

## WHITE PAPER

Relating to the offering of *tokens* known as '*Healthy Tokens*', qualifying as crypto-assets other than asset-linked crypto-assets or e-money crypto-assets created and managed by:

HLT S.r.l.

This Crypto Assets White Paper has not been approved by any competent authority in any Member State of the European Union. The issuer and provider of the crypto-asset is solely responsible for the content of this Crypto Assets White Paper.

This White Paper has been prepared following in part the provisions of Title II of the EU Regulation 2023/1114 of 31 May 2023 on cryptocurrency markets to the extent that such regulation is not fully applicable to the Company, the Token and the offering of the Token. This White Paper may be amended as a result of the applicability of EU Regulation 2023/1114 to the Token.

To the best of the Company's knowledge, the contents of the White Paper and the information represented therein are correct, clear and not misleading, and this document does not contain any omissions that would alter the meaning hereof.

2 October 2024

## **Index**

DEFINITIONS

WHITE PAPER

SECTION A - INTRODUCTION AND WARNINGS

SECTION B - ISSUER AND ANY GUARANTORS

SECTION C - INFORMATION ON THE CRYPTO-ACTIVITY PROJECT

SECTION D - INFORMATION ON THE TOKEN OFFER 13

SECTION E - INFORMATION ON TOKENS 17

SECTION F - INFORMATION ON RIGHTS AND OBLIGATIONS RELATED TO TOKENS 20

SECTION G - INFORMATION CONCERNING THE UNDERLYING TECHNOLOGY 23

SECTION H - INFORMATION ON RISKS 28

SECTION I - FINAL FORECAST 33

## DEFINITIONS

Below is a list of the main definitions used within the White Paper, in addition to those given in the text. These definitions, unless otherwise specified, have the meaning given below.

<b>Healthy App</b>	or	The application for <i>smartphone</i> devices associated and connected to the Platform, Smart Ring and Tokens, through which users can view information and data generated by the Smart Ring and Quests.
<b>BTC</b>		It indicates the crypto-asset called 'Bitcoin'.
<b>Release Date</b>		It has the meaning given in Section D.7 of the White Paper.
<b>Devices</b>		It indicates, jointly, the Smart Ring, the Healthy App and the Token.
<b>Issuer Company</b>	or	HLT S.r.l., with registered office in Via San Gaggio 5, 00138, Rome (RM), Italy, registered in the Register of Companies of Rome, REA number RM-1740819, fiscal code and registration number 18880401000.
<b>Group</b>		Collectively, the Company and the other companies controlled by and/or controlling and/or connected to the Company as part of the group known as Swag.
<b>HP Points</b>	or	<b>Healthy</b> It has the meaning given in Section C.1 of the White Paper.
<b>Internet</b>		Global network of networks accessed by users with PCs or other devices via an <i>Internet service provider</i> .
<b>Token Burn Mechanism</b>		It has the meaning given in Section F.8 of the White Paper.
<b>MiCA Regulation</b>		EU Regulation 2023/1114 of 31 May 2023 on cryptocurrency markets.
<b>Presale Period</b>		Indicates the sale period of the Token as set out in Section C.6 of the White Paper.
<b>Healthy Platform or Platform</b>		The so called <i>front-end</i> graphical interface and the underlying so called <i>back-end</i> database developed, managed and maintained by the Company and/or other Group companies and/or authorized third parties and/or cooperating with the Issuer and/or the Group.
<b>Healthy Project or Project</b>	or	The business initiative managed and developed by the Issuer, which includes, inter alia, the use of the Token, the Smart Ring, the Platform and the App.
<b>PoH</b>		It indicates the mechanism for recording user data in the <i>blockchain</i> as further described in Section G.1 of the White Paper.
<b>Quests</b>		It has the meaning given in Section C.1 of the White Paper.
<b>Sales Threshold</b>		Indicates the maximum amount of Tokens that can be purchased by users within each Presale Period.

<b>Technology</b>	Indicated the technology used by the Company in connection with the crypto-asset project and the Tokens as further described in Section G.1. below.
<b>Token Generation Event or TGE</b>	It indicates 15 March 2025.
<b>Token or HLT</b>	The tokens known as " <i>Healthy</i> Tokens", which are non-nominative and have no nominal value, are freely transferable and fungible and as further described below in Section C.1.
<b>Smart Ring or Healthy Ring</b>	The physical device marketed by the Company and/or other companies belonging to the Group, which can be associated and/or connected to the Platform and the Token, and which offers users the functions indicated in Section C.6 of the White Paper.
<b>User</b>	The natural or legal person who reads and accepts the terms and conditions described in this White Paper as well as any further documents referred to and/or attached hereto in order to purchase the Token and the Devices.
<b>User Consumer</b>	It has the meaning given in Section A.8 of the White Paper.
<b>USDT</b>	Indicated crypto-activity called 'Tether'.
<b>Wallet</b>	Refers to the digital wallet service for the registration of crypto-assets or digital wallets offered by the Company, also through the Platform, in accordance with and subject to the User's acceptance of the specific terms and conditions of the service offered.
<b>White Paper</b>	This document.

## WHITE PAPER

This White Paper (the "**White Paper**") has been prepared following as a guideline the provisions of the EU Regulation 2023/1114 of 31 May 2023 on markets in crypto-assets (the "**MiCA Regulation**"), the White Paper for crypto-assets other than asset-linked crypto-assets or cryptocurrency-related crypto-assets, with regard to the format and content of the White Paper and the Final Terms as well as with regard to the disclosure requirements, contains the essential information relating to the Issuer, the Group and the business sector in which they operate, as well as that relating to the Tokens under offer.

This White Paper consists of a series of information elements called "**Elements**". These Elements are numbered in Sections A to H (A.1 - H.5).

This White Paper contains part of the Elements that are expected to be included in a summary and related *white paper* under the MiCA Regulation. As the MiCA Regulation is not fully applicable to the Issuer, some of the Elements are not provided for and/or indicated partially with respect to what is provided for under the provisions of the MiCA Regulation.

Although a White Paper is required under the MiCA Regulation to be composed of a so-called "Summary Note", due to the aforementioned non-application of such regulation to the Issuer as well as due to the type of crypto-assets offered, it is possible that this White Paper does not provide information and/or contains partial information with respect to what is required by the MiCA Regulation.

SECTION A - INTRODUCTION AND WARNINGS	
<b>A.1</b>	<p><b>Warning</b></p> <p>Any decision to purchase tokens should be based on the purchaser's examination of the White Paper in its entirety.</p> <p>The offer of the Tokens described in this White Paper does not constitute, and should not be construed as, an offer or solicitation of the purchase of securities for which the publication of a prospectus or other offering documents required under applicable national law is required.</p> <p>This White Paper also does not constitute a prospectus within the meaning of EU Regulation 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC, or any other offering document required under European Union law or national regulation.</p> <p>Liability only rests with the persons who have submitted the White Paper, including any translations thereof, but only if the White Paper is misleading, inaccurate or inconsistent when read together with all other parts of the document or does not provide, when read together with the other parts of the White Paper, the information essential to assist potential Token purchasers when considering whether to purchase in such Token.</p> <p>To the acceptance of this White Paper and in relation to the communications to be transmitted hereunder, the parties agree that the transmission of the White Paper and the communications permitted and/or contemplated hereunder may be by electronic means. The User and the Company therefore waive the right to dispute and/or raise objections as to the authenticity and legal and evidentiary validity of the transmission medium used for the exchange of the White Paper and the communications to be transmitted hereunder.</p>

<b>A.2</b>	<b>Prohibition of Free Use of the White Paper</b>
	The Issuer does not consent to the use of this White Paper by third parties for the subsequent resale or placement of the Offeror Tokens by cryptocurrency service providers.
<b>A.3</b>	<b>Legal nature of the White Paper and abrogation of previous understandings between the parties</b>
	The User and the Company accept and acknowledge that this White Paper constitutes the entire legal agreement between the parties and abrogates, supersedes, replaces and modifies any further and/or different agreement, written or verbal, between the parties relating to the subject matter of this Agreement.
<b>A.4</b>	<b>Variation of White Paper Conditions</b>
	<p>The Company reserves the right to change the terms and conditions set forth in this White Paper upon written notice to the User.</p> <p>Should some clauses of the White Paper or parts thereof be null and void and/or invalid, this shall not affect the validity of the remaining clauses and/or parts thereof, which shall therefore remain in full force and effect.</p>
<b>A.5</b>	<b>Prohibition on Reproduction of Confidential Information and Duty of Return/Destruction and Exclusions</b>
	<p>All information indicated in this White Paper and/or in the documents and/or sites referred to herein, in whatever form it may be, is and remains the exclusive property of the Company (the "<b>Confidential Information</b>").</p> <p>Under no circumstances may the User copy/reproduce the Confidential Information without the prior written consent of the Company's legal representative and, if such consent is given, the copies/reproductions must be marked with the relevant confidentiality and ownership information.</p> <p>Any copy/reproduction of the Confidential Information that the Company has permitted the User to make in the manner described herein shall be deemed to be the exclusive property of the Company and shall be returned to the Company or destroyed, at the option of Swag upon the occurrence of the first of the following events:</p> <ul style="list-style-type: none"> <li>(a) end of permitted use;</li> <li>(b) upon simple written request.</li> </ul> <p>The return or destruction of the Confidential Information shall take place no later than 5 days after the request or the end of the permitted use.</p> <p>In connection with this confidentiality obligation, it is understood that Confidential Information does not include information:</p> <ul style="list-style-type: none"> <li>(a) which, at the time they are communicated to the User, are already in the public domain, or become so for reasons that have nothing to do with a breach by the User of the obligations specified in this White Paper;</li> </ul>

