WHITE PAPER

GLOBAL WATER IMPACT TOKEN (GWIT)

HARNESSING WATER SCARCITY FOR EXPONENTIAL CRYPTO GAINS

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H2O SECURITIES

1. BACKGROUND

Water scarcity is an escalating global crisis, projected to affect 1.8 billion people by 2025 and create a 40% supply-demand deficit by 2030. H2O Securities addresses this challenge by integrating blockchain innovation with traditional Debt Capital Marketsto fund water infrastructure. Through the Global Water Impact Token (GWIT), a digital security token, we are launching to institutional and other qualified investors access to an investment-grade corporate bond programme. Bonds in terms of this programme are issued by our Luxembourg-based, ECB-licensed securitization entity, are rated Baa2 or better by Moody's, and provide semi-annual coupons with 5-7 year maturities and $100 million face values. The bonds issued by H2O Securities are supported by leading banks, underwriters, and collateral trustees, adhering to EU regulatory frameworks and applicable green/blue bond standards to ensure ESG alignment.

GWIT is minted by staking H2ON, the H2O Securities' utility token engineered for scarcity with up to 90% of its 10 billion supply intended to be locked, potentially increasing its value from $0.03 to over $9. GWIT dynamically tracks the Global Water Price Index (GWPI), a composite benchmark derived from over 3,000 water-related equities across 19 exchanges. This index features a 2x upside amplification and 1.5x downside protection, enabling minters to benefit from the index's projected 52% growth over three years while generating USDC minting rewards. The minted GWIT will be issued from the H2O Securities treasury as the tokenisation element of the Corporate Bonds when these bonds are issued to investors. In doing so minters will receive their minting reward and contribute to funding water projects that help mitigate global water scarcity.

This ecosystem effectively merges the agility of cryptocurrency with the stability of traditional rated fixed income instruments, that global Debt Capital Markets, invest in. The strategy provides H2ON holders with dual revenue streams through H2ON price appreciation and GWIT minting incentives, while simultaneously appealing to global ESG-focused institutional investors seeking impactful, high-yield opportunities within the multi-trillion sustainable bond market.

"The strategy is a high impact solution that is underpinned by real-world assets and institutional level governance and compliance, meeting the demand for water-themed investments."

2. PURPOSE OF DOCUMENT

2.1 This white paper details the benefits for H2ON holders to mint the Global Water Impact Token (GWIT) on behalf of H2O Securities. GWIT is intended to be classified as an Investment Grade Digital Security of H2O Securities and promoted within Debt Capital Markets, through its appointed and licensed Dealer- Brokers. H2O Securities will always be the issuer and distributor of GWIT, to avoid H2ON Holders falling foul of securities regulations. H2ON holders will not be owning, holding or trading GWIT, they may trade their minting rewards associated with minting GWIT.

2.2 GWIT minters are compensated by H2O Securities in USDC for using their H2ON to mint GWIT, either through staking or locking it. This process demonstrates H2ON's utility value via active participation. Therefore, this document is limited to outlining the advantages of minting, the structure of minting rewards, the security of reward payments, and strategies for leveraging these rewards.

2.3 GWIT's pricing is linked to the Global Water Price Index (GWPI), a market index. This document will not delve into the design, scope, or management of the GWPI, including its composition models, rebalancing policies, or constitution framework. Instead, a high-level overview is provided to offer an understandingc of the principles guiding GWIT's pricing. It is aimed that GWPI will meet the stringent requirements of the European Benchmark Regulation (Regulation (EU) 2016/1011), for administrators and users of Indices, as well as European Securities and Markets Authority (ESMA), and European Markets in Financial Instruments Directive MiFID II recognition.

2.4 While regulatory considerations for GWIT's issuance and distribution are outside this document's scope, it's assumed these activities will comply with relevant jurisdictional frameworks. Similarly, a deep dive into GWIT's market dynamics—such as pricing, tradability, liquidity, volatility, and associated market risks—is largely excluded, as this document focuses on high-level metrics for illustrative purposes

2.5 This document is supplementary to the H2ON White Paper.

2.6 Annexure A provides an example of an H2O Securities Bond Offering Term Sheet.

3. INTRODUCTION

3.1 Global Water Crisis Context:

Water is rapidly becoming the world's most critical resource. The UN estimates that by 2025, 1.8 billion people will experience absolute water scarcity. Projections indicate that by 2030, global water demand will outstrip supply by 40% (World Bank, 2023). This intensifying scarcity is already leading to increased water prices, a trend worsened by more frequent droughts, growing urbanization, and higher industrial consumption. A range of interventions, including the expansion of water treatment infrastructure, are essential to address this crisis.

3.2 Targeted Raise

H2O Securities aims to raise and deploy US$500 million by 2030 through the issuance of tokenised Corporate Bonds, to finance H2O Securities' pipeline transactions. Capital raises will be from the H2O Securities Luxembourg based issuing company and will be administrated in terms of Luxembourg Legislation that governs more than US$ 27 Trillion of the world's Corporate Bond issuances. The approach has been designed over the past two years to meet the requirements of sophisticated Institutional Investors and other Qualifying Investors. Drawing on the H2O Securities team's +50 years expertise in institutional Corporate Bonds as well as three years of experience in the crypto and blockchain space within the water infrastructure sector, it is crucial that the H2O Securities offering adheres to fundamental criteria. These criteria, typical of traditional Debt Capital Market instruments, include asset security, capital preservation, rated risk, regulatory compliance, appropriate risk-weighted returns, appropriate security reporting, and other investor requirements.

3.3 Crypto Meets Real-World Value

The GWIT (Global Water Impact Token) and H2ON form an innovative ecosystem. This system integrates blockchain technology with traditional capital market frameworks to offer a novel approach to funding water infrastructure.

3.4 Core Concept

GWIT is a Binance Smart Chain token (BEP-20) designed to track the increasing value of water. Its price is directly tied to the Global Water Price Index (GWPI), which is calculated four times daily using data oracles from 19 stock exchanges. GWIT dynamically adjusts the GWPI movement, providing a 2x upside amplification and a 1.5x downside buffer. This modification enhances the minting reward for minters and increases the yield for GWIT investors by establishing a global financial pricing benchmark. GWIT will be offered to Institutional and other Qualifying Investors through H2O Securities' network of licensed Dealer-Brokers.

