
OPENGIFT.IO

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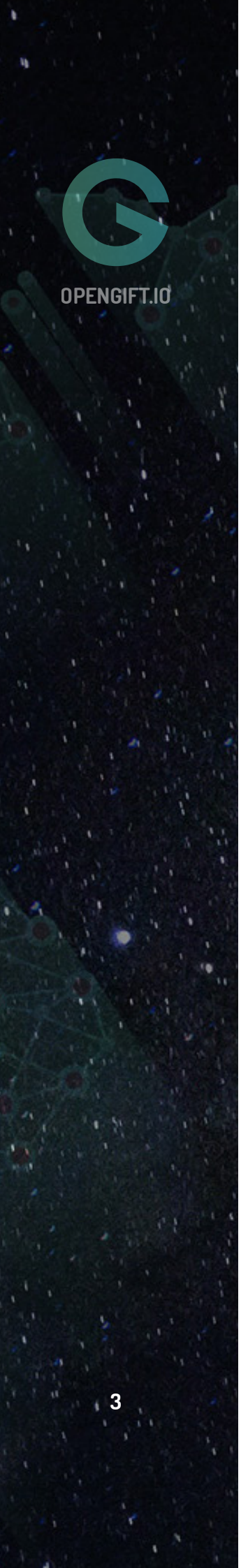

Introduction

We use open-source software (OSS) everyday, aware of it or not. Most of the Internet architecture is based on OSS as well as your Android mobile phone or Wi-Fi router. Google Data Centres run on Linux. Almost every person in the world uses OSS to some extent.

Open source code allows any of the 20 million developers all over the planet to fix bugs, improve security and add new features to program solutions.

OSS development is a common thing nowadays: at least 52% of companies from Fortune 50 use GitHub for their projects.

In recent years we have observed rapid growth in the number of OSS projects as well as the number of OSS developers. 6.7 million developers have joined GitHub since September 2016 with the total number increasing to 24 million.

OpenSource issues

Open source is gaining popularity with the advance of such services as GitHub that make distant collaboration for developers a lot easier. There are more and more programmers in the world and that means OSS growth will continue.

Still, a lot of companies prefer to pay for proprietary solutions as OSS does have its drawbacks. The quality of open source software and the average speed of its development are by no means worse than those of proprietary software. The main issue is the absence of support and set-up services as well as lack of customer-oriented approach to development. Those are the only reasons to choose proprietary software over open source.

And these problems occur due to lack of communication and interaction with the users of the final product as well as poor financing at early stages of development.

There are more issues that could be solved with the help of proper financing: for example, all the bug fixing could be performed in time.

Few investors nowadays see OpenSource as a perspective market because monetization models of OSS are rarely self-evident. In the year of 2017 $371 million were invested in mere 13 projects with $250 million invested in a single project - Magento.

The figures are clearly not in line with market potential especially if we consider the fact in 2017 there have been sold more OSS licenses than those of proprietary software.

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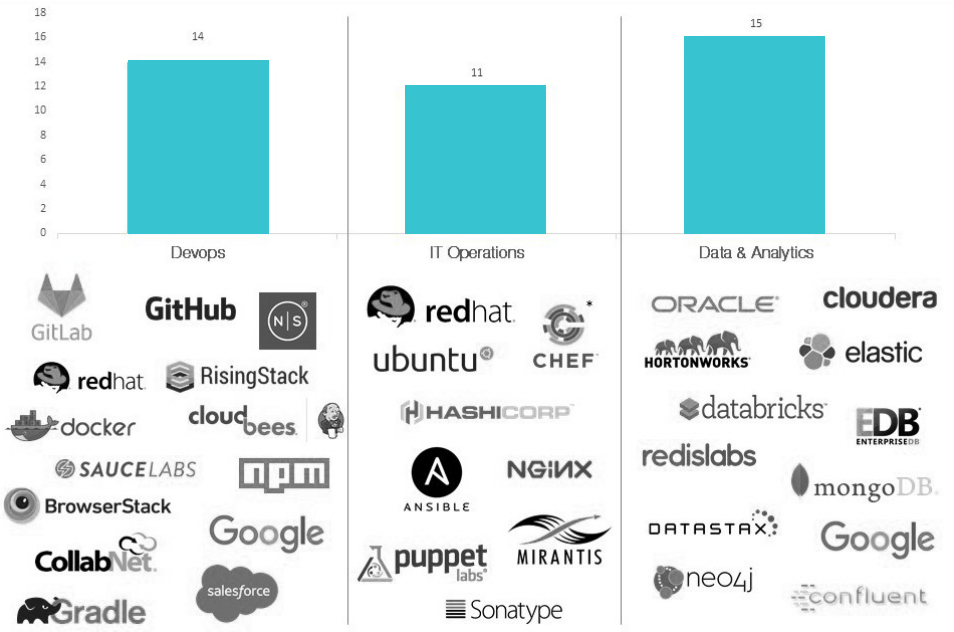
Soaring growth on the OpenSource Software market