	<p>(b) which the User proves to be in possession of prior to the date of signing this White Paper;</p> <p>(c) which shall be excluded in advance by Swag from the application of the secrecy obligations under this Contract, by written notice signed by its legal representative;</p> <p>(d) that must be disclosed by order of the Judicial Authority; in this case, however, it shall be the User's responsibility to inform the Company in advance of the request received, so that Swag can assess the appropriateness of an opposition action.</p>
<b>A.6</b>	<p><b>White Paper Prohibition and Company Tolerance</b></p> <p>The User may not transfer the White Paper and/or the rights and/or obligations deriving therefrom to third parties, except with the prior written authorization of the Company, including through corporate transactions such as, but not limited to, assignment, rental, usufruct, transfer of business and/or company branch, demerger, merger.</p> <p>Any tolerance on the part of the Company regarding conduct on the part of the User in violation of the provisions of the White Paper shall not constitute a waiver of the rights arising from the violated provisions nor of the right to demand the exact fulfillment of all obligations and compliance with all terms and conditions stipulated under the White Paper.</p>
<b>A.7</b>	<p><b>Right of withdrawal for the consumer user</b></p> <p>If the User qualifies as a 'consumer' under the law applicable to him/her (the '<b>Consumer User</b>'), the Consumer User shall have the right to withdraw from the White Paper, without charge or penalty, without specifying the reason, within 14 days after signing the Contract.</p> <p>To exercise this right of withdrawal, the Consumer User must inform the Company of the exercise of this right by means of a specific declaration (e.g. letter sent by post or e-mail) concerning the decision to withdraw from the White Paper to the Company's addresses.</p>
<b>A.8</b>	<p><b>Express acceptance of the terms of the White Paper</b></p> <p>By accepting and subscribing to this White Paper, you acknowledge and represent, pursuant to Articles 1341 and 1342 of the Italian Civil Code, that this White Paper has been carefully analyzed and evaluated in its entirety and, therefore, by purchasing the Token and the Devices you accept, confirm and specifically approve the provisions set out above in sections A.3 to A.8 and below in sections B.1 to H.5 of the White Paper.</p>
<p><b>SECTION B - ISSUER AND GUARANTORS, IF ANY</b></p>	
<b>B.1</b>	<p><b>Legal Name of the Issuer</b></p> <p>The legal name of the Issuer is HLT S.r.l., an Italian company with registered office in Via San Gaggio 5, 00138, Rome (RM), Italy, registered in the Register of Companies of Rome, REA number RM-1740819, fiscal code and registration number 18880401000.</p>
<b>B.2</b>	<p><b>Domicile and legal form of the Issuer, legislation under which the Issuer operates and its country of incorporation</b></p>

	<p>HLT S.r.l. is an Italian limited liability company under Italian law, incorporated in Italy and operating under Italian legislation. The Company is headquartered at Via San Gaggio 5, 00138, Rome (RM), Italy, registered in the Register of Companies of Rome, REA number RM-1740819, fiscal code and registration number 18880401000.</p>
<b>SECTION C - CRYPTOCURRENCY PROJECT INFORMATION</b>	
<b>C.1</b>	<p><b>Token-linked project name, abbreviation or <i>ticker</i> of the token</b></p> <p>The White Paper deals with the offer of the <i>token</i> called "Healthy Token", also identified by the abbreviation or <i>ticker</i> HLT</p> <p><u>Token</u></p> <p>Tokens are not nominal and have no face value, are freely transferable and fungible.</p> <p>HLT Tokens are qualified as utility tokens of the Healthy Platform. Potential token holders can obtain ownership of the token:</p> <ul style="list-style-type: none"> <li>(a) through the use of the Platform following the completion of specific <i>tasks</i> so-called <i>tasks</i> or <i>quests</i>, as indicated from time to time in the Healthy Platform (the "<b>Quests</b>"), following the conversion of the so-called Healthy Points ("<b>HP</b>") obtainable through the performance of the so-called <i>gamification</i> mechanisms represented by the Quests;</li> <li>(b) wearing the Smart Ring attached to the Token and completing Quests;</li> <li>(c) through the purchase of the Token on the Platform and/or any platforms operated by third parties with which the Company has entered into an agreement for the trading thereof.</li> </ul> <p>Tokens do not qualify and do not qualify as asset-linked crypto assets or cryptocurrency assets under the MiCA Regulation, and they also do not qualify and do not qualify as financial instruments under the EU Markets in Financial Instruments Directive 2014/65.</p>
<b>C.2</b>	<p><b>Token issuing currency</b></p> <p>The tokens described in this White Paper are denominated in United States dollars (USD).</p>
<b>C.3</b>	<p><b>Description of Token Rights</b></p> <p>The holders of the Tokens described in this White Paper are entitled to the rights associated with the possession and/or use of the Tokens as set out below:</p> <ul style="list-style-type: none"> <li>(a) Through the completion of the Quests indicated in the Healthy Platform and App, users will be able to earn HP that can later be converted into Tokens;</li> <li>(b) HLT owners will be able to access the purchase of products and services related to maintaining a healthy lifestyle and potentially improving their physical condition through the purchase of preventive test kits, dietary supplements and related products offered by third parties in the App.</li> </ul>
<b>C.4</b>	<p><b>Description of the fundamental characteristics of the crypto-activity project</b></p>



The Healthy Project represents a pioneering initiative that aims to revolutionize the field of people's well-being using cutting-edge technologies, including, electronic monitoring of well-being indicators, artificial intelligence and *blockchain*. The project, referred to as 'Well-being 3.0', aims to provide people with advanced tools to monitor their well-being by offering digital tools for the constant visualization of key information related to their state of physical well-being.

One of the key tools of the Healthy Project is the Smart Ring, a next-generation *wearable* device that enables real-time and continuous detection of various vital functions of the human body.

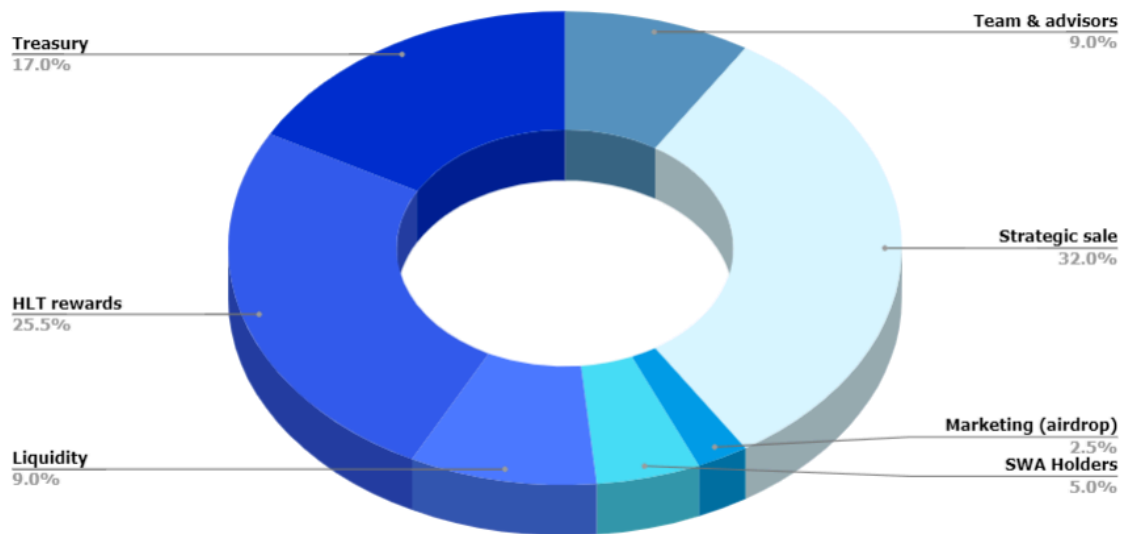
The Smart Ring collects dynamic data on parameters such as heart rate, calories burned, sleep quality, stress levels and other metrics that, if properly managed, can potentially contribute significantly to improving an individual's well-being through the voluntary adoption of a healthy lifestyle and habits.

HLT is a fundamental component of the *business* model related to the Healthy Project. Users can obtain Tokens by contributing information related to physiological parameters to the Healthy Project database. By means of Tokens, Users will then be able to access *premium* services offered within the Healthy Project as indicated on the Platform from time to time. Should a User not wish to use their HLTs, they may in any case dispose of them by selling them on authorized secondary markets and in accordance with the legal and regulatory provisions applicable from time to time.

The Healthy project therefore aims to create a synergy between the most advanced technologies available, offering an integrated system for monitoring and visualizing key information related to wellbeing in order to enable Users to adopt informed behaviors and habits aimed, potentially, at increasing wellbeing. Through the Smart Ring, the I-App, the self-analysis kits and other products and services in the App offered by possible third parties, and the Token, Healthy aims to make wellbeing accessible to all, improving quality of life and promoting a healthy and sustainable lifestyle.

With reference to HLT, the Issuer has developed a so-called *token-economics* model with the aim of integrating the Token within the overall Healthy Project ecosystem, also including the potential *partners* of the Healthy Project.

The following summarizes the allocation of the token into 7 (seven) sections on the basis of *token-economics*:



Based on the above summary information, further information is provided below in relation to the allocation of the token:

- (a) **Team & Advisors:** a component of HLT will be reserved and dedicated to advisors and/or allocated as a reward to the Healthy Project development team;
- (b) **Strategic Sale:** amount of HLT dedicated to strategic sales through pre-sale events that will take place on <http://www.swag-shopping.com>, on selected *launchpads*, and through the rental of mining products through *partnerships* with third parties and/or other Group companies.