3.5 GWIT Creation & Conversion

To mint GWIT, users must stake or lock H2ON, the ecosystem's foundational token. The minted GWIT is held in a Treasury Vault until sold to Institutional and other Qualifying Investors. Upon purchase, a Settlement Smart Contract converts the GWIT from a BEP-20 token standard to an ERC-3643 (T-REX) standard for Security Tokens. This process serves two purposes: (i) to protect the minter from regulatory issues associated with Security Tokens, and (ii) to settle minting rewards in USDC to the GWIT minter's wallet via the same Settlement Smart Contract.

3.6 Drive H2ON Scarcity

This mechanism aims to progressively and permanently lock up to 90% of the 10 billion H2ON supply, thereby enhancing its scarcity

3.7 Drive H2ON Value

H2ON's limited supply model is projected to drive price appreciation as demand for GWIT increases. With GWPI anticipated to grow by 52% over three years (from 1.039 to 1.574), GWIT's price could rise from $1.029 to a range of $4 to $6+. H2ON's carefully managed scarcity is expected to further enhance its demand vs scarcity potential, that could reach a utility valuation of $9+

3.8 Investor Appeal

GWIT offers institutional investors an opportunity to finance solutions for water scarcity. This aligns with investment goals centered on global Sustainable Development Goals (SDGs) and Environmental, Social, and Governance (ESG) criteria. GWIT's offerings will be backed by securitized water sector assets, which will be risk-insured and rated by leading institutions such as Moody's, Fitch, or S&P, all while adhering to both SDG and ESG standards to increase investor attractiveness. H2O Securities has already commenced with corporate onboarding with these institutions.

3.9 GWIT Distribution

GWIT, being a security, will be distributed through a network of established Dealer-Brokers with proven experience in marketing and placing Capital Market instruments. This network is typically coordinated by a Lead Arranger and one or more Co-Arrangers, usually major global broker firms or first-tier banks. H2O Securities is currently in the process of appointing a Lead Arranger and Co-Arranger to oversee this distribution. This strategy minimizes H2O Securities' marketing and promotional obligations for GWIT, enabling the team to focus on their core competency of structuring marketable instruments.

3.10 Dual Opportunity

H2ON holders have a dual opportunity to generate revenue. They can mint GWIT by staking or locking H2ON. This allows H2ON holders to benefit from:

- The price increase of H2ON, due to scarcity market dynamics
- Receiving a GWIT minting reward when H2O Securities sells GWIT to institutional buyers.
- Trading the GWIT minting reward peer-to-peer via the peer-to-peer settlement Smart Contract.

4. GLOBAL WATER PRICE INDEX (GWPI)

4.1 Composite Derivative Index

The GWPI is a Composite Index Derivative, and was launched at 1.000 points on July 15, 2025, the index distills the comprehensive Global Water Price Index (GWPI) developed by H2O Securities, into a streamlined, investor-friendly benchmark, amplifying access to the burgeoning water economy. Built on the GWPI's robust foundation consisting of five sub-indices:

34%	1%	24%	41%	Planned for future inclusion
Equity Sub-Index (ESI)	Commodity Sub-Index (CSI)	Technology Sub-Index (TSI)	Utility Sub-Index (USI)	ETFund Sub-Index (FSI)

4.2 Pricing Benchmark

The GWPI serves as a financial benchmark designed to provide water-related pricing benchmarks for investors and financial markets. Its core purpose is to engage with the growing water sector, driven by increasing global water scarcity. The GWPI acts as a versatile foundation for various financial instruments, including derivatives (futures, options, warrants, and Contracts for Difference). It also offers a benchmark for water-related Exchange Traded Funds (ETFs) and water-related insurance hedges, facilitating precise risk management, speculative opportunities, and portfolio benchmarking. Its key value proposition lies in its broad accessibility and market depth, tracking over 100 of a targeted 3000 water-related companies across more than 19 global stock exchanges.

4.3 Regulation

Due to the use of the GWPI it is subject to regulatory oversight, the oversight that we have selected is the European Union Benchmark Regulation, Regulation (EU) 2016/1011 as amended

4.4 Calculation Process

The index is calculated four times per day using a price volume weighted average formula, the result is then normalized to a 1.000-point base value known as the GWPI. The model has back tested results from 16 March 2020, covering 1,256 trading days, covering the various sub-indexes, with a total of +159,600 data points.

The graph above indicates the GWPI movement during the period March 2020 and March 2025, with key data as highlighted in the table below.

Back Test Data - GWPI

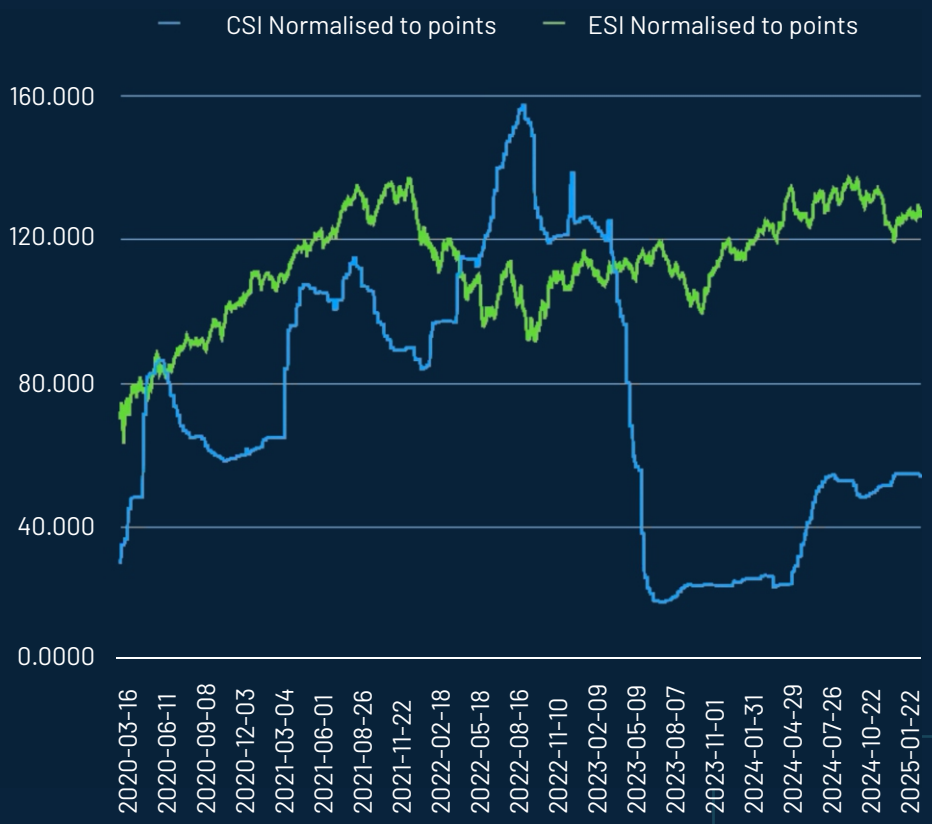
	2020	2021	2022	2023	2024	2025
Total Points Moved	30,988	54,171	57,134	43,139	41,887	8,828
Index Open	100.00	165.47	225.84	232.90	142.29	174.55
Index Close	166.01	227.21	232.43	143.48	175.42	182.46
Average Point Score	152.65	214.96	227.63	172.55	166.22	180.17
Min Point Score	98.44	165.47	202.40	123.55	138.98	173.30
Max Point Score	173.78	247.65	263.36	248.98	190.14	184.42
Range Points	75.34	82.18	60.96	125.43	51.16	11.12
Range %	76.53%	49.66%	30.12%	101.52%	36.81%	6.42%
Annual Gain/(Loss)	66.01%	37.31%	2.92%	-38.39%	23.28%	4.53%

