



H2O

SECURITIES



H2ON
THE WATER NETWORK UTILITY TOKEN
WHITE PAPER

Global available potable water is insufficient to meet the current and future population requirements. Worldwide, more than 2 Billion people – almost 30% of the world’s population – do not have access to sufficient water in order to supply their daily needs. Everyday this number increases and it is expected to reach 50% of the global population by 2030.

The world urgently requires more potable water in order to address the shortfall. Water scarcity is a growing crisis and water conflicts are already prevalent in many locations around the world.

- How water shortages are brewing wars - BBC August 2021
- Global Water Wars - National Geographic June 2021
- Are Future Water Wars Inevitable? - DOHA Debate October 2019
- The Water Wars Are Coming - Curiosity Stream May 2021
- Water War: How a Life-Sustaining Resource Goes Geopolitical - Carnegie Endowment March 2022
- Interstate Water Wars are heating up - US VICE April 2021
- Water Wars in the Horn of Africa - Media Line April 2021

It is critical that we act now to form a new global, decentralised, self-sustaining ecosystem of consumers and water services providers to help solve this growing crises.

“...Water is the driving force of all nature...”

Leonardo da Vinci

“...When the well’s dry, we know the worth of water...”

Benjamin Franklin

“...The earth, the air, the land, and the water are not an inheritance from our forefathers but on loan from our children. So we have to handover to them at least as it was handed over to us...”

Gandhi

Having more than 20-years' experience in finance and water and with a view to help solve the global water crisis, H2O Securities has developed the H2O Water Network. The H2O Water Network is an innovative solution that combines finance, infrastructure, expertise and interested participants in the deployment and operation of water plants globally. The H2O Water Network modernises financing, deployment and operation of water plants through the use of blockchain technology, the H2ON Token and smart contracts.

Network participants in the H2O Water Network can use their H2ON Token holdings to connect more water plants to the H2O Water Network, add water network services, and to buy/pay for services connected to the H2O Water Network. Connected services include amongst others; engineering services, consulting services, maintenance, water treatment, operations, operations training, staffing, insurance, risk management services, surveying, data management, equipment and material supplies.

The H2O Water Network water plants are connected via IoT (Internet of Things) to the blockchain and controlled by immutable smart contracts. The aim is to globally connect more people to drinkable (potable) water, faster and more cost effectively. The H2ON Token provides access to the H2O Water Network, and is a currency within the ecosystem wherein network participants can participate and earn rewards based on their participation.

With every litre that a connected water plant produces, the plant smart contract purchases H2ON from third party DEX and CEX exchanges that lists the H2ON Token. The automated H2ON purchases are made from a USDT prepaid wallet of the water plant. The H2ON Tokens purchased by the water plant are used to pay for H2O Water Network services such as plant operations, plant maintenance, upgrades, refits, chemicals, distribution, energy and several other requirements to produce the water.

As more water plants are connected to the H2O Water Network by network participants, and as more water is produced and consumed from the H2O Water Network, so the demand for the H2ON Token increases.

Buying a H2ON Token, buys one or more units of water from the H2O Water Network and grants the holder access to the network. The H2ON Token creates no obligation on the holder to do anything and can be freely traded on any DEX or CEX where the token is listed. Any participation in activity on the H2O Water Network is at the sole and exclusive discretion of the token holder. Rewards are algorithmically generated and based on participation in H2O Water Network opportunities and services, including staking their H2ON.

Network participants can use their H2ON Token holdings to connect more water plants to the H2O Water Network, add water network services, and to buy/pay for services connected to the H2O Water Network.

H2ON is the world's first Water Utility Cryptographic Token designed to pay for services that increases water production globally at a reduced cost. As the H2O Water Network grows more and more water users will require the H2ON Token to pay for water produced and consumed from the network.



We can produce more water globally, more cost effectively and quicker through DeFi and blockchain smart contracts with broader community participation and transparency

Disclaimer

It should be noted that buying and holding any cryptocurrency implies a high degree of risk. There can be no expectation of profit from holding H2ON Tokens. Holding of H2ON Tokens does not entitle or confer any rights on the holder to participate in management decisions, profits or voting on the company's affairs. H2ON Token holders can generate revenue and profits using the H2ON Token within the H2O Water Network, by applying their own efforts, initiative and entrepreneurial skill, they can also lose their H2ON Tokens or profits while trading or by applying incorrect decisions and strategies through their own effort.

The value of the H2ON Token is based on user participation and the global adoption of the H2O Water Network and the underlying technologies developed and in use by the H2O Water Network. The growth, adoption and expansion of the H2O Water Network is as a result of the efforts of the network participants. H2ON Token holders can participate in, use and add to the H2O Water Network's services, as well as use and add to the H2O Technology Platforms to connect to the underlying technology platform. There is no advantage to buy the H2ON Token except for the purpose of participating in the H2O Water Network and its global adoption.

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1 : INTRODUCTION

Globally there is a shortage of water and the scale of the crisis grows daily. Not only confined to developing nations, global water scarcity is affecting the entire world. It is critical to address the need for accelerated investment in water infrastructure in order to meet the growing global demand for water.¹

Despite the availability of new technology that is capable of accomplishing this, the adoption is unfortunately at a much slower rate than is necessary. The main reason for the slow rate of adoption is that new technology is rarely tested in the field. As a result, governments and financial institutions are hesitant to implement new unknown risks associated with technology that is expected to last 15 years or longer.

This is one area where the H2O Water Network can make a significant impact, by enabling new technology to be connected to its ecosystem.

Imagine a world where cutting-edge technology - not just engineering, but also new finance technology such as DeFi and Tokenization - can be combined to produce more water, quicker and at a lower cost. Imagine a world where the best-of-the-best global engineers pursue their passions and are able to contribute their skills and experience to develop and implement sound water infrastructure solutions while also sharing in the financial rewards of their contributions. Imagine a world where individuals from every country globally can help the world to produce more water while earning rewards for participating in the solution.

The time is right for a truly innovative and disruptive water ecosystem that consists of networked participants that collaborate to build an environmentally sustainable global network of water infrastructure. This is possible with the H2O Water Network. It is a place where Human Need, meets Cryptocurrency, meets Environmental Sustainability and Global Participation.

H2O Securities has the first mover advantage in the digital tokenisation of water globally. The H2ON Token strategy was specifically designed as a currency (stored value coupon) to be used within a closed network focussed on producing drinkable (potable) water globally. The solution supports appropriate environmental resilience and social governance in a transparent and community inclusive manner. This document describes the H2O Water Network solution.

1. <https://www.worldwatercouncil.org/en/wef-report-exposes-urgency-increase-water-financing> - Report on urgency to increase water financing (January 2019)



2 : BACKGROUND / PROBLEM STATEMENT

2.1 What is the Problem?

Water scarcity is a global problem that is increasing at a rapid rate, not just in developing countries, but middle income and developed countries are also critically affected.

The funding gap of more than US\$ 18 Trillion is too large for the public sector to address and in contrast the bankability of projects are not always achievable which reduces the pace at which water infrastructure can be built.

A new highly scalable “waterproof” solution must be created to address the growing demand for more water infrastructure.

2.2 How big is the problem?

The 2016 & 2018 OECD report on the global funding gap for water infrastructure required to achieve MDG 6.1 (achieving universal and affordable drinking water for all) could exceed US\$18 Trillion by 2030.

According to the WHO and UNICEF, as recently as 2015, 2.1 billion people still lacked access to safely managed drinking water services.² The Human Right to Water has been recognized by the United Nations General Assembly and is a recognized MDG but has yet to become a reality for a substantial share of the global population. According to UNICEF half of the world's population could be living in areas facing water scarcity by as early as 2025. Some 700 million people could be displaced by intense water scarcity by 2030. By 2040, roughly 1 in 4 children worldwide will be living in areas of extreme water stress.

A recent UN Water statistics report (<https://www.unwater.org/water-facts/scarcity/>), states that water scarcity affects more than 30% of the world's population, with that percentage expected to rise to over 50% by 2030. This global water shortage is estimated to be currently at more than 200 billion liters per day.