There are companies using OSS in every segment of software development industry. Many of them are industry leaders.

Top 40 Open-Source Projects by Vategory & Sample of Related Companies



The market of OSS has grown 10 times within the last 10 years. In 2007 investment in OSS development companies amounted less than $100 million whereas in the single first quarter of 2017 it already totaled $300 million (ICO data unincluded).

Largest OSS development companies like RedHat successfully compete with giants like Citrix or VMware.

The speed of OSS development and bug fixing conforms to proprietary software standards. That is why using OSS becomes a common practice in many companies.

However, large amount of investments is spread between several OSS companies, while a huge amount of promising OS projects remain unnoticed by investors.

Why is it so difficult for investors to estimate perspectives of OSS projects? The reasons lie partly in absence of clear and obvious monetization models. Assessing a project value also often requires special expertise in the sphere of IT and OSS.

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OpenSource monetization challenge

Donations is probably the most common way to monetize OSS, but only 1 of 1000 OSS users donate to support developers (source: networkworld.com). Such a small number can be partly explained by non-transparent system of donations allocation and distribution: users are uncertain whether their donations will facilitate project development and help solve real problems.

A huge part of non-donation monetization models is based on financial support from solution providers, which utilize OSS or provide related service. In such models only a small fraction of investments goes directly to the software developers, while the larger part goes to those who sell, set-up and support the product. We believe developers could deliver much better solutions, if they are paid accordingly.

Clear, transparent, fair and scalable monetization model is a key to attract early-stage funding and significantly improve quality of software. Emergence of such models will disrupt entire software market; a big piece of $3.5 trillion worth to change hands.

We created OpenGift to offer the solution to the OSS monetization issue.

Requirements for the new monetization model

· Monetization system should encourage developers to work on the functionality important for users and thus improve the quality of their software.

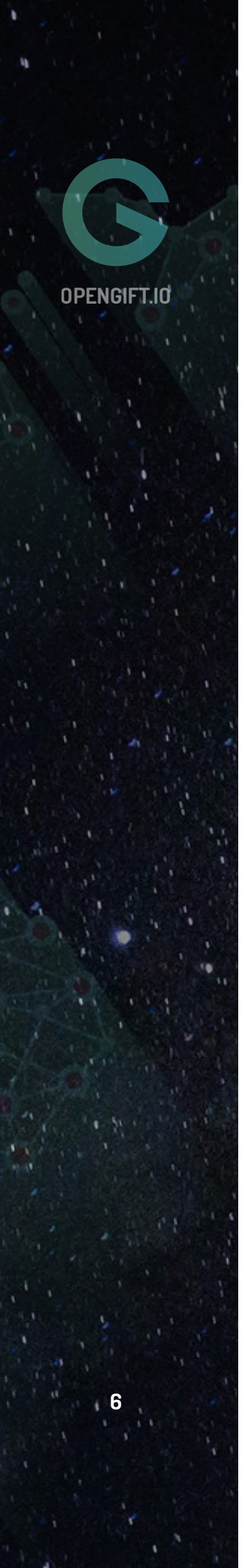
· The monetization system should be transparent so that investors and sponsors could trust and entirely rely on developers.

· It should be secure, fraud- and conflict-resistant. Team members and project contributors should receive their share of project earnings in accordance with their input.

· The system should be fast and reliable. A developer from any country should instantly receive her/his earning.

· It should bring OSS development teams at least 10 times or more money than simple donates.

Such a monetization system will boost software development market and facilitate early stage investment in open source.



