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The non-fungible token (NFT) market is growing rapidly. In March 2021, NFT trading volume was over US\$200 million, and this is only the beginning of a significant trend. More and more people are getting involved in the NFT market every day, and the fact is that we will soon see billions in sales every week. Supply is quickly overwhelming demand.

From a historical perspective, we are well aware that such success stories fall very hard. As things stand, it seems highly likely that in the case of the non-fungibles boom, many market participants will be left high and dry with their bags full of NFTs. Naturally, no one would buy those NFTs for even 10% of the price they were bought for.

So we can mention that the NFT market nowadays is going to be enormous, but there's a chance that only very few projects will be worth anything in the future. Of course, the community has seen famous digital artists such as Beeple enter the market with great success, but for some, he is like a unicorn on a Texas horse farm.. It's possible to count the number of people and projects that have been successful in the NFT space on the fingers of both hands.



So, what are the major problems facing NFTs?

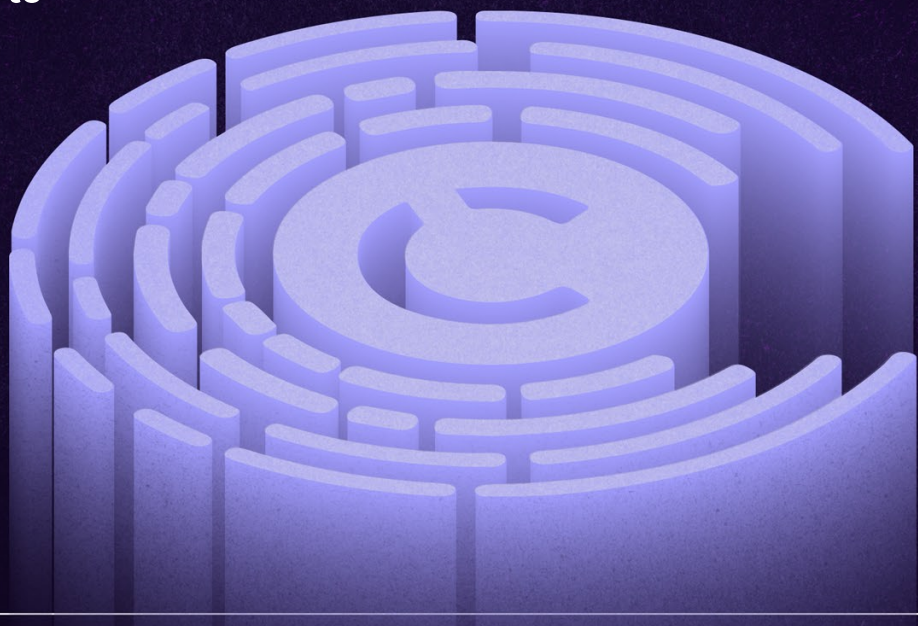
Price discovery and liquidity.

You can buy a Cryptopunk for US\$20,000, but that doesn't necessarily mean you can sell it tomorrow for the same price in two clicks. We only have to look at the latest charts to see that new owners of recently highly priced NFTs can't sell them at a profit. The invisible hand of the market is at work – people don't want to buy overpriced NFTs.

Moreover, the only way to earn on the NFT market as an owner of the ERC-721 token seems to be to HODL and hope you can sell at a higher than you bought. If you are a creator, you need to create “value” so that your work will be of interest to the community. Unfortunately, most creators are unlucky in this game.

We are here to solve this.

WE WOULD LIKE TO INTRODUCE TO YOU
THE CATHARSIS NETWORK





The definition of “Catharsis” is a spiritual and moral cleansing and enlightenment, usually arising in the process of empathy and compassion in the perception of a work of art.

The Catharsis network is a game-changing platform built on Ethereum blockchain where NFT owners can fractionalize their ERC-721 tokens – each ERC-721 token is known as a “Body” – via a smart contracts called “The Limbo” and mint ERC-20 tokens called “Souls.”

These tokens are used as governance tokens in a decentralized autonomous organization (DAO) over a genuine ERC-721 token. They can be bought through the platform, giving holders ownership of a piece of art or other unique items.

And this is only the beginning...

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NFTs are becoming increasingly financialized, and the price of some tokens has increased to millions of dollars. But many people view non-fungibles as very illiquid assets in most cases.

Fractional ownership will empower new contributors to enter the market, buying only valuable works or items. We believe that our platform will become a new unicorn in the NFT space, discovering fair price and distribution mechanisms that will improve capital efficiency dramatically.

Through Catharsis, users can store a token's value and earn LP tokens from swap commissions. For users who can't afford to bid on

a genuine NFT token in an auction, we create a transparent way to enter the liquid NFT assets market and become an owner of a piece of art or an item, backed by collateral.

