



GAME STARS TOKEN

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INTRODUCTION

Cybersports are nowadays one of the most rapidly growing markets. According to the Newzoo Global Esports Market Report 2018 research, the cybersports market is expected to grow **up to \$906 million** in 2018, which is 38% more than in 2017.

Like any fast growing market, e-sports market has sector-specific issues that will be solved only after the market reaches stability and maturity.

For instance, many cyberathletes have faced the problem of non-payment of prize money by tournament organizers, as well as the lack of a transparent and well-structured system of relations between the team and the player, the tournament organizer and the team, the sponsor and the player/team.

We offer a solution for e-sports - the GameStars platform. The idea of the platform was formed by professional cyberathletes who have a personal experience with the obstacles existing in e-sports and know the solutions which are likely to improve the situation.

The GameStars platform means:

- a chance for cyberathletes to get investments for their professional advancement, participate in numerous tournaments of different levels, and create their own tournaments;
- a chance for teams to develop their own players, find new players to join the ranks of the team, attract advertisers and sponsors;
- an opportunity for investors to receive revenues from their investments in cybersports;
- an opportunity for advertisers to select an appropriate team, player or event to promote their brand.

At the same time, all these processes on the GameStars platform are protected against fraud thanks to the use of the blockchain technology and smart contracts.



1. E-SPORTS MARKET RESEARCH

1.1. MARKET AND AUDIENCE

Cybersports are nowadays one of the most rapidly growing markets. According to the Newzoo Global Esports Market Report 2018 research, the cybersports market is expected to grow **up to \$906 million** in 2018, with an annual increase of 38%.

The largest share of profits, which makes 77%, will be generated by sponsorship, advertising, and media and content licenses through investments made directly and indirectly by brands that will spend \$ 694 million. An increase in these sources will make 48% compared with 2017.

Consumer spending on tickets and goods will amount to \$95 million, and another \$116 million will be invested by game publishers in the e-sports industry through partner deals with major tournament organizers.

According to expert estimates, this year the audience of e-sports will reach 380 million viewers, of which 165 million are enthusiastic fans, and another 215 million are occasional viewers. An average income per fan in 2018 will be \$5.5, which is 20% higher than in 2017.

In 2018 North America will remain the largest regional cybersports market with an income of \$345 million. By 2020 this figure will reach \$656 million. The second place is occupied by Western Europe with an income of \$ 169 million in 2018.



1.1.1. EXPECTED AUDIENCE

In 2018, the global audience of e-sports is expected to reach **380.2 million people**.

The number of e-sports fans will make 165 million, and it will continue to grow by +15.6% annually, and by 2021 this figure will reach 250 million.

The number of occasional viewers will reach 215.2 million in 2018 and will continue to grow by +14.0% annually, having passed the mark of 300 million by 2021.

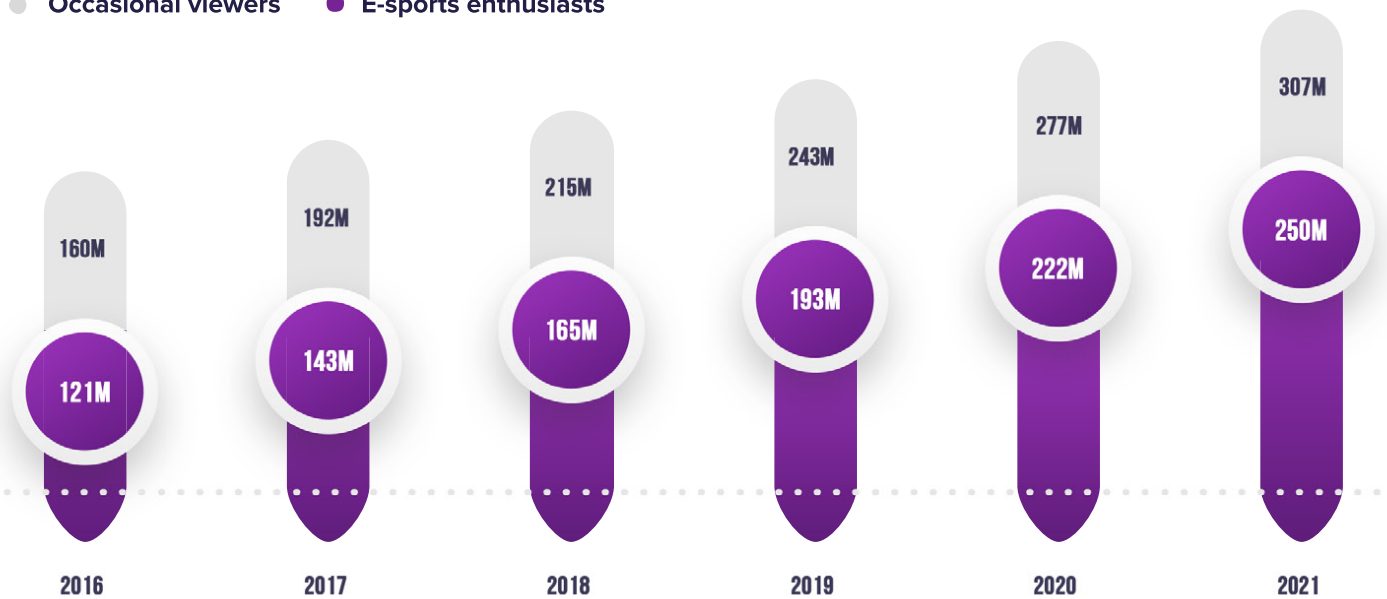
E-sports audience growth

Global / 2016-2021

Growth: 15.6%

E-sports 2016-2021

● Occasional viewers ● E-sports enthusiasts



The number of people who are aware of the e-sports phenomenon will reach the mark of 1.6 billion in 2018. The largest increase of 468.3 million is expected in China. Growing publicity of e-sports as the main engine in the entertainment industry leads to an increase in awareness in most regions.

Growing awareness in the developing regions of Latin America, the Middle East, Africa and South-East Asia is due to urbanization and improvements in the IT infrastructure.

The emergence of new and popular gaming franchises, such as PLAYERUNKNOWN'S BATTLEGROUNDS, is also a major growth factor throughout the world. The influx of young generations who view cybersports as a natural development, will further facilitate increases in the industry audience.



1.1.2. TURNOVER FORECAST

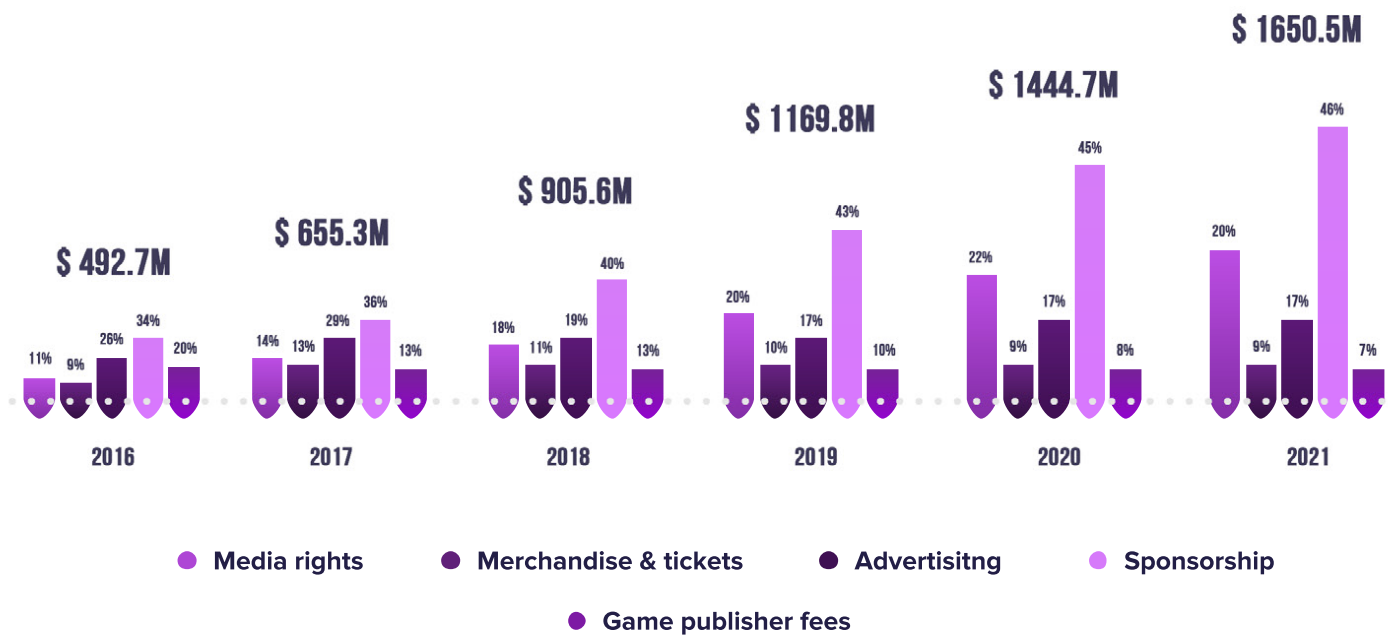
The global turnover of e-sports will reach **\$ 905.6 million** in 2018, showing an increase of over \$250 million compared to 2017.

North America will be generating the bulk of the revenue making up 38% of the total revenue in 2018.

Esports audience growth

GLOBAL / 2016-2021

Cagr: +27.4%



Sponsorship is the main source of income in e-sports and is expected to bring \$359.4 million in 2018, compared with \$234.6 million in 2017.