2. https://www.spglobal.com/esg/?gclid=CjwKCAjw8KmLBhB8EiwAQbqNoISfTK4YobW-pyax320Ux4QNSfXVjNaLHczTLM8f-z1EQB0cvqjXnBoC3rcQAvD_BwE – Water Risk to global companies (September 2019)

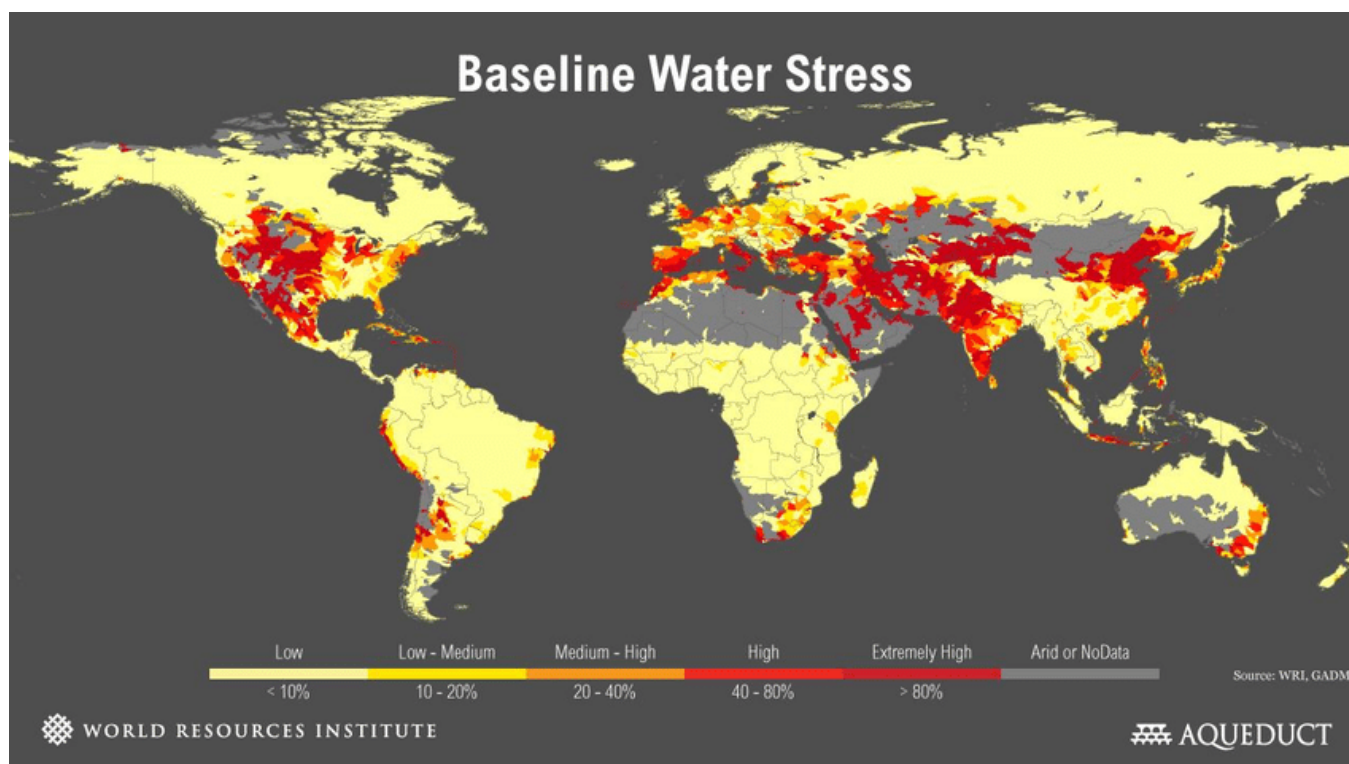


Figure 1: global water scarcity regions (World Resources Institute)

The 2019 World Economic Forum’s Global Risks Report revealed the global water crises as a major risk to business and society, affecting both emerging and advanced countries. This statistic is supported by a Standard and Poor’s (S&P) survey citing that 66% of the global companies have at least one risk linked to water stress under the high impact climate change scenario.³

2.3 What are the Key Trends to consider?

The World Water Council in partnership with the Global Water Partnership formed a Water and Climate Change Task Force, The Task Force developed the Infrastructure for Climate Adaptation initiative. A key objective of the Climate Adaptation initiative is to develop and implement a global investment strategy, designed to increase the climate resilience of water systems whether through entirely new infrastructure, replaced or retrofitted infrastructure, or enhancements and upgrades to existing infrastructure.

Debt finance continues to play a major approach to finance infrastructure of this nature. Debt/Equity ratios of 80/20 or higher is not uncommon.

A new Green Bond standard has been developed by the Climate Bond Organization (<https://www.climatebonds.net/standard/water>), for water infrastructure finance. This standard sets a quality guideline for water infrastructure projects to meet climate change resilience objectives. It is therefore imperative that the H2O Water Network and H2ON Token solution is scalable, adaptable to Climate Change, and takes cognizance of Environmental, Social and Governance (ESG)⁴ criteria as well as other new standards in this sector.

In a similar manner the global Institutional Limited Partnership Association (ILPA https://ilpa.org/ilpa_esg_roadmap/) has set very clear guidelines for their members in terms of investing in ESG credible assets. It is therefore critical that ESG be an integral part of the proposed H2ON Token strategy.

3. <https://www.climatebonds.net/2016/10/climate-standards-board-approves-new-criteria-climate-resilient-water-bonds-science-based> - Climate-Resilient Water Bonds: Science-Based Process to Ensure Sustainability of Water Infrastructure Investments (October 2019)

2.4 Who Says what?

World Bank: "...Report calls for significant reduction of the costs of desalination in order to make affordable water accessible to all..."⁵

World Economic Forum: "...Ageing infrastructure assets in developed countries demand proper maintenance, upgrading, replacing as well as new build assets to meet ever increasing water demand..."⁶

PwC: "... The megatrends transforming our planet - rapid urbanization, climate change, shifts in global economic power, demographic changes, and technological breakthroughs - contribute to traditional methodology losing relevance quickly..."

PwC: "... Yesterday's strategies are no longer enough to tackle tomorrow's challenges. But with the right mix of agile strategies investors and governments can together meet the needs for affordable, sustainable infrastructure..."

McKinsey: "...The engineering and construction (E&C) industry is at the cusp of a new era, with new technology start-ups creating new solutions quicker and faster and software tools that are changing how companies design, plan, and execute projects..."

Ernst & Young: "...While the E&C industry watches and waits, the tech industry will continue to make power moves. Notable tech companies are investing in businesses which is sure to outpace E&C - out of 2500 E&C companies surveyed less than 3.8% is spent on R&D. More new technology solutions come from smaller nimble start-up companies..."

2.5 Why is there a funding gap?

In the global water infrastructure space, the quality of cash-flow streams varies significantly. The quality is affected by risks typically associated with local regulatory environment, politics, local economic strength, equipment (technology) and operations. The environmental risk category is increasing with an increase in the number of catastrophic events and change in environmental operating conditions due to climate changes.

The ability to predict the exact environmental operating conditions for water infrastructure over a typical financing period of 15 years, is becoming increasingly difficult. These risks can create "stranded" or "dead" assets and is a major deterrent for institutional investment to be mobilized or for projects being "unattractive". Bankability of projects is therefore a key factor to be addressed. Bankability is further under pressure due to the MDG 6.1 strategy that effectively forces a demand to reduce the cost of water treatment and production. New technology that could conceivably achieve the cost and ESG objectives are already available and constantly being developed but are unproven in the field. A proven track record is a major stumbling block for traditional finance and consequently the adoption of new technologies.

4. <https://solutions.refinitiv.com/esg-investing-wealth/> - ESG Investing for Wealth Management (February 2021)

5. <https://openknowledge.worldbank.org/bitstream/handle/10986/31416/W18059.pdf?sequence=5&isAllowed=y> - Cost of infrastructure must be reduced to meet growing water demand

6. <https://www.weforum.org/agenda/2019/01/infrastructure-around-the-world-failing-heres-how-to-make-it-more-resilient/> - Ageing infrastructure reaches \$18 Trillion (January 2019)



2 : SOLVING THE PROBLEM CAN BE REWARDING

From a business perspective it is problem well worth solving. It is a growing market due to several interrelated factors. Not only is the demand for new water infrastructure growing due to population growth, but additional strain is placed on ageing and existing infrastructure because of increasing urbanization globally. The global water market was valued at approximately US\$ 263.07 billion in 2020, according to www.statista.com. By 2030, the industry is expected to be exceed around US\$ 500 billion per year (+7.2 CAGR).

A scalable, and sustainable funding model that can tap into both institutional and retail finance must be developed and implemented at speed. A suitable model must include an appropriate risk reward strategy, must meet ESG requirements, prudential requirements of institutional investors as well as the “attractiveness” for private investors.⁷

The solution cannot be developed in isolation, it will require participation of as many as possible entities and persons involved and experienced in the global water sector. This can only be achieved through the establishment of a network that functions as a highly focused ecosystem, where its participants are rewarded based on their free will participation, creating wealth for themselves from the value gained from actual participation in the network and the ecosystem.

As part of the solution the participation of the global water industry has been considered – access to the best-of-the-best technology, service providers, industry leaders and the participation of global thought leaders were included – and is included going forward in the solution. The solution is a credible financially rewarding global collaborative.

7. https://www.worldwatercouncil.org/sites/default/Forum_docs/WWC_Financing_water_infrastructure_FINAL_WEB.pdf - Ten actions for water finance (March 2018)

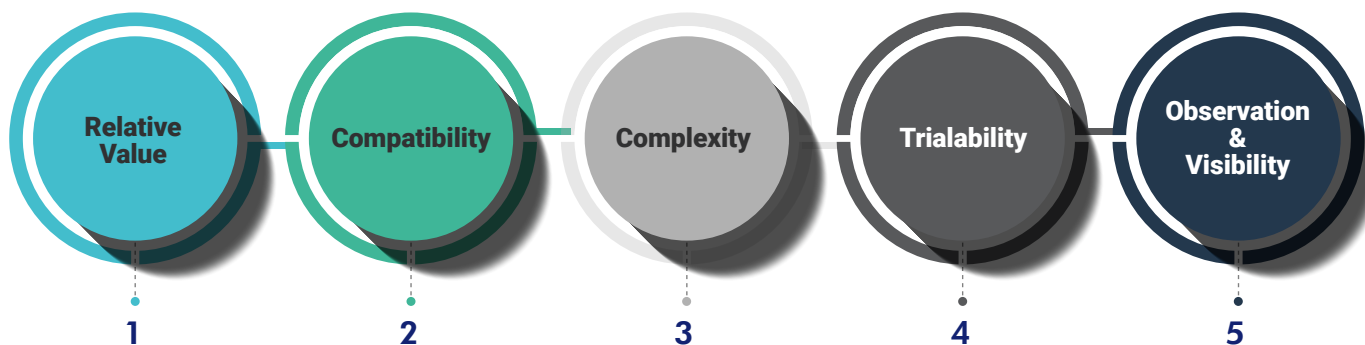
3.1 What are the solution objectives?