Only the most successful NFTs will be put on the platform to give our users an experience they would like to share. Unknown NFTs will be permitted on our platform, only valuable works with proven demand.

The catharsis project team will encourage the owners of the most valuable NFT to join the platform, offering rewards for locking and fractionalizing their ERC-721 tokens into "Souls."

FRACTIONS

Fractionalizing means minting ERC-20 tokens (or “Souls”) using an ERC-712 NFT without losing it. This solution allows market contributors to own a part of the non-fungible token with a new way to price discovery.

UNIQUE FRACTIONS DISTRIBUTION

We provide the right of choice in distributing ERC-20 tokens to buyers. Users can choose from Vickrey, Dutch or English auctions for the token sale.

COLLATERAL BIDDING

To contribute to the “Souls” market, users need to provide liquidity via Uniswap v3 and earn liquidity provider (LP) tokens. These tokens are then locked in the Catharsis Vault as collateral to bid on fractions.

DAO GOVERNANCE

Owning a fraction of an NFT gives users a “ticket” to enter into a DAO for managing a genuine “Body” NFT. It is simply like owning a share with a voting right.

THE CATHARSIS VAULT

The Catharsis Vault (smart contract) helps us automatically exchange ERC-20 fractions and LP tokens on the platform and use them as collateral.

"THE LIMBO" — A SECURITY-AUDITED SMART CONTRACT

This contract allows owners to lock a genuine NTF and mint the fractions. It is equally possible to burn "Souls" (fractions) and unlock the ERC-721 token for sale. We want to make the process transparent and precise, so our contract is audited by three well-known and reputable teams and published before the public token sale.

FLEXIBLE FEE POOLS

Using Uniswap v3, we can create customizable fee pools on the same token pair. This feature helps us to structure earnings from fees and share them between platform users accordingly.

CAPITAL EFFICIENCY

Uniswap v3 liquidity providers are given the ability to concentrate their liquidity by "bounding" it within an arbitrary price range. This serves as a mechanism to let the market decide where users should allocate liquidity to maximize capital efficiency. Compared to Uniswap v2, concentrated liquidity in custom price ranges makes users' capital 4,000 times more efficient.

HOW CATHARSIS WORKS

Our platform is built on the Ethereum blockchain and uses a smart contract audited by well-known and reputable teams.

To mint “Souls,” the ERC-721 token “Body,” the owner puts the token into “The Limbo” smart contract, where it is custodied in a secure vault minted only for this token with no access for third parties. The smart contract cannot be modified once deployed, removing the human factor and intermediaries.

Platform users then put collateral into the Catharsis Vault via Uniswap v3 as liquidity to mint LP tokens. These are used to buy ERC-20 tokens minted by the NFT owner. The distribution model is chosen by the owner of the genuine ERC-721 token from Vickrey, Dutch or English auction tools.

It is possible to sell any percentage of an issued token from 0.1% to 100%. After full distribution of the created ERC-20 tokens to new