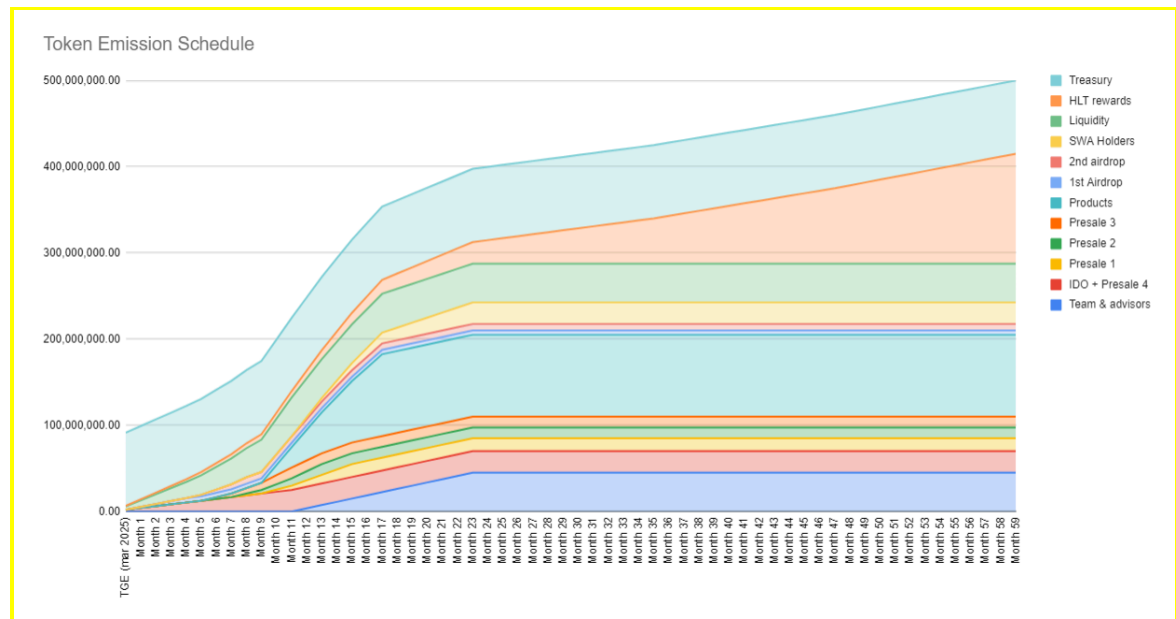
It should be noted that, as at the date of the White Paper (i) for further information relating to the above mentioned Presale Periods, please refer to the information set out in Section C.6 below, and (ii) the Company has entered into evaluations and negotiations with third parties and/or Group companies for the purpose of potentially associating the obtaining of the Token with the signing of *cloud mining* agreements with such third parties and/or other Group companies.

With reference to point (ii), the Company will provide appropriate notice and information to Users in the event of the implementation of such a solution via, inter alia, the Platform;

- (c) **Marketing (airdrop):** indicates a HLT component dedicated to the so-called *airdrop* events that will take place during the first phase of the Healthy Project launch aimed at creating and nurturing the Healthy Project *community*;
- (d) **SWA Holders:** an amount of *tokens* reserved for those who purchased the *token* named SWA as part of the so-called *presale* held from 21/7/2023 to 21/7/2024 on <http://www.swag-shopping.com> by a Group company;
- (e) **Liquidity:** HLTs used to provide liquidity in centralized *exchanges* (i.e. CEX) and decentralized exchanges (i.e. DEX) in order to enable the exchange of the Token and subject to agreements between the Issuer and the third-party operators of the CEX and DEX;

- (f) HLT Rewards: HLT dedicated to rewards for Users interacting with the Healthy App, wearing the Smart Ring and following the completion of Quests;
- (g) Treasury: amount of Tokens reserved for the Issuer's treasury function, available for *marketing* activities, growth, stipulation of *partnerships* and other activities and/or initiatives aimed at improving and increasing the functionalities offered and the activities allowed to the User within the Healthy Project.

Also provided below is information on the so-called *Token Emission Schedule*, i.e. a time chart showing how and when Tokens will be made available to the market:



<p><b>C.5</b></p>	<p><b>Indication of the basic characteristics of the goods or services to be developed associated with the tokens</b></p>
	<p>The Healthy Project has as a fundamental component the Smart Ring through which users will be able to access the functions indicated in the App.</p> <p>Through the Smart Ring, users will be able to track a range of data related to physiological parameters and physical activity, monitor this data by tracking any increases in physical performance, and complete Quests to obtain HP, which can then be converted into tokens in the Healthy Platform.</p> <p>Healthy Ring will be available for purchase via <a href="http://www.swag-shopping.com">www.swag-shopping.com</a> and delivered to Users from 15/09/2024, the Smart Ring will be able to track key physiological data of Users wearing it as more fully described in this White Paper.</p>
<p><b>C.6</b></p>	<p><b>Information on the status of cryptocurrency project development</b></p> <p>As of the date of the White Paper, the Company has completed the following steps in the development of the Healthy Project:</p> <ul style="list-style-type: none"> <li>(a) market survey aimed at studying the potential feedback the Project aims to have on the target audience;</li> </ul>

	<ul style="list-style-type: none"> <li>(b) risk analysis in order to highlight the weak points of the Project in order to establish preventive measures to mitigate them;</li> <li>(c) study and development of the Project from an architectural point of view with regard to internal IT integrations and with external technologies (e.g. third-party <i>blockchain</i>);</li> <li>(d) development of <i>token economics</i> (see Section C.4 of the White Paper for more on this) to enable the operation of the Healthy Platform and the integration of the Token with it;</li> <li>(e) Preparation of a development plan for the core components of the Healthy Project in collaboration with technological and technical partners.</li> </ul> <p>In addition, set out below is the so-called <i>Roadmap</i> devised by the Company relating to the Token Pre-sale Periods as envisaged under the Project, also indicating the foreseeable further milestones relating to the Project's development milestones to which the Company will eventually count (i.e., if obtained) the proceeds of the relevant Pre-sale Periods:</p> <ul style="list-style-type: none"> <li>(a) start of the first pre-sale period - 15/09/2024;</li> <li>(b) start of the second pre-sale period - October 2024;</li> <li>(c) First Platform Release and Smart Ring shipment - Q4 2024</li> <li>(d) start of the third pre-sale period - December 2024;</li> <li>(e) start of the fourth pre-sale period - February 2025;</li> <li>(f) Token TGE - March 2025;</li> <li>(g) Token listing on Centralized Exchange (CEX) - March 2025;</li> <li>(h) Token listing on Decentralized Exchange (DEX) - March 2025;</li> <li>(i) release of the Platform - March 2025;</li> <li>(j) further development of the Platform - H2 2025.</li> </ul>
<p><b>C.7</b></p>	<p><b>Indications on the Use of Proceeds from Presale Periods</b></p> <p>The proceeds potentially obtained by the Company within the Pre-sale Periods will be used for the following purposes:</p> <ul style="list-style-type: none"> <li>(a) growth of the ecosystem connected to the Healthy Project and HLT;</li> <li>(b) (if applicable) provision of liquidity to enable HLT exchanges;</li> <li>(c) future developments of the Healthy Platform;</li> <li>(d) Implementation of new use cases for users with the Smart Ring and App;</li> <li>(e) procurement of products and services related to the development of the Project;</li> <li>(f) financing of <i>marketing</i> activities related to the Project;</li> <li>(g) further destinations related to the nature of the Project.</li> </ul> <p>It should also be noted that, as indicated below in the White Paper, the Company has not foreseen any minimum threshold for the realization of proceeds from the Pre-sale Periods and the development of the Project will be carried out by the Company even in the absence of utilization of the proceeds of the Pre-sale Periods.</p>

<b>SECTION D - INFORMATION ON THE TOKEN OFFER</b>	
<b>D.1</b>	<p><b>Description of the Reasons for Offering Tokens</b></p> <p>Healthy Ring and the Token will be made available through a series of pre-sales steps aimed at</p> <ul style="list-style-type: none"> <li>(a) to organize, efficiently manage and initiate the procurement by the Company of Smart Rings and to enable product shipments and deliveries by the launch date of the Platform;</li> <li>(b) create and grow the <i>community of</i> users related to the Project;</li> <li>(c) achieve the objectives and implements indicated above in Sections C.6 and C.7 of the White Paper.</li> </ul>
<b>D.2</b>	<p><b>Indication of the collection thresholds linked to the Token offer</b></p> <p>Below is the non-binding collection thresholds related to the Token and Healthy Ring offer in relation to each Offer Period:</p> <ul style="list-style-type: none"> <li>(a) Presale Period 1: \$600,000.00;</li> <li>(b) Presale Period 2: \$687,500.00;</li> <li>(c) Presale Period 3: \$937,500.00;</li> <li>(d) Presale Period 4: \$2,250,000.00.</li> </ul> <p>It seems opportune to specify that the aforementioned thresholds are indicative and in the event of failure to reach the objectives, the Company reserves the right to continue the development of the Healthy Project by modifying part or all of the <i>Roadmap</i> indicated in Section C.6 of the White Paper above, transmitting prior information to the purchasers of the Smart Ring and the Token.</p> <p>There is no minimum threshold for subscription, so the Token and Healthy Ring will be made available regardless of the contributions received during the Presale Periods. However, no subscriptions more than the above will be accepted.</p>
<b>D.3</b>	<p><b>Token price</b></p> <p>The token will be issued during the second half of March 2025 at a unit price of \$0.14.</p> <p>The unit prices of HLT during the Presale Periods indicated in Section C above. 6 of the White Paper are set out below:</p> <ul style="list-style-type: none"> <li>(a) Presale Period 1: \$0.04;</li> <li>(b) Presale Period 2: \$0.055;</li> <li>(c) Presale Period 3: \$0.075;</li> <li>(d) Presale Period 4: \$0.09.</li> </ul>
<b>D.4</b>	<p><b>Restrictions applicable to the purchase of tokens</b></p> <p>The purchase of Tokens within the <a href="http://www.swag-shopping.com">http://www.swag-shopping.com</a> platform operated by a company of the Group during the Presale Periods will be limited to Users of the Platform and, to</p>