This document discusses how a cryptographic utility token can be used as an industry enabler. The solution objectives are to:

- (i) Address the problems that prevent rapid scalability and deployment of water infrastructure by broadening participation of global partners;
- (ii) Enable improving the pace at which new water infrastructure deployment can be achieved by making the solution attractive and effective for project owners;
- (iii) Achieve a reduced water production cost of 40% by 2030 as a set Reduction Target that considers the impact of the global CPI;
- (iv) Meet and contribute to meeting the global ESG and Climate Change adaption strategies as outlined by the leading organizations by lowering carbon footprints or even achieving carbon neutrality;
- (v) Facilitate and adapt to climate change.

3.2 What will drive adoption of the solution?

The adoption of the H2O Water Network by participants will predominantly be as a result of H2O Securities having achieved and continue achieving the following five objectives:



- (i) **Relative Value:** Participants will gain value from participation in the H2O Water Network, as it provides access to more and easier (on platform automated) executable business opportunities that they otherwise would not have access to. It also provides the opportunity to create business opportunities by proposing and connecting more water plants to the H2O Water Network. Proposing a water plant connection on the H2O Water Network is a highly simplified process and a substantially easier process than traditional financing methodologies. The aim is to reduce time-to-deployment for a new water plant by up to 70%. Adding more water plants to the network creates significant network participation opportunities and increases demand for the H2ON Token;
- (ii) **Compatibility:** Great care has been taken to ensure that the H2O Technology Platforms developed for and in use by the H2O Water Network uses traditional and consistent language and norms associated with the water industry. This includes participation roles, water treatment stages & logics, design approaches & methodologies, reporting & measuring logics, risk management & maintenance approaches, ownership & payment norms, regional nuances, and many other factors. The aim of the H2O Technology Platforms is to simplify and reduce the time to deploy new water plants on the H2O Water Network. The H2ON Token is minted on the Binance Smart Chain (BSC) using the BEP20 protocol. The objective for this approach was to ensure maximum interoperability at an affordable gas fee level. The H2ON Token can be exchanged for any other cryptocurrency on global DEX and CEX platforms when such trading pairs are established;

- (iii) **Complexity:** Traditionally, cryptocurrency platforms are not known for great user experiences. The complex UI's in use to trade and or partake in cryptocurrency or blockchain enabled platforms makes it unattractive for many users. This will risk adoption by the traditional stakeholders in the water sector. Great care has therefore been applied to reduce complexity in the use of the H2O Technology Platforms, the platform simplifies the bridge between Web2 and Web3 interfaces and the ability to H2O Water Network participants to partake in collaborative efforts to deploy more water plants globally. These interfaces have been designed to be as near seamless as possible without removing the access to traditional cryptocurrency on-chain transparency and verifications. Water sector stakeholders still largely comprise of Generation 'X' and the upper age bracket of Generation 'Y', and to ensure inclusivity of our platforms we had to consider ease of use and reduced complexity and the number steps required to transact on the H2O Technology Platforms;
- (iv) **Trialability:** H2O Securities has a database of more than 1,500 companies active in the water sector. Various incentives will be offered to these companies and their employees to participate and experience the H2O Technology Platforms in a limited manner, in order to facilitate and drive the adoption, as well as the growth of the H2O Water Network;
- (v) **Observation & Visibility:** H2O Securities is currently in the process of completing two fully functional Proof of Concept water plants. One is deployed in Cape Town, South Africa, and the other will be deployed in Texas, United States of America. Each water plant will be promoted using dNFT strategies. Our aim is to draw a high degree of observation and visibility to the water plants on the H2O Water Network. Factors such as the social impact and value to the H2ON Token holders will be clearly visible on each dNFT that represents a water plant on the H2O Water Network. These dNFTs are not aimed to be sold in the market, as they are predominately tokens that share information of the value of the H2O Water Network to the global community. Direct promotion by H2O Securities on at least 10 Social Media platforms as well as print and other media (News, Video, VOD, etc), as well as various digital marketing campaigns are currently active and being increased. In addition, H2ON Token incentive schemes will be put in place for H2O Water Network participative marketing and promotion.

3.3 New Finance Technologies

With the increased adoption of blockchain technologies such as Smart Contracts, Decentralized Finance (DeFi) and Cryptocurrency itself, a new means to develop closed loop ecosystems has emerged. Tokenization as a closed loop cryptocurrency of stored value can be used to incentivize active participation in such an ecosystem and deliver real world value - water.

Traditional financing of large value operating assets of this nature would imply classic Capital Market or Investment Banking approaches. Typical Debt/Equity, mezzanine, bonds, and securitization strategies would be employed. These methodologies are restrictive, cumbersome, complex, and therefore prevent aggressive growth and rapid deployment of new water producing solutions at scale.

These factors create an opportunity to leverage new finance technology such as DeFi and Smart Contracts deployed in a trustless finance environment to fund the gap through non-traditional reward systems.

The following sections describe the H2O Water Network and H2ON Token solution that is designed to overcome the challenges to increase the delivery of water production globally. The H2O Water Network is a closed loop ecosystem where a tokenized currency (H2ON) is used as a mechanism to reward participation in the network. It aims to lower the barriers to deploy more water infrastructure, quicker, globally, and to unlock new sources and approaches to water production.

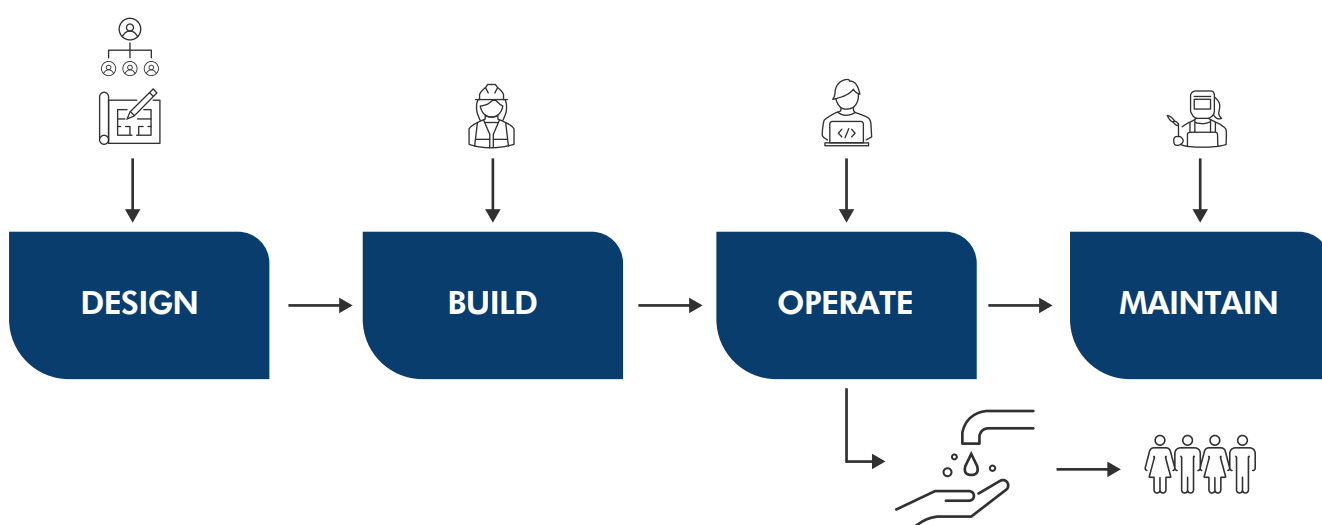


4 : SOLUTION DESCRIPTION

4.1 What is the main requirement to produce more water?

To produce water, a water plant is required. A water plant can include seawater desalination, wastewater treatment, surface water treatment, groundwater, industrial wastewater, and others. A water plant normally runs 24 hours per day, 365 days of the year. The production is dependent on the source water, this would typically be ground water, surface water, wastewater, or seawater. Water plants are designed and built to specification by industry specialists. Thereafter these water plants are operated and maintained by trained technicians and engineers. Plant life cycles can range from 5-years to 30-years. Water production units are usually measured in Gallons (gal) or Cubic Meters (m³) and in periods of 24 hours or 1 day, therefore giving a plant capacity in m³/day.

4.2 What are the main phases to create a Water plant?



Each of the phases above requires the direct participation of several multi-disciplinary teams all of which would form a natural “common bond” or “loose ecosystem”. In addition to direct participation a plethora of indirect participation is required, these could include environmental consultants, upstream & downstream suppliers, legal experts, risk experts, chemists, trainers, and many more.