With a compound annual growth rate of +49.8% (CAGR 2016-2021), broadcasting rights are the fastest growing source of revenue. By 2021, incomes from broadcasting rights will more than double, becoming the second largest source of income in e-sports.

Deductions for game publishers will remain the slowest growing source of income by 2021, with a CAGR of just +3.5% annually. In 2018 this sector is expected to have a small increase of \$11.5 million (compared to 2017), but then a decline is expected in subsequent years 2020 and 2021.



1.1.3. MAIN TRENDS

The global revenues of e-sports **will grow by +38%** on an annual basis.

Trend 1

World revenues from e-sports will reach \$906 million in 2018, showing an annual increase of + 38.2%. The share of US revenues will be \$ 345 million, the share of China \$164 million.

Trend 2

Global brands will invest \$694 million in the e-sports industry, which makes 77% of the global income earned by e-sports. This figure will increase to \$ 1.4 billion by 2021, amounting to 84% of the global income of the e-sports industry.

Trend 3

The number of cybersports fans around the world will grow to 165 million in 2018, showing a yearly increase of +15.2%. The entire e-sports audience will be 380 million people in 2018, showing an increase of 13.5%

Trend 4

Global average annual income received from one e-sports fan will be \$ 5.49 in 2018, which is 20% higher than in 2017.

Trend 5

In 2017, there were held 588 major e-sports tournaments, which generated \$59 million in proceeds from ticket sales, compared to \$32 million in 2016.

Trend 6

The total sum of all the prize money for 2017 made \$112 million, having passed the psychological mark of 100 million for the first time.

Trend 7

The League of Legends (LoL) World Championship tournament was the most watched event on Twitch in 2017, amounting to 49.5 million viewing hours. It also brought \$5.5 million in proceeds from ticket sales.



1.2. INDUSTRY FORMATION AND POTENTIAL

Considering the number of spectators attracted by cybersports, there is no doubt that this will become a multi-billion industry in the coming years. The only question is the rate at which this is going to happen. After the initial phase of growth, the overall structure of the e-sports industry has already been formed.

However, business models aimed at increasing revenues received from each consumer, are still being tested.

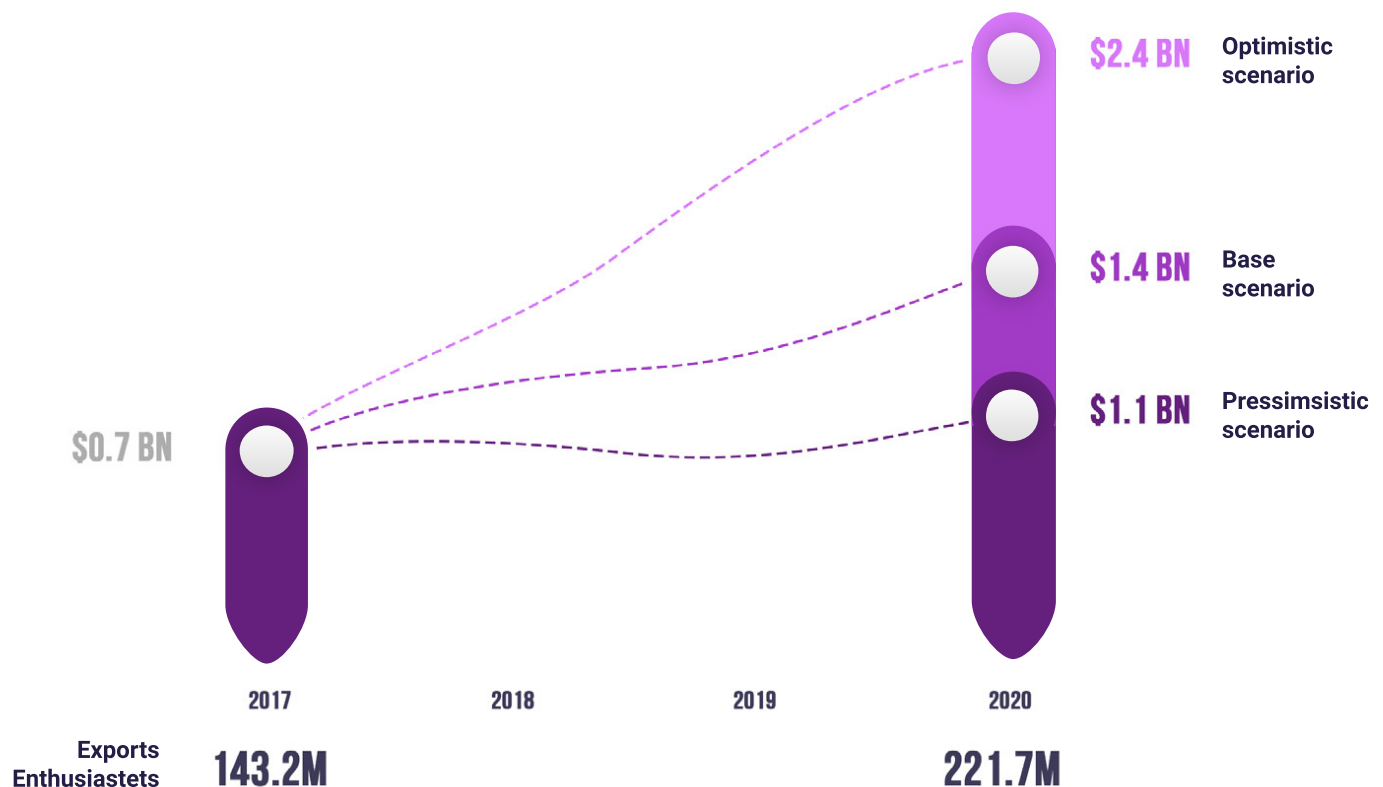
E-sports have now entered the adolescence phase. Based on the current trajectory, the industry of e-sports will reach the level **of \$1.4 billion** by 2020. If any of the industry's main engines accelerate, a more optimistic scenario is expected for e-sports, with the industry then reaching a \$2.4 billion mark.

In 2018, an average income received from an e-sports fan is expected to be \$5.5. This estimate takes into account all receipt flows. By 2020, this figure will grow to \$6.5.

In the optimistic scenario, the figure will be \$ 10.7 from one fan by 2020. However, this is still very little, compared with the average income from a single fan in traditional sports, which now exceeds \$50.

Esports industry revenue growth scenarios

Optimistic, base, and pessimistic growth scenarios / 2017-2020





1.2.1. TEAMS

The main task for the teams in 2018 will be increasing profits and moving towards building a sustainable business. Top teams should become more professional, and develop business thinking in their management. Some teams are already putting this into practice, improving the traditional business model.



For example, the Team Liquid team has presented a new 8,000 square feet office. This office will be used as a modern training center and will accommodate its players and support staff, thereby improving the overall working ecosystem. Teams are expected to improve the professional level of their players and staff, and adopt a strict approach to the discipline of their players, for example, by punishing inappropriate comments on the Internet. Given the fact that most players are quite young, discipline will be useful for them. The team image needs to be kept at a high level.

Last year, the presence of traditional sports organizations in the cybersports industry increased. The North American e-sports arena was entered by many NFL and NBA organizations that created their own teams and departments, or acquired shares in existing e-sports teams.

Formula 1 organized by the FIA announced that e-sports are a vital element in its strategy to attract wider and younger audiences. It is organizing the Formula E competition, which has already attracted the attention of such brands as Audi, Mercedes-Benz and the G2 Esports team. The latter enlisted the partnership of Fernando Alonso, a Formula 1 champion.



1.2.2. BRANDS

Last year, representatives of the automotive industry (Audi, Mercedes-Benz, BMW and Toyota) acted as sponsors in major cyber sports tournaments and sponsored teams. The event known as the 24 Hours of Le Mans now involves both real and virtual cars. Mercedes-Benz has expanded its audience coverage in e-sports by sponsoring the Chinese League of Legends (LPL) league.



The automotive industry is expected to continue increasing its presence in e-sports, and a marketing strategy focused on e-sports will help car brands build long-term relationships with a new and younger audience.

Financial companies have also increased their presence in e-sports. Paysafecard became the worldwide sponsor of ESL for 2018, Quicken Loans became partners with the 100 Thieves team (League of Legends), State Farm became the main sponsor of NA LCS, and Geico continued its cooperation with TSM.

Representatives of the food industry, such as Jack in the Box, Buffalo Wild Wings, Chipotle, McDonald's, Hungry Jack's, Pringles, and Mountain Dew also turned their attention to cybersports. All of them have signed sponsorship contracts in the field of e-sports, with teams and organizers of tournaments.

Traditional clothing brands remain uninvolved so far. Jack and Jones entered into a partnership with Astralis. However, big brands like Nike, Adidas, and Under Armor have not yet dared to step on this ground. They still maintain cooperation with manufacturers of clothing for cyberathletes and other gaming attributes, but they are expected to launch cooperation with large e-sports teams in the coming years.