The GWPI has an average annual volatility range of ~50% in points moved and an average annual gain of ~15% year-on-year, indicating the growth in the index value.

4.5 Index Drivers & Levers

For illustration purposes, the table below summarize the main levers or impact drivers for three of the five sub-indices based on their composition and real-world dynamics in the water sector. It shows that indices are influenced by distinct and often overlapping drivers. These drivers collectively illustrate how the GWPI captures the interplay of commodity pricing, technological advancement, and equity market dynamics in the water sector.

INDEX DRIVER	2021	2022	2025
Weather Patterns	X	X	X
Agricultural Demand	X		
Regulatory Changes	X	X	X
Urbanization & Population Growth	X		X
Macroeconomic Factors	X	X	X
Technological Innovation		X	
Infrastructure Investment		X	
Energy Prices		X	
Mergers and Acquisitions (M&A)			X
Investor Sentiment & ESG Trends			X



4.6 Classic Example of Weather Impact

The graph above indicates the impact that a sudden abundance of water in California had on the overall Global Water Price Index. The primary reason for a significant drop in the GWPI during 2023 was attributed to the water commodity price drop (primarily through the NQH20 index). This stems from shifts in water supply and demand dynamics in California as a result from a change in weather patterns in the region. During 2023, California emerged from a prolonged dry season and improved water availability resulted following a wetter-than-average winter in 2022-2023. During this period California saw several notable atmospheric river events during the winter, which were linked to an active El Niño pattern. These storms played a big role in breaking a multi-year drought by refilling reservoirs and boosting snowpack levels to well above the average. This would have replenished reservoirs and groundwater, reduced regional water scarcity and thus lowered water rights transaction prices. When water becomes less scarce, the market price reflected in the NQH20 index tends to decline, as demand for traded water rights decreases.

5. GLOBAL WATER IMPACT TOKEN (GWIT)

5.1 Why GWIT Matters

The Global Water Impact Token (GWIT) is designed to be a significant contributor to the H2ON ecosystem, promoting the tokenization of Real-World Assets (RWA). Its issue price and investment yield are directly tied to the Global Water Price Index (GWPI), which monitors water commodity prices and water-related equities. This strategic linkage enables GWIT to leverage the increasing global value of water, a resource experiencing growing scarcity. The token provides institutional investors with a blockchain-enabled, investment-grade tool for investing in global water infrastructure. Capital generated from GWIT sales will be allocated to acquiring tangible, revenue-generating water infrastructure, ultimately benefiting H2ON holders.

5.2 H2ON and GWIT

Driving Water Project Funding and Value Creation: GWIT is positioned to become a valuable asset by leveraging real-world water market conditions. Its availability is linked to either the permanent locking or staking of H2ON. Increased demand for GWIT, driven by the financing needs of water projects, may lead to an increase in H2ON's price due to its restricted supply for minting new GWIT. This scarcity, combined with a potential rise in the Global Water Price Index (GWPI), could contribute to an enhancement in GWIT's value. For H2ON holders, this may represent an opportunity. The demand for GWIT is anticipated to potentially influence H2ON's price, as a significant portion of H2ON tokens could be removed from circulation during the GWIT minting process, potentially transforming H2ON into a high-demand, scarce token

5.3 GWIT's Role in Amplifying Gains and Mitigating Losses

GWIT is engineered to potentially amplify gains when GWPI increases and mitigate losses during declines. This mechanism aims to enhance GWIT's performance relative to GWPI movements, potentially widening the spread between GWPI and GWIT price points. A larger spread could facilitate the deployment of more capital for water infrastructure financing and potentially improve the cost-effectiveness of such financing. The minting of GWIT involves a substantial portion of H2ON's total token supply.

5.4 Initial Minting Target

The initial minting target for GWIT is 10,000,000 units by 31st March 2026. Based on current GWIT and H2ON valuations, this necessitates locking or staking approximately 500 million H2ON. However, if H2ON's value appreciates to USD 0.12, the H2ON required to mint 12 million GWIT would decrease to approximately 100 million. The optimal strategy involves securing 15% to 30% participation from existing H2ON holders, with the remaining minting requirements sourced from the H2ON Treasury. H2O Securities intends to initiate the first public minting by permanently locking a specified amount of H2ON on a weekly basis until the 10,000,000 GWIT target is achieved.

5.5 Minting Process

Holders of H2ON, including the H2O Securities treasury, have the option to lock or stake their H2ON holdings to mint GWIT. The H2O Securities treasury intends to prioritize the permanent locking of H2ON for GWIT minting, which will allow H2ON holders to engage in Staking Pools for enhanced benefits. H2ON holders retain the flexibility to lock H2ON for accelerated and higher minting rewards.

5.6 Locking

H2ON can locked permanently in a "blackhole" contract which is equal to burning H2ON to permanently remove it from circulation. The formula applied is: GWITminted = {(tokens * H2ONPrice) / GWITprice } * BonusMultiplier

Where the BonusMultiplier is 20%.
This provides instant tradeable GWIT at 20% bonus to an H2ON holder. Once locked H2ON is irrecoverable.

Key Considerations

- Exercise when high demand for GWIT exist, GWIT price is low and H2ON price is high
- Minting is instant.

