Tratok Project Summary and Update, 5 May 2018

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## Overview of the Travel and Tourism Sector:

The importance of travel and tourism to the global economy cannot be overstated. A major driver of global growth, the sector directly contributed 2.6 trillion US dollars to Global GDP in 2016. The contribution looks even more impressive when one considers that indirect contributions amounted to in excess of 7.6 trillion US dollars and the industry can be credited with providing 292 million jobs (World Travel & Tourism Council, 2017).

Despite the already leviathan size of the sector, it shows no signs of slowing down. According to the World Travel & Tourism Council, expenditure in the sector is forecasted to grow by approximately 3.9% per annum over the next decade. During the same period, it is forecasted that 23% of all new jobs created will be supported by travel and tourism resulting in a total of 380 million jobs. To put this into perspective that would be approximately one ninth of global employment. Should these forecasts hold true, it means that not only will this sector outperform other sectors but by 2027 it will contribute 11.4% of global GDP. The facts and figures speak for themselves and show the vital economic significance and opportunities that travel and tourism present.

Direct GDP Contribution 2016
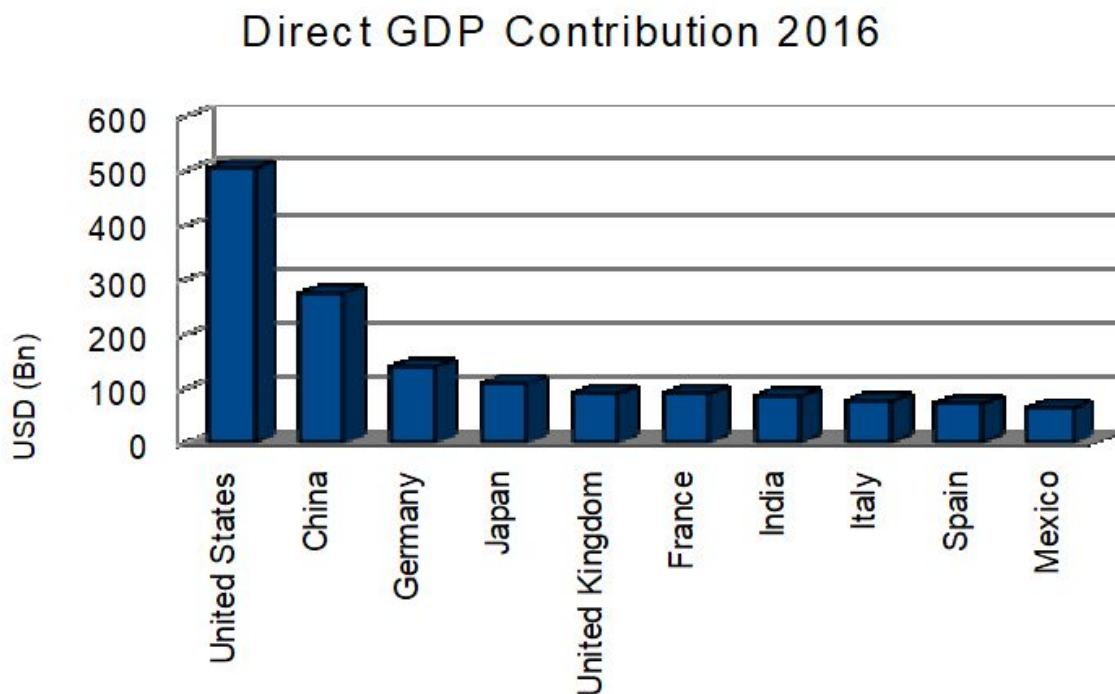
Source:World Travel & Tourism Council

Should we take the financial aspects of the sector to the side, there is a multitude of other reasons why the sector is important to modern society. With the world getting smaller due to ease of transport and affordability, the importance of awareness and appreciation of different cultures and societies continues to grow by the day. As the world opens up more and becomes a larger melting pot of multiculturalism, travel can be expected to play a vital role in the

appreciation and understanding of each other. Therefore it is a duty of humanity to make access to international travel more efficient and lower the thresholds to ensure wider access to all.

In recent years, the industry has made effective use of leveraging new technologies in order to enhance stakeholder experience. To put this into clearer perspective according to our conducted surveys 89% of Americans prefer booking hotels online and 84% preferred booking vacation transport online. Analysis of these trends shows that the path of least resistance is for the continued growth of online bookings due to the comparative ease in contrast with traditional methods. In short, stakeholders in this sector are open to evolving with the times and embracing the new methods of arranging their travel if it results in a better user experience and is more time and cost efficient. This means that any disruptive or game-changing technology is more likely to be embraced rather than resisted by its intended user base.

Problems:

Despite the financial and cultural significance of the sector, it remains plagued with numerous problems:

- ❖ Lack of transparency on costs.
- ❖ Delays with payment.
- ❖ Foreign currency exposure.
- ❖ Transaction fees.
- ❖ The time cost and delay of form filling.
- ❖ Communication problems.
- ❖ The inefficient "Middleman".
- ❖ Refund delays.
- ❖ Fraud.