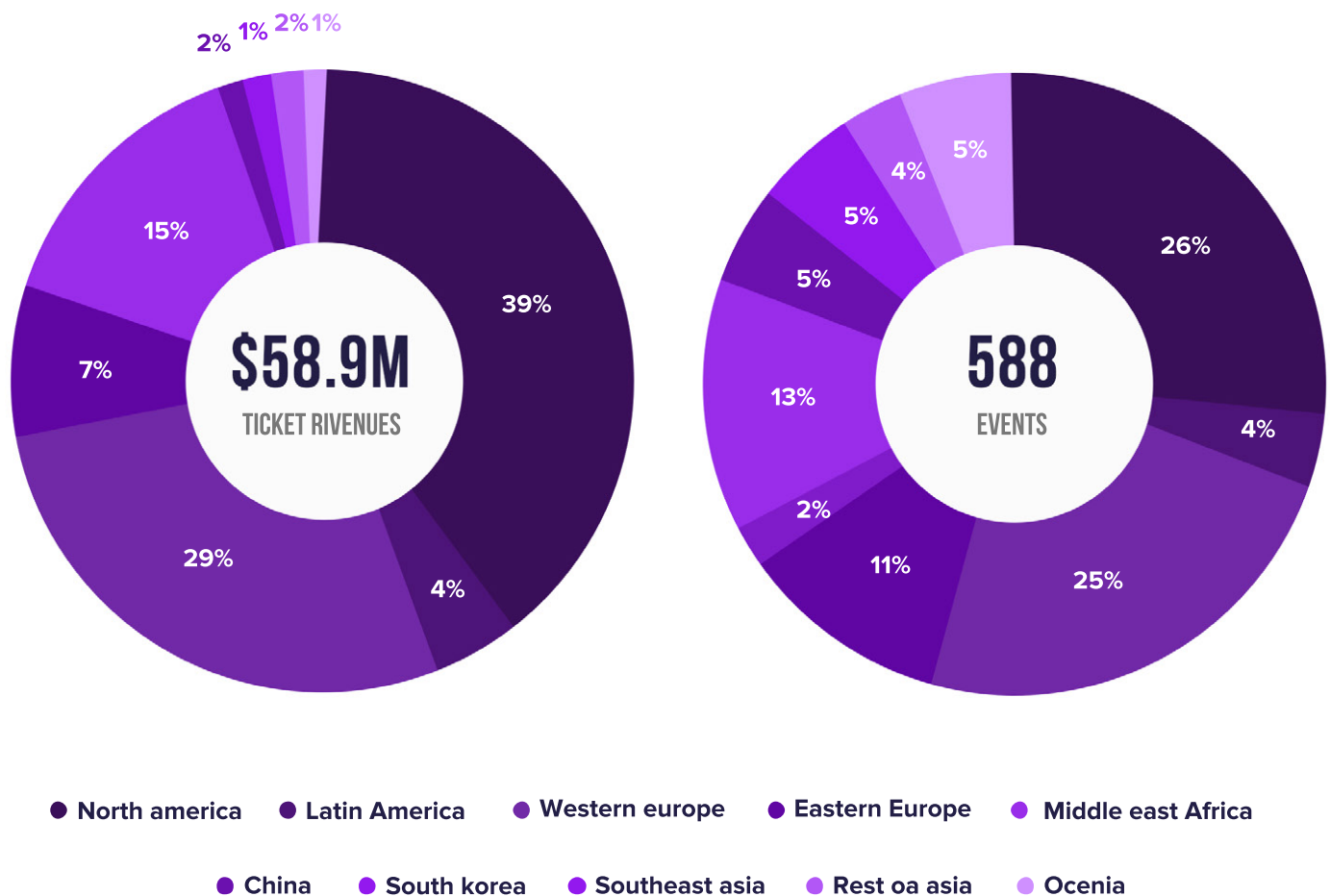
1.2.3. TOURNAMENTS AND PRIZE MONEY

In 2017, there were **588 tournaments** held around the world with a total prize money fund of more than \$ 100 million. Most tournaments were held in North America (26%), followed by Western Europe (25%) and China (13%).

Profits from the sale of tickets to these tournaments made **\$59 million** in 2017. 39% of all tickets were sold in North America, and 29% in Western Europe. In developing regions, such as Latin America, the Middle East, Africa and Southeast Asia, 7.4% of tickets were sold, which shows an increase of 2.6% compared to 2016.

Number of major events & tickets revenues

Split per region global / 2017



The total amount of prize money in 2017 was **\$112.1 million**, which is 20% more than in 2016. The largest prize money was competed for in The International with its \$24.7 million, which made 22% of the total global prize money.



Prize money development

Global 2007 - 2017



The largest 50 tournaments of 2017 together accounted for 48% of all prize money of the year.

We will offer a glimpse of top disciplines and take a look at prize money statistics.

League of Legends

The final 2017 LoL tournament was entered by 24 teams that competed for \$4.6 million in prize money. Initially, it was \$2.25 million, the remaining sum was raised by the game fans. The South Korean team Samsung Galaxy won the championship and took away \$1.7 million. The second place was occupied by SK Telecom T1 team, they won \$620 thousand. The third and fourth places were distributed between the teams Royal Never Give Up and Team WE who won \$322 thousand each.



Dota 2

Valve, the Dota 2 developer, holds the annual tournament called The International, which has already established itself as the largest championship in terms of prize money. In 2017, the winner was Team Liquid, the team took home \$ 10.8 million. The Newbee team who ended up second earned \$ 3.9 million, and the bronze medalists LGD. Forever Young took away \$2.6 million. In 2017 The International set a new record with its prize money reaching \$24,787,916.





StarCraft

In 2018, the prize pool of StarCraft II will be more than \$2 million. At the final stage of the world tournament, 8 players from South Korea and 8 representatives of other countries will compete for the title of the winner. In 2017, the StarCraft II final was held in the context of BlizzCon, and the prize money of only the final games was \$700 thousand. The winner was the player under the alias Rogue, who took home \$280 thousand. The second place went to soO, whose winnings made \$140 thousand.





2. RANGE OF MARKET ISSUES

2.1. THE PROBLEM OF FINDING INITIAL INVESTMENT FOR THE PROFESSIONAL DEVELOPMENT OF A CYBERATHLETE

Professional e-sports mean many hours of training, good equipment, experienced coaches and a reliable team, all of which requires funding.



A professional player spends 10 to 16 hours per day training. At the same time, fine conditions matter, there should not be any distracting factors. A separate facility is preferable, as professional training sessions at home are extremely difficult and unproductive.

An experienced coach will help a cyberathlete advance and will boost his development. Practice is undoubtedly important, but regular analysis of games, work on tactics and strategies; teamwork, etc. are of equal importance.

A good computer and gamers' devices also play an important role. Professional cyberathletes buy only the best equipment in order to cancel out possible delays and response speed issues experienced with mice and keyboards for unprofessional users. This does not mean that it's impossible to become a good player using ordinary devices, but when one is a professional player each millisecond is of crucial importance.



Also, due to the specifics of cybersports, players have to invest regularly in their health. Staying in front of a computer permanently affects their health.

The GameStars platform offers a range of functions that allow cyberathletes to get funding for their professional development through the Cyberathlete Initial Coin Offering (CICO) procedure, while sponsors or investors get an opportunity to assess the athlete's potential on the basis of analytical data and statistics provided by the platform.

2.2. HIGH BARRIER OF ENTRY FOR BEGINNER CYBERATHLETES

Most e-sports tournaments are available only for top teams, and remain an unattainable goal for millions of intermediate players and beginners. Joining a top team, or qualifying for a top tournament requires years of intensive training.

The GameStars platform gives cyberathletes a chance to participate in numerous tournaments of various levels, thus providing access to the necessary experience of participating in tournaments and increasing their chances of receiving prize money.





2.3. BEGINNER CYBERATHLETES OFTEN RECEIVE A SMALLER PART OF THEIR REWARD DUE TO POORLY DESIGNED TERMS OF COOPERATION IN CONTRACTS WITH TEAM MANAGERS OR THEIR ABSENCE

Over a half of cyberathletes playing in teams do not have contracts, only verbal agreements instead. Many of them are bound by contracts whose terms are disadvantageous for the players. High fines, no wage guarantees or obligations on the part of team owners, and unmanageable terms of joining another team.

The distribution of cyberathletes' profits is strictly determined and fully automated through the player's smart contract on the GameStars platform.

The application of the blockchain technology and use of crypto-tokens and smart-contracts make the calculation process transparent and exclude the possibility of trickery, data substitution or fraud.

WHAT ARE THE BENEFITS OF APPLYING SMART CONTRACTS?

01 Invariability

The code of the smart contract remains unchanged after it is published in the blockchain. Changes to the logic of its operation, or loss of data are impossible. Clear mathematical algorithms operate the process.

02 Efficiency

Due to the fact that the process of concluding smart contracts is fully automated, it takes much less time and human resources.

03 Transparency

The logic of the smart contract operation is publicly available, all participants in the process can check it.

04 Reliability

Due to decentralized data storage (distributed registry), it is economically impractical to hack or replace the smart contract code.

05 Autonomy

Participants do not need any intermediaries to conclude a smart contract.



2.4. THE PROBLEM OF NON-PAYMENT OF PRIZE MONEY TO THE WINNERS OF THE TOURNAMENT

There are known cases when organizers of small tournaments simply stop responding to messages, go off the radar, and leave teams and players without their prize money. At the moment there is no clear and structured approach to organization of tournament registration, registering the prize money repayment obligations, or the timing for fulfillment of these obligations. A clear and structured system of relations between tournament organizers and teams / players is needed.

To date, dozens of teams have faced the problem of not having received the due reward.

The GameStars platform solves this problem by holding tournaments using smart contracts. The entire prize money fund is transferred to the balance of the smart contract, which automatically repays the due money to prize winners on the basis of the match results received from the tracking module.



2.5. THE ISSUE OF GUARANTEEING THE COMPLIANCE WITH THE CONDITIONS OF THE TOURNAMENT, AS WELL AS REFUNDING CONTRIBUTIONS IN CASE OF TOURNAMENT CANCELLATION.