Example

(Locking 1000 H2ON, H2ONPrice = USD 0.032, GWITprice = USD 1.1504):
GWITminted = {(tokens * H2ON_price) / GWITprice } * BonusMultiplier
= {(1000 * 0.032) / 1.1504} * (1 + 20%)
= 33.37 GWIT
Value of GWIT = 33.37 * 1.1504 = USD 38.40
Value of H2ON Locked (burned) = 1000 * 0.032 = USD 32.00

5.7 Staking

H2ON can be staked for variable durations in our staking contract. The formula applied is: LockReward = {(tokens * H2ON_price) / GWIT_price } * bonusMultiplier

Where the bonusMultiplier is dependent on the staking period, as follows:
1 month (0%), 3 months (5%), 6 months (10%), 9 months (15%).
This provides delayed access to tradeable GWIT with the benefit that the H2ON is returned at the end of the staking period.

Irrecoverable.

Key Considerations

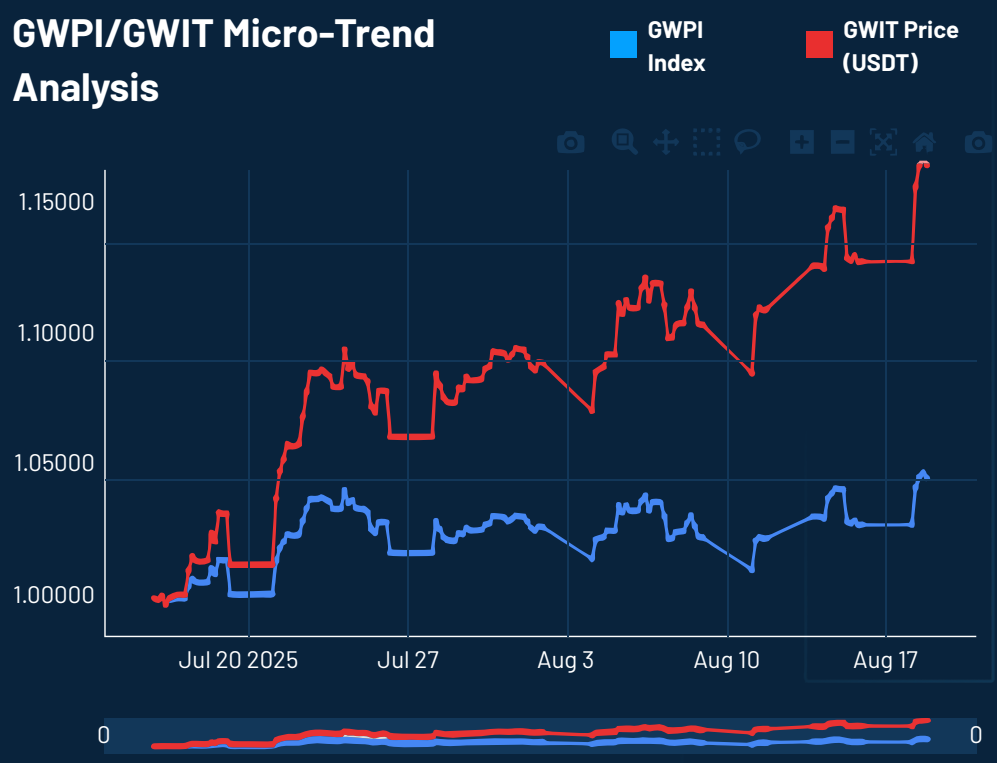
- Minting is a reward and is determined at the end of staking during the claims process
- Exercise early while both H2ON and GWIT price is low to achieve maximum GWIT.
- The Staking Pool is limited at any stage to 30 Million H2ON, therefore access as early as possible to secure GWIT benefit.

Example

Example
(Staking 3 months, 1000 H2ON, H2ONPrice = USD 0.032, GWITprice = USD 1.1504):
GWITminted = {(tokens * H2ON_price) / GWITprice } * BonusMultiplier
= {(1000 * 0.032) / 1.1504} * (1 + 5%)
= 29.21 GWIT
Value of GWIT = 29.21 * 1.1504 = USD 33.60
Value of H2ON staked (retained) = 1000 * 0.032 = USD 32.00

Key Insight

Due to its volatility modifier, the GWIT exhibits a consistent upward trend. This demonstrates its significance as a growth token by showing how it mitigated the 2023 downturn in the GWPI index. The latest data, which includes the complete index and its five sub-indices, corroborates the observed trend. This confirmation is even more pronounced than in the back-tested data, owing to the incorporation of additional data streams from a wider range of exchanges and companies.



5.8 Trend Forecast

Based on available data and water reports, it is projected that the GWPI will likely maintain an upward trend until 2035. This projection is attributed to four key factors: (i) demand-driven water scarcity, (ii) population-driven water scarcity, (iii) climate-driven water scarcity, and (iv) pollution-driven water scarcity.

5.9 GWIT Ownership

GWIT is minted for H2O Securities to comply with regulatory requirements for Digital Security Tokens. H2O Securities remunerates GWIT minters in USDC for their contributions, ensuring H2ON's status as a utility token and adherence to all security laws and regulations by GWIT minters. To enable minters to optimize value, they have the option to release minted GWIT or to retain it within the Treasury Vault until the GWIT price appreciates, thereby assuming discretionary market risk.

5.10 Whitelist System

A crucial element for success lies in sustaining a closed-loop ecosystem. An on-chain whitelisted wallet system effectively limits the trading of GWIT to within the H2ON platform. Only pre-approved wallets, such as those associated with staking contracts, liquidity pools, qualified investors, and authorized users, are able to receive GWIT, thereby preventing unauthorized transfers and ensuring adherence to regulatory requirements

5.11 Realizable Value

GWIT possesses a realizable value, which represents the compensation provided by H2O Securities to minters for the creation of GWIT. This value is determined by the price differential (spread) between GWPI and GWIT, with GWPI consistently being lower than the GWIT price. GWIT is made available to institutional purchasers at the established GWIT price level. Minters of GWIT receive payment in USDC from H2O Securities, facilitated through a smart contract, at the GWPI price plus 5% of the spread at the time institutional buyers acquire GWIT from H2O Securities.