Both direct and indirect participants could be network participants of a closed loop, rewards-based ecosystem such as the proposed H2O Water Network. The H2O Water Network will formalize and structure, in a decentralized autonomous manner, an otherwise loosely coupled informal ecosystem that currently exists. Mass adoption of such a model will dramatically create highly scalable water production solutions that can be rapidly deployed globally. Network participants of the H2O Water Network will still generate their own revenue and profits as before but in a more efficient manner and will earn additional rewards from utilizing the network infrastructure.

4.3 What is the function of the H2O Network Technology Platform?

The Technology Platform of the H2O Network has a hybrid architecture that contains both on-chain and off-chain elements.

4.3.1 Off-Chain Technology

A sophisticated web-2 portal for business generation has been built for the H2O Water Network. The platform functions as a fully integrated enterprise & resource management platform, with several API features and integrations. These features allow the platform to be integrated in the end-to-end solution of a water plant. It provides for the early onboarding of a new water plant and outsourcing it to network participants of the H2O Water Network, to design, build, operate and maintain. Alternatively, it allows for the connecting of existing water plants to the H2O Water Network, where the technology focusses more on the operating and maintenance aspects of these water plants.

In both instances water plant performance during the operate and maintain phases are monitored using an IoT integration via Pingnet (<https://www.pingasset.com/>) and other custom API's. Key production data that is required in successfully operating and maintaining the water plants are processed on an hourly basis and collated to daily water production results.

All network participants of the H2O Water Network can also use the platform for automated billing, for services rendered to the network. Billing will be settled using the on-chain smart contracts as described below.

4.3.2 On-Chain Technology

There are four main Smart Contracts:

- (i) The H2ON Token Smart Contract that governs the minting and transferability of the H2ON Token as well as its finite mint;
- (ii) The H2O Plant Smart Contract that governs the production parameters of the water plant. It evaluates on a daily basis, the expected production capacity and quality of water produced;
- (iii) The H2O Settlement Smart Contract that governs the automated and immutable purchasing of H2ON Tokens from the DEX and CEX platforms as well as the payment settlement of services rendered by network participants in the H2O Water Network based on automated billing;

- (iv) The H2O Plant Dynamic NFT (dNFT) Smart Contract that serves to inform the community of the particular water plant production data, production status, and benefit created to society and the ecosystem.

4.3.3 The Integration between Off-Chain and On-Chain Technology

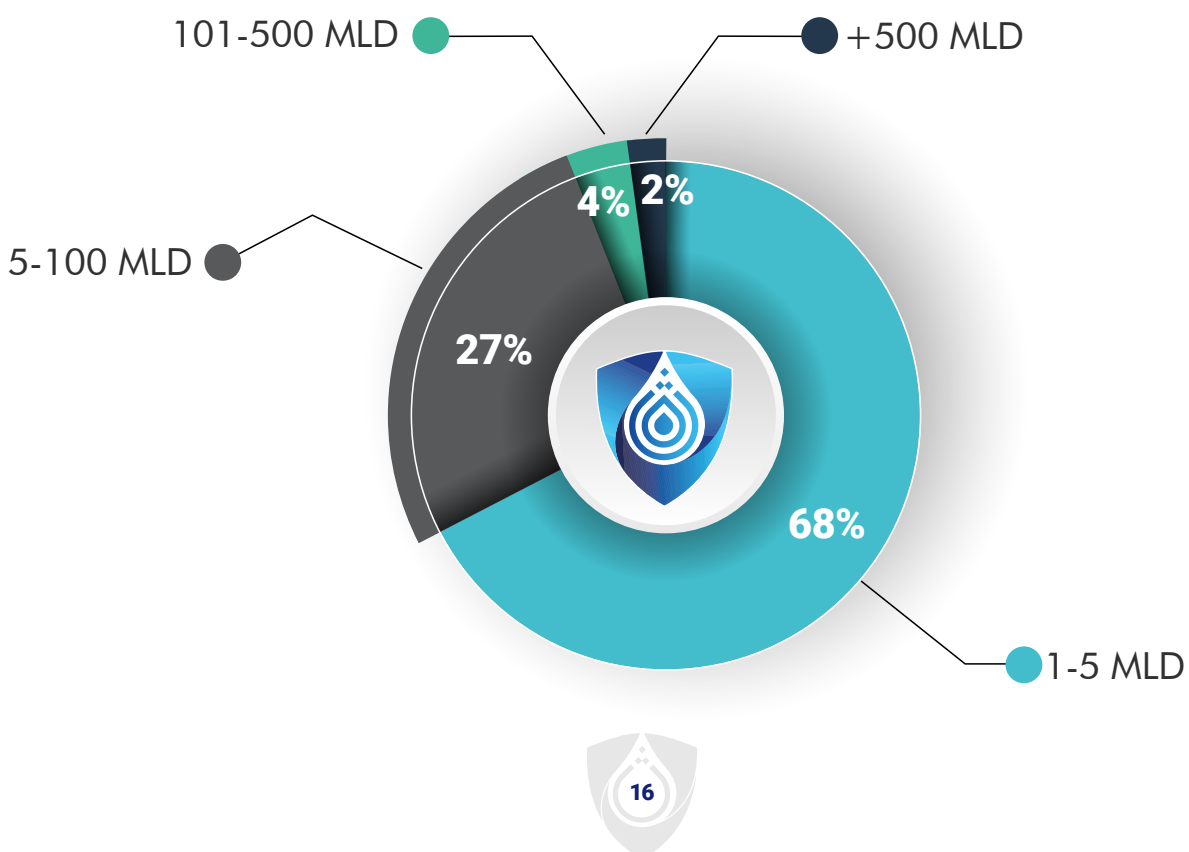
The daily collated water production data informs the H2O Blockchain Smart Contracts via a Chainlink (<https://chain.link/>).

These oracle integrations trigger the H2ON Smart Contracts as follows:

- (i) The H2O Plant Smart Contract is triggered and measures the expected production volume and quality against the actual production volume and quality. It applies the water production billing rate using a predetermined algorithm and updates the water plant dNFT Smart Contract before triggering the H2O Settlement Smart Contract;
- (ii) The H2O Settlement Smart Contract proceeds to purchase H2ON Tokens from the connected marketplaces (DEX and CEX platforms). These automated daily purchases are made using USDT funds in the water plant’s prepaid wallet. H2ON Tokens so purchased are used to (i) pay the automated billing of network service providers, (ii) distribute yields to the staking pools and (iii) initiate new water plant connections to the H2O Water Network. This contract has built in failure procedures that includes (i) if there is no offer (sell orders) on the connected DEX and CEX platforms and/or (ii) if there are insufficient funds in the water plant prepaid wallet.

4.4 What projects are eligible?

The purpose of this initiative is to increase water production globally. As a minimum, a project must therefore add water production volume, however, to meet the objectives as outlined above an additional set of qualifying criteria needs to be introduced. These qualifying criteria include ESG requirements, IoT connectivity and other risk management arrangements with water plant owners. The solution will be available to both Corporate (Private) and Public Sectors globally and can be deployed during any stage of a project life cycle. Projects can be entirely new infrastructure, replaced or retrofitted infrastructure, or enhancements and upgrades to existing infrastructure, provided they meet eligibility criteria. Type of water plants can include seawater desalination, wastewater treatment, surface water treatment, groundwater, industrial wastewater and other.



4.5 What water plant capacities will be considered?

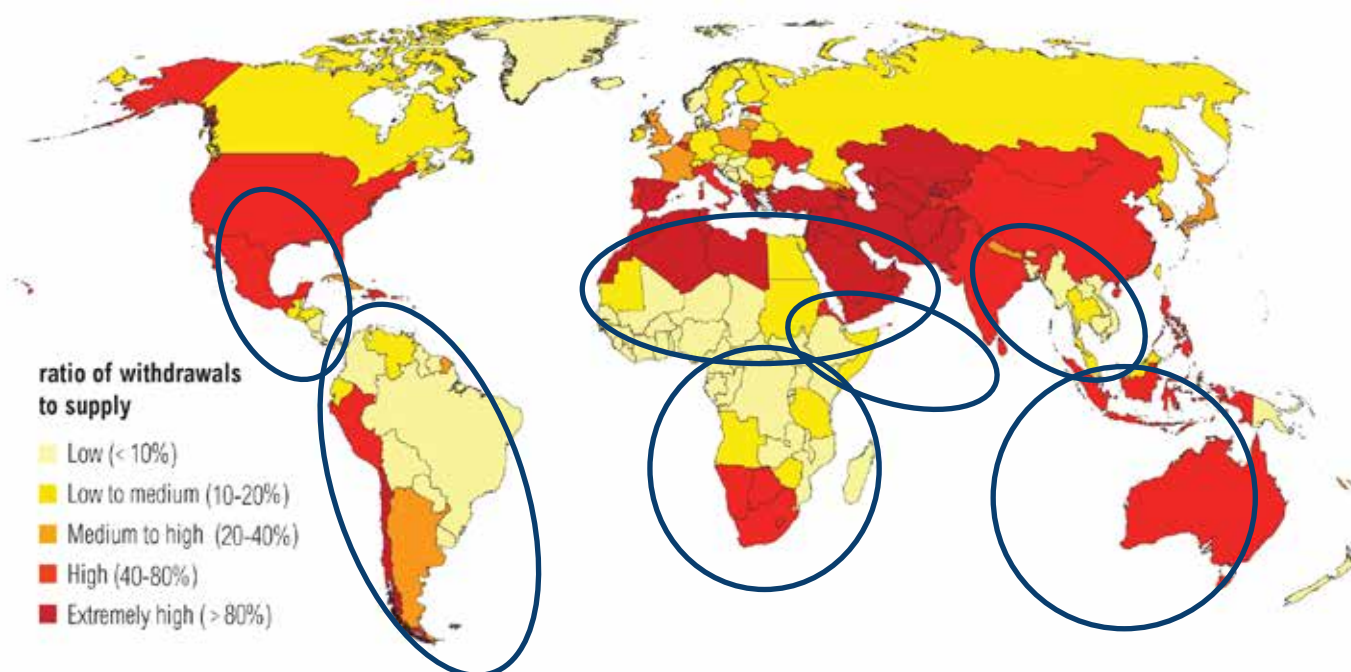
The principal objective of the H2O Water Network is to rapidly increase water production globally. The aim is therefore to match our water plant capacities to the capacities that has the highest demand. The chart below indicates the allocation of water plant capacities across all water sources.