On the GameStars platform, all terms and conditions of tournaments are placed in the tournaments' smart contracts in the form of a set of parameters that allow unambiguous description of the outcome of the tournament based on data received from the API of the gaming service or the game used in the tournament.

To avoid divergent interpretations, all terms and conditions of the tournament are additionally described verbally, and a hash of the received document is placed in the smart contract.

The tournament's prize money is stored on the balance sheet of the smart contract and cannot be appropriated by any third parties. If the tournament is canceled, all funds are returned to the addresses from which they were received.



2.6. ORGANIZING YOUR OWN TOURNAMENT IS EXPENSIVE AND IS AFFORDABLE ONLY FOR LARGE COMPANIES.

Organizing your own tournament requires a lot of spending, which concerns both time and money. An average cycle of tournament organization takes 3-6 months. About 10 people are involved in concept development and planning of the event. Holding a large tournament requires the services of more than 300 people.

The main expenses connected with organizing tournaments are as follows:

- ▶ selecting and renting the venue, as well as art style design costs;
- ▶ payments for the staff (referees, commentators, administrators, managers, etc.);
- ▶ equipping gaming stations;
- ▶ forming a prize money fund;
- ▶ advertising of the tournament (publications in the media, promotion in social networks, banner advertising, etc.);
- ▶ legal expenses;
- ▶ other expenses.

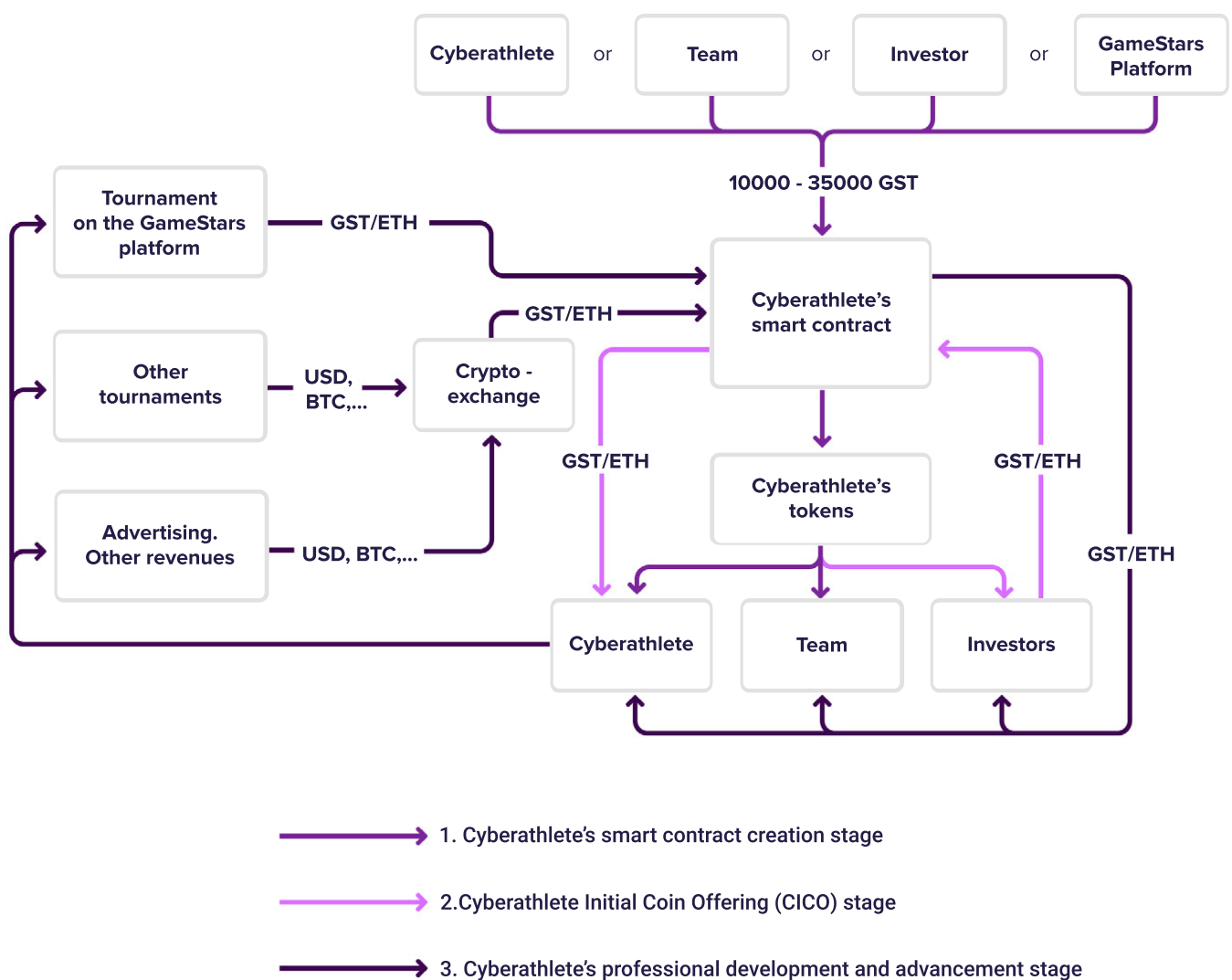
The GAME STARS platform allows you to organize your own tournament quickly and effortlessly. Organizers of tournaments can include the players themselves, the GameStars platform, or sponsors.

3. DESCRIPTION OF THE PLATFORM

The purpose of the GameStars platform is to provide opportunities for aspiring and established cyberathletes to get investment for their further development. The second task is to make the investment process transparent, flexible, and honest.

These tasks are solved by using the technology of blockchain and smart contracts.

The GameStars platform forms a smart contract for each cyberathlete (player) in the Ethereum blockchain. A cyberathlete's smart-contract is similar to the smart contract of the ERC20 token, but it contains a lot of additional properties, methods and interfaces necessary for the interaction of this smart contract with the GameStars platform.





Creation of a cyberathlete's smart contract on the platform requires paying a fee, which amounts to 10,000-35,000 GST (GameStars Tokens) depending on the type of smart contract.

Creation of a smart contract is accompanied by emission of personal tokens of a player (100 tokens overall). The procedure of emission of cyberathlete's tokens and their further allocation is called Cyberathlete Initial Coin Offering (CICO).

The cyberathlete's tokens are allocated as percentages among the cyberathlete, his team, and investors. The percentage allocation options depend on the smart contract type and on who paid for the creation of the smart contract. A more detailed description of token allocation is presented in Chapter 5 "Cyberathlete Initial Coin Offering."

Tokens meant for investors go on general sale through the internal exchange of the GameStars platform. Investors purchase cyberathletes' tokens in exchange for GST tokens.

Cyberathletes' tokens correspond to the ERC20 standard, they can be kept and transferred to another address using any compatible digital wallet. The only exception is tokens reserved temporarily or permanently for their owner for the purpose of keeping the cyberathlete motivated and preventing any profiteering involving tokens.

Cyberathletes' tokens entitle their holders to receive a share of the cyberathlete's revenues earned by participating in tournaments and received from other sources (such as advertising and promotion of a third-party brand).

The cyberathlete's receipts in the form of GST or ETH tokens (for example, for winning a prize in a tournament held by the GameStars platform) are transferred to the address of the player's smart contract which allocates them among the holders of the player's tokens in accordance with their respective shares.

The cyberathlete's revenues received in other currencies are converted to GST or ETH tokens through the cryptocurrency exchange, transferred to the cyberathlete's smart contract and then allocated in the same way.

The sum in GST tokens received from the sale of the cyberathlete's tokens can be used for the following purposes:

- professional advancement of the cyberathlete;
- purchase of equipment;
- renting a facility for training sessions;
- hiring coaches;
- tournament participation fees;



4. TOKENS USED ON THE PLATFORM

The GameStars platform uses two types of tokens: the GST token (GameStars token), and the personal token of a cyberathlete.

The GST token is a universal means of payment used for settlements within the system.

Creation of a personal smart contract of a cyberathlete is accompanied by emission of a series of his/her own individual tokens that entitle their holder to a share of this cyberathlete's earnings.

Principal characteristics of the tokens are given in the table:

	GameStars Token (GST)	Cyberathlete's Token
Primary issue purpose	Raising funds for further development of the GameStars platform	Raising funds for professional advancement of a cyberathlete
Intended use	Means of payment within the platform	A token that entitles its holder to a share of the cyberathlete's revenues
Standard and platform	ERC20 Standard token on the Ethereum platform	ERC20 Standard token on the Ethereum platform with a range of additional functions
Emission	One-time issue of 500m GSTs	One-time issue of 100 personal tokens per each cyberathlete



4.1. GAMESTARS TOKEN

GameStars Tokens (GSTs) are emitted in a limited issue set on the Ethereum platform and are meant to be sold at crowdsale that we hold to raise funds for the development of the GameStars platform.

During the crowdsale stage, GST tokens can be purchased at the lowest fixed prices. After the launch of the platform, the GST tokens will be listed on crypto-currency exchanges, and their value will be determined by market mechanisms.

The demand for GST tokens will be generated by platform users who will need GST tokens for the following purposes:

Intended GST use	User
creation of a cyberathlete's smart contract for CICO	cyberathlete, team, investor
purchase of the cyberathlete's tokens at the CICO stage	investor
formation of the prize money fund for a sponsorship tournament	advertiser, platform
tournament participation fee	cyberathlete, team
repayment of the cyberathlete's revenue if received in other currencies	the platform purchases GST tokens on the exchange for subsequent allocation among the holders of the cyberathlete's tokens



4.2. CYBERATHLETE'S TOKEN

A cyberathlete's token is issued at the CICO stage with the number of tokens limited to 100.