Therefore, Realizable Value = Minting Reward

5.12 Use of Proceeds

The use of proceeds from GWIT sales are subject to each individual bond issuance but in essence will be as follows:

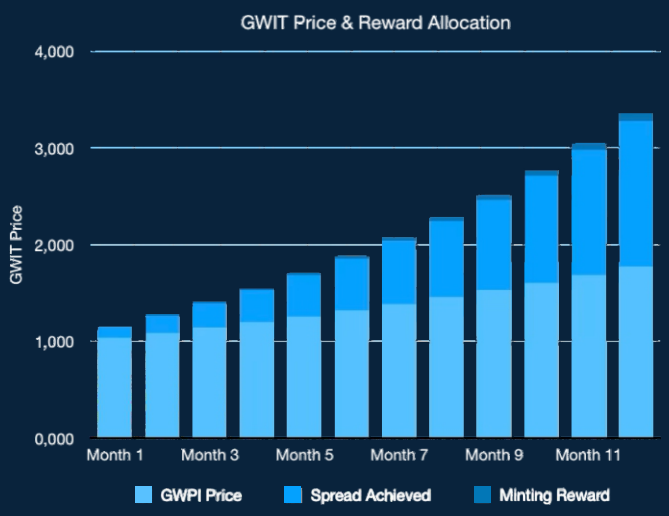
Step 1 : Calculate the Spread

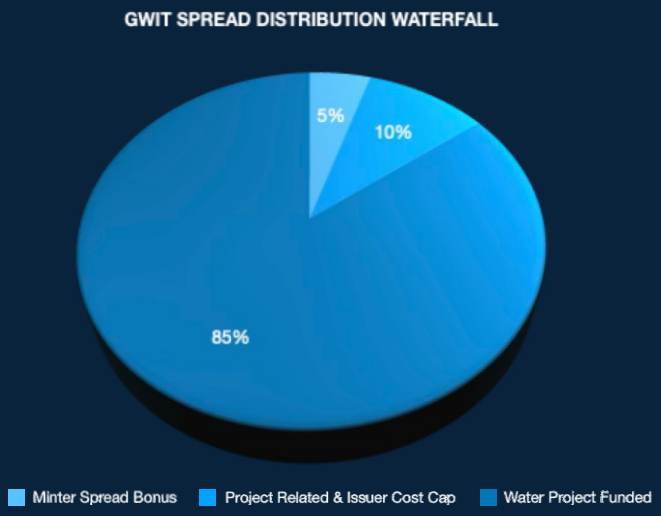
- Spread = GWIT – GWPI

Step 2: Calculate Distribution

- Mint Reward: GWPI + (Spread x 5%)
- Professional Fees: Spread x 10% (1% to 2% per annum)
- Water Assets: Spread x 85%

Professional Fees are inclusive of market related brokerage, discounts, trustee, audit and other related institutional fees, typically associated with Debt Capital Market instruments.





5.13 Transferability

Minted GWIT will be securely stored in a whitelisted Treasury Vault, under the custodianship of H2O Securities. This complies with digital securities regulations. H2O Securities will retain ownership of the minted GWIT until it is issued to institutional investors at the prevailing GWIT price in USDC.

5.14 Collateral Backing

H2O Securities commits to maintaining a 1:10 collateral backing for H2ON holders who have minted GWIT and retained it within the Treasury Vault. This backing will remain in effect until the GWIT is successfully sold to institutional investors. The intent of this collateral is to provide a safeguard, ensuring that in the improbable scenario of GWIT remaining unsold or experiencing significant devaluation (typical Black Swan event), token holders can retrieve their minting reward in H2ON. To facilitate this, two billion H2ON have been secured in a Smart Contract, with daily monitoring of collateral levels.

5.15 Transaction Tax

GWIT is not intended to be a high frequence tradeable asset, from a minter's perspective it will most likely trade once or twice. All GWIT transactions are subject to a 2% transaction fee. This fee will either be burned or directed towards high-impact social investment projects. Once the tax reserve exceeds USD 500,000, project allocation will begin. This will be determined through a Decentralized Autonomous Organization (DAO) voting process, where H2ON holders can nominate projects or deserving communities. Minters who have vaulted GWIT will be eligible to vote on these nominated projects.

5.16 Tradability

GWIT held in the Treasury Vault can be traded as follows:

Swap Trade (GWIT -> H2ON)

Minters are permitted to exchange their accrued GWIT rewards, held within the Treasury Vault, for H2ON. To uphold the integrity of our whitelist and mint reward calculations, all swaps are executed through a smart contract that interfaces with the Pancake Swap liquidity pool. Access to the Pancake Swap liquidity pool is exclusively granted to the Treasury Vault Swap Contract. The equivalent GWIT reward is drawn from the Treasury Vault and converted to H2ON via an API, with the resulting H2ON deposited directly into the minter's wallet.

Institutional Sale

H2O Securities intends to make GWIT available to institutional and other qualified investors through a series of offer rounds, related to its Corporate Bond Issuance Programme. These Bond Issuances are specifically designed to finance water infrastructure projects and will be released on a designated Issue Date, following the fulfillment of all regulatory and security requirements. The Issue Date for each offer round will be communicated via social media and H2O Securities' websites, providing H2ON holders with vaulted GWIT a priority opportunity to commit their retained GWIT for sale. Should the amount of GWIT released by H2ON holders prove insufficient by the Issue Date, H2O Securities' treasury will supplement the offering to complete the offer round. The financial instruments underlying the GWIT issuances are designed to satisfy stringent capital market performance criteria, encompassing risk rating, yield, and return on investment. In many cases, these instruments are de-risked through advanced insurance, risk transfer mechanisms, and credit default swaps. The precise details and intricacies of these instruments are unique to each issuance and are comprehensively detailed in the corresponding issuance-level documentation.

Peer-to-Peer

A Peer-to-Peer (P2P) selling and buying mechanism enables the exchange of GWIT mint rewards between a GWIT holder and an H2ON holder for USDC. This transaction is executed via a P2P Smart Contract, thereby mitigating counterparty risk. This arrangement provides the buyer with exposure to potential GWIT appreciation, while acknowledging inherent risks associated with future institutional GWIT sales.
The seller benefits from divesting their position at a mutually determined valuation. The exchange rate between the seller and buyer is established through mutual consent.

Swap Trade (H2ON -> GWIT)

H2ON holders are able to exchange H2ON directly for GWIT. To uphold the integrity of our whitelist, this exchange is facilitated through a smart contract that interfaces with the liquidity pool on Pancake Swap. Only the Treasury Vault Swap Contract is authorized to interact with the Pancake Swap liquidity pool. An H2ON holder's H2ON will be transferred from their wallet and exchanged for GWIT via the API, with the received GWIT subsequently deposited into the Treasury Vault and allocated to the user's wallet address.