OpenGift system

Opengift is a platform where OS projects publish information about their development goals and progress. The platform analyzes a great amount of metrics and creates a project profile for investors and sponsors. Project shares (tokens) can be distributed among project teams' members and investors, while sponsors can finance development of software they need.

The platform is integrated with blockchain and smart-contracts to process and guarantee fair and transparent earnings distribution. Such a system also allows backers to prioritize some of the project's goals over other, or set up a new one.

One of the platform's key features is a crowd sourced technological map that will simplify the task of searching perspective projects. For example, one could find and compare projects by simply typing a problem he wants to solve in a search bar.

Actually, our vision is much more ambitious and global

The OpenGift platform is the first step to creating an ecosystem, where sponsors and investors could get a clear picture of a project's progress, problems it aspires to solve, interconnection with other projects and its importance for the ecosystem.

The platform will make OSS more understandable even for people not proficient in IT, and make OSS more interesting for crowdinvesting while users will be able to decide what features they invest in.

OpenGift connects OSS users, investors and developers in one ecosystem that will speed up project development and improve quality of OSS. It will help OSS become customer-oriented and user-friendly, leaving no reasons for using more expensive proprietary software.

As a result, our platform will enable companies and users to cut a substantial part of their IT costs, while developers will earn more. The only market players to lose are intermediaries and agents.

Platform functionality

The platform is designed to solve various problems that OSS development market participants often encounter.

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1. Developers

Term definition: developers are open source software development teams

Issues

OSS developers face different types of problems that may hinder productive development of better software:

1. It's hard to know in advance whether users will like/need the product.

2. There is no early stage financing, so developers are rarely able to invest enough time in their project.

3. There are some necessary complicated non-development tasks for the software to become popular: writing product docs, marketing promotion, etc. Developers are seldom inclined to engage in those types of activities.

Current market architecture provides little opportunities for the OSS to become the main source of income for developers. Therefore the OSS market still has a massive potential for growth.

Solution

The OpenGift Platform enables developers to set project goals; project sponsors can donate to some of those goals or propose a new one. Thus developers receive a feedback to determine features in demand. When projects get their work on features done they improve their rating and gain popularity. It helps to create a project community, which further boosts its development

Donation is not the only form of monetization accessible on the platform. Developers can introduce various types of licenses: paid subscribtions, paid downloads, payment for auto updates and ads placement.

Thanks to smart-contracts, project participants can fix their share in project earnings, and receive payments from donations, sales and investments.

OpenGift enables dev teams to automatically prepare project progress reports for developers and investors in real time.

Besides, team members can delegate tasks to outside contributors paying them in GIFTs.

2. Investors

Term definition: investors are people who buy projects' tokens to obtain a share in their earnings.

Issues

Investors need a reliable tool to save time spent on searching projects and identifying the most promising of them.

Investors need to have a guarantee they will actually receive a share of projects' profits proportional to their investments.

Solution

When deciding whether a project is worth investing money in, three factors are usually to be taken into account: the product, the processes and the skills. The OpenGift platform covers all the aspects: it helps to find projects by specific parameters or simply by problems they solve, to monitor their progress via intuitive dashboards and assess projects' team skills based on a rich set of metrics.

The platform categorizes projects based on their performance and risks and helps to build risk-adjusted portfolio.

The fair and transparent distribution of profits is guaranteed via smart-contracts.

3. Sponsors (Opengifters)

Issues

Usually users have weak motivation to donate since they already have got what they need. Users need extra incentives to donate.

We believe that an ability to set priorities for OSS development may become such an extra incentive for many users.

Solution

That platform helps to find required software functionality even if it is not yet realized.

Sponsors can set OSS development projects' priorities and propose to develop the features they need.

With this tool users can influence not only separate OS projects but entire industries.

The interactive technology map shows how development of a given project is related to solution of global tech problems. With the big picture in mind sponsors will be able to deliberately select projects with highest potential to advance humankind. Even people with no deep technical expertise will be able to see how projects perform in the spheres of their interest.

4. Experts

Experts are participants of the system who earn GIFTs by creating and editing descriptions of tech problems. They are also in charge of evaluation whether a project's scope of activities indeed relates to a problem it declares.