Cyberathletes' tokens are fully compatible with the ERC20 standard, which means they can be stored and transferred between addresses using any compatible e-wallet, and such tokens can be integrated into any platform or service working with this standard.

Cyberathletes' tokens are issued by deploying cyberathletes' smart contracts to the Ethereum chain. The code of the smart contract is generated by the GameStars platform and contains the following:

- a set of properties and methods complying with the ERC20 standard;
- A set of properties, methods and interfaces necessary to carry out unique identification of the cyberathlete, to ensure the operation of the CICO procedure and the mechanism allocating revenues among the holders of the tokens of this smart contract.



5. CYBERATHLETE INITIAL COIN OFFERING (CICO)

In order to minimize the possibility of fraud and fraudulent schemes, as well as to ensure high-quality offers from players, the platform decided to make the launch of Cyberathlete Initial Coin Offering a fee-based procedure. Payment will be made in GST tokens.

Otherwise, the platform would be flooded with a huge number of low-level players trying to sell their personal tokens and then disappear with the received investments.

In order for a player to start the Cyberathlete Initial Coin Offering procedure, he/she needs to issue a personal smart contract on the GameStars platform.

The player may have not enough GST tokens in his/her account to launch CICO independently. In this case, the GameStars platform offers several ways of attracting initial investment.

We have developed 4 scenarios depending on who pays for the release of the smart contract:

SCENARIO # 1. PAYMENT FOR THE SMART CONTRACT IS CARRIED OUT BY THE PLAYER HIM/HERSELF

SCENARIO # 2. PAYMENT FOR THE SMART CONTRACT IS CARRIED OUT BY THE GAMESTARS PLATFORM

SCENARIO # 3. PAYMENT FOR THE SMART CONTRACT IS CARRIED OUT BY AN EARLY INVESTOR

SCENARIO # 4. PAYMENT FOR THE SMART CONTRACT IS CARRIED OUT BY THE PLAYER'S TEAM

Let us take a closer look at each scenario.



SCENARIO #1. PAYMENT FOR THE SMART CONTRACT IS CARRIED OUT BY THE PLAYER HIM/HERSELF

This scenario will be the most popular on the platform. For the convenience of beginners and professional cyberathletes, we offer two types of smart contract: BASIC and PROFI.

BASIC

Based on the data obtained in the process of modeling, we selected an optimal smart contract model that will allocate the player's personal tokens as the following percentages:

30% PLAYER	20% TEAM	50% INVESTORS
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Cyberathlete.

The BASIC smart contract presupposes that 30% of the personal tokens remain with the player. These tokens are permanently assigned to the player, without the possibility of selling or transferring them.

The perpetual token reservation motivates the player to keep developing and advance professionally every year. Otherwise, the player loses monetary motivation, his investors lose the source of income they receive from this cyberathlete, and the player's personal tokens depreciate.

Team.

The team (organization) receives 20% of personal tokens. These tokens are blocked for 6 months and cannot be sold before the expiry of this term. The token freeze system is designed to motivate team managers to develop the player. The player, realizing that he is staying with the team for a long time, will adhere to the conditions of being part of the team, keep proper hours, treat the organization's symbols and attributes with care, fulfill the requirements of the management and will not directly enter into negotiations with other teams.

If the player does not belong to any team at the time of the smart contract release, 20% of the team tokens are reserved on the GameStars platform until the player finds a team to join.



Investors.

After creation of the smart contract, the cyberathlete has the right to sell 50% of his/her tokens and get the first investment for the development of his/her career. The initial price per personal token is determined by the cyberathlete him/herself.

In case if less than 50% of tokens are sold during the Cyberathlete Initial Coin Offering period, the remaining personal tokens are assigned to the player, and can be sold later on the internal exchange of the GameStars platform. The price per personal token is formed on the exchange as a result of supply and demand.

The cost of issuing a BASIC smart contract is 10,000 GST.

PROFI

Professional players can control the token percentage allocation among participants when creating a smart contract.

The GameStars platform offers the player a user-friendly web interface that facilitates configuring the parameters of the future smart contract and allows completing the whole process within minutes.

Thus, the player's success at the Cyberathlete Initial Coin Offering stage will directly depend on the formation of a correct system of token percentages allocated among investors, the team and the cyberathlete him/herself.

MIN 20% - MAX 80% PLAYER	MIN 10% - MAX 70% TEAM	MIN 10% - MAX 70% INVESTORS
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Cyberathlete.

The player cannot have a share of less than 20%. A smaller share kills the player's motivation to develop and conscientiously fulfill the undertaken obligations.

The maximum share of a cyberathlete is 80%.

Team.

The size of the team's share can range from 10% to 70%. The more personal tokens the player's team receives, the greater role the team will play in the player's development. A potential investor should conduct a detailed study of the player's team, its history, composition, and achievements in tournaments.

The maximum size of the team's share is 70%.



Investors.

At the Cyberathlete Initial Coin Offering the player can sell between 10% and 70% of his/her personal tokens. The more tokens he/she sells, the more investment he/she can attract for his/her development. However, this means that investors will receive a large share of his/her prize money in future

The cost of issuing a PROFI smart contract is 30,000 GST.

SCENARIO #2. PAYMENT FOR THE SMART CONTRACT IS CARRIED OUT BY THE GAMESTARS PLATFORM

The GameStars platform will be monitoring the cybersports market on an ongoing basis with a view to investing in cyberathletes at an early stage.

In case if there are not enough GST tokens in the player's account to launch Cyberathlete Initial Coin Offering, he/she can approach the GameStars platform for provision of funding for his/her CICO procedure.

BASIC

The pattern of personal token distribution will look as follows:

20% PLAYER	20% TEAM	10% GAMESTARS	50% INVESTORS
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10% of the tokens are reserved for the GameStars platform. These tokens are not frozen and can be sold on the internal exchange at any time at the discretion of the platform.

In the case of receiving support from the GameStars platform, the release of a BASIC smart contract is free for the player.

PROFI

This scenario presupposes the possibility of issuing a PROFI smart contract, where the player configures the token allocation him/herself. In this case, the allocation pattern takes the following form:

MIN 20% - MAX 70% PLAYER	MIN 10% - MAX 60% TEAM	10% GAMESTARS	MIN 10% - MAX 60% INVESTORS
------------------------------------	----------------------------------	-------------------------	---------------------------------------

In the case of receiving support from the GameStars platform, the release of a PROFI smart contract is free for the player.



SCENARIO #3. PAYMENT FOR THE SMART CONTRACT IS CARRIED OUT BY AN EARLY INVESTOR

Payment for the release of a smart contract and the Cyberathlete Initial Coin Offering procedure can be carried out by another user of the GameStars platform (further referred to as an early investor).

Under this scenario, an early investor who decides to pay for the release of a smart contract for a cyberathlete, receives 10% of the player's personal tokens.

At the same time, the GameStars platform subsequently automatically calculates the lower threshold for the price per personal token, which cannot be less than twice the price of the token paid by the early investor. Otherwise, it would be more profitable for an early investor to buy a player's share at Cyberathlete Initial Coin Offering.

For example, an early investor has paid 10,000 GST for the release of a smart contract and got 10 cyberathlete's tokens. In other words, each token has cost him/her $10,000 \text{ GST} / 10 = 1,000 \text{ GST}$. The price of the cyberathlete's token at Cyberathlete Initial Coin Offering cannot be lower than $1,000 \text{ GST} \times 2 = 2,000 \text{ GST}$. Early investors get tokens on more advantageous terms because they take more risks.

BASIC

The pattern of personal token distribution will look as follows.

30% PLAYER	20% TEAM	10% GAMESTARS	40% INVESTORS
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A 10% share is reserved for the early investor before the Cyberathlete Initial Coin Offering. These tokens are not frozen and can be sold on the internal exchange immediately after CICO.

The cost of issuing a **BASIC** smart contract is 10,000 GST. Payment is made by the early investor.

PROFI

Configuring the allocation of shares in a smart contract manually, a player can give the early investor a larger share of personal tokens.

Token share allocation pattern is below:

MIN 20% - MAX 70% PLAYER	MIN 10% - MAX 60% TEAM	MIN 10% - MAX 30% EARLY INVESTOR	MIN 10% - MAX 60% INVESTORS
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The maximum share that can be assigned to an early investor is 30% of personal tokens. In this case, when configuring the PROFI smart contract generation parameters, the platform will automatically calculate the minimum price per personal token that the player can set when selling tokens to other investors.

The cost of issuing a PROFI smart contract is 35,000 GST. Payment is made by an early investor.

SCENARIO #4. PAYMENT FOR THE SMART CONTRACT IS CARRIED OUT BY THE PLAYER'S TEAM

Payment for the Cyberathlete Initial Coin Offering can be carried out by the player's team. In this case, an additional 10% share of personal tokens goes to the team.

If the player belongs to a team, then it is profitable for the team to attract investment for this player, which can be used for his/her development and professional growth. In this case, the team will receive returns on its investments from additional portions of the player's prize money.

BASIC

If the team pays for the release of the player's personal tokens, the token share allocation pattern will have the following form:

20% PLAYER	30% TEAM	50% INVESTORS
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In future, if the player chooses to join another team, the additional 10% of the tokens received by the team can be redeemed by the player.