	<p>this effect, the Company and/or a company of the Group will require the registration on the Platform and/or any other platforms operated by companies of the Group as well as the application of the applicable user <i>onboarding</i> procedures for the sale of Tokens in compliance with the applicable legal and regulatory provisions.</p> <p>With respect to the sale of the Token within each Presale Period, the Company shall limit the maximum amount of HLT that can be purchased by Users as set forth below:</p> <ul style="list-style-type: none"> <li>(a) Presale Period 1: No. 15,000,000 HLT;</li> <li>(b) Presale Period 2: No. 12,500,000 HLT;</li> <li>(c) Presale Period 3: No. 12,500,000 HLT;</li> <li>(d) Presale Period 4: No. 10,000,000 HLT.</li> </ul> <p>Please note that, in any event, the Token offer described in this White Paper is not addressed to institutional investors and citizens residing in Australia, Canada, Japan and the United States and any other country other than Italy where the Token offer is not possible in the absence of an authorization and/or license from the competent authorities.</p>
<p><b>D.5</b></p>	<p><b>Description of Token Offering Steps</b></p> <p>The HLT offering will be carried out by the Company through 4 (four) Pre-sale Periods anticipating the <i>blockchain</i> launch of the Token expected in March 2025.</p> <p>More information is provided below in relation to the Presale Periods:</p> <ul style="list-style-type: none"> <li>(a) Presale Period 1, 15 September to 15 October 2024: \$0.04 per HLT;</li> <li>(b) Presale Period 2, 16 October to 16 December 2024: \$0.055 per HLT;</li> <li>(c) Presale Period 3, starting December 2024: \$0.075 per HLT;</li> <li>(d) Presale Period 4, starting February 2025: \$0.09 per HLT.</li> </ul> <p>It should be further noted that, during the course of the Pre-sale Periods, the Company has commenced evaluations, is carrying out analyses and negotiations in order to organize jointly with selected <i>partners</i> so-called IDO ("<i>Initial Dex Offering</i>") initiatives aimed at allowing potential users to participate in the purchase of the Token within the relevant Pre-sale Period through different and additional channels to those described in the White Paper and prepared by the Company and/or other companies of the Group.</p> <p>Finally, it should be noted that from 15 September 2024 to 15 March 2025, users may in any case purchase the Token in pre-sale through the website <a href="http://www.swag-shopping.com">http://www.swag-shopping.com</a> operated by a company of the Group provided that the relevant Sales Threshold has not been reached within the Pre-sale Period.</p>
<p><b>D.6</b></p>	<p><b>Indication of payment methods for purchasing tokens</b></p> <p>As of the date of the White Paper, future Token holders will be able to use the following payment methods to realise the purchase of HLTs:</p> <ul style="list-style-type: none"> <li>(a) credit card;</li> <li>(b) Euro, via Swaggy;</li> </ul>

	<p>(c) BTC, via Swaggy;</p> <p>(d) USDT, via Swaggy.</p>
<b>D.7</b>	<p><b>Information on how and when to transfer purchased tokens</b></p> <p>Users who purchase the Token within one of the Presale Periods will receive HLTs as set out below:</p> <p>(a) Users who have registered an account with the Issuer and, as a result, have correctly completed the customer due diligence procedure for the Company’s offering of the Wallet, will receive the Tokens directly within the Wallet following the TGE;</p> <p>(b) If the User does not hold the Wallet, the Company will request the User to provide the public address of a wallet operating on the “Polygon” blockchain to which the Tokens will be transferred.</p> <p>In addition, further information is provided below in relation to the timing of the transfer of Tokens to Users based on the relevant modalities of purchase and/or entry into possession of HLTs (e.g. Presale Period, purchase of mining products offered by Group companies, IDO, airdrop):</p> <p>(a) Presale Periods 1: 10 months' lock-in starting from TGE, then linear unlocking for a duration of 6 months, amounting to <math>\frac{1}{6}</math> per month;</p> <p>(b) Presale Periods 2: 8 months of lock-in starting from TGE, then linear unlocking for a duration of 6 months, amounting to <math>\frac{1}{6}</math> per month;</p> <p>(c) Presale Periods 3: 6 months lock-in starting from TGE, then linear unlocking for a duration of <math>\frac{1}{6}</math> per month;</p> <p>(d) Presale Periods 4 and IDO: 0 months lock-in starting from TGE, then linear unlocking for a duration of 6 months, amounting to <math>\frac{1}{6}</math> per month;</p> <p>(e) purchase of mining products (service offered by third parties and/or other Group companies): 10-month blocking period starting from TGE, then linear unlocking for a duration of 8 months, amounting to <math>\frac{1}{8}</math> per month;</p> <p>(f) <i>airdrop</i>: 4 months of linear unblocking for a quantity of <math>\frac{1}{4}</math> per month, starting from the date of allocation of the airdrop.</p>
<b>D.8</b>	<p><b>Technical Requirements for Token Possession</b></p> <p>In order to purchase and hold Tokens, Users must be familiar with the technical information and instructions contained in this White Paper, on the Project website and on any other websites and documents indicated by the Company.</p> <p>It is necessary to be aware that tokens and crypto-assets in general are an innovative technology built on several other evolving innovative technologies. The decentralized nature and the presence of numerous small actors with the incentive to create new technology and effective and efficient innovation as quickly as possible to generate new ideas and new technological paradigms requires companies and users to adapt and acquire new knowledge in, among other things, IT.</p> <p>To know how tokens work, it is necessary to know how the public <i>blockchain</i> technologies on which HLTs are based work:</p>

- (a) A public *blockchain* is a distributed ledger maintained by a network of nodes that all store the same information. It contains a list of transactions visible to the entire network and new transactions can only be added by following certain rules ('consensus algorithm') that are validated by the network nodes;
- (b) a *token* is a form of digital container that is created and stored electronically using immutable software ('*smart contract*') that regulates its operation;
- (c) The *smart contract* is programmed to allow the creation ('*minting*') and transfer of *tokens* and is released on a public *blockchain* so that it can be easily used by other applications;
- (d) Each transaction that is written on a public *blockchain*, such as a *token* transfer, has a variable fee that must be paid to the network that validates the relevant transaction. This fee must be paid using the network's reference crypto-asset.

Prior to the purchase of the Token, the Company recommends potential purchasers of HLT to inquire and/or verify the possession of, inter alia, the following knowledge and conditions:

- (a) if the purchase is made via the e-commerce platform of the 'Swag' Group company (<https://www.swag-shopping.com/>), it will be necessary to use the credentials of one's existing Swag account (or create an account on the platform in the case of new users) and proceed with the purchase via the payment instruments enabled on the platform;
- (b) if the purchase is made through third-party platforms of a decentralized nature (IDOs), it is necessary to be familiar with the technological tools and processes that the platforms will require for participation, such as knowing how to use specific *wallets* and/or complete identity verification procedures required by such platforms;
- (c) in the event that the purchase is made through secondary sales on cryptocurrency trading platforms operated by third parties ('*exchanges*'), being platforms of third-party companies or decentralized in nature, it is necessary to be familiar with the technological tools and processes that the platforms will require, such as the creation of accounts and/or *wallets* and/or completion of identity verification procedures required by such platforms;
- (d) in order to hold Tokens, it is necessary to be familiar with the operation, in general, of digital *wallets* for recording crypto-assets ("*wallets*"), Swaggy and/or the technological tools with which such technologies may interact and/or be integrated and/or associated and/or linked;
- (e) a digital *wallet* is *software* that allows one to manage one's *tokens* by means of information operations such as displaying the balance or dispositive operations such as transferring them to other *addresses* that identify the recipients;
- (f) if the purchase is made through the Group's channels and/or platforms, it is advisable to use the tools provided by the Group's companies, such as, for example, the Healthy App in order to properly manage the Tokens;
- (g) if the token purchase is made through third party platforms or the user decides to transfer the tokens to a *wallet* provided by a third party, e.g. MetaMask, Trust Wallet, Phantom, it shall be the user's responsibility to know the procedures to securely manage the private keys and possess the necessary crypto-assets to carry out the aforesaid HLT transfer operation;