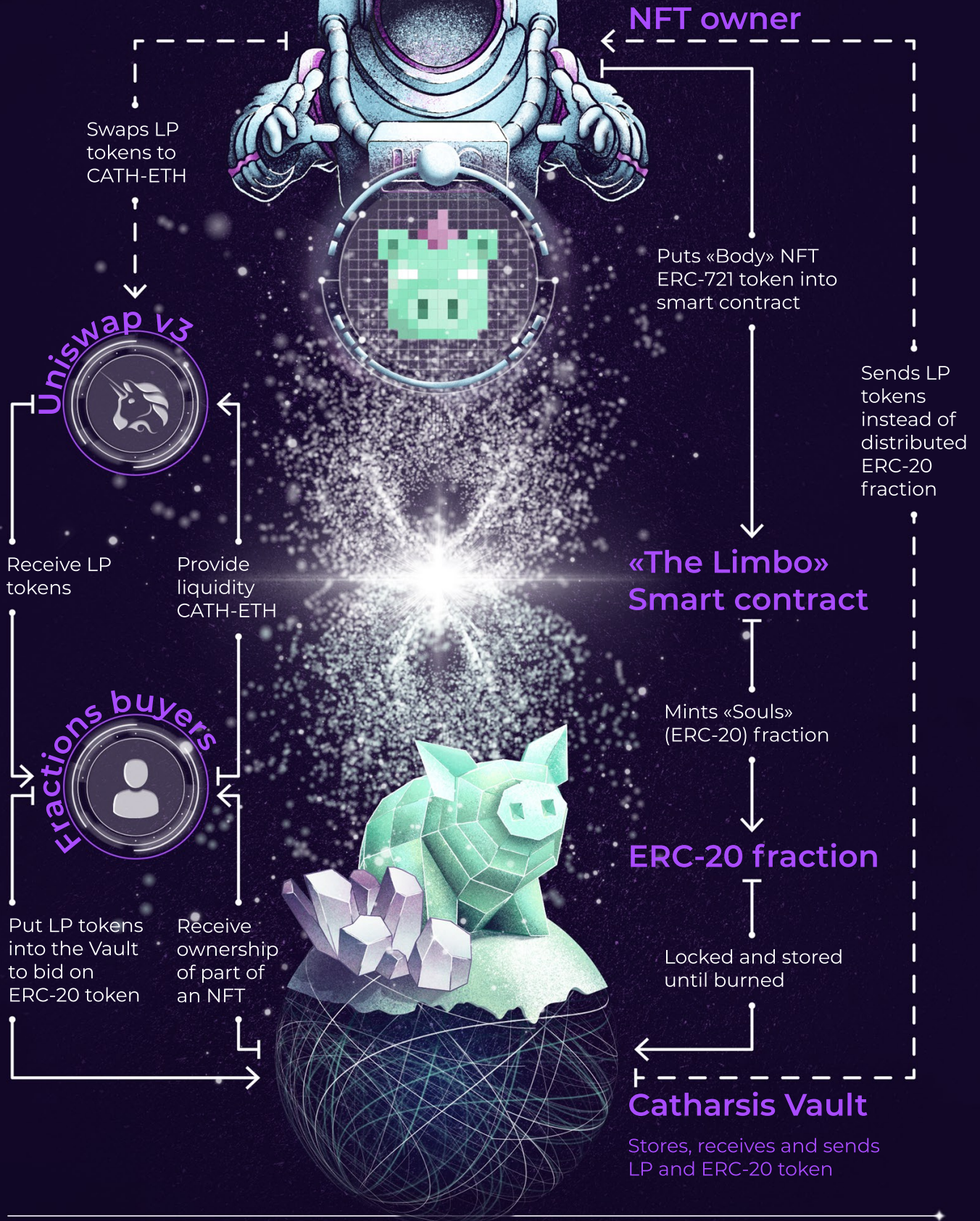
owners, the DAO governance takes care of the genuine ERC-721 token locked in the contract that makes it collectively owned and managed.

The “Souls” distributor receives LP tokens for the tokens sold during the token sale. New owners can vote to accept or decline the proposal if someone makes a bid on the locked NFT.

After the proposal is accepted, all ERC-20 “Souls” are burned, and the collateral that was used to bid on the NFT ERC-721 is transferred to the fraction holders in proportion to the tokens held.

The main difference from other platforms is that Catharsis is about owning a value, not a piece of something that costs nothing and is not backed by collateral. Fractions are stored in a smart contract and burned once the DAO governance decides to sell the “Body” NFT to the new owner.

FRACTIONALIZATION PROCESS



DECENTRALIZED AUTONOMOUS ORGANIZATION GOVERNANCE

Minted “Souls” can only be bought on the first ERC-20 distribution issued by the NFT owner, and there is no possibility to transfer them outside the platform. These tokens can be traded ONLY in the DAO between token sale distributors. That means that if someone decides to sell, they present a proposal to sell their token to other DAO members. Fractions are locked in the vault and can only be burned.

For example, a user buys 10 ERC-20 tokens at a cost of US\$1,000. The total token distribution of the NFT “Body” is 100 tokens for US\$10,000. So the user’s vote weight is now 10% in the DAO.

If a new buyer bids US\$20,000 on the “Body” NFT, the voting process is started. If 51% of members vote for the sale, the “Souls” are burned and all token holders receive collateral in proportion. In this case, the user’s part is 2000 USDT.

In the near future, we will add loans backed by minted ERC-20 fractions of the genuine NFT.

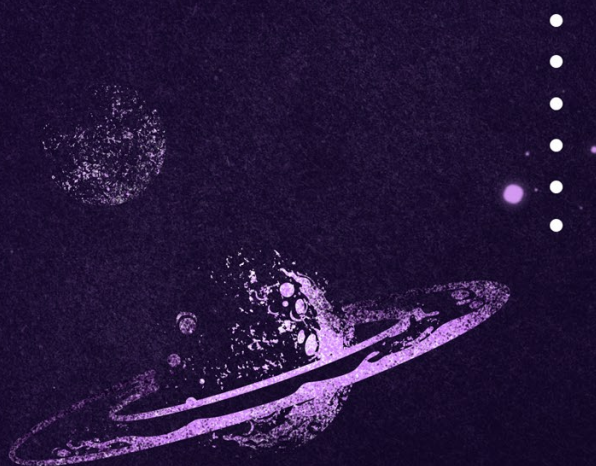
WHAT ABOUT FEES?