The cost of issuing a BASIC smart contract is 10,000 GST. Payment is made by the player's team.

PROFI

If allocation of shares in a smart contract is configured manually, they belong to the following ranges:

MIN 20% - MAX 70% PLAYER	MIN 10% - MAX 60% TEAM	MIN 10% - MAX 60% INVESTORS
------------------------------------	----------------------------------	---------------------------------------

The cost of issuing a PROFI smart contract is 35,000 GST. Payment is made by the player's team.



6. TOURNAMENTS USING SMART CONTRACTS

In e-sports, as in any rapidly growing industry, there are certain specific issues finding solutions to which requires time. One of such problems is persisting non-payment of prize money to teams winning prizes in tournaments. This problem is especially acute for small local competitions.

Another unpleasant, but frequent phenomenon in cybersports is the situation when the organizers change the terms and conditions of the tournament when it is already in progress. For example, they increase the number of participants by adding their "own" team or change the prize money distribution pattern.

Tournaments based on smart contracts on the GameStars platform solve the problem of non-payment of prize money and introducing changes to competition terms after the start of the tournament. Using the platform's web interface, anyone can launch a local tournament among friends on fixed conditions and be sure that players will not be deceived, the prize money will be allocated according to the set scheme, and the tournament conditions will remain unchanged in the process.

Therefore, players get new opportunities for holding their own tournaments on clearly defined conditions with confidence in their outcomes. Brands, on the other hand, get a chance to involve famous players, sponsors, and advertisers in their tournaments.

6.1. TOURNAMENT ALGORITHM

01 A GameStars platform user who wants to launch his/her own tournament, sets the following tournament parameters using the web interface:

- ▶ Game;
- ▶ Game parameters (Maps, modes, etc.)
- ▶ Name of the tournament;
- ▶ Start date;
- ▶ Tournament staging system (single elimination (knockout) play-offs, double elimination playoffs, round-robin (all-play-all) tournaments);
- ▶ Number of wins in the rounds;
- ▶ Entry fee rate;
- ▶ Number of participants
- ▶ IDs of the players invited to participate in the tournament (optional field, the tournament can be open to everyone);
- ▶ Selection of the prize money allocation system.



02 The GameStars platform generates a smart contract containing recorded tournament terms.

The smart contract contains a record of the HASH of the terms and conditions which can then be easily verified if a controversy arises among players.

03 If a player is invited by the tournament organizers, or agrees to participate in the tournament, the system sends him/her the address of the smart contract.

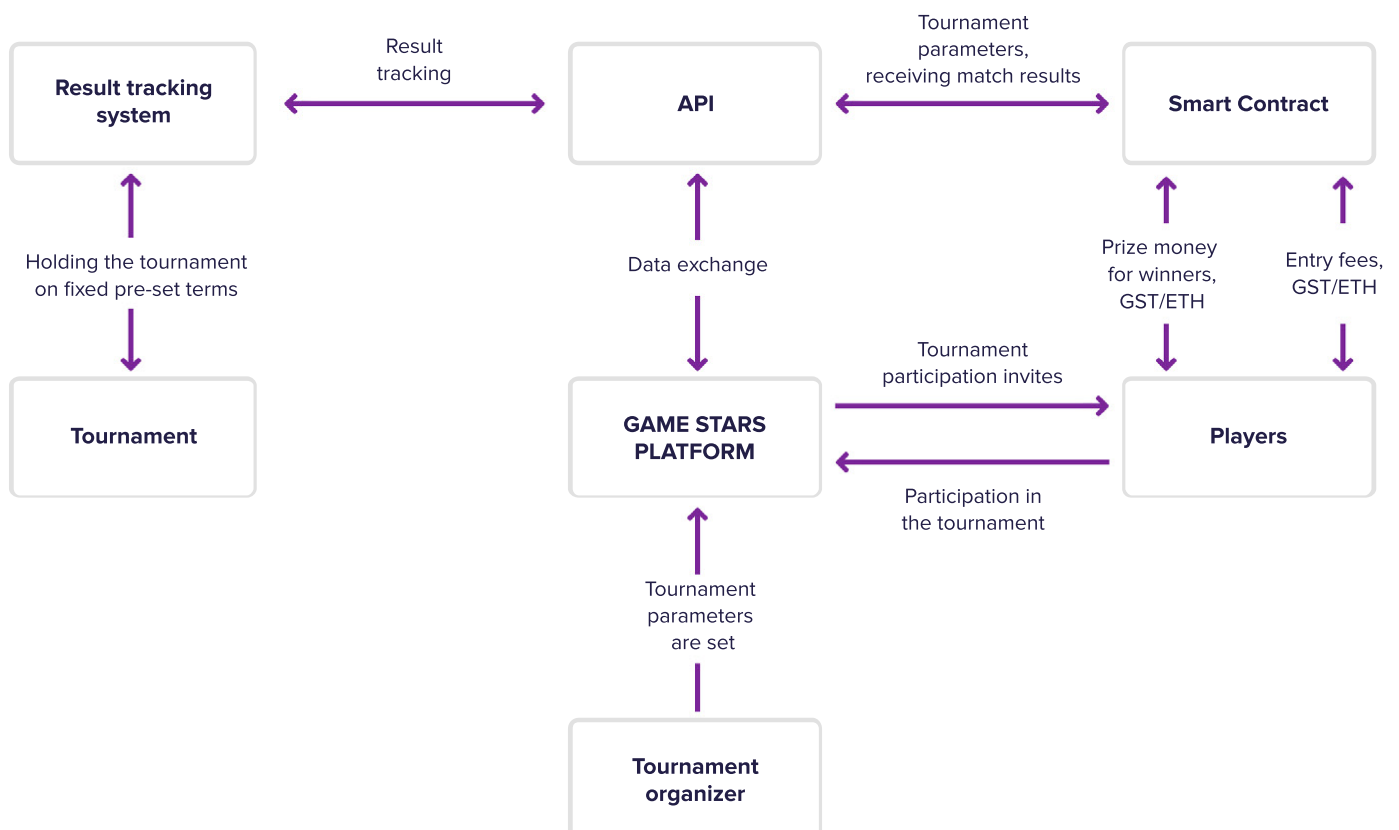
04 If the player agrees to the terms and conditions of the tournament, he/she transfers the entry fee sum in GST tokens to the smart contract, thereby agreeing to the terms and confirming his/her participation.

05 The tournament starts at the specified time and is held according to the pre-set conditions. The platform tracks all match results through the API of the gaming service or game.

06 After the tournament is over, the platform sends the results to the smart contract which automatically transfers the prize money to the tournament's prize-winners.

07 3% of the prize money is transferred to the GameStars platform as a service fee.

In case if the number of participants does not reach the required level, the smart contract will automatically return entry fees to the players on expiration of the set time period.





6.2. TEAM TOURNAMENTS 5V5

The GameStars platform will offer an opportunity to organize team competitions (players compete not in the 1v1 format, but in teams). In this case, there will be 2 prize money distribution options.

Option 1. Prize money is distributed in equal shares

When paying the entry fee, all team players contribute equal sums. Accordingly, prize money is also allocated among the participants in equal shares.

Players	Share of the total sum deposited by the team as its tournament participation fee	Prize money received after the tournament
Player 1	20%	150 GST
Player 2	20%	150 GST
Player 3	20%	150 GST
Player 4	20%	150 GST
Player 5	20%	150 GST
Total:	100%	750 GST

Option 2. Distribution of prize money depends on the percentage of player contributions

In the event that some team members cannot pay their entrance fees, or some of the players have more confidence in the outcome and are ready to risk a larger sum, the platform will have a prize money distribution mechanism depending on the percentage of player contributions.

Players can contribute different sums to pay the team's entrance fee, and distribution of the prize money will be based on the proportion of such contributions.



Players	Share of the total sum deposited by the team as its tournament participation fee	Prize money received after the tournament
Player 1	10%	75 GST
Player 2	25%	187,5 GST
Player 3	5%	137,5 GST
Player 4	35%	262,5 GST
Player 5	25%	187,5 GST
Total	100%	750 GST

6.3. TOURNAMENTS ORGANIZED BY THE GAMESTARS PLATFORM

In order to popularize the GameStars platform, as well as the GST token, the platform will organize tournaments in various games (Dota2, League of Legends, Heroes of the Storm, Hearthstone, StarCraft 2, CS:GO etc.) on a regular basis.

Prize money for such tournaments will be taken from the Bonus Fund, formed from a portion (share) of the platform's service fees (issuing players' smart contracts, fees received from holding tournaments, etc.).

Prospective participants (players or teams) in such tournaments will be selected by the GameStars platform and receive invites. A player's (team's) evaluation will be based on the following criteria:

- ▶ victories (if any) in major tournaments;
 - ▶ prize money earned over a certain period/ the whole career;
 - ▶ being runners-up and prize holders in tournaments;
- gaming characteristics (for example, APM = action per minute, average number of frags per round, etc.).



The prize money distribution in this case follows the pattern below:



6.4. TOURNAMENTS ORGANIZED BY THE SPONSOR

The GameStars platform also provides an opportunity for third-party sponsors (e-sports organizations, representatives of leagues, communities, etc.) to hold tournaments.

Participation in such tournaments will be free for players. The prize money fund is formed by the sponsor. In addition to setting tournament parameters, the sponsor can set player admission criteria for the tournament, or provide access to the tournament by invites.

A sponsorship tournament can be:

- open (for any interested entrants, within the limits set by tournament rules);
- closed (participation is only allowed for the players who received invites from the sponsor).