	<p>(h) if the user uses the services provided within the Healthy Project, it is advisable to be familiar with the functioning of related technologies, such as, by way of example, the <i>blockchain</i> that will be used to register the user's personal data and guarantee the authenticity and non-repudiation of such information.</p> <p>Finally, the User accepts and acknowledges that the Tokens purchased must be registered in the <i>Wallet</i> offered by the Company, accepting the terms and conditions applicable to such service available on the relevant website of the company, or through the use of a digital wallet service offered by a third party that meets the technical and technological conditions set out in this White Paper (for further information on this, see Section G of the White Paper).</p>
<b>D.9</b>	<p><b>Applicable law and competent jurisdiction relating to the Token offer</b></p> <p>As at the date of the White Paper, the offer of the Token is governed by Italian law and the competent jurisdiction for the interpretation and resolution of any legal action is the ordinary Italian jurisdiction.</p>
<p><b>SECTION E - TOKEN INFORMATION</b></p>	
<b>E.1</b>	<p><b>Token type</b></p> <p>The Token does not represent underlying shares, bonds or other financial instruments. Furthermore, it does not entail any rights of a financial nature for the User (e.g., no rights to receive income, dividends, <i>royalties</i> or other payments for any reason whatsoever) and does not represent credit rights or any so-called <i>equity</i> rights vis-à-vis the Company and/or other Group companies (e.g., option rights to purchase shares of the Company).</p> <p>The Token does not qualify as a financial product since its sale is not characterized by an expectation of return of a financial nature. In fact, Token holders do not receive any return for the possession and/or use of the Token. Instead, the Token shall be used by Users to obtain concrete benefits, such as access to <i>premium</i> services and purchase at discounted prices certain products sold by the Company as set out in this White Paper.</p> <p>In fact, the Token has the typical characteristics of so-called <i>utility tokens</i>, i.e. those crypto-assets functional to one or more specific practical uses, such as the right to obtain a good or service. In fact, the rights associated with the Token only allow the holders to obtain premium services and purchase at discounted prices certain products sold by the Company as more fully described in this White Paper.</p>
<b>E.2</b>	<p><b>Token features, functionality and predictive functions</b></p> <p>As of the date of the White Paper, the main functionalities of the <i>smart contract</i> will be publicly visible and searchable as they are defined in the <i>software</i> to be released on the <i>blockchain</i> and, therefore, these functionalities will be immutable.</p> <p>For the development of the <i>smart contract</i> defining the rules and operation of the Token, the Company and/or any third party collaborating with the Issuer shall adopt industry <i>best practices</i> and standards, such as, for example, the use of the ERC-20 interface <a href="https://eips.ethereum.org/EIPS/eip-20">https://eips.ethereum.org/EIPS/eip-20</a>. This standard provides a set of predefined functionalities</p>

that make the Token easy to integrate with other *software*, such as transfer operations to other *public address* or read operations to read the amount of Token held written on the *blockchain*.

The specific *smart contract* functionalities related to the Healthy Project will implement the rules for managing the sale (e.g. distributing a quota to a specific group of users) and any constraints related to the transfer (e.g. not being able to receive the token before a certain date).

Given the legal nature of the Token, the purpose of HLT is to act as a means of accessing goods and services within the Healthy Project. Given the integrable and programmable nature of the Token, it will be possible to access functionality that HLT ownership will enable on the Healthy App and any other applications provided by third parties.

In the first instance, the functionality of the Token will include reward mechanisms for the personal data provided by the User.

Following evaluations (technical feasibility, legal feasibility, cost-benefit ratio, timeframe, positive impact on the demand for the Token, positive impact on the image of the project, novelty, etc.) of the Company in relation to the uses of the Token, the Smart Ring and the Healthy App, the Issuer and/or other companies in the Group that are part of the Healthy Project have identified the following *use cases* related to the Healthy Project:

(a) Breaking unhealthy habits

Description: a smoker or a person with an alcohol problem decides to quit and uses the Healthy App to monitor physical improvements over time.

Progress monitoring: display of changes in vital parameters such as heart rate and blood oxygen level.

Additional rewards: accumulation of points and obtaining extra tokens for progress (certified by improved physical condition).

Visualization of improvements: the data and information in the Healthy App allow the user to see the benefits achieved.

Incentives for motivation: increased motivation through rewards and recognition for success in the rehabilitation process (completion Quests).

(b) Monitoring daily well-being and making informed choices

Description: The Healthy App allows monitoring of vital parameters such as heart rate, blood oxygen level, sleep quality and physical activity and others, which can be customized according to specific health conditions and device support.

Comprehensive overview: provides a detailed view of the daily state of well-being.

Identification of unexpected changes: detection of anomalies relating to the User's state of well-being that can be used to undertake further analysis and specialized investigations with the help of third parties.

(c) Reward programs for healthy lifestyles

Description: incentive system to promote healthy behavior.

Points Accumulation: guides users to achieve physical activity and balanced diet goals (through completion of Quests).

Tokens: HP earned can be converted into tokens for rewards or advantages.

Rationale: It encourages and rewards healthy behavior and habits that are in line with a healthy lifestyle and should support wellbeing.

Commitment: helps users maintain and improve their lifestyle through a system of tangible rewards.

(d) Personalized suggestions for wellbeing (as at the date of the White Paper, the Company is carrying out technical, economic and regulatory analyses and verifications in order to determine the potential implementation of the function)

Description: The Healthy App analyses the data collected via the Smart Ring to provide personalized recommendations.

Diet: nutritional suggestions based on vital parameters and eating habits.

Stress management: recommended techniques and activities to reduce stress and improve mental well-being.

Exercise: customized motor activity plans to optimize results and overall health.

Customization: provides specific recommendations to improve key aspects of health.

*Empowerment*: helps users make informed decisions for the continuous improvement of their well-being.

(e) Incentives for quality data

Description: additional rewards to users who provide high quality and consistent data and information over time. Incentives may include extra points (HP), badges or other rewards.

Motivation: Encourages users to be more careful and precise in the collection and management of data, improving the quality of the information collected overall.

(f) Monitoring of chronic conditions (as at the date of the White Paper, the Company is carrying out technical, economic and regulatory analyses and verifications in order to determine the potential implementation of the function)

Description: monitoring for users with chronic conditions, such as:

(a) monitoring: recording and analysis of relevant parameters (e.g. glucose for diabetics, blood pressure for hypertensives, etc.);

(b) treatment plans: tips and reminders to follow treatment plans correctly.

Effective management: improves control of chronic conditions and reduces the risk of complications.

Adaptation: continuous support to adapt treatment strategies based on updated data.

Logbook of useful information allows you to historicize useful information for the chronic condition

It is further specified that (i) the above-mentioned information may change in relation to the development of the Healthy Project and the Company and/or other companies in the Group will provide appropriate communication to the holders of the Tokens and Smart Rings, and (ii) with specific reference to the functions mentioned in points (d) and (f), the other companies in the Group reserve the right not to implement these functions based on the results obtained from the

aforementioned evaluations and, in such case, the Issuer and/or other companies in the Group will provide specific communications and information to the Users.

## SECTION F - INFORMATION ON TOKEN RIGHTS AND OBLIGATIONS

### F.1 Rights and obligations associated with the Token

For further information on this, please see the above information in Section C.3 of the White Paper.

In addition to the above, please note that:

- (a) The User has the right and the obligation to use the Token only in the modalities foreseen and defined in this White Paper and in the terms of service of the applications, devices and services connected and/or associated with the Healthy Project;
- (b) If the User encounters an error or abnormal behavior of the Token, the Smart ring, the Healthy App and/or the Devices and/or services offered by third parties connected and/or associated to the Healthy Project, he/she is requested to report it to the Company and is not entitled to benefit from the aforementioned errors;
- (c) it is the User's responsibility to verify his/her own knowledge and suitability for the purchase, possession and use of technological tools such as the Tokens, the Smart Ring and the Healthy App as well as the applications, devices and/or services related and associated to them, also provided by third parties;
- (d) It is the User's responsibility to assess and comply with any tax and/or regulatory obligations that may be associated with the purchase and holding of the Token, Devices and/or products and/or services offered by third parties under the Project.

Finally, through the purchase of the Token the User acquires a right to receive at the time and in the manner indicated in this White Paper the Token in the amount indicated by the User to the Company via the Platform at the time of acceptance of this White Paper.

### F.2 Modification of rights and obligations associated with the Token

The user's right to earn Healthy Points (HP) - subsequently convertible under the terms and conditions indicated by the Company in the Platform - through the mechanisms indicated in the Healthy App may be subject to changes and variations.

The Company believes that these potential changes are necessary according to the development of the Healthy Project and will in any case be aimed at achieving the objectives and indicated in this White Paper as well as communicated in advance by the company to the Users.

### F.3 Information on future Token offers and retention of Tokens by the Issuer

For more information regarding the Presale Periods as well as the conditions applicable to each of them, please see Sections D2, D3, D4 and D5 of the White Paper above.

In addition, with reference to the final *token allocation* envisaged by the Company, please refer to the more detailed information provided in this regard in Section C.4 of the White Paper above, as

well as Section D7 of the White Paper regarding the manner and timing of the transfer of tokens to users.

**F.4**

**Information on the quality and quantity of goods or services associated with tokens**

As indicated in other Sections of the White Paper, an integral and key part of the Healthy Project is the Smart Ring. Through the Healthy Ring, Users will have the opportunity to track some of their biometric data for subsequent viewing via the Healthy App.

Following evaluations conducted by the Group companies offering the Smart Ring, also jointly with their advisors, it has been determined that the Healthy Ring possesses all the qualities and characteristics to become part of Users' daily lives. In this regard, the main technical specifications of the Smart Ring are conveniently listed below:

- (a) connectivity with Android 6.0 and later, iOS 11.0 and later, via Bluetooth technology;
- (b) Tracking data such as blood oxygenation, body temperature, heart rate, calories burned, distance travelled, steps taken;
- (c) monitoring of sleep cycles and sleep quality;
- (d) 18mAh battery;
- (e) battery life of 2 to 5 days depending on use;
- (f) IP67 certified water resistance;
- (g) direct control of the ring and tracked data via the Healthy App.