Experts will have internal ratings for technology stacks. Higher the rating, higher are the chances to be selected to perform better paid jobs in a given stack. Experts can improve their rating by creating stack sub-categories descriptions, reviewing projects or proposing new features to projects. Only the ideas and content supported by the OpenGift community (each community member with a non-zero balance can like or dislike whatever content experts provide) are taken into consideration. In case of donations, expertise level can be significantly improved by "early-bird" donations in projects that become successful afterwards. Experts with higher rating are more likely to be invited by projects for a review.

Financial transactions within the system

All financial transactions within the system will be performed in internal currency called GIFT to guarantee the validity of smart-contracts. In order to exchange GIFTs for other cryptocurrencies of fiat money participants of the system can use internal Gift Exchange.

The Gift Exchange

The Gift Exchange has following functions:

· It automatically calculates the exchange rate of GIFT

· It automatically converts the currency sponsors donate into GIFTs and transfers the GIFTs to members of the project team in accordance with the amount of project tokens they have

· GiftExchange can publish an offer to buy GIFTs; this offer can be accepted by any other system participant

Each system participant with balance above 10 000 GIFT can provide an exchange service for other users. To eliminate the risks of fraud, the system will automatically hold up an amount of GIFTs needed to cover 100% of the transfer amount on an exchange's wallet.

Exchanges will be able to profit on spread between sell/buy bids – this opportunity will stimulate participants of the system to offer exchange services. A relatively easy market access will ensure reasonably low spreads and healthy competition.

OpenGift Exchange is to become the first exchange in the system. It will guarantee an opportunity to buy up to 5,000,000 GIFTs with a zero buy/sell spread.

System safety

Secure storage and transfer of coins is one of our key priorities. We incorporate best practices of blockchain security like Ripple blockchain and IBM's technical realization of PBFT consensus. Thanks to HyperLedger Fabric, which was designed specifically for financial sector, we can set up additional security factors to make the system even more reliable.

The reliability of the system is crucial for us. That is why before opening-up the network code for community development we shall conduct several rounds of code review with internal and external auditors.

Here are additional security measures we plan to undertake:

· Multifactor authentification

· Intellectual protection from DDOS which allows to temporarily block traffic that users deem suspicious

· If users store their keys on the platform, the keys are securely encrypted and are useless without personal authentification information that is stored locally

· To exclude fraud possibility on the exchange level we will introduce certification system. Certificates will be granted both by external and internal trusted organizations.

· Exchange certificates will be stored in a trusted network of tier3 data centres.

· Blockchain network rules can be changed when no less than 2/3 of the community approve them. Such design was introduced to make sure that network will be developed in line with interests of the community.

· Each system participant can receive a certificate to be able to restore a wallet even if private key is lost.

System implementation

The OpenGift Cloud is a network with virtual machines as nodes. Each virtual machine is linked to a project that is registered on the platform. Each project owns at least one virtual blockchain node which participate in creating consensus when system changes its state (an endorser), and any amount of nodes that validate transactions (validators). Those nodes can be placed anywhere, each project can deploy any amount of nodes. Each project can install either a full node to validate blocks and record transactions, or a light node that only checks validity of current system state and doesn't require large computational or storage resources.

Each system participant has a wallet which is linked to the imprint of the participant's public key. Similarly to many other blockchain systems access to the wallet is possible only with the private key. Any participant of the system can assess the system state from any node of any project at any one time.

Secure access

When a system participant uses the web-version of the OpenGift wallet, she/he entrusts a private key to our platform. We take several steps to keep it really private:

· Keys are stored in encrypted form and get decrypted with participants' registration data

· File system utilizes both software and hardware encryption

· All nodes and client applications are connected through SSL protocol

· Each participant can copy his keys on a local device and delete all information from our servers

· As a matter of principle, we do not log any data related to private keys

Smart-contract implementation

Smart-contract are as fundamental for the OpenGift system as a constitution for a country. Each community member can propose changes to smart-contracts, but to be validated these changes need to be signed by 2/3 of nodes.

The functions of smart-contracts:

1. Creating a project

Each user can create up to 10 projects (or one in case the user has zero balance). Each project gets a unique ID, while person who created it receives 100 tokens.

2. Token transfer

Users can give away tokens to any other participant of the system. A token can be split to transfer a smaller amount – the smallest piece is 0.0001 token.