5.17 Other GWIT Use Cases

GWIT, as a thematic water Digital Security, is designed to underpin a suite of institutional-grade financial products, including derivatives, futures, options, Exchange Traded Funds (ETFs), warrants, Contracts for Difference (CFDs), Credit Default Swaps (CDS), and insurance products. As the GWPI develops, it is anticipated to facilitate precise risk management, offer speculative avenues, and enable portfolio benchmarking. These functionalities are expected to allow traders to capitalize on GWIT's water-linked volatility and establish a consistent demand for H2ON to mint GWIT.

5.18 Public Burns

To maintain collateral coverage for minters, GWIT held by the treasury may be subject to a burn mechanism if the collateral-to-GWIT ratio falls below five times the treasury's GWIT holdings. This measure aims to enhance GWIT scarcity while ensuring adequate collateralization.

5.19 Impact on H2ON

GWIT is an investment-grade digital security token designed to bridge traditional digital securities with global capital markets. H2ON plays a crucial role in the minting of GWIT, thereby offering long-term utility to its holders and facilitating the funding of water infrastructure projects. The valuation of GWIT is directly influenced by real-world water market dynamics, and its availability is contingent upon the locking or staking of H2ON. Elevated demand for GWIT, driven by water project financing requirements, could potentially lead to an appreciation in H2ON's price, given its finite supply for minting.
The controlled scarcity of H2ON, combined with increasing minting demand, could potentially result in H2ON reaching a utility value of $9 or more. This scenario presents a notable opportunity for H2ON holders, establishing H2ON as an asset characterized by high demand and scarcity.

5.20 GWIT Vault

The table below illustrates the projected increase in GWIT, driven by the minting process, which will involve H2ON holders staking their H2ON and the H2ON Treasury systematically locking H2ON. This strategy aims to achieve the necessary GWIT volume for the forthcoming Phase 7 & 9 Institutional offerings.

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
STAKING	STAKING H2ON											
H2ON Price	US$ 0,030	US$ 0,033	US$ 0,036	US$ 0,040	US$ 0,044	US$ 0,048	US$ 0,053	US$ 0,058	US$ 0,064	US$ 0,071	US$ 0,078	US$ 0,086
GWIT Price	1,150	1,265	1,392	1,531	1,684	1,853	2,038	2,242	2,466	2,713	2,984	3,282
GWPI Price	1,035	1,086	1,141	1,198	1,258	1,321	1,387	1,456	1.529	1,605	1,685	1,770
H2ON Staked	7 000 000	8 050 000	9 257 500	10 646 125	12 243 044	14 079 500	16 191 425	18 620 139	21 413 180	24 625 134	28 318 904	32 566 740
Bonus	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
GWIT Minted	182 545	209 927	241 416	277 628	319 273	367 164	422 238	485 574	558 4100	642 171	738 497	849 272
Minting TAX	-3 651	-4 199	-4 828	-5 553	-6 385	-7 343	-8 445	-9 711	-11 168	-12 843	-14 770	-16 985
Cumulative GWIT	178 894	384 623	626 039	903 667	1 222 940	1 590 104	2 012 342	2 497 916	3 056 325	3 698 497	4 436 994	5 286 266
Vault Value of GWIT	US$ 205 800	US$ 486 717	US$ 871 436	US$ 1 383 679	US$ 2 059 798	US$ 2 946 034	US$ 4 101 160	US$ 5 599 637	US$ 7 536 851	US$ 10 536 851	US$ 13 239 286	US$ 17 350 716
Spread Achieved	US$ 0,12	US$ 0,18	US$ 0,25	US$ 0,33	US$ 0,43	US$ 0,53	US$ 0,65	US$ 0,79	US$ 0,94	US$ 1,11	US$ 1,30	US$ 1,51
Minting Reward	US$ 0,01	US$ 0,01	US$ 0,01	US$ 0,02	US$ 0,02	US$ 0,03	US$ 0,03	US$ 0,04	US$ 0,05	US$ 0,06	US$ 0,06	US$ 0,08
Minter Reward	US$ 186 137	US$ 421 310	US$ 722 022	US$ 1 097 471	US$ 1 564 159	US$ 2 142 150	US$ 2 855 849	US$ 3 734 935	US$ 4 815 504	US$ 6 141 467	US$ 7 766 241	US$ 9 754 826
LOCKING	LOCKING H2ON											
H2ON Price	US$ 0,030	US$ 0,033	US$ 0,036	US$ 0,040	US$ 0,044	US$ 0,048	US$ 0,053	US$ 0,058	US$ 0,064	US$ 0,071	US$ 0,078	US$ 0,086
GWIT Price	1,150	1,323	1,521	1,750	2,012	2.314	2,661	3,060	3,519	4,047	4,654	5,352
GWPI Price	1,035	1,086	1,141	1,198	1,258	1,321	1,387	1,456	1.529	1,605	1,685	1,770
H2ON Locked	2 000 000 000	15 000 000	19 500 000	25 350 000	32 955 000	42 841 500	55 693 950	72 402 135	94 122 776	122 359 608	159 067 491	206 787 738
Cumulative Locked	2 000 000 000	2 015 000 000	2 034 500 000	2 059 850 000	2 092 805 000	2 135 646 500	2 191 340 450	2 263 742 585	2 357 865 361	2 480 224 969	2 639 292 459	2 846 080 197
Bonus	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
GWIT Minted	62 586 926	448 993	558 313	694 250	863 285	22 218 147	27 627 783	34 354 548	42 719 133	53 120 313	66 053 955	82 136 657
Cumulative GWIT	62 586 926	63 035 919	63 594 233	64 288 483	65 151 768	87 369 916	114 997 699	149 352 246	192 071 379	245 191 693	311 245 647	393 382 304
Vault Value of GWIT	US$ 72 000 000	US$ 83 394 000	US$ 96 752 520	US$ 112 480 069	US$ 131 089 058	US$ 202 162 217	US$ 306 002 563	US$457 030 847	US$ 675 918 372	US$ 992 282 170	US$ 1 448 540 232	US$ 2 105 425 782
GWIT Vault	62 765 821	63 420 542	64 220 271	65 192 150	66 374 708	88 960 019	117 010 040	151 850 162	195 127 705	248 890 189	315 682 641	398 668 570

6. GWIT MINTER TRADING STRATEGY, FOR H2ON HOLDERS

6.1 The following outlines a staking trading strategy based on a conservative approach, involving one-month staking periods without additional bonuses for extended durations. This strategy spans a 12-month period, projecting a conservative H2ON price increase from the current US$ 0.032 to US$ 0.086. Utilizing 1,000 H2ON tokens, the projected GWIT minter reward is approximately US$ 575.00. This results in a total value growth from US$ 32.00 to US$ 661.00 (US$ 575 + US$ 86), reflecting the increase in H2ON value from US$ 32.00 to US$ 86.00.
Kindly note that the spread is expanding rapidly due to the 2x/1.5x volatility multiplier. Consequently, the reward ratio will decrease as the spread widens. This explains why the reward ratio may appear unrealistic in the initial year.