Our focus will therefore be on the water plant capacity range of less than 100 Million Liters per day (MLD), with more than 70% of our effort in the sub 5 Million Liters per Day category.

4.6 Where will the H2O Water Network focus its efforts?

Water stress is growing daily therefore H2O Securities had to identify key global hotspots that will have the highest future need for water. Based on external research studies the following map indicates where our efforts will be focused. The main advantage of the H2O Water Network is that network participants globally can participate directly in addressing the water crises in these focused areas.

Water Stress by Country: 2040



NOTE: Projections are based on a business-as-usual scenario using SSP2 and RCP8.5.

For more: ow.ly/RiWop

 WORLD RESOURCES INSTITUTE

Areas of focus based on critical need and other factors such as market size, regulatory risk, regional stability etc will therefore be:

MENA: GCC, Morocco, Tunisia, Algeria, Egypt
EEA: Spain, Italy, Greece
SSA: South Africa, Namibia, Botswana, Zambia
IORA: India, Australia, and other Indian Ocean Rim countries

EAP: China Main
North America: USA, Alaska and Canada
Latin America: Caribbean, Argentina, Brazil and Mexican Gulf



5 : BLOCKCHAIN, CRYPTOCURRENCY LEGISLATION

Developing a solution of this nature requires meeting and adhering to a significant number of licensing requirements. Some of the key considerations are referenced below.

5.1 KYC, KYB, KYT, AML, CTF and other

H2O Securities has a rigorous policy in terms of managing all aspects of its members and finance activity with respect to trans-border activity as it relates to anti money laundering. These policies are automated and implemented on all its platforms as part of the H2ON Token strategy.

5.2 Banking, Money Remittance, Insurance, Exchange, and other regulations

H2O Securities has considered several aspects of various banking and money institution regulations, in the jurisdictions that it intends to operate. The H2ON business model does not fall foul of these regulations. Requirements will be met as they arise as part of the H2ON Token strategy.

5.3 Investment Management, Asset Management and other

H2O Securities has considered several aspects of broker services, investment advisory and other related financial services regulations, in the jurisdictions that it intends to operate. The H2ON business model does not fall foul of these regulations. Requirements will be met as they arise as part of the H2ON Token strategy.

5.4 Digital Securities

As the global adoption of cryptocurrency and blockchain increases so too does the regulatory environment. Since H2O Securities is predominantly focused on a utility token offering it must ensure that the strategy considers all aspects to prevent it falling foul of securities regulations. The US Howey Test⁸ was considered as a cornerstone reference for distinguishing between the specific and intended use of the H2ON Token. This test uses four elements to consider if a token is deemed a security or a utility, the four criteria are:

8. <https://www.investopedia.com/terms/h/howey-test.asp> - The Howey security test and classification (September 2021)

- (i) Is it an investment of money?
- (ii) Is there an expectation of profit?
- (iii) Do the returns come wholly from the efforts of others?
- (iv) Is the investment in a common enterprise?

All four criteria must be met for the token to be classified as a security and therefore subject to securities legislation in several jurisdictions. These criteria have been considered in the design of the H2ON Token as outlined in Section 6.

5.5 Shari'ah-compliance

More than 40% of the world's desalination and water treatment plants are in Islamic countries. In addition, Islamic finance is a growing industry and currently exceeds 20% per year.⁹ It is therefore important that the H2ON Token strategy must consider the Shari'ah compliance in terms of its finance product structure. This implies eliminating interest-based lending principles or a principle where the lender benefits at the cost of the borrower. Principally the H2ON Token strategy must be based on trading, therefore in the proposed strategy, profit is therefore derived from the buying and selling of Shari'ah-compliant goods and services.

The Shari'ah compliance aspects also include the risk management strategy of H2O Securities. To be compliant the risk management structure cannot simply be hedged, futures or derivative structures which implies speculation. In the proposed model a takaful fund is formed and operated as a "self-insurance, mutual risk sharing" vehicle where risks of the vehicle can also be re-insured or transferred out of the vehicle under the principles of retakaful as outlined by the Institute of Islamic Banking and Insurance.

9. <https://corporatefinanceinstitute.com/resources/knowledge/finance/islamic-finance/> - Shari'ah compliant finance structures (September 2021)

6 : THE H2ON TOKEN STRUCTURE

6.1 What are the key H2ON Token attributes and characteristics?

The H2ON Token is designed to be a utility token and as such it exhibits the following attributes and characteristics:

- (i) The H2ON Token is a digital cryptographically secured fungible token minted on the blockchain using the BEP20 protocol on the BSC Smart Chain;
- (ii) It has a finite mint quantum of 10,000,000,000 (Ten Billion) tokens with 18 decimals. This quantum may at first appear to be unreasonably large however, it represents less than 1% of the world's water demand gap over ten years. We therefore aim to target less than 1% of the world's demand gap over a ten-year period;
- (iii) The H2ON Token provides access to the H2O Water Network. The token will act as the main currency for the H2O Water Network, wherein people and entities can participate and earn rewards based on their individual and collaborative participation using their own effort, initiative, and discretion. It therefore plays an undeniable central role in the H2O Water Network;
- (iv) The H2ON Token represents a redeemable coupon with a stored value for the provision of goods and/or services on a once-off or continuous basis;
- (v) The H2ON Token is transferrable and serves as a medium of exchange between network participants on the H2O Water Network, in a decentralized manner. The goal being to provide a convenient and secure mode of settlement between network participants who interact within and outside the H2O Water Network. It therefore has a significant value for the whole H2O Water Network;
- (vi) The H2ON Token is designed to be used as an interoperable utility token inside and outside the platform. It is interoperable on public DEX and CEX platforms and H2ON Token holders can exchange/swap their H2ON Token holdings at any stage for other cryptocurrencies based on current market value;

- (vii) The H2ON Token provides economic incentives which will be distributed via smart contracts to encourage network participants to contribute to, and participate in, the H2O Water Network. It creates a mutually beneficial system where network participants are fairly compensated on an individual basis for participation and contribution;
- (viii) H2ON Token holders are guaranteed the full use and benefit of the full range the H2O Water Network's services & H2O Technology Platform;
- (ix) By holding and exchanging the H2ON Token, token holders can use the H2O Technology Platform and any other platform connected to the underlying platform;
- (x) Persons who bought H2ON Tokens over the public DEX and CEX markets will primarily be motivated by the functionalities that the token provides and when development milestones are achieved, that it can be put to additional and different uses in various new scenarios on the H2O Water Network;
- (xi) Any expectation of profit must be oriented towards other categories of economic activities (selling services, product, engineering, water rights), not from, but facilitated by the H2ON Token, as a "PASS" to gain access to these economic activities on the H2O Water Network;
- (xii) The H2ON Token does not create any right, tradeable or otherwise to subscribe for any equity in H2O Securities, its subsidiaries or principals nor does it provide for any voting rights that would normally be associated with such equity or security holdings in a company or at a general assembly or pertaining to important decisions of such a company;
- (xiii) The H2ON Token does not grant any right to profit sharing, dividends, distributions, and/or a right to claim against H2O Securities to redeem H2ON Tokens for an exchange of value and no obligation of any debt is created by acquiring the H2ON Token and no derivative expectations of such rights or obligations attaches to the H2ON Token;
- (xiv) The H2O Water Network has a very high regard for environmental sustainability and follows a strict ESG policy, however H2O Securities has not applied for any greenhouse emission allowances and therefore holders of H2ON Tokens cannot claim any benefits under such dispensations;
- (xv) No obligation attaches to the H2ON Token for H2O Securities to use the monies received from the sale of H2ON Tokens to apply any defined investment policy or strategy for the benefit or common interests of H2ON Token holders;
- (xvi) The holders of H2ON Tokens will not receive dividends from income earned by H2O Securities as a result of operating the H2O Water Network.