Healthy Ring will be available in six different sizes:

- (a) size 7: 17.3 mm diameter;
- (b) size 8: 18.1 mm diameter;
- (c) size 9: 18.9 mm diameter;
- (d) size 10: 19.8 mm diameter;
- (e) size 11: 20.6 mm diameter;
- (f) size 12: 21.4 mm diameter;

The Group company from which Users will purchase the Smart Ring reserves the right to modify its characteristics, including sourcing the Smart Ring from additional third parties, by providing appropriate written communication to the User.

Finally, through the purchase of the Token and the Devices the User:

- (a) acquires a right to receive at the time and in the manner indicated in this White Paper the Devices in the amount indicated by the User to the Company via the Platform at the time of acceptance of this White Paper;
- (b) agrees in advance to receive and be required to accept the terms and conditions applicable to the use of the Smart Ring and the App, which another Group company will provide to the User within the time and manner specified in this White Paper.

<b>F.5</b>	<p data-bbox="255 212 1029 235"><b>Information on Token/Associated Services Interaction Modes</b></p> <p data-bbox="255 280 1428 347">The modalities of interaction between the Tokens and the associated goods and/or services will be mainly through the use by the Users of the Healthy App.</p> <p data-bbox="255 380 1428 526">The Healthy App may propose the User to carry out certain activities with certain objectives to be reached, the Quests. The Quests may be linked to the continuous use of the tools provided by the Company to the Users within the Healthy Project (by way of example, following the use of the Smart Ring or the self-analysis kits).</p> <p data-bbox="255 560 1428 627">Successful completion of the Quests will enable Users to earn Healthy Points which can be displayed in the Healthy App.</p> <p data-bbox="255 660 1428 884">Subject to the correct completion of the customer due diligence procedure and the obtaining of the Wallet, the User may choose to convert HP into Tokens via the specific command within the Healthy App, at the exchange rate indicated from time to time in the Healthy App itself. The Company will modify the aforementioned exchange rate every 2 weeks in order to adapt it to the number of Users and the current issuance of HLT, in order to mitigate the risk of the Token being used for speculative purposes.</p> <p data-bbox="255 918 1428 985">The User will be able to use HLTs to purchase goods and services (e.g. supplements, analysis services, etc.) and any "<i>premium</i>" services from time to time indicated in the Healthy App.</p> <p data-bbox="255 1019 1428 1355">As of the date of the White Paper, the Company believes that the completion of the Quests and the use of the Smart Ring will allow the other companies in the Group to obtain the necessary data to provide the User with personalized recommendations to improve their health, such as suggesting specific targeted products that can be purchased using HLT. In this regard, as further described in this White Paper, as of the date of the White Paper, the Company has initiated assessments and analyses aimed at determining the feasibility of implementing and the specific methods for introducing the aforementioned function. Should the Company decide not to implement such functions based on the results of these analyses and assessments, the Issuer will provide appropriate communication to the Users to inform them.</p>
<b>F.6</b>	<p data-bbox="255 1400 646 1422"><b>Information on Token Trading</b></p> <p data-bbox="255 1478 1428 1668">The Token will be made available for trading primarily on the cryptocurrency exchange platform managed by the Issuer during the second half of March 2025, in compliance with the applicable laws and regulations in effect at that time. In this regard, as of the date of the White Paper, it is specified that this initiative is subject to potential changes due to modifications in the applicable laws and regulations.</p> <p data-bbox="255 1702 1428 1803">Additionally, the Company plans to enter into agreements for the trading of the Token with further centralized exchanges (CEX) and decentralized exchanges (DEX), following further analyses, checks, and evaluations of a legal and economic nature, among others.</p>
<b>F.7</b>	<p data-bbox="255 1848 734 1870"><b>Information on Token Transferability</b></p> <p data-bbox="255 1926 1428 1993">Tokens purchased or obtained by Users shall be freely movable and exchangeable in accordance with the timing, terms and conditions set forth in Section D.7 of the White Paper above.</p>

<p><b>F.8</b></p>	<p><b>Information on Token <i>Supply</i> Control Systems</b></p> <p>The <i>supply</i> of the Token does not foresee any kind of inflation, except in unforeseen cases, until the Token reaches 500,000,000 HLT in circulation, i.e. the maximum <i>supply</i> identified at the date of the White Paper. Based on the analyses carried out by the Company, the Issuer believes that such <i>supply</i> will be reached approximately 5 years after the date of the TGE.</p> <p>In this regard, it seems appropriate to point out that the Company reserves the right to increase the supply, as well as to perform token <i>burn</i> techniques to reduce token <i>supply</i>.</p> <p>The Company plans to use the Token Burn Mechanism when purchasing products and services within the Healthy App and/or following the purchase of data from third parties. This Token Burn Mechanism is currently being evaluated as to the concrete implementation methods to allow the Company to identify the most effective and efficient processes and procedures of which it should be composed. It should be noted in any case that the Token Burn Mechanism, if implemented, should be aimed at preventing, and/or mitigating and/or counterbalancing the effects of actions and/or behaviors of the Users and/or third parties holding the Token aimed at (i) using HLT in a manner contrary to what is described in the White Paper, and/or (ii) for speculative purposes, and/or (iii) illegal purposes.</p>
<p><b>F.9</b></p>	<p><b>Information on Token Value Protection and Compensation Schemes adopted</b></p> <p>Except as set out in Section F.8 of the White Paper above in relation to the Token Burn Mechanism, the Company does not provide for any type of Token value protection system as HLTs do not fall within the categories of e-money tokens or asset-linked tokens.</p>
<p><b>SECTION G - INFORMATION CONCERNING THE UNDERLYING TECHNOLOGY</b></p>	
<p><b>G.1</b></p>	<p><b>Information on the technology used in connection with tokens</b></p> <p><b>Blockchain for Tokens</b></p> <p>In addition to the information mentioned above in Section D.8 of the White Paper, further information is provided below in relation to the specific <i>blockchain</i> technology used by the Company within the Healthy Project.</p> <p>The <i>smart contract</i> developed by the Company and/or third-party partners of the Issuer is aimed at defining the characteristics and functioning of the Token, such <i>software</i> will be released on the public Polygon PoS <i>blockchain</i> (<a href="https://polygon.technology/">https://polygon.technology/</a>). Therefore, it seems appropriate to clarify that the performance and technical constraints relating to the Token may depend on and change with respect to what is indicated at the date of this White Paper in consideration of the limitations resulting from the use and/or modifications made by third parties in relation to the aforesaid underlying technology.</p> <p>Polygon is an 'EVM-compatible' network, i.e. a <i>blockchain</i> compatible with the technical standards defined for the Ethereum <i>blockchain</i> network, which are used by many public <i>blockchains</i> and allow third-party <i>software</i> such as <i>wallets</i> to integrate easily.</p> <p>As of the date of drafting this White Paper, the Company has assessed, also through the analyses carried out by technical partners, that such a <i>blockchain</i> is a fast and cost-effective network: a</p>

transaction costs the equivalent of a few cents on the dollar and the confirmation of writing in the *blockchain* takes place within a few seconds.

In addition, the Polygon *blockchain* is associated with a crypto-asset that is among the top 25 crypto-assets in terms of capitalization, therefore, it can be considered that this technology has a large user base and a dedicated team that are incentivized to enhance and enhance the technology and ensure long-term reliability.

The Company deemed it appropriate to select Polygon as the *blockchain* network for the implementation of the token as it allows integration with the SWA token (*token* managed by another Group company), already present on the network, to promote a more cohesive and efficient ecosystem offered by Group companies.

In addition, Polygon's choice should facilitate future expansion and development of new decentralized applications, thanks to the scalability and efficiency that the technology in words offers developers. Users with the SWA *token*, already accustomed to operating on Polygon PoS, will find it easier to use the new token while maintaining continuity in the user experience within the same ecosystem.

It is hereby specified that in order to carry out operations through the Token, by way of example the operations of transferring HLT from Swaggy to another *wallet*, the User must possess a sufficient number of MATICs (Polygon *blockchain* crypto-activities) as indicated from time to time through Swaggy and/or the Healthy App.

The Company is in the process of evaluating and planning the use of a Dapp (distributed application) in relation to the operations that will interact with the *smart contract* (e.g. *minting*, execution of Token operations, etc.).

#### **Blockchain for User Data Security**

To protect the Users and provide adequate protection of the data collected by the Company through the Devices within the Healthy Project, the Issuer has determined to store the personal data on a reliable infrastructure.

The *blockchain* that has been evaluated for this possible implementation is ICP (*'Internet Computer Protocol'*), which allows both data storage and code execution (typically written in 'Mokoto' or 'Rust' language), a solution very similar to the *smart contract* concept, but which will make it possible for the Company and/or its partners to develop more efficient functionalities (so-called '*canister*').

In addition, the Company deems it appropriate to point out that the data of Users registered on ICP will not be publicly visible, and the data in a '*canister*' may be private (not readable by third parties) and it is however possible (for greater reliability) to encrypt the data, either by means of *off-chain* or *on-chain* algorithms.

The data of the Users registered by the Company through the Smart Ring and/or the Devices may be recorded and managed by the Issuer in aggregate form. The Company believes that the aggregation of such data may be necessary to manage the huge amount of information produced, thus optimizing storage space and preserving data quality. Such data will be encrypted with algorithms that will only allow the Company and/or the Group's duly authorized and/or appointed companies to read and/or use such data, while allowing third parties to verify its accuracy without directly accessing the data.



To ensure maximum compatibility with different systems, possibly also third-party systems, the company will use a standard format (e.g. JSON) for the management and registration of user data.