Tratok:

The Tratok token solves the travel and tourism sector's problems by powering a purpose designed multi-platform application which can link consumers with suppliers. Both stakeholders will register and be matched appropriately in the digital marketplace. Real time prices would be offered to be settled at the time with all fees and transaction costs displayed from the start for full transparency. The Tratok token is a unique token which will be used on the Tratok Travel application to make bookings for travel and tourism services. Be it reserving a hotel room, booking a flight or renting a car, this multiplatform application will result in more economical, hassle-free arrangements for clients and service providers alike. By using blockchain technology to disrupt the existing business model, Tratok offers significant advantages over existing conventional platforms. Principally, it lowers transaction fees, eradicates the need for middlemen, saves time on bookings and results in more profit for service providers and savings for consumers. With stakeholder experience as the main priority, the Tratok project seeks to revolutionise the USD 7.6 Trillion travel and tourism sector and set a new standard.

Philosophy:

The Tratok team focuses its core principles on the following beliefs:

- ❖ Progress over promises.
- ❖ People over profits.
- ❖ Delivery over delays.
- ❖ Adding value over adding hype.
- ❖ Business partnerships over business plans.
- ❖ Transparency and communication over surprises.

Success criteria:

The Tratok Project's management realizes that in order to maximize success, the following criteria need to be met:

- ❖ Priority has to be focused on delivering a product that adds value and solves problems for all stakeholders.
- ❖ The sector must be a growth sector.
- ❖ Contingency plans must exist for different stress scenarios.
- ❖ Business has to be sustainable in the long run.
- ❖ Employee compensation has to be directly tied to the success of the project.
- ❖ Project financing and development should not be dependant on funds raised from the public.
- ❖ The management team and board of advisors must offer expertise, experience and have a proven track record.

Global Awareness:

Despite management's focus on development over publicity, the Tratok project has generated a significant profile in the travel industry. Individual research reports provided by Newswire indicate that in excess of 598 independent news sources have featured updates on the Tratok Project, in addition to syndication on thousands of smaller independent sites. This coverage includes being covered on services such as:

- ❖ FOX
- ❖ NBC
- ❖ ABC
- ❖ CW
- ❖ CNBC
- ❖ Bloomberg
- ❖ The Associated Press
- ❖ Google
- ❖ MSN
- ❖ Yahoo
- ❖ Travel Weekly
- ❖ The Business Journal

The result is that between these networks and hundreds of other niche websites, Tratok Ltd has been displayed to a potential audience of over nearly 81 million users. One such report can be seen here.

In addition, unsolicited articles giving opinions, advice and feedback have been appearing on hospitality and travel blogs. Such discussion is encouraged and constructive feedback has been taken into consideration, publicly responded to and used to add new features and considerations to the project.

Maximizing coin adoption:

The development team behind the project has contributed sufficient financial resources to ensure the registration of the company as a legal entity. In addition, suitable offices have opened and development of the application is underway months ahead of schedule. Achieving the visions of this project are not reliant on raising capital from the general public. Therefore there was no Initial Coin Offering and the 100 billion generated Tratok tokens were distributed as follows:

- ❖ 50 percent (50 billion) will be kept in the company war chest and gradually released over one exclusive exchange over a two-year period.
- ❖ 20 percent (20 billion) will be distributed among the development team, of which 30 percent (6 billion) has a 12-month no-sell clause and 50 percent (10 billion) has a 24-month no-sell clause.
- ❖ 10 percent (10 billion) will be distributed among the board of advisors, with a 24- month no-sell clause.
- ❖ 10 percent (10 billion) will be held back and be equally divided among the first one million users who sign up for the application to help incentivise widespread adoption of the program.
- ❖ 7.5 percent (7.5 billion) will be given to partner companies to facilitate widespread adoption of the token.
- ❖ 2.5 percent (2.5 billion) will be given to schools as part of the project's social responsibility program and attempts to encourage cultural exchanges between international schools.