6.2 Minters may download our basic Excel models to run their own test scenarios.

			Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
STAKING			STAKING H2ON											
H2ON Price	A	H2ON Price	US$ 0,030	US$ 0,033	US$ 0,036	US$ 0,040	US$ 0,044	US$ 0,048	US$ 0,053	US$ 0,058	US$ 0,064	US$ 0,071	US$ 0,078	US$ 0,086
GWIT Price	B	GWIT Price	1,150	1,265	1,392	1,531	1,684	1,853	2,038	2,242	2,466	2,713	2,984	3,282
GWPI Price	C	GWPI Price	1,035	1,086	1,141	1,198	1,258	1,321	1,387	1,456	1,529	1,605	1,685	1,770
H2ON Staked	D	H2ON Staked	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
Bonus	E	0%, 5%, 10%, 15%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
GWIT Minted	F	F = ((D x A)/B) x E	26,078	26,078	26,078	26,078	26,078	26,078	26,078	26,078	26,078	26,078	26,078	26,078
Minting TAX	G	G = F x 2%	-0,522	-0,522	-0,522	-0,522	-0,522	-0,522	-0,522	-0,522	-0,522	-0,522	-0,522	-0,522
Cumulative GWIT	H		25,556	51,113	77,191	103,268	129,346	155,424	181,502	207,580	233,658	259,736	285,814	311,892
Spread Achieved	J	J = B - C	US$ 0,12	US$ 0,18	US$ 0,25	US$ 0,33	US$ 0,43	US$ 0,53	US$ 0,65	US$ 0,79	US$ 0,94	US$ 1,11	US$ 1,30	US$ 1,51
Minting Reward	K	K = 5% x J	US$ 0,01	US$ 0,01	US$ 0,01	US$ 0,02	US$ 0,02	US$ 0,03	US$ 0,03	US$ 0,04	US$ 0,05	US$ 0,06	US$ 0,06	US$ 0,08
Minter Reward	L	L = (C + K) x H	US$ 26,59	US$ 55,99	US$ 89,03	US$ 125,42	US$ 165,44	US$ 209,38	US$ 257,58	US$ 310,38	US$ 368,15	US$ 431,30	US$ 500,27	US$ 575,54

7. H2ON TOKEN

7.1 Role in Ecosystem

With a fixed 10 billion total supply, H2ON is the utility token used for (i) GWIT minting and (ii) for guaranteeing the GWIT minting rewards. Unlike GWIT, it's unburnable, but its circulating supply shrinks using two approaches (i) Permanently: through a "black hole" smart contract, and (ii) Temporarily: by staking H2ON for periods between 1 and 9 months.

7.2 H2ON Circulating Supply as of 20 Aug 2025

The overall objective of the combined H2ON, GWPI & GWIT strategy is to reduce the total circulation of H2ON, improve overall liquidity and tradability of H2ON with an attractive link to the real-world water scarcity problem. The table below indicates the current H2ON circulation and supply and how it improves over time.

7.3 H2ON Circulation, Lock (Burn) and Supply.

7.4 Highlights the current H2ON token

The following table highlights the current H2ON token distribution and anticipated changes.

		ROADMAP PHASES				
		Phase 1	Phase 4	Phase 7	Phase 9	
Total Minted	Token Contract	10 000 000 000	10 000 000 000	10 000 000 000	10 000 000 000	
Treasury Locked	TxnHash	9 903 559 013	6 869 059 013	7 703 559 013	7 057 478 816	(a)
Treasury Deep Lock Burn (mint GWIT)		0	2 034 500 000	2 200 000 000	2 846 080 197	
Circulating		96 440 987	1096 440 987	96 440 987	96 440 987	
Team,Consultants & Advisory Board	Including 3-year vesting agreements	55 000 000	55 000 000	55 000 000	40 000 000	
Team,Consultants & Advisory Board	Commitment to Lock	5 000 000	5 000 000	5 000 000	20 000 000	
Liquity Pools (H2ON:USDT)	ApeSwap	119 600	119 600	119 600	119 600	(b)
Liquity Pools (H2ON:USDT)	PancakeSwap	35 624	15 000 000	15 000 000	15 000 000	(b)
Liquity Pools (GWIT)	PancakeSwap H2ON:GWIT (whitelisted swapping API)	0	1 000 000 000	1 000 000 000	1 000 000 000	(b)
General Circulation	+900 Wallets	36 321 387	36 321 387	36 321 387	36 321 387	(b)

(a) These values will be addressed in the 2026 strategy document

(b) These values are expected to change based on market dynamics.

8. GOVERNANCE & TEAM

8.1 What is the Corporate Structure?

H20 Securities operates as a division of Exchange Trust Settlement Services (Pty) Ltd ("ETSS"), a private limited liability company established in South Africa in February 2013, with Registration Number: 2013/033896/07 www.exchangetrust.co.za. ETSS is neither classified as a "reporting issuer" nor similarly licensed, nor is it explicitly authorized as such in any jurisdiction. H20 Securities maintains representative offices in both the United Kingdom and the United States of America. Security instruments and GWIT Digital Securities are issued through a fully licensed ETSS entities, details of which will be disclosed during Phase 7 (See Roadmap).

The Executive Team has operated cohesively as a management unit for over four years, with expertise across engineering, finance, risk, banking, environmental, and legal sectors. For the past five years, the founding partner and three other members have primarily concentrated on the Water Engineering Sector. Project completion certificates are available for reference in the subsequent section. The team's collective experience in these sectors totals more than 500 years.

8.2 Management

Anthony Moore

Non-Executive Chairman

Anthony Moore has recently been appointed as Chairman at H20 Securities, contributing over 50 years of experience within the global financial services industry, having lived and worked in six countries.