3. GIFT transfer

A user can transfer GIFTs to any other user registered in the network.

4. Donation

A user can transfer any amount of GIFTs to any registered project. Coins will be distributed among the project's team members in accordance with the amount tokens each of them has.

5. GiftExchange registration

Each participant with more than 10 000 GIFTs can register his own internal exchange. When a sponsor donates to a project in his own currency, the exchange converts the amount received into GIFTs via special application. Exchanges can conduct only those transactions that are 100% covered by their funds. An amount needed to conduct a transaction will be held up.

6. GIFT buy offer

GiftExchanges can publish offers to buy GIFTs indicating important transaction parameters like the currency offered and the exchange rate.

7. GIFT buy offer cancellation

Exchanges are entitled to cancel the buy offer, if the transfer has not yet been completed.

8. Arbitrage

If an exchange has failed to transfer sufficient amount of coins to the other side of transaction, the system participant can request the case to be arbitrated. Any three random system participants can act as jury. After the case is settled, the winner gets 70%, while the rest 30% is distributed among jury. Depending on the verdict, this amount is deducted either from exchange or user wallet.

9. Closing an exchange bid

A participant can transfer his coins to the address of a particular buy offer of an exchange. If the transferred amount equals the amount specified in the offer, the bid is closed automatically.

OpenGift monetization model

The platform is absolutely free for all participants and after completion of the development phase will be fully open-sourced. Our main purpose is to build a helpful tool for the OpenSource community.

So how are we planning to earn money for development of the OpenGift platform?

Since all donations will be performed in GIFTS and the amount of GIFTs available in the system is limited, the coin price will rise proportionate to donations/payments that go through the platform. The model implies that OpenGift team and ICO participants will be able to profit only from currency appreciation.

Apart from that, the OpenGift Platform is also listed as one of the projects on the platform. Investors who buy OpenGift tokens will be able to receive a share of future donations on the project.

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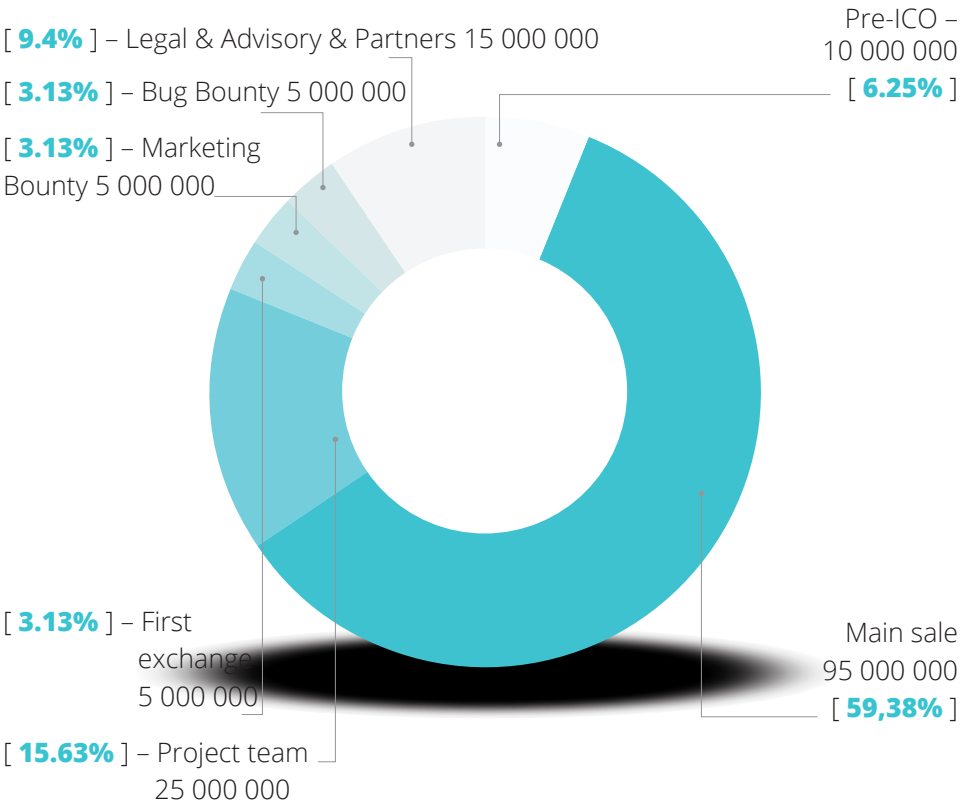
GIFTs distribution agreement

GIFT is a digital currency to be used in the OpenGift ecosystem. The smallest piece of value one could transfer is 0.0001 GIFT. All 100% of 160 000 000 GIFTs will be created and distributed within the initial offering phase. No coins to be emitted after the ICO.