In any case, it should be noted that the aggregation of Users' data will be defined according to the type and amount of information provided by the Devices; to this end, the Company reserves the right to aggregate the aforementioned data both through *off-chain* systems within the Healthy App and in the *back-end* on the Company's servers.

Aggregate data will be written *on-chain* by the Company upon submission by the User. During this process, the data will be analyzed by the Company to calculate "Health Points" (HP) to be assigned to the User as described in this White Paper. Thereafter, the Company will proceed to encrypt and record such user data on the *blockchain*.

It is further clarified that Users' data can be read and decrypted *off-chain* by the Company at any time and the data recorded *on-chain* are not modifiable, and, for the effect, the Company believes that it thereby guarantees the integrity and validity of the recorded information.

Should the processing of Users' data take place *off-chain*, as of the date of the White Paper, the Company has started evaluations and analyses aimed at determining the possibility of implementing the execution of such operation through an AI ("*Artificial Intelligence*") to guarantee the integrity of the same. However, it should be noted that pending the results of such analyses and evaluations, the Company will carry out the processing of Users' personal data without the use of AI and in compliance with the legal and regulatory provisions on the processing of Users' personal data as further specified in the privacy policy adopted by the Company.

It should be noted that the Company is considering introducing secure procedures and processes for the sale of User data in compliance with the relevant laws and regulations. However, this activity is not and will not be implemented by the Company prior to TGE.

The Company considers the use of oracles as part of the Healthy Project to be unnecessary. In fact, Users' data are recorded and saved *on-chain* on the *blockchain* called "Internet Computer Protocol", while the Token (ERC-20) is generated through the Polygon POS *blockchain*. The correlation between the data and the Tokens is given by the algorithm that exchanges the Tokens and the *Health Points* (HP), but the two digital products are independent.

By using the new ERC-4337 standard (available on Polygon), the Company will be able to use "*account abstraction*", which however requires a user to have a private key to allow a simplified login (e.g. user and password). It should be noted that based on the technology described in the White Paper, the Company believes it can expand the Healthy Project through the integration of services offered by third parties such as, for example, the services offered by the company Alchemy <https://www.alchemy.com/account-abstraction-infrastructure>.

Finally, for user data to be recorded *on-chain*, it will be necessary to implement a DApp within the Healthy Project so that the user can use a function to 'upload' the on-chain data.

### **Artificial Intelligence**

The Company is in the process of evaluating the implementation of *software* components that manage User data using Artificial Intelligence. The AI could analyze the data collected from the Users and *output* processed and better-quality aggregated data (e.g. verify the reliability of the data by comparing it with *patterns* to detect outliers and then eliminate them).

The Company is currently in the process of evaluating the implementation of such AI in the *blockchain* used by the Company within the Healthy Project and, based on the results obtained after such evaluations and analyses, will provide appropriate information and communication to the Users regarding the possible implementation of such *software* as well as the additional potential functions to which the Users will have access.

### **Proof of Health (POH)**

As part of the Healthy Project, the Company has initiated economic, regulatory, and technical analyses and evaluations to determine the potential introduction of an innovative mechanism called Proof of Health (“PoH”), which could also be implemented through and in connection with the services and/or products offered by other companies in the Group. Through PoH, User data should be collected via the Healthy Ring and subsequently stored and secured on the blockchain known as "Internet Computer Protocol" (ICP). PoH aims to leverage the intrinsic security and immutability of blockchain technology to ensure that User data is not only accurately recorded but also remains unaltered and accessible for legitimate uses.

While users wear the Healthy Ring, the recorded data should help create a digital user profile. The data would then be encrypted using state-of-the-art cryptographic techniques, providing *privacy* and security for Users. Once collected and encrypted, Users' data would be transmitted to the ICP *blockchain*.

The Company is considering using the ICP *blockchain* because of its scalability, speed and security, which are considered key elements by the Issuer to ensure the security and integrity of such data.

A detailed description of the potential PoH mechanism is given below:

- (a) **Encryption and Data Sending:** all data recorded by the Healthy Ring is first encrypted to ensure user *privacy*. The encrypted data is then sent to the ICP *blockchain*, where it is stored in a decentralized manner;
- (b) **Timestamping and Immutability:** upon submission, data is timestamped and linked to a specific user, creating a verifiable and immutable record on the *blockchain*. This timestamp serves as proof of the existence of the data at a specific point in time;
- (c) **Proof of Existence:** data is then permanently recorded on the *blockchain*, providing irrefutable proof of its existence and integrity. This proof can be used for various applications, such as verifying health claims, participating in research studies or fulfilling insurance requirements;
- (d) **Incentive through Tokens:** Users who contribute their health data to the Healthy Project ecosystem are rewarded with Healthy Points, convertible into Tokens. The amount of Healthy Points awarded is proportional to the volume and frequency of data sent, parameterized with respect to the goals that users achieve within the Healthy App, incentivizing them to maintain constant monitoring of their physical condition.

The PoH would represent a significant advance in the intersection of *blockchain* technology and the healthcare sector. By leveraging the immutability and transparency of the *blockchain* ICP, the Company intends to ensure that data is secure, private and verifiable. This will not only give Users greater control over their personal health information but will also help create new opportunities for data-driven healthcare solutions and innovations.

<p><b>G.2</b></p>	<p><b>Description of Token-related incentive mechanisms</b></p> <p>Users will be incentivized to complete Quests in the Healthy App to receive Health Points which can later be converted into Tokens via the appropriate mechanism in the Healthy App. The Quests also aim to incentivize the User to follow a healthy lifestyle.</p> <p>Users will also be incentivized to complete Quests and/or further specific activities indicated from time to time through the Healthy App to receive Tokens via <i>airdrop</i>.</p>
<p><b>G.3</b></p>	<p><b>Technology-related audit information</b></p> <p>No <i>audits</i> were conducted by third parties in relation to the technology used by the Company within the Healthy Project. However, it should be noted that the Company carried out, also through technical partners, technology analyses and feasibility analyses that led to the technical choices described in Sections D.8 and G.1 above of the White Paper.</p> <p>In any case, it should be noted that the Company will assess the need to carry out security audits and <i>smart contract audits</i> during the subsequent implementation and development phases of the Healthy Project as well as based on and in compliance with the legal and regulatory changes applicable to the Healthy Project.</p> <p>The main elements and factors that were the subject of the above-mentioned evaluations are summarized below:</p> <ul style="list-style-type: none"> <li>(a) cost of <i>fees</i>;</li> <li>(b) <i>throughput</i> (speed in executing transactions);</li> <li>(c) security;</li> <li>(d) cost of data <i>storage</i> (where applicable);</li> <li>(e) limitations/impacts/legal feasibility;</li> <li>(f) image benefits in <i>on-chain</i> data entry to ensure transparency and immutability of data;</li> <li>(g) expected number of users when fully operational: at least 100,000.</li> </ul> <p>Taking the above parameters into consideration, the <i>blockchains</i> and technologies that were evaluated were:</p> <ul style="list-style-type: none"> <li>(a) Polygon PoS, Ethereum, Polygon zkEVM;</li> <li>(b) Rollup;</li> <li>(c) ICP (Internet Computer Protocol);</li> <li>(d) Ocean Protocol;</li> <li>(e) The Graph;</li> <li>(f) Solana;</li> <li>(g) Polkadot.</li> </ul> <p>The Company analyzed two architectural models for the management of data collected from Users via Devices: one with <i>on-chain</i> data and one with <i>off-chain</i> data.</p>

Finally, further publicly available information in relation to the checks and *audits* that third-party technology providers used within the Healthy Project have made available is given below:

- (a) Polygon: <https://docs.polygon.technology/innovation-design/security/reports>
- (b) ICP: [https://wiki.internetcomputer.org/wiki/Third-party\\_security\\_audits](https://wiki.internetcomputer.org/wiki/Third-party_security_audits)

## SECTION H - INFORMATION ON RISKS

### H.1 Risks associated with offering tokens

Regarding the risks associated with the public offering of tokens, the following risks have been identified:

- (a) Within the Presale Periods, the Sales Thresholds are not reached and the targets of tokens sold are not reached;
- (b) airdrop phases do not reach the distributed token targets;
- (c) buyers and recipients of *airdrops* adopt token *dumping* strategies;
- (d) little interest on the part of the public accustomed to the web3;
- (e) little interest on the part of the public not used to the web3;
- (f) possible lack of differentiating factors that can easily convince buyers;
- (g) the marketing campaign does not achieve the expected objectives.

To mitigate the risks and their effects, the Company undertakes to implement the following measures:

- (a) implementation of a clear plan with *lock-up* and *vesting* periods to prevent immediate dumping and to offer incentives and discounts to a wide audience, with the aim of stimulating sales in the long term.

