HITO TOKEN WHITEPAPER

NOTIFIED AUTHORITY:

Finantsinspektsioon, Sakala 4, Tallinn, 15030

WHITEPAPER DRAFTED UNDER THE EUROPEAN MARKETS IN CRYPTO-ASSETS REGULATION (EU) 2023/1114 (MICAR)

COMPLIANCE STATEMENTS	
01. Date of notification	12-09-2025
02. Statement in accordance with Article 6(3) of Regulation (EU) 2023/1114	This crypto-asset whitepaper has not been approved by any competent authority in any Member State of the European Union. The person seeking admission to trading of the crypto-asset is solely responsible for the content of this crypto-asset whitepaper.
03. Compliance statement in accordance with Article 6(6) of Regulation (EU) 2023/1114	This crypto-asset whitepaper complies with Title II of Regulation (EU) 2023/1114 of the European Parliament and of the Council and, to the best of the knowledge of the management body, the information presented in the crypto-asset whitepaper is fair, clear and not misleading and the crypto-asset whitepaper makes no omissions likely to affect its import.
04. Statement in accordance with Article 6(5), points (a), (b), (c), of Regulation (EU) 2023/1114	The crypto-asset referred to in this crypto-asset whitepaper may lose its value in part or in full, may not always be transferable and may not be liquid.
05. Statement in accordance with Article 6(5), point (d), of Regulation (EU) 2023/1114	The token has no utility except for being held and transferred and cannot be exchanged for any goods or services at the time of writing this whitepaper (until 2025-10-17).
06. Statement in accordance with Article 6(5), points (e) and (f), of Regulation (EU) 2023/1114	The crypto-asset referred to in this whitepaper is not covered by the investor compensation schemes under Directive 97/9/EC of the European Parliament and of the Council or the deposit guarantee schemes under Directive 2014/49/EU of the European Parliament and of the Council.
07. Compliance with EU Sanctions (Regulation 833/2014)	The issuer hereby declares that, to the best of its knowledge and after conducting appropriate due diligence, neither the issuer nor any of its related persons or entities are in breach of the provisions of Council Regulation (EU) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine. The issuer confirms that it does not conduct, directly or indirectly, any business with individuals or entities subject to EU sanctions, including persons or entities located in or operating from Russia, the occupied territories of Ukraine, or other jurisdictions covered by the above-mentioned Regulation. This confirmation has been made to ensure full transparency and compliance with applicable EU laws, in particular those related to financial sanctions and activities related to crypto-assets.

hitower

TABLE OF CONTENT

SUMMARY

1. Warning

This summary is an introduction to the crypto-asset whitepaper. It does not contain all the information required to make an informed investment decision. Any decision to purchase the HITO token should be based on a thorough examination of the full whitepaper.

This whitepaper is not a prospectus as defined in Regulation (EU) 2017/1129 or any other offering document pursuant to Union or national law.

The information presented herein has not been reviewed or approved by any competent authority in the European Union. The issuer is solely responsible for the content of this document.

> ⚠️ REGULATORY WARNING (in accordance with MiCA Article 6(7)(c))
>
> The offer to the public of the crypto-asset does not constitute an offer or solicitation to purchase financial instruments and that any such offer or solicitation can be made only by means of a prospectus or other offer documents pursuant to the applicable national law.

2. Important Risk Notice

The acquisition of crypto-assets involves substantial risks. These include, but are not limited to:

- high price volatility and limited liquidity;
- vulnerabilities in smart contracts and blockchain technology;
- cybersecurity threats (e.g. hacking, phishing, key loss);

- regulatory uncertainty and evolving legal frameworks;
- reliance on third-party service providers and partners;
- project development delays and funding risks.

The HITO token is not covered by investor compensation schemes under Directive 97/9/EC or deposit guarantee schemes under Directive 2014/49/EU. It may not always be transferable, may not be liquid, and may lose its value in part or in full.

A comprehensive analysis of risk factors is provided in Chapter 7 of this whitepaper.

3. Characteristics of the Crypto-Asset

The HITO token is a **utility token** issued in accordance with Title II of Regulation (EU) 2023/1114. As of the date of publication of this whitepaper (17 October 2025), the token:

- does **not confer any claim to financial instruments** or ownership rights;
- does **not grant access to goods or services**;
- is **not exchangeable for goods or services**;
- may be **held and transferred** between Base-compatible wallets;
- is **not classified as an e-money token (EMT)** or asset-referenced token (ART).

Future functionalities planned after the token generation event (TGE) include:

- access to loyalty features and staking-based privileges;
- participation in DAO-based governance.

The token has a fixed maximum supply of **200,000,000 HITO**. A **burn mechanism** permanently removes 10% of HITO-based transaction fees from circulation; this rate may be adjusted by DAO vote (between 5–20%).

4. Tokenization and Investment Process on the HiTower Platform

The HiTower platform enables the compliant tokenization process of real-world assets (RWAs), including real estate, bonds, and commodities. Investors can engage through:

- full ownership of tokenized assets;
- fractional investment across multiple assets;
- on-demand tokenization initiated by users.

Tokenized assets undergo legal, financial, and technical due diligence prior to issuance. Issued tokens are published on the HiTower platform and may be traded on secondary markets.

