	60m	40%	1.2bm
Remaining tokens	98% over 4 years	2.94bn	60% over 3 years	1.8bn

CONCLUSIONS

Unlocked Day 1 tokens from SAFT 1 were reduced by 97.5%.
 Unlocked Day 7 tokens from SAFT 1 were reduced by 95%.

SAFT 2 Token Metrics & Vesting Information

SAFT 2

- Completed Q1 2018
- Raised \$14,500,000
- \$0.005 per token
- Total Supply: 2.9bn tokens

VESTING SCHEDULE

Post – Amendment			Pre – Amendment	
Distribution Time	% of SAFT	Tokens	% of SAFT	Tokens
Day 1	5%	145m	40%	1.16bm
Day 7	5%	145m	-	-
Day 7 total	10%	290m	40%	1.16m
Remaining tokens	90% over 3 years	2.61bn	60% over 3 years	1.74bn

CONCLUSIONS

Unlocked Day 1 tokens from SAFT 2 were reduced by 87.5%.

Unlocked Day 7 tokens from SAFT 2 were reduced by 75%.

SAFT 1 + 2

Distributions

Allocation	Post – Amendment		Pre – Amendment	
	Day 1	Day 7 Total	Day 1	Day 7 Total
SAFT 1	30m	60m	1.2bn	1.2bn
SAFT 2	145m	290m	1.16bn	1.16bn
SAFT 3	185m	185m	185m	185m
Total	360m	535m	2.55bn	2.55bn
Other (Advisors + Misc Allocations)	21m	51m	21m	51m
Foundation	1.21bn	1.21bn	1bn	1bn
Total	1.56bn	1.80bn	3.57bn	3.60bn
% of the total supply (50bn)	3.18%	3.59%	7.13%	7.19%

SAFT 3

- Completed in August 2018
- Raised \$100,000,000
- No further vesting amendment
- Option A:
 - \$0.12 per tokens
 - Raised around \$80m
 - Issuing 680m tokens
 - Vesting: 20% upfront with an additional 10% monthly over the subsequent 8 months
 - 136m tokens released on Day 1
- Option B:
 - \$0.096 per token
 - Raised around \$20m
 - Issuing 230m tokens
 - Vesting: 20% upfront with an additional 20% yearly over the subsequent 4 years
 - 49m Day 1 tokens
- 185m total Day 1 tokens from SAFT3

IMPACT OF AMENDMENTS ON CIRCULATING SUPPLY

Circulating supply	Pre-Amendment	Post-Amendment	% Reduction
Day 1	3.566bn tokens	1.560bn tokens	55.4%
Day 7	3.566bn tokens	1.795bn tokens	49.7%

Token Supply

Hedera Hashgraph has a fixed supply of 50,000,000,000 tokens. To protect the Hedera network from attacks, it is anticipated that the circulating supply of HBAR will remain below 10% of the total supply for the first year and below 33% of the total supply for four-to-five years.

Token Supply Distribution

- **54.11%: Hedera Treasury**
- **17.45%: SAFT purchasers**
- **15.52%: Management & employees**
- **5.0%: Swirls**
- **2.9%: Advisors, vendors & others**
- **2.6%: Market development fund**
- **2.42%: Community earn programs**

Notable Investors

- **Blockwall Capital**
- **Danhua Capital (DHVC)**
- **Digital Currency Group (DCG)**
- **DNA.Fund**
- **Fenbushi Capital**

Notable Media

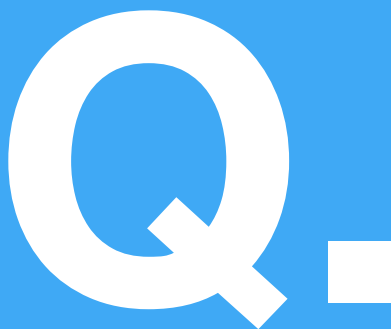
- Libra controversy: Hedera thanks Facebook for copying its blockchain model
<https://finance.yahoo.com/news/libra-controversy-hedera-thanks-facebook-100057919.html>
- Are Micropayments The Future Of Online Transactions?
<https://www.americancryptoassociation.com/2019/05/13/reserve-stablecoin-app-coming-soon-to-help-areas-affected-by-high-inflation-rates/>
- Hedera Hashgraph launches new testing for high-speed blockchain alternative
<https://venturebeat.com/2019/05/09/hedera-hashgraph-launches-new-testing-for-high-speed-blockchain-alternative/>

Useful Links

- Website: <https://www.hedera.com/>
- Blog: <https://www.hedera.com/blog/>
- Whitepaper: <https://hedera.com/whitepaper>
- Twitter: <https://twitter.com/hashgraph>
- Github: <https://github.com/hashgraph>
- Telegram: <https://t.me/hashgraph>
- Discord: <https://discordapp.com/invite/FFb9YFX>

Sources

- <https://medium.com/hashgraph/we-have-launched-our-crowdsale-faq-a55c2f09e676>
- https://www.hedera.com/HBAR_Coin_Economics_Paper.pdf
- <https://www.hedera.com/blog/a-message-from-our-co-founders-why-were-limiting-exec-and-early-saft-holder-coin-release-schedules>
- Telegram chat group admins
- Bering Waters network to access credible information



Questions

Bering Waters OTC Desk

Ewelina Leszczak

CEO & Founder

ewelina@beringwaters.com

Telegram: @BeringWaters

www.beringwaters.com

xFutures Exchange

Heslin Kim

Managing Director

heslin@xfutures.io

Telegram: <https://t.me/CheslinK>

www.xfutures.io

Disclaimer

NOT AN OFFER: This Report does not constitute an offer to sell, a solicitation of an offer to buy, or a recommendation of any token, security or any other product or service by xFutures and/or Bering Waters regardless of whether such token, product or service is referenced in this Report. xFutures and/or Bering Waters do not represent that the tokens, products or services discussed in this Report are suitable for any particular individual or entity. You are solely responsible for determining whether any transaction is appropriate for you based on your personal objectives, financial circumstances and risk tolerance. Neither xFutures, Bering Waters nor any of its affiliates makes any guarantee, representation or warranty of any kind with respect to the economic return from, or the tax consequences of a transaction in, the future tokens being discussed herein. You should not treat this report as legal, investment or tax advice. You should consult with their own advisors in relation to the legal, tax, financial and regulatory requirements for purchasing, holding and disposing of tokens.

LIMITATIONS: This Report is a summary only and does not purport to provide comprehensive information about the project or any of its affiliates or subsidiaries. The statements in this Report are based on information that is considered to be reliable as of the date on which this Report is delivered. This Report does not, however, purport to be comprehensive or free from error, omission or misstatement and the project and its advisors make no representations or warranties as to the accuracy, reliability or completeness of any information contained herein. On the contrary, certain numbers in the Report are guesses and estimates and are not accurate. The project reserves the right to alter or amend any information contained or opinion expressed herein and without notice. This Report does not take into account the investment objective, financial situation or particular needs of any individual entity. This Report is not provided as investment or other advice, and no information or material contained herein shall be deemed a recommendation to buy or sell any securities. Liability for all statements and information contained in this Report is excluded.