Prize money distribution in a sponsorship tournament:





7. INTERNAL EXCHANGE OF CYBERATHLETES' TOKENS

In order to enable players and their potential investors to trade in personal tokens, there will be developed a mechanism of internal exchange on the GameStars platform.

On the exchange, anyone can buy cyberathletes' personal tokens offered for sale for GST tokens. Players, their teams, or investors, in turn, can offer them for sale.

Investors will be able to access statistics on both the player and his/her personal tokens which should inform the right investment decision.

Player Statistics:

- ▶ amateur / professional;
- ▶ cyberathlete's age;
- ▶ affiliation (team);
- ▶ number of wins / losses in games;
- ▶ victory-loss ratio;
- ▶ number of wins in a row;
- ▶ number of losses in a row;
- ▶ number of matches played per day, month, year, entire career;
- ▶ number of rejected tournament invites;
- ▶ number of wins / prizes in tournaments;
- ▶ detailed statistics on winning prizes in tournaments;
- ▶ prize money earned over a week, month, quarter, year, entire career.
- ▶ gaming characteristics (for example, CS: GO stats: number of kills, headshot percentage, number of deaths, frags per round, deaths per round, best map, etc.).

Statistics on personal tokens:

- ▶ shares allocated among token holders (player, team, investors);
- ▶ current price per personal token;
- ▶ price per personal token at the player's CICO;
- ▶ token price fluctuation percentage over 24 hours, a week, a month;
- ▶ price fluctuation graph;



- ROI (return on investment) over a week, month, the whole reporting period;
- total amount in GST invested in the player.

Также будет возможность сравнивать игроков друг с другом по выбранным показателям.

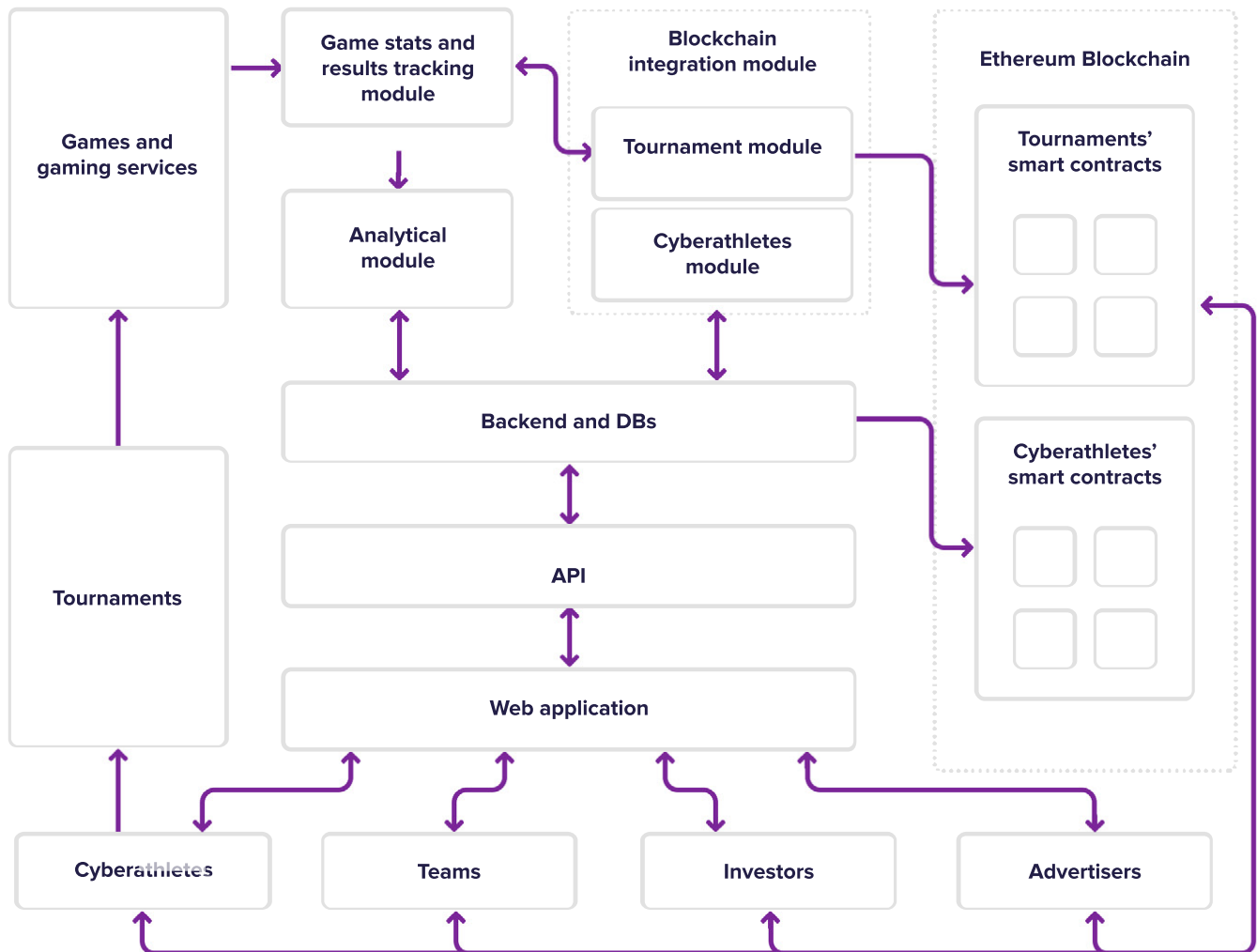
The interface for statistics on personal tokens:

Player	Token holders	Current price	Price (CICO)	Fluctuation (24 h)	Price fluctuation graph	ROI	Player stats
 AnnyMars	30% Player 20% Team 50% Investors	200 GST	150 GST	10,06 %		+33,0%	view
 WOGY	20% Player 30% Team 50% Investors	300 GST	120 GST	-7,20 %		+150%	view
 Alien	30% Player 20% Team 50% Investors	150 GST	900 GST	-47,03 %		-83,33%	view
 Alsantrius	30% Player 20% Команда 50% Investors	20 GST	18 GST	14,37 %		+11,11%	view
 Vikus	30% Player 20% Team 50% Investors	400 GST	75 GST	36,98 %		+433,33%	view
 Kerry	30% Player 20% Team 50% Investors	225 GST	140 GST	-6,27 %		+60,71%	view
 Via	30% Player 20% Team 50% Investors	70 GST	110 GST	+3,57 %		+36,6%	view
 BINE	30% Player 20% Team 50% Investors	330 GST	300 GST	-8,92 %		+10,0%	view



8. PLATFORM ARCHITECTURE

The design of the GameStars platform is based on a modular approach which helps widen the range of platform functions with a great degree of flexibility and scale the platform in accordance with the growth of user audience.





The web application – is the main component enabling users to work with the system. The functions available in the web interface provide the following options, depending on the user's role:

Cyberathlete:

- searching for investors to initiate CICO;
- independent launch of CICO;
- setting CICO parameters;
- listing of tokens that have not been sold during the CICO period on the internal exchange;
- searching for tournaments and applying for participation;
- initiation of your own tournaments;
- adding accounts in games and gaming services for stats collection;
- accessing your own game statistics;
- searching for a team;
- searching for advertisers.

Team representative:

- searching for cyberathletes to join the team;
- accessing the list of cyberathletes with full statistics;
- launching CICO for team members;
- searching for advertisers.

Investor:

- accessing the full statistics on cyberathletes to inform investment decisions
- participating in the early CICO;
- participating in the primary CICO.

Advertiser:

- searching for cyberathletes or teams to advertise your brand or product;
- holding sponsorship tournaments.



The **API** is a set of methods and interfaces for interaction with the main system modules, as well as the platform's integration with external services.

The **backend** (platform core) provides connection between platform components and **databases** where some of the information will be stored centrally (using the data distribution principle to improve the security and accessibility of the data). Depending on the tasks performed, both relational and NOSQL databases will be used.

Blockchain integration module performs the main functions necessary for the interaction of the platform modules with the Ethereum blockchain. It is essentially an internal API that implements methods and interfaces for the deployment of smart contracts for cyberathletes and tournaments, and for interaction with them through JSON-RPC.

Game stats and results tracking module performs two important functions:

- ▶ collecting personal, team and tournament statistics through the available APIs of gaming platforms;
- ▶ monitoring the results of matches and fights in platform-based tournaments in order to transfer the received information through the blockchain integration module to smart contracts to initiate the procedure of prize money repayment to the winners.

The **analytical module** processes the information received from game stats tracking module to generate qualitative analytical data that can be used by:

- ▶ cyberathletes to analyze their strengths and weaknesses, track their progress in skill improvement and strategic planning;
- ▶ teams to find players that meet given criteria;
- ▶ Investors to make an informed investment decision;
- ▶ advertisers to search for suitable athletes and teams to participate in advertising campaigns



9. TOKEN SALE

All information about Token Sale dates is also available on our official website: www.gamestars.io

Token Sale will have 2 stages: Pre Sale and Token Sale.

There will be a time limit for purchase of GST tokens which will include sale stages //1 and //2. After expiration of this time frame, purchasing tokens will be impossible. No additional tokens will be issued. The tokens remaining unsold after the sale will be destroyed.