6.2 What drives the H2ON Token value?

The H2ON Token value is predominantly dependent on the participation of the token holders in the H2O Water Network as well as free market forces that would be based on mass market psychology, perceived value and intrinsic use value of the H2ON Token. The following factors should be noted by prospective H2ON Token buyers:

- (i) There is no promise of any benefit by simply buying and holding the H2ON Token and the only guaranteed benefit is derived from participating in the H2O Technology Platforms and/or the provision of and/or use of the H2O Water Network services, any appreciation or depreciation of the H2ON Token value on public DEX and CEX markets is an incidental benefit or loss to the H2ON Token holder;

- (ii) The public DEX and CEX market price of the H2ON Token does not materially influence the profit of H2O Securities and the profit derived by H2O Securities from operating the H2O Water Network does not influence the H2ON Token market price;
- (iii) Demand for the H2ON Token does increase with the connection of each new water plant, as a result of Plant Smart Contracts that demand purchases of the H2ON Token from DEX and CEX secondary markets;
- (iv) H2O Securities is committed to continuously develop and provide diverse benefits for its network participants.

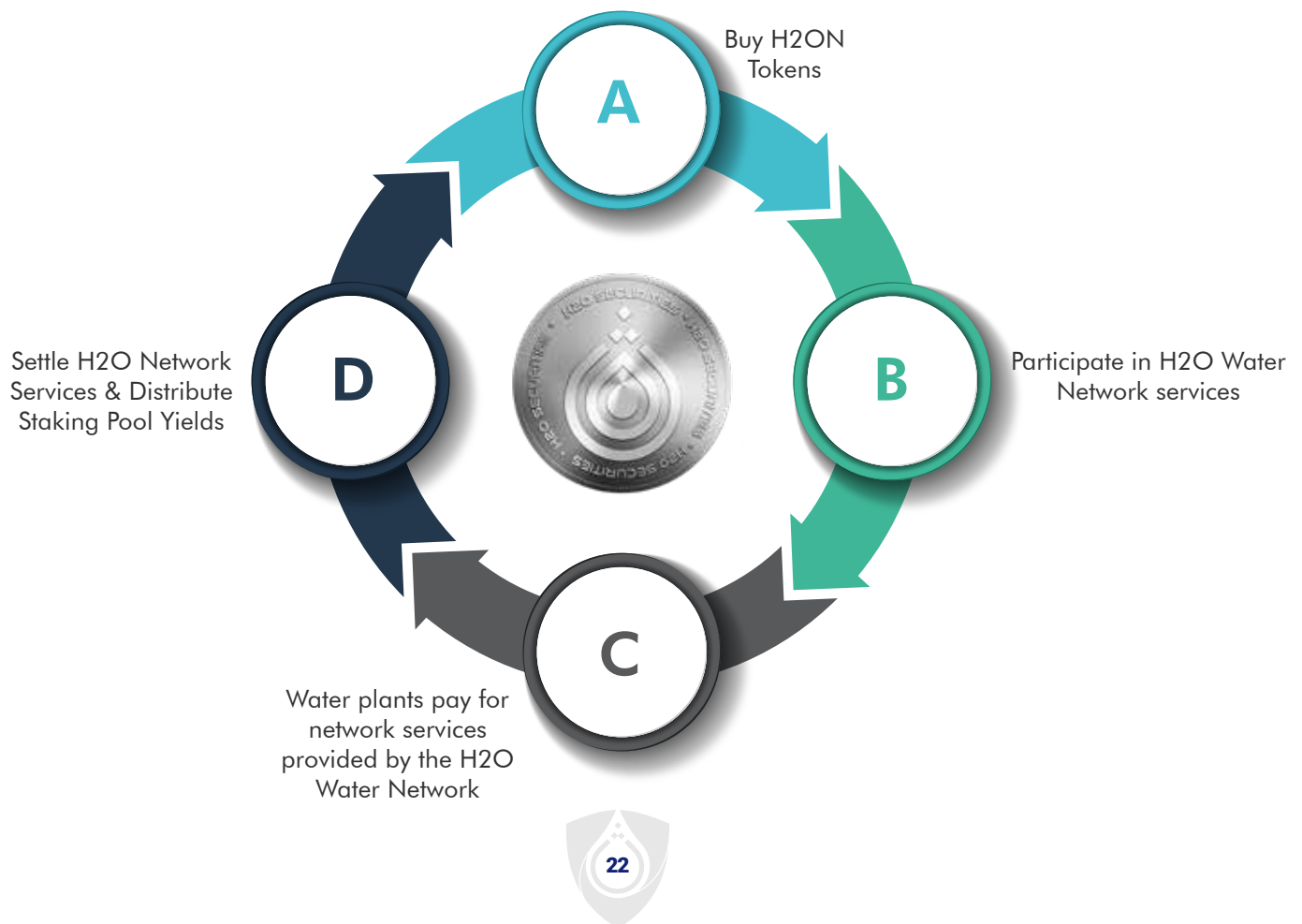
6.3 Protection against rug pulls, unexpected devaluation/dumping and un reasonable issuance?

H2ON Tokens that are not freely tradable are retained in the H2O Securities treasury Deep Lock using the BSC Time Lock (<https://bscrypt.finance/>). Releases can only happen at predetermined instances. In addition to the Time Lock a 2nd governance level is introduced. H2ON Tokens can only be extracted from the Time Lock when:

- (i) A new water plant is connected to the H2O Water Network. This process uses a GNOSIS (<https://gnosis-safe.io/>) multi-Signature wallet system after seeking approval from the H2O Water Network participants using an on-chain voting system;
- (ii) Extraordinary circumstances via the multi-Signature wallet system after seeking approval from the H2O Water Network participants using an on-chain voting system.

All H2ON Tokens are divided into two categories; H2ON Tokens that are freely tradeable (in Circulation), H2ON Tokens that are in Deep Lock that require H2O Water Network approval for release and H2ON Tokens that are in Deep Lock that do not require H2O Water Network approval for release.

6.4 What does the Tokenomic model look like?



- A. Buy H2ON Tokens: H2O Water Network participant buys H2ON Tokens using USDT from DEX/CEX. H2ON Tokens released from time-lock via multi-sig wallet and H2O Water Network approval for the connecting of new water plants;
- B. Participate in H2O Water Network Services: H2O Water Network participants can provide a range of network services to connected water plants. Billing settlement is done in monthly cycles by the Plant Settlement Smart Contract;
- C. Water plants pay for services provided by the H2O Water Network: Water plants that are connected to the H2O Water Network generate demand for the H2ON Token. With each production day, the water Plant Smart Contract purchases the water production volume equivalent in H2ON from the DEX/CEX with USDT deposited in a Water Plant Prepaid Wallet at a predetermined rate. The predetermined rate is sufficient to cover the network services provided in step B and distribute a yield to the Staking Pools;
- D. Settle H2O Network Services & Distribute Staking Pool Yields: The Plant Settlement Smart Contract uses 100% of the H2ON Token purchases of the connected water plant to settle billing of H2O Water Network participants generated during step B. The balance of the H2ON Tokens not used to settle billing is distributed as a Staking Pool yield.

6.5 Token Release for Connecting Plants

When fully launched after the Proof of Concept (POC), and the first water plant is connected to the H2O Water Network, the H2O Technology platform will recalculate on a daily cycle the daily water production cost (the H2ON Water Network Price). This deterministic value will be displayed to the H2O Water Network participants and will be used as a benchmark for the H2ON Token cost to connect new water plants to the network.

- (i) The amount of H2ON Tokens that will be released from treasury is dependent on the daily production volume of a water plant and the H2O Water Network Price;
- (ii) If a H2ON Token release from treasury is not authorised by the H2O Water Network or if no release is required by the H2O Water Network treasury after the Time Lock release, then such tokens will be recommitted to coincide with the next planned Time Lock release.

6.6 Staking Pool APR

The aim is to provide a +20% APR on staked H2ON Tokens, for this reason the staking pool cannot accommodate more than 70% of the H2ON Tokens in circulation. To achieve the intended APR target the Plant Settlement Smart Contract will distribute the yield according to the following model:

$$TP = Ppv \times Tdp$$

$$YD = \{AT - AB\} / Ts$$

- TP** = The Plant Smart Contract purchases H2ON Tokens in daily cycles at UTC 00:00
- AT** = Accumulated TP from 00:00 from the 1st calendar day of each month up to and including the last TP on the last calendar day of each month at UTC 00:00
- AB** = Accumulated and not settled plant billing from H2O Water Network service providers as at UTC 00:00 on the last day of each calendar month
- YD** = Yield Distribution as calculated per H2ON Token
- Ppv** = Plant Production Volume as measured in Cubic Meter for a production period starting at UTC 00:01 running through to and including UTC 00:00 on the same day. These inputs are received from the Plant Smart Contract as described earlier in the document
- Tdp** = The current DEX price of the H2ON Token
- Ts** = Quantity of Staked H2ON Tokens as at UTC 00:00 on the distribution date (last calendar day of the each month)

6.7 H2ON Token Release Schedule for Founder & Team holdings

A total of 20,000,000 (0.20%) of all minted H2ON Tokens have been issued to founders and/or allocated to future team growth of the H2O Water Network. A maximum of 5% of founder holdings may be released in a calendar month. Founders are incentivised to retain their holdings for a period of 24 months.