In Uniswap v3, the swap fee is no longer locked and can now be adjusted. Moreover, there can be multiple fee pools for one trading pair – 0.05%, 0.30%, and 1%, depending on the price curve used.

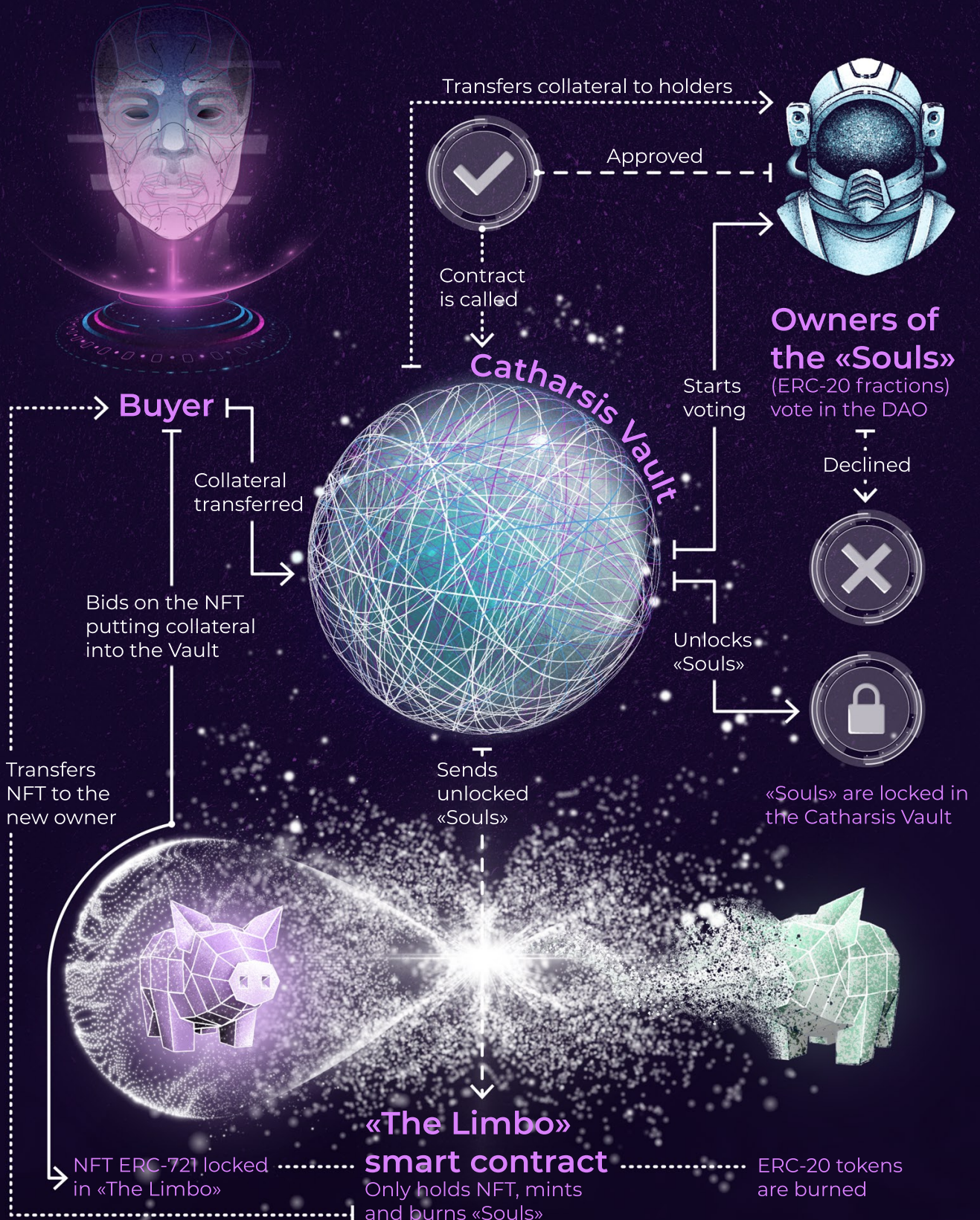
Fees earned by providing liquidity are added to the users wallet in LP tokens and used on the platform.

To attract NFT owners, we share part of the commission income. Interest will be distributed between the owners of fractions (“Souls”) according to reserved liquidity size.