The coin distribution scheme is as follows:



During the ICO we shall issue 105 000 000 ERC20 tokens on the Ethereum platform. Buyers of OpenGift Ethereum tokens will always be able to exchange them on GIFTs with the rate of 1 Ethereum token = 1 GIFT via the OpenGIFT Exchange. As soon as the OpenGift Exchange receives tokens and sends GIFTs back, the tokens shall be automatically burned.

We structured the distribution to provide for even the most security-conscious investors with an option to purchase GIFT coins until the desktop version of the wallet is released (so there is no need to store private keys on our servers.)

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ICO timeline

PreSale

PreSale will performed in two phases:

· Closed PreSale: **17th Feb – 23th Feb.** Only the users who have registered on OpenGift.io in advance can participate in the Closed PreSale.

· Public PreSale: **24th Feb – 26th of March.**

GIFTs available for distribution: **10 000 000**

GIFT price: **0.000075 ETH + 20% bonus**

Soft Cap **= 125 Eth**

Hard Cap **= 600 Eth**

Budget allocation:

	Share of funds raised within the PreSale phase
Development of the platform functionality (in accordance with the roadmap)	40%
Marketing and BizDev	45%
Legal	10%
Reserve	5%

Main Sale (ICO)

We plan to conduct the ICO in May 2018 (the exact dates to be specified)

Coins to be distributed: **95 000 000 GIFTs**

Price:

	GIFT price	Bonus
Less than 20% GIFTs* have been sold	0,0000875 ETH	15% when buying no less than 1 000 GIFTs
From 20% to 40% GIFTs have been sold	0,0001 ETH	12% when buying no less than 2 000 GIFTs
From 40% to 60% GIFTs have been sold	0,000125 ETH	10% when buying no less than 3 000 GIFTs
From 60% to 80% GIFTs have been sold	0,0001375 ETH	8% when buying no less than 5 000 GIFTs
More than 80% GIFTs have been sold	0,00015 ETH	10% when buying no less than 10 000 GIFTs

*- of the Main Sale amount of coins

ICO Soft Cap **1250 ETH**

ICO Hard Cap **15000 ETH**

All non-distributed GIFTs to be burned out.

Budget allocation:

	Share of funds raised within the MainSale phase
Development of the platform functionality (in accordance with the roadmap)	30%
Marketing and BizDev	40%
Legal	10%
OpenSource community development	20%

Distribution of GIFTs:

		Amount	Share
Pre-ICO	Pre Sale	10 000 000	6,25%
ICO	Main sale	95 000 000	59,38%
	Project team	25 000 000	15,63%
	First exchange	5 000 000	3,13%
	Marketing Bounty	5 000 000	3,13%
	Bug Bounty	5 000 000	3,13%
	Legal & Advisory & Partners	15 000 000	9,38%
Total		**160000000**	**100%**

GIFTs allocated to the OpenGift team members will be held during the first 4 months period after the ICO.

The OpenGift Exchange fund will be used to provide liquidity on early stage of the system development.

Bounty Campaign terms to be published on opengift.io.

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Platform development plans

We shall develop the platform and overall ecosystem in accordance with the OpenGift project roadmap. OpenGift users will also have a tool to set priorities for realizing features by donations on our project's page)

Depending on the ICO campaign results, we commit to add the following features to the OpenGift roadmap.

Amount of funds raised	Features to be added the OpenGift platform
> 2500 ETH	· Intellectual scoring system to evaluate investment risks · Automatic code quality control system · Estimation of the unique code value
> 6250 ETH	· Establishing a fund to collaborate with external auditors and rating agencies in assessing projects
> 12500 ETH	· Building a partnership network to effect payment in GIFTs outside the OpenGift ecosystem · Creation of OpenGift endowment to support TOP-100 OSS projects on our platform

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29.01.2018

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