With this method of distribution, the project ties team compensation to the long-term success of the project gives incentives to the public to use the travel application and ensures that the token can be gradually adopted by all members of the public, preventing hoarding and reducing speculation induced volatility.
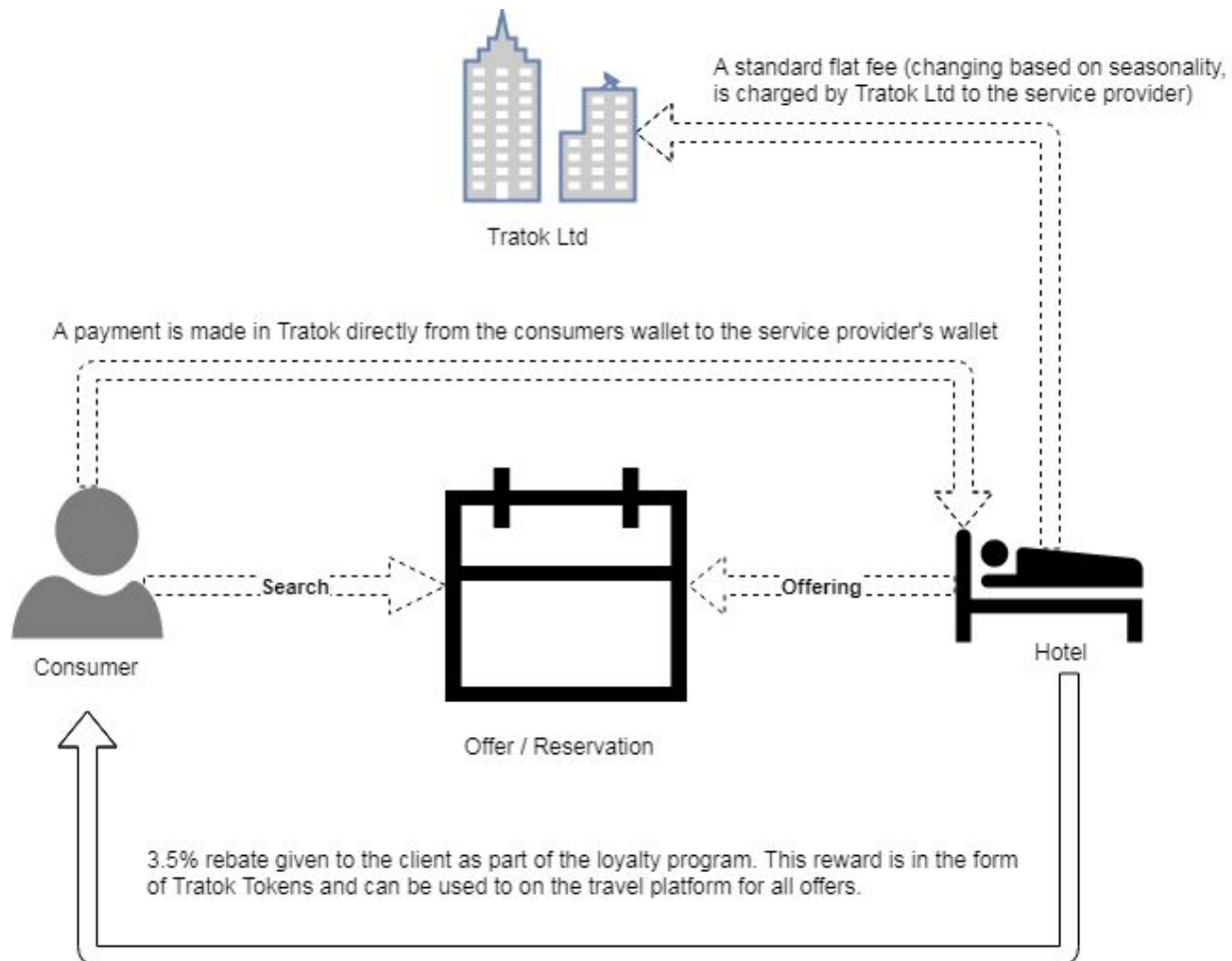
Basic model:

Consumers are matched to relevant offers in the market place based on their budget, search criteria, reviews and machine learning analyzed previous behaviour as shown in the diagram below:

They then can make bookings/reservations with basic methodology:

This method has many advantages for the Consumer and Service Provider.

The consumer has the following benefits:

- ❖ Lower costs.
- ❖ No foreign currency exposure.
- ❖ Faster transaction times.
- ❖ Access to competitive services in a global marketplace.
- ❖ Faster and more complete refunds, if necessary.
- ❖ A global rewards program that isn't unique to a single chain.
- ❖ Transparent costs.

The service provider has the following benefits:

- ❖ Greater profitability. While current clauses mean that providers are not allowed to offer lower prices than on existing platforms, a lower fee and rebate program means they can show the same price and pay less than 4% of fees rather than up to 15%.
- ❖ No foreign currency exposure.
- ❖ Lower transaction costs.
- ❖ Faster transaction times.
- ❖ Less exposure to fraud and chargebacks.
- ❖ Access to a large and motivated consumer base.

Summary of changes since the last update:

- ❖ The travel and tourism sector continues to perform well and show promising growth.
- ❖ The project is significantly ahead of schedule with respect to the following:
  - ➢ The company has been incorporated.
  - ➢ London offices have been opened.
  - ➢ Incremental development of the travel application has begun.
  - ➢ The smart contract has been created, verified and published.
  - ➢ The tokens have been generated and distributed, 100% in compliance with the projects disclosure.
- ❖ Public awareness of the project is building and there has been a surge in website traffic and contact requests.
- ❖ Constructive feedback from stakeholders has been taken into consideration and some changes made.
- ❖ We are currently in negotiations (some more advanced than others) with several regional hotel chains, three travel aggregators and one regional airline. Expect some announcements regarding these developments in the near future.
- ❖ The team will shortly be talking to some of the major exchanges to discuss listing the token in order to commence the gradual release of the tokens to the general public.
- ❖ Team morale remains at the highest levels.
- ❖ Transparency and keeping the community up to date remains among the top priorities.

Useful Links:

Tratok Project homepage
Tratok Project newsroom
Original whitepaper