Specifically, it should be noted that the Company has assessed that a *lock-up* and *vesting* mechanism of the Token is efficient and effective in order to prevent, mitigate and counterbalance potential actions and/or behaviors of Users and/or third parties aimed at using the Token for speculative and/or unlawful purposes and/or contrary to the White Paper;

- (b) entering into partnerships with organizations and groups that already have an interested audience (e.g. health and wellness communities) to increase visibility and increase the chances of users remaining interested in the project in the long term;
- (c) creation of a product that follows the *best practices* expected by web3 users, adding elements of technological novelty, with the support of reliable technological and legal partners;
- (d) Identifying and clearly communicating the Token's unique strengths, such as strategic partnerships and proprietary technologies, providing informative content and collaborating with possible third-party platforms to facilitate access for users not accustomed to the web user experience3;

	<p>(e) Implementation of a well-planned and targeted <i>marketing</i> campaign, adapting strategies based on feedback and continuously measured results.</p>
<p><b>H.2</b></p>	<p><b>Issuer-related risks</b></p> <p>Regarding the risks associated with the Issuer, the following risks have been identified:</p> <ul style="list-style-type: none"> <li>(a) relations with partners and other actors that may lead to damage to the company's image;</li> <li>(b) dependence on investors (VC, Angel) or other actors influencing choices;</li> <li>(c) jurisdiction not conducive to the development of the Project and the ecosystem;</li> <li>(d) unfavorable relations with the press;</li> <li>(e) previous reputation from previous projects;</li> <li>(f) investigations or criminal proceedings by Italian or foreign actors;</li> <li>(g) integration with SWA tokens that does not bring the expected benefits;</li> <li>(h) centralisation of governance;</li> <li>(i) lack of clarity on the governance model;</li> <li>(j) voluntary or involuntary damage caused by actors with privileged access;</li> <li>(k) <i>selling pressure</i> due to reserved shares in <i>tokenomics</i>;</li> <li>(l) Incorrect use of tokens allocated under 'Treasury';</li> <li>(m) lack of transparency in communication to buyers;</li> <li>(n) reliance on unreliable partners and services.</li> </ul> <p>To mitigate the aforementioned risks and their effects, the Company undertakes to implement the following measures:</p> <ul style="list-style-type: none"> <li>(a) the Company will adopt a policy based on thorough due diligence and criteria of reliability and reputation before selecting partners and service providers. A mechanism for monitoring the quality and reliability of the services provided will also be implemented;</li> <li>(b) A proactive and transparent communication strategy will be implemented, with the aim of building and maintaining positive relationships with the media and community. The Company will be committed to responding to negative news to safeguard the image of the Project and will work to demonstrate its reliability through compliance with the <i>roadmap</i> and <i>whitepaper</i>;</li> <li>(c) the Company will constantly monitor local and international regulations and adapt its <i>compliance</i> strategy. Training programs will be implemented to prevent misconduct and to minimize the risk of damage caused by internal and external actors;</li> <li>(d) Prior to integration with other initiatives such as the SWA token, in-depth analyses will be conducted to assess the potential benefits and risks. The company will continuously monitor the results of the integrations and be ready to take corrective measures if necessary;</li> </ul>

	<ul style="list-style-type: none"> <li>(e) the Company will implement <i>governance</i> mechanisms that ensure balanced and transparent decisions and documents will be published describing the model, roles and responsibilities of the various actors.</li> <li>(f) the Company will adopt clear guidelines for the use of Treasury tokens, with approval mechanisms to ensure transparent and accountable management.</li> <li>(g) the company will endeavor to provide regular and detailed updates to the <i>community</i> and <i>stakeholders</i>, using official communication channels and possibly organizing meetings in virtual form.</li> </ul>
<b>H.3</b>	<p><b>Token-related risks</b></p> <p>Regarding the risks associated with tokens, the following risks have been identified:</p> <ul style="list-style-type: none"> <li>(a) <i>FUD</i> ('Fear, Uncertainty, Doubt');</li> <li>(b) a group of actors influences the market performance of the token;</li> <li>(c) Few exchanges accept token exchange;</li> <li>(d) selected <i>exchanges</i> have difficulties with liquidity (shallow order book);</li> <li>(e) <i>delisting</i> by <i>Exchange</i>;</li> <li>(f) regulatory updates requiring revision of terms of service or technical changes.</li> </ul> <p>To mitigate the aforementioned risks and their effects, the Company undertakes to implement the following measures:</p> <ul style="list-style-type: none"> <li>(a) the company will adopt a transparent communication strategy, providing updates on the status of the project and implementing educational campaigns to inform the community about the benefits and features of the token;</li> <li>(b) tokenomics is designed to promote a distribution that does not favour a specific group of holders;</li> <li>(c) the Company will actively work to establish <i>partnerships</i> with more <i>exchanges</i> and <i>market makers</i>, thereby increasing the visibility and accessibility of the token. The availability of a proprietary exchange (Swaggy) ensures that the token always has a possible exchange space and thus liquidity;</li> <li>(d) the Company will maintain constant communication with <i>exchanges</i> and other market partners and marketing campaigns will be conducted to promote the adoption of the Token.</li> <li>(e) the Company will monitor local and international regulations, adapting the terms of service and token specifications, with the support of legal advisors to ensure compliance.</li> </ul>
<b>H.4</b>	<p><b>Token-related project implementation risks</b></p> <p>Regarding the risks associated with the implementation of the Project, the following risks were identified:</p> <ul style="list-style-type: none"> <li>(a) technical-operational difficulties in collecting sufficient data;</li> </ul>

- (b) reliability of collected data;
- (c) difficulty in finding companies interested in acquiring the data;
- (d) difficulties in creating and maintaining the ecosystem and *community*;
- (e) competition by Italian or foreign actors;
- (f) regulatory obstacles related to *privacy*;
- (g) faults with Smart Rings and user claims;
- (h) lack of scientific legitimacy (difficulty in implementing an *evidence-based* approach or difficulty in involving experts)
- (i) sustainability and *green image*;
- (j) unforeseen expenses that lead to *budget* reductions;
- (k) difficulties in meeting the *roadmap*;
- (l) unforeseen variations in the *roadmap*;
- (m) low reviews (e.g. low *social* reputation and/or low appreciation of the devices by the target market).

In order to mitigate the aforementioned risks and their effects, the Company undertakes to implement the following measures:

- (a) the company will be committed to complying with all *privacy* regulations and will adopt advanced security measures to protect user data. Standardized protocols will be implemented to guarantee the quality and quantity of data collected, which will be verified and validated to ensure reliability;
- (b) the Company will enter into any commercial agreements with partners it deems suitable to exploit the data collected and use it to provide possible products that are useful for improving the health of users;
- (c) the company will carry out engagement and incentive activities to build an active and participative community, keeping user interest high. The market will also be monitored to assess possible differentiation strategies and maintain a competitive advantage;
- (d) the company will assess sustainability-related attention points and define a plan to implement sustainable practices and improve the image of the project;
- (e) the Society will collaborate with experts in the health sector and create a scientific committee to ensure the validity of the project;
- (f) the production and sale of Smart Rings will be monitored to ensure quality and service. The Company will evaluate user reviews and feedback to identify areas for improvement and increase user satisfaction;
- (g) the Company will adopt a prudent management of the project funds and Treasury, analyzing possible risks;
- (h) The company will implement an effective project management system to meet deadlines. Analyses will be conducted to assess the consequences of any changes to the roadmap and communication with stakeholders will be transparent.

<b>H.5</b>	<b>Risks associated with the technology used</b>
	<p>Regarding the risks related to the technology used, the following risks were identified:</p> <ul style="list-style-type: none"> <li>(a) loss of data;</li> <li>(b) <i>smart contract</i> risk;</li> <li>(c) degradation of network <i>performance</i>;</li> <li>(d) costs of the Polygon network;</li> <li>(e) costs of the ICP network;</li> <li>(f) technical compatibility of Polygon and ICP;</li> <li>(g) difficulties in training artificial intelligence;</li> <li>(h) security or technical problems with the network, <i>smart contract</i> or Healthy App;</li> <li>(i) use of <i>custodial wallets</i>;</li> <li>(j) unforeseen events (<i>hard fork</i> of the blockchain used, blocked network);</li> <li>(k) MEV (<i>'Maximal Extractable Value'</i>) <i>attacks</i> that lead to difficulties in creating transactions.</li> </ul> <p>To mitigate the risks and their effects, the Company undertakes to implement the following measures:</p> <ul style="list-style-type: none"> <li>(a) the Company will implement the necessary security measures and <i>best practices</i> to manage data, such as <i>backup</i>, redundancy and <i>disaster recovery</i> plans. Advanced encryption techniques will be used to protect data during transfer and storage and mitigate risks due to the use of <i>custodial wallets</i>. Token-related network activities will be monitored to identify malicious behavior such as MEV attacks, based on, inter alia, applicable legal and regulatory requirements;</li> <li>(b) depending on the complexity and amount of functions that require code to be written <i>from scratch</i>, the Company will assess any independent security audits on <i>smart contracts</i> prior to their <i>deployment</i>;</li> <li>(c) the Company will monitor the performance and costs of the Polygon and ICP networks, optimizing the smart contract during development and optimizing transactions to reduce gas consumption. During the design and development phase, the technical compatibility between Polygon and ICP will be analyzed and tested. Contingency plans will also be defined to prepare for unforeseen events such as <i>hard forks</i> or network blockages.</li> <li>(d) The company will set up suitable computing infrastructure and collaborate with machine learning experts to optimize the training of artificial intelligence. Quality datasets will also be used to improve the effectiveness of the algorithms.</li> </ul>
<b>SECTION I - FINAL FORECAST</b>	
<b>I.1</b>	<b>Prohibition of disparagement</b>



Until TGE and for a period of 12 months thereafter, you agree not to take any action that is intended to damage Swag or its reputation. Such actions include but are not limited to disparaging remarks, statements questioning Swag's character, honesty, integrity, morality or image in relation to any aspect of the operation of its business. The obligations of this article extend to Swag's shareholders, directors, employees, representatives. For breach of the prohibition of disparagement, the User shall be liable to pay Swag a penalty of €10,000.00 (ten thousand/00 euros), subject to compensation for any further damage. The User expressly acknowledges the fairness and congruity of the amount of the penalty, waiving as of now any action, objection or claim for its reduction.