General information

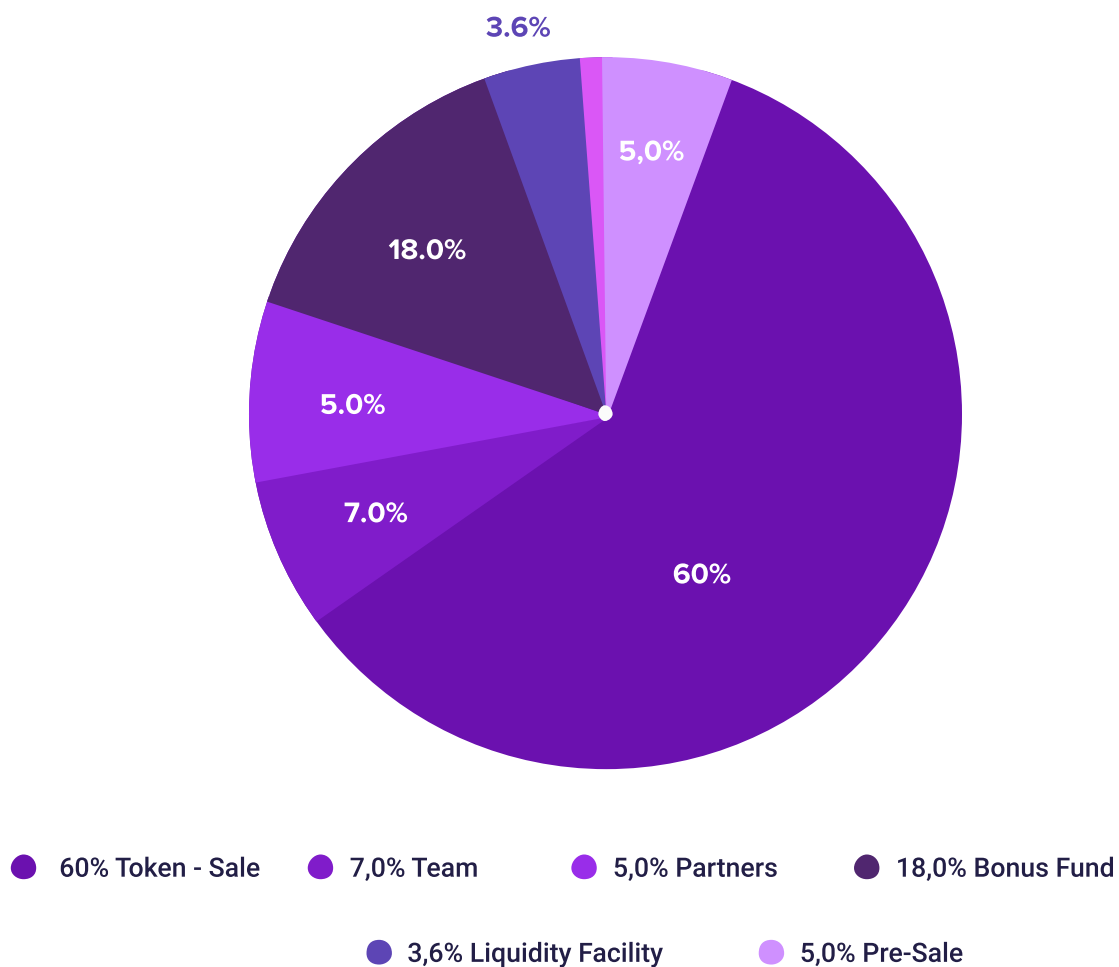
Token Name	GameStars Token
Platform	Ethereum
Type	ERC-20
Symbol	GST
Total Supply	500,000,000 GST
Price per token	0.035 USD
Hard cap	7,500,000 USD
Soft cap	2,000,000 USD
Acceptable Cryptocurrency	ETH, BTC
Additional issue	There will be no additional token issue
Unsold tokens	Tokens that have not been sold on the website will be sold on a partner's exchange



9.1. DISTRIBUTION OF TOKENS AND RAISED FUNDS

GST Token distribution

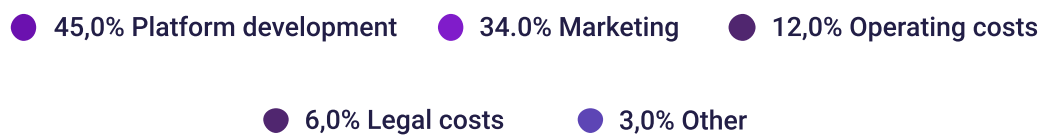
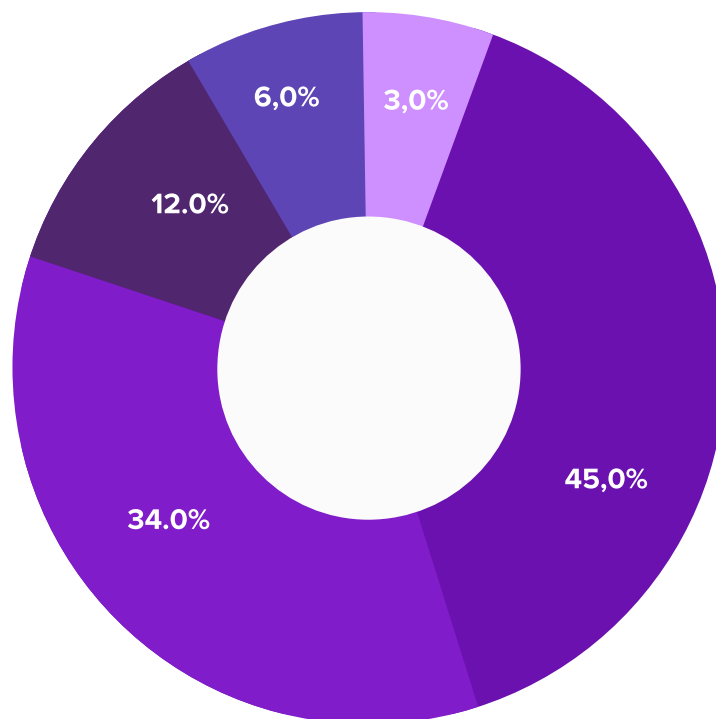
Pre-Sale	5%
Token-Sale	60%
Команда	7%
Partners and Advisors	5%
Bonus Fund	18%
Liquidity facility	3,6%
Bounty	0,9%
Airdrop to e-sport teams and players	0,5%





Distribution of gathered funds

Platform development	45,00%
Marketing	34,00%
Operating costs	12,00%
Legal costs	6,00%
Other expenses	3,00%





9.2. PRE-SALE

Start time	3 May 2018 (12:00 PM, UTC+0)
End time	10 May 2018 (12:00 PM, UTC+0)
Number of tokens on sale	25,000,000 GST (5% of total supply)
Price per 1 GST	0.035 USD
Bonus system	35-50% (depending on transaction amount)
Freeze bonus system	Bonus tokens are immediately transferred to the investor's e-wallet
Minimum transaction amount	1 ETH
Maximum amount	Unlimited

9.3. TOKEN SALE #1

Start time	10 May 2018 (12:00 PM, UTC+0)
End time	02 July 2018 (17:00 PM, UTC+0)
Available tokens	300,000,000 GST (60%)
Bonus per week	Bonus 30% - stage 1 Bonus 20% - stage 2 Bonus 10% - stage 3
Minimum transaction amount	0,01 ETH
Maximum amount	Unlimited



9.4. BONUS SYSTEM

Bonus	Duration
Pre-Sale	
35% if the investment sum is 1-10 ETH 40% if the investment sum is 10-50 ETH 50% if the investment sum is 50+ ETH	During the whole Pre-Sale
Token-Sale	
30%	Stage #1 - 10.05 - 27.05
20%	Stage #2 - 27.05 - 13.06
10%	Stage #3 - 13.06 - 02.07



10. ROADMAP

Q3 2017

- ▶ formation of the GameStars platform concept among professional cyberathletes;
- ▶ development of a solution;
- ▶ selection of implementation methods;

Q4 2017

- ▶ attracting upfront investment;
- ▶ forming a team;
- ▶ creation of the platform's business model;
- ▶ development of a legal approach;

Q1 2018

- ▶ preparation for ICO
- ▶ development of a marketing strategy;
- ▶ designing the platform;

Q2 2018

- ▶ holding ICO;
- ▶ beginning of platform development;
- ▶ searching for partners among gaming platforms and manufacturers of gaming equipment;

Q3 2018

- ▶ Beta release of the platform (BASIC contracts, internal exchange, tournaments on the platform);
- ▶ connection with external APIs and start of gaming stats collection;
- ▶ launch of an active marketing strategy aiming to attract platform users;



Q4 2018

- ▶ platform release;
- ▶ launch of PROFI contracts;
- ▶ extension of the list of possible tournament scenarios;
- ▶ access to basic gaming statistics;
- ▶ functions enabling sponsorship tournaments based on the platform;
- ▶ listing of the GST token on cryptocurrency exchanges;
- ▶ continuation of an active marketing strategy aiming to attract platform users;

Q1 2019

- ▶ establishing connections with external tournaments;
- ▶ access to advanced gaming statistics;
- ▶ marketing strategy aimed at finding partners for sponsorship tournaments;

Q2 2019

- ▶ establishing connections with external tournaments;
- ▶ launch of an analytical module using the AI;
- ▶ marketing strategy aiming to attract cyberathletes, sponsors, and advertisers;

Q3 2019

- ▶ implementation of an API to integrate external services;
- ▶ continuation of an active marketing strategy aiming to attract cyberathletes, sponsors, and advertisers

Q4 2019+

- ▶ further enhancement of the platform's functions and scaling;
- ▶ selection of a trajectory for further development of the platform on the basis of the achieved results.









11. CONTACTS

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