Mr. Moore gained experience in the London stockbroker market, achieving membership of the London Stock Exchange. He subsequently held senior positions with Banque Nationale de Paris (BNP) in London, Paris, Tokyo, and New York, where he served as Executive Vice President, responsible for BNP's international finance activities in North America. Following his tenure with BNP, Mr. Moore was recruited by Goldman Sachs (GS) in New York to establish and manage the Goldman Sachs (Asia) Ltd office in Hong Kong, overseeing all of GS's business in East Asia, including China. He later became the first Head of Investment Banking at Goldman Sachs Japan in Tokyo and a member of the Goldman Sachs Investment Banking Division Management Committee. Subsequently, Mr. Moore was appointed Executive Director at Goldman Sachs Ltd in London, where he was responsible for UK privatizations and cultivated relationships with numerous Footsie 100 companies. After his career at Goldman Sachs, his roles included Member of the Board of Banker's Trust Int'l and Chairman of Corporate Finance at BZW, Barclays Bank's investment banking subsidiary. Mr. Moore's expertise encompasses Debt Capital Marketsfinancing, equity fundraising, cross-border mergers and acquisitions, project finance, real estate, precious metals, asset management (including alternative investments), and wealth advisory.

Julius Steyn

CEO & Founder

Julius Weiland Steyn possesses 30 years of post-qualification experience, including 20 years at the C-level and 15 years as CEO and Interim CEO. He has initiated and led international business development events, with substantial experience in Africa, having concluded transactions more than US$500 million. Mr. Steyn has also structured transactions in the Middle East exceeding US$40 billion on a Public-Private Partnership (PPP) basis, using rated synthetic bond structures. His background includes roles as an Investment Banker and Private Equity Investor, consistently demonstrating responsibility for business development and corporate financial sustainability at both strategic and tactical levels. His management style is characterized by a focus on technology-driven solutions.

Julia Ann Steyn

CFO & Founder

Julia Ann Steyn is a CIMA accountant with over 25 years of experience, primarily in corporate banking and financial services in both the UK and South Africa. As a private consultant for various turnaround businesses, she acquired a broad range of business skills, requiring strategic thinking to improve operational activities and implement human and financial restructuring to prevent insolvency. Her recent CFO position in the water industry brings relevant expertise and understanding to H2O Securities, providing specialized knowledge to support its business goals with robust compliance and financial controls.

Emile Ras

COO & Founder

Emile Ras possesses 32 years of experience in engineering design and senior project management, encompassing water infrastructure, desalination, renewable energy, and high-rise construction. Mr. Ras has managed multi-billion-dollar global initiatives, including the $5.7 billion Coega Green Ammonia Project in South Africa, which involved 1.4 GW of solar PV, 1.9 GW of wind, and a 1200 MW hydrogen and ammonia plant development. Other notable projects include the $1.8 billion Bahrain Financial Harbour, the 1,000 MW Power Station Tanjung Bin 4 in Malaysia, and various projects in London and East Africa. His expertise has been developed through high-profile roles at URS Corporation (AECOM), Cowi (Saudi Arabia and Bahrain), Murray & Roberts Marine (Malaysia and South Africa), Coca-Cola (East Africa), and Hive Hydrogen SA. Additionally, Mr. Ras oversaw all our projects in Saudi Arabia and has substantial knowledge of the water industry.

8.3 Board Advisors

The Management Team is equipped with comprehensive access to international resources, bolstered by enduring professional relationships and a substantial transaction history with these entities. Many of these individuals have played a pivotal role in the development, strategy, and growth of H2O Securities. While they are not individually named here, they remain active as regular board advisors. Their expertise encompasses international banking, project finance, software development, marketing, cybersecurity, risk insurance, risk mitigation, risk transfer and modelling, water technologies, blockchain technology, and several other related fields. We are deeply appreciative of their ongoing support, which we can rely upon.

9.ROADMAP

9.1 This roadmap outlines a strategic growth path designed to unlock significant value for H2ON token holders, while simultaneously securing the necessary funding for initial water infrastructure projects through our blockchain and crypto-finance model

PHASE	TITLE	DESCRIPTION	STATUS
Phase 1	Pre-Launch	Publish the daily GWPI & GWIT results as well as weekly reports	Completed
Phase 2	GWIT Application Launch	Allow staking and locking of H2ON to create GWIT, allow for UX enhancement and adoption experience to be refined and current user feedback to develop	On-track 30 August 2025
Phase 3	Peer-to-Peer Smart Contract Launch	Allow users to exchange GWIT mint rewards for USDC using a secure smart contract to avoid complexities and settlement risks	Scheduled 30 October 2025
Phase 4	H2ON:GWIT Swap Smart Contract (GWIT Swap)	Smart contract to interface with Pancake Swap to exchange GWIT mint reward for H2ON	Scheduled 30 November 2025
Phase 5	H2ON:GWIT Swap Smart Contract (H2ON Swap)	Smart contract to interface with PancakeSwap to exchange H2ON for GWIT without minting	Scheduled 28 Feb 2026
Phase 6	GWIT Sale Smart Contract	Smart Contract to mint ERC-3643 (T-REX) standard Digital Security and to allow minters to lock-in transactions prior to instrument issue	Scheduled 28 Feb 2026
Phase 7	1ST GWIT Institutional Sale	i) Setting up of issuing vehicle, finalizing contracts with Mandated Lead Arrangers, Asset Managers and Underwriters ii) Setup of first instrument to raise ~US$20m iii) Regulatory Approvals and Issuance	In Progress 30 March 2026
Phase 8	Liquidity Improvement Aggressive Market Development	Utilising proceeds from first institutional sale to: i) Improve H2ON:USDC pool liquidity ii) Improve Marketing and H2ON, GWIT, GWPI' positioning iii) Drive to mint 100m GWIT	Planned Mid-April 2026
Phase 9	2ND GWIT Institutional Sale	i) Setup of first instrument to raise ~US$120m ii) Regulatory Approvals and Issuance	Planned Mid-Sep 2026

ANNEXURE
EXAMPLE H2O SECURITIES SUPPLEMENTARY BOND NOTE

THIS DOCUMENT IS PROVIDED SOLELY FOR INFORMATIONAL PURPOSES. IT SERVES TO DEMONSTRATE THE INSTRUMENTS WE ARE CURRENTLY FINALISING AND THE COUNTERPARTS WE ARE ENGAGING WITH BEFORE SUBMITTING FOR APPROVAL. THE TIMELINES ARE OUTLINED IN OUR ROADMAP. CONSEQUENTLY, THIS EXAMPLE DOCUMENT SHOULD NOT BE CONSIDERED THE DEFINITIVE FINAL VERSION.

GWIT and GWPI is a product of H2O Global Equities Inc
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