Founder H2ON Token releases can commence 60 Days after the listing of the H2ON Token on the Bitmart CEX (or other CEX) and may be released under the following conditions:

- (i) Provided that the H2ON Token has traded for at least a period of 30-days on a CEX at the time of release;
- (ii) Provided that the founder member is in good standing with the H2O Water Network and has maintained an active role in the network.

6.8 Token Release Schedule of other whale holdings

At present a total of 3 Billion (30%) of all minted H2ON Tokens have been allocated to institutional Venture Capital and Private Equity partners and the unused portion of these H2ON Tokens is deposited in a VC treasury account. These are pre-existing contractual market related subscription rights (Call & Put Options) for H2ON Tokens and 2.98 Billion H2ON Tokens are yet to be issued. Pricing is based on the H2ON Token price at the Call or Put date. Issuance is subject only to the multi-sig wallet process and is not subject to H2O Water Network approval or any other consensus.

6.9 Revenue categories for H2ON Token holders

Collaboration between network participants include aspects such as Marketing/Sales/Business/Member Development, Proposal Preparation (FEED, RFI, RFQ, RFP), Engineering (Mechanical, Electrical, Civil, Marine, etc), Maintenance (plant maintenance), Operations (project, plant operations), Compliance (Regulatory, OHS, Employment, etc), Risk (Project, Finance, Operations, Regulatory, etc), Finance (Capital Markets, Project, Monitoring, Reporting, Admin), Internal Audit, Logistics & Supply Chain (pumps, filters, valves, membranes, pipes, control systems, metering, etc). Network Participants as H2ON Token holders can promote themselves and their services/products on the H2O Securities platform and are able to contract each other's services on and off-platform – like platforms such as freelancer, upwork, top work, peopleperhour.com etc.

6.10 Collaboration Quality

To maintain the quality of network participants who offer services/products on the H2O Water Network and to maintain credibility towards all H2ON Token holders and project owners, network participants who provide services/products will be vetted and rated according to criteria that are standard and expected in the industry. Vetting and Rating is part of an onboarding process and an ongoing Total Quality Management (TQM) process on the H2O Securities platform, that includes network participation elements.

6.11 3rd Party Applications

H2O Securities intends in the future to release open-source APIs that could increase the adoption rate of new 3rd party DAPPs. At present 3rd party DAPPS are considered on a case-by-case basis. Water and water related solutions are the common bond of this community.

7 : GOVERNANCE & TEAM

7.1 What is the Corporate Structure?

H2O Securities is a division of Exchange Trust Settlement Services (Pty) Ltd is a Private Limited Liability Company formed in South Africa during February 2013 having address: 1st Floor Willowbridge Centre, Carl Cronje Drive, Cape Town, 7530, South Africa, and Registration Number: 2013/033896/07 www.exchangetrust.co.za.

The Company is neither a "reporting issuer" or similar, nor is it explicitly authorized as such in any other country.

7.2 What is the Corporate Structure?

H2O Securities is managed as a Decentralized Autonomous Organization (DAO). The following diagram illustrates the Main DAO and the Sub-DAOs. The full DAO functionality is not yet in place and is scheduled on our Roadmap for initial implementation by end of 2022 and full migration by 2023. The primary elements of the Main DAO approach will be in place before the first water plants are connected to the H2O Water Network and after the POC's are completed.



7.3 The Team



7.3.1 Julius Weiland Steyn

Executive Partner & Founder

EXPERIENCE: 30-Year's post qualification experience, 20-years at C-Level, 15-Years as CEO and Interim CEO. Have initiated and lead international business development events, have substantial experience in Africa with most Heads of State, concluded transactions in Africa in excess of US\$ 500 Million, Structured transactions in Middle East in excess of US\$ 5 Billion on PPP basis. Experienced as Investment Banker, Private Equity Investor - always responsible for Business Development, corporate Financial Sustainability on both on strategic and tactical level. Technology driven solutions are key to my management style, personally also capable to program in 5 languages.



7.3.2 Milton Smith

Executive Partner Commercial / Marketing

EXPERIENCE: Offers 20 Years' Experience in CEO, COO, CCO, Senior Management and Entrepreneurial Roles. Specializes in leading businesses through rapid growth phases. Lead an MTN Affiliated Company to a 1 200% Increase in Turnover and helped grow an international investment company portfolio by 500%. As an early adopter in the mobile software and augmented reality space he founded a mobile software company that serviced global brands including Samsung, Sony, Blackberry, Barclays and MTN. Milton's most recent positions held were Chief Commercial Officer and Chief Operating Officer at Tencent Africa. His technology, marketing and commercial experience will ensure that H2O Securities achieve it's commercial and marketing objectives, whilst achieving rapid growth in the water and crypto industries.



7.3.3 Julia Steyn

Executive Partner Internal Audit / Financial Control

EXPERIENCE: A CIMA accountant with over 25 years of experience primarily working in corporate banking & financial services in both the UK and South Africa. As a private consultant for several turnaround businesses, a wider range of business skill sets was gained as the position required strategic thinking on how to improve operational activities and implement the human and financial restructuring requirements to save a company from insolvency. CFO position recently held for a company in the Water Industry brings relevant expertise and understanding to H2O Securities, providing specialized knowledge to ensure its business goals are supported by strong compliance and financial controls.



7.3.4 Emile Ras

Snr Partner Project Supply Chain Development

EXPERIENCE: 20-year engineering experience. Lead Project Manager for the \$4.6 billion Green Ammonia Project at the Coega Economic Development Zone this venture includes a 1.5 GW Solar PV Farm, 400MW Wind Farm and a 790,000 ton per annum Ammonia Production Plant. He completed projects in Bahrain such as the \$1.5 billion Bahrain Financial Harbour that included two 53-storey office and residential buildings, a 9-storey Financial Centre and the 10-storey Harbour House commercial building. Emile was project leader for all our Saudi Arabia projects and has substantial knowledge of the water industry.





7.3.5 Attie Barnard

Snr. Partner Business Information Technology

EXPERIENCE: Attie is the founder and CEO of the JNZ GROUP. JNZ has unique IP that it has deployed as SAAS, PAAS, IAAS as well as two payment gateway platforms. The company has more than 16 years experience in software development and covers a plethora of industries. Under his leadership the company has established a client base of more than 500 companies across Africa and internationally including the top 3 insurance companies in South Africa. The systems covers aspects such as Collection, Remittance, Settlement, Audit & Accounting, Notifications, Lending, Order Management, Warehousing, Digital Data Warehousing, Telephony, POS, Loyalty Systems and several other FinTech aspects.



7.3.6 Steve Johanns

Snr Partner Business Development US Markets

EXPERIENCE: Steve is currently the lead advisor to U.S. Congressman Pete Sessions's Crypto Working Group as well as chief advisor & global leader in Artificial Intelligence for Critical Infrastructure, Thalamus Irwine Group and a leading innovator in EV, Triton EV. He has advised and presented to financial institutions, Universities, as well as government and utility officials in developing markets; he has been an invited speaker to events sponsored by the Bill & Melinda Gates Foundation, MasterCard Foundation, IEEE, as well as the WEF in Davos.



7.3.7 Paul Wolfe

Snr. Partner Capital Markets

EXPERIENCE: Paul is experienced in both public and private markets and in all phases of company growth including seed capital, growth capital, secondary markets, M&A, trade sales, warrants, and public exits. He started his career at Bain & Company before moving onto positions such as Board Representative and Integration Manager for GE Capital and Principal at RCM a global multi-strategy alternative investment platform with over \$4B in Assets Under Management (AUM). He is currently COO and Director of Aries I Acquisition Company, a NASDAQ-listed Special Purpose Acquisition Company.



7.3.8 Dr Scott Young

Snr Partner Investment Banking

EXPERIENCE: Scott is an experienced investment banker with extensive cross-border transaction experience in Europe, North America, the Middle East and Asia. He has held executive positions in firms such as Morgan Stanley & Co, LF Rothschild and Dial Partners LLP. He is presently board member of OmniCyte, a stem cell company conducting pioneering research and Cambridge Quantum Computing Ltd, who recently completed a US\$ 300 Million merger with Honeywell Systems to form Honeywell Quantum Solutions. He is also a Senior Partner at the Monaco Foundry, a Venture Capital and Growth Equity firm.





7.3.9 Sumit Bhandari

Snr Partner Business Development IORA

EXPERIENCE: Sumit has worked directly with the founders of Hewlett Packard (India) & HCL Group. He has been actively involved in operations and business development for companies such as Topline Global Networks, Technet, IIT Delhi Alumni Association. He was the India Market Adviser for Doddle founded by Llyod Dorfman founder of Travelex. Other companies that used his expertise include Mobile Accelerator (India) & Bay Area Council (California). He has been actively involved in establishing and developing funds such as; India Japan Partnership Fund, Mars Growth Capital Global Technology Fund & the Bharat Innovation Fund.