Moreover, users who lock and fractionalize their NFT (“Body”) will be further awarded.



SELLING PROCESS





The Catharsis platform Token (CATH) is an ERC-20 token with multiple utility forms created to support the platform's functions and provide incentives for its users.

- Users use the token to vote on platform development decisions or future NTFs to list, team rewards, grants for artists – and on many more incredible functions that will soon be implemented.
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Moreover, the loan process will use CATH tokens as collateral. The Catharsis team will add this function in Q4 2021.

We strive to make our platform a place of real NFT price discovery with efficient capital use and DAO governance.

TOKENOMICS

Round	Numbers of tokens	Hard cap, US\$	Price, US\$	Vesting	Purchase limit (min) ETH	Purchase limit (max) ETH	% of total supply
Seed	3,000,000	150,000	0.05	3 month	0.5	10	10
Private A	2,800,000	252,000	0.09	1.5 month	0.5	5	9.33
Private B	2,800,000	360,000	0.12	1 month	0.5	5	10
Public	2,800,000	750,000	0.15	100% unlocked	-	5	16.67
Total	13,800,000	1,512,000	-	-	-	-	46

Total supply
30,000,000 CATH



46% of tokens for sale



Listing price on Uniswap v3: US\$0.25 per 1 CATH

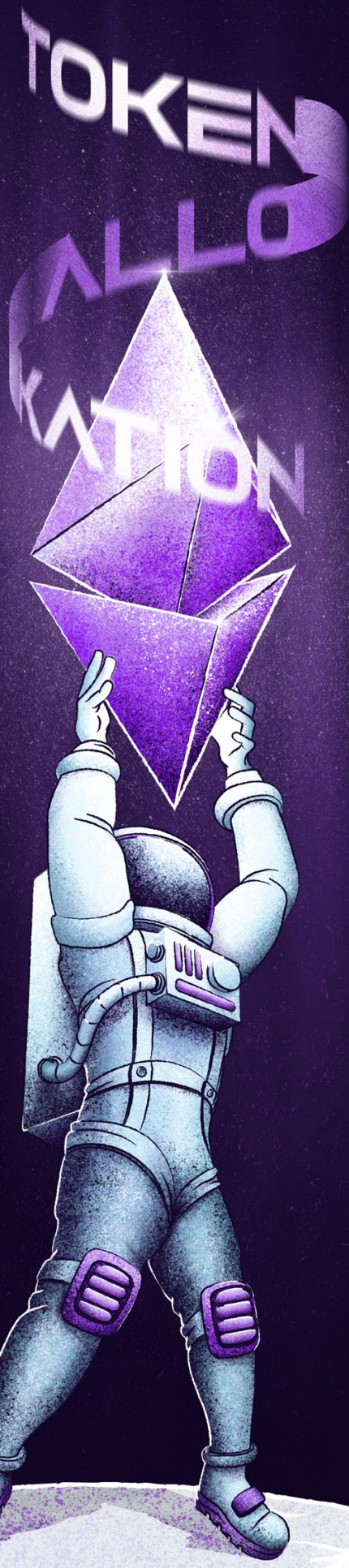
Contributions are accepted in ETH only.

Only whitelisted contributors will be allowed to participate in the Seed and Private A and B rounds.

The Public token sale will start after the Uniswap v3 launch and will proceed through the smart contract.

Any remaining tokens will be burned.

A detailed tokensale description and whitelist requirements will be announced soon on our official Telegram channel, Medium, and Twitter pages.



	Supply	Vesting
Public and private sale	46%	Described in Tokenomics
Marketing	10%	12 months (8% unlocks every month)
Team	11%	24 months (4% unlocks every month)
Advisors	1%	12 months
Partners	2%	12 months
Bounty	2%	Unlocked at TGE
Development	7%	12 months (8% unlocks every month)
Reserve	19%	Locked until the community vote for use
Liquidity	2%	Unlocked at TGE

Reserved tokens will be used to buy the most valuable NFTs from the market to help our members buy a piece of the most valuable works. After fractionalizing, the collateral will be swapped back to the CATH token and locked for further use.

The bounty program will be launched after the private sale so that the community can help us find vulnerabilities in the smart contract.

ROAD MAP



Q2 2021

- ✦ Private sale
- ✦ Contract audit
- ✦ Public sale
- ✦ Uniswap v3 listing

Q3 2021

- ✦ Deployment of Catharsis platform smart contract
- ✦ Platform testing
- ✦ Voting for NTF adding
- ✦ Platform launch

Q4 2021

- ✦ Loans implementation
- ✦ Cross-chain solutions
- ✦ Oracle-based pricing
- ✦ Layer 2 integration