7.3.10 Ebbe Rabie

Snr Partner Risk Management

EXPERIENCE: Ebbe is the Managing Director: Head of Specialty Risk at Price Forbes (South Africa). He specialises in complex Insurance advice on Corporate Assets, Bankers Blanket Bonds, Structured Trade Credit, Contractors and Plant All Risks and Agriculture. He advises many blue chip corporates and banks across Africa and has placed many large-scale renewable energy projects in Africa. He has previously worked for AON, Marsh and JLT where he built successful portfolios and managed risk exposures over multiple classes of insurance and jurisdictions. He is an Economics Science graduate of Stellenbosch University and has a diploma from Harvard Business School in Global Advanced Leadership.



7.3.11 Johan Van Der Westhuyzen

Project Ambassador

EXPERIENCE: ohan is the EMEA Director for DuPont Sustainable Solutions. He has more than 24 years of professional management- and business consulting experience that include roles in the financial industry and a Fortune 100 company, he is currently a director of a winning Operations Improvement management consulting firm. Previously held the position for Regional Director of DuPont Group a fortune 150 company and before this appointment he headed an investment banking division of Investec Bank in UK and South Africa.



8 : CURRENT STATUS AND ROADMAP

8.1 What is the current status of the H2O Water Network?

8.1.1 Previous H2OC Token Mint:

- (i) A total of 10,000,000,000 (10 Billion) H2OC Tokens were minted and at present are in Deep Lock with deeplock.io
- (ii) The H2OC Token address is: `0x49bad0087ccfa21105601b62214af2e0ae726cd6`
- (iii) The Deep Lock Address is: <https://deeplock.io/lock/0x49BaD0087ccFa21105601b62214AF2E0AE726CD6>
- (iv) The Pancake list address is:
<https://pancakeswap.finance/swap?inputCurrency=0x49bad0087ccfa21105601b62214af2e0ae726cd6>
- (v) The Coin Market Cap address: <https://coinmarketcap.com/currencies/h2o/>

8.1.2 New H2ON Token Mint:

- (i) A total of 10,000,000,000 (10 Billion) H2ON Tokens were minted and are circulating and locked as outlined in this document.
- (ii) The H2ON Token address is: `0xe0e81c29a68bfdd7c48072fd94e7c58f1f0146c1`
- (iii) The Deep Lock Address is:
- (iv) The H2ON Token Audit Report can be downloaded at: <https://solidity.finance/audits/H2ONetworkToken/>



8.1.3 Legal Opinion:

- (i) The company has commissioned a legal Opinion from Soken Token Solutions (<https://soken.io/>).

8.1.4 Planned CEX and DEX activity:

- (i) The initial main listing of H2ON Token will be on Bitmart commencing with an Initial Exchange Offering (IEO) on 30 June 2022 and a full listing on 3 July 2022;
- (ii) Staking pools will open on BrewLabs and the H2O Securities Website on 5 July 2022;
- (iii) This will be followed by the opening of the Liquidity Pool on ApeSwap on 10 July 2022.

8.1.5 Capital raised & committed capital:

H2O Securities has completed two rounds of funding as follows:

- (i) Founder Seed Capital: A total of US\$ 2,800,000 of founder cash was injected to establish the H2O Water Network;
- (ii) Additional Raise: early-stage investor capital of US\$500,000 was injected during 2022;
- (iii) Signed institutional funding commitments totaling US\$ 455,000,000 was secured by 5 June 2022 to establish the H2O Water Network and to connect water plants to the network;
- (iv) Additional institutional funding arrangements exceeding US\$ 300,000,000 are still in negotiation.

8.1.6 Off-chain software

- (i) The off-chain web-2 software is fully completed and is presently undergoing trials and final in field Beta testing;

8.1.7 On-chain software

- (i) The on-chain smart contracts is undergoing final development and will be fully tested in the commissioned POC trials that commence during July 2022;
- (ii) On completion of the POC trials the Smart Contracts will be submitted for additional audits.

8.1.8 Proof of Concept (POC) Technology Demonstrator

We have commissioned two fully Integrated Technology Demonstrators. These Proof of Concept (POC) models will showcase the entire H2O Water Network from an end-to-end perspective. It will consist of the following:

- (i) A fully functional Water Plant to be installed in Cape Town, South Africa and connected to the H2O Water Network;
- (ii) A fully functional Water Plant to be installed in Texas, United States of America and connected to the H2O Water Network;
- (iii) These water plants will be integrated via IoT & Smart Contracts to the BSC Blockchain on our H2O Water Network;

- (iv) The service providers will be connected to the project via both the off-chain and on-chain applications of the H2O Water Network;
- (v) The water plants will mint two Dynamic NFTs (dNFT) on the respective Commissioning Dates;
- (vi) The water plants will interact with the Smart Contracts to "report" on daily production volume and buy H2O Tokens from the DEX market & the dNFT updated;
- (vii) Yields will be distributed to Service Providers & Staking Pools according to pre-defined values;
- (viii) The POCs will undergo a number of external audits including: Technical, Logic, Security, Finance, Risk, Calibration and other. We will shortly share a detailed article, where the project progress can be monitored and viewed.

8.1.9 Project Pipeline

- (i) We currently have 5 potential projects that could serve up to 1,000,000 people over the next 24 months;
- (ii) H2O Securities is currently evaluating an additional 30,000 potential water plants from its databases for connection to the H2O Water Network.

8.2 What is the proposed roadmap for implementation?

November 2020:
Commission H2O Securities

November 2021:
Launch first version of the H2O Securities digital token known as H2OC

December 2021:
List H2OC on PancakeSwap

January 2022:
Commence capital raise through Private Placement to achieve roadmap objectives

March 2022:
Complete first round of Private Placement

April 2022:
Complete token security audit
Complete Coin Market Cap listing of H2OC

May 2022:
Due to recommendations from security audit a remind of the H2O Security token is adopted.
Complete Due Diligence & contractual close on second round of Private Placement with VC's and PE funds
Commission the construction of a world first Proof of Concept (POC) water plant

June 2022:
Complete token swap from H2OC to H2ON
Complete Legal Opinion with DOXX and KYC of founders
Complete IEO with Bitmart

July 2022:
Complete Full listing of H2ON Token on Bitmart CEX Complete setup of Liquidity Pool on ApeSwap DEX
Open first Staking Pool on BrewLabs
Open first Liquidity Farm on BrewLabs
Launch 2nd POC in the USA

August 2022:
Launch to the global water stakeholders and water services providers
Complete first POCs

September 2022:
Add CEX Marketplaces to increase market access of to H2ON Token

Mint first dNFTs for POCs
Start accepting the connecting of water plants to the H2O Water Network

December 2022:
Start the first phase of the H2O Securities Main DAO
First water plant yield distributions from Plant Settlement Smart Contracts

March 2023:
Full DAO constitution in place and activated
First treasury release for connecting of water plants

July 2023:
Scale the connection rate of water plants to the H2O Water Network

August 2023:
Add features such as AR & XR to water plants for participants and additional network services

July 2024:
Targeted water production: 100 Million Liters of water delivered to 1,000,000 people each day

July 2025:
Targeted water production: 500 Million Liters of water delivered to 5,000,000 people each day

July 2027:
Targeted water production: 1,000 Million Liters of water delivered to 10,000,000 people each day

July 2028:
Targeted water production: 1,500 Million Liters of water delivered to 15,000,000 people each day

July 2029:
Targeted water production: 2,000 Million Liters of water delivered to 20,000,000 people each day

July 2030:
Targeted water production: 2,500 Million Liters of water delivered to 25,000,000 people each day



9 : CONCLUSION

H2ON Token is a clear paradigm shift in addressing global water scarcity. It achieves environmental resilience and delivers more water, to more people, more cost effectively and quicker globally.

This White Paper clearly positions the H2O Water Network and the H2ON Token as a much-needed game changer in the way in which water scarcity can be addressed and how an impact can be made on a growing global water crises. As a global community it is within our reach to provide water to every global citizen whilst taking into consideration environmental sustainability, financial risk and reward and global collaboration of the top industry players. We can achieve this through blockchain finance technology that functions in a trustless environment protecting water users, water producers, technologists, and investors in an integrated water-finance network – the H2O Water Network.

The top 5 benefits of the H2ON Token as used within the H2O Water Network can be summarized as follows:

- (i) **Cashflow** : Participation in the H2O Water Network generates business opportunities for network participants both on-chain and off-chain leveraging the efforts, initiative, entrepreneurial ingenuity of the network participant. The interoperability of the H2ON Token enables it to be exchanged on DEX and CEX platforms for other Cryptocurrencies and even fiat currency.
- (ii) **Smart Contract Governed** : Value and Reward distribution within the H2O Water Network is Smart Contract driven. No single person determines the fate of the network participants on the H2O Water Network, this includes connecting more water plants to the network and increasing H2ON Token supply.
- (iii) **Worldwide Access to Opportunities** : Water scarcity is a global phenomenon and therefore a global opportunity. Any person globally can participate in the utility H2ON Token and the H2O Water Network to help and make an improvement to our global society and help drive water scarcity down.
- (iv) **Critical Demand Product** : With almost 30% of the world not having access to potable water, the effective application of the H2ON Token strategy will remain in demand for at least a 20 to 30-year period.
- (v) **Feel Good Factor** : The global adoption of the H2ON Token will have a significant impact on the global society and the global environment – simply owning the H2ON Token is a feel-good factor.



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