The platform is deployed on the **Base Layer 2 blockchain** (developed by Coinbase), ensuring low-cost, high-throughput transactions and full Ethereum Virtual Machine (EVM) compatibility.

5. Key Information About the Offer to the Public or Admission to Trading

- **Offeror**: HiTower Lab Osaühing (registry number: 17191122)
  Hobujaama 4, Tallinn 10151, Estonia
  LEI: 98450096AADAF7K4BB63
  Email: hello@hitower.app
  Phone: +48 881 500 021
- **Total tokens offered**: 75,000,000 HITO
- **Total offering value**: 5,590,000 USDC

- **Issue price**: 0.09 USDC
- **Minimum subscription**: 1,100,000 USDC
- **Maximum subscription**: 5,590,000 USDC
- **Subscription period**: 17.10.2025 –17.10.2026
- **Subscription fees**: None
- **Accepted currency**: USDC
- **CASP involved**: Not applicable

Offer Phases:

Round	Number of tokens	Price (USDC)	Discount from listing price
Seed round	15 000 000	$0,046	48,89%
Private sale round	50 000 000	$0,080	11,11%
Public sale round	10 000 000	$0,090	0,00%

Tokens are allocated by phase and subject to vesting schedules. No oversubscription is accepted.

Admission to Trading:

Post-offering, HITO tokens are intended to be listed on decentralized (DEX) and centralized (CEX) exchanges, including MEXC and GATE.IO. These listings are contingent on final agreements and jurisdictional compliance.

Refund and Withdrawal Rights:

- Retail buyers may withdraw within **14 calendar days** of contract conclusion.
- Refunds are processed automatically via smart contracts in the same currency.
- If the **minimum subscription goal** (1,100,000 USDC) is not reached by **October 17, 2026**, a full refund will be issued within **26 days** of that date.
- Investors may also resign if the offer is modified or terminated.

Technical Requirements:

To acquire and use the HITO token, users must:

- have a Base-compatible wallet (e.g. MetaMask, Coinbase Wallet);
- hold USDC and a small amount of ETH on Base to cover gas fees;
- interact with the platform via a Web3-compatible browser.

1. Information about the offeror

1.1. The Offeror

Name	HiTower Labs
Legal Form	Private Limited Company
Registered Address	Hobujaama 4, Tallinn 10151, Estonia
Head Office	Hobujaama 4, Tallinn 10151, Estonia
Registration Date	06.03.2025
Legal Entity Identifier	LEI code: 98450096AADAF7K4BB63
Another Identifier Required Pursuant to Applicable National Law	HiTower Labs Osaühing, registry number: 17191122
Contact Telephone Number	48 881 500 021
E-mail Address	**hello@hitower.app**
Response Time (Days)	14 business days
Parent Company	FCQ SP. Z O.O. (LIMITED LIABILITY COMPANY), the number of Polish National Court Register: 0000870146, VAT number: PL7123410182
Members of the Management Body	MEMBERS OF THE BOARD: MACIEJ KRÓL - Member of the Board, Żołny 38A, 02-815 Warszawa, Poland DARIUSZ PIOTR ZBUCKI- Member of the Board, Obrzeżna 1D/86, 02-691 Warszawa. Poland

Business Activity	**HiTower Labs OÜ will issue the HITO Token**, which will constitute the foundation of the HITO ecosystem. As part of this ecosystem, HiTower Labs OÜ will establish an affiliate company in Liechtenstein. **HiTower Labs OÜ's affiliate will operate a digital platform** focused on the tokenization of real-world assets (RWAs) such as real estate, commodities, and bonds. Such affiliate will provide the technical, legal, and operational infrastructure necessary for asset token issuance, investor onboarding, and regulatory compliance under the EU MiCA framework. Its core business includes enabling third-party asset holders to tokenize and list their assets on the HiTower platform, as well as offering investors access to diversified tokenized portfolios. The project also plans to offer white-label solutions, staking features, and Compliance-as-a-Service (CaaS) for partners building on its infrastructure. **HiTower Labs OÜ, apart from issuing the HITO Token, will not provide any of the services described above**. Another company or companies will be fully responsible for providing these services, taking on the organizational and legal burden of organizing the remaining elements of the project.
Parent Company Business Activity	Parent Company FCQ SP. Z O.O., is registered in the Polish National Court Register and is subject to the Polish register of fields of activity. The main fields of activity of the FCQ company are SOFTWARE ACTIVITIES (activity number: 62.01.Z), PUBLISHING ACTIVITIES IN THE FIELD OF OTHER SOFTWARE (activity number: 58.29.Z), IT CONSULTING ACTIVITIES (activity number: 62.02.Z)
Newly Established	The company has been established in the last three years
Financial Condition for the past three Years	Not applicable
Financial Condition Since Registration	HiTower Labs Osaühing was registered in the Estonian Commercial Companies Register on March 6, 2025. Therefore, the company does not have any historical financial data. Up to now, the only costs incurred by the company were the costs related to the development and submission of the whitepaper to the Estonian regulator EFSA. These costs have already been incurred and no additional costs related to this process will be necessary.

1.2. Key Performance Indicators

Considering that our company started its operations less than 3 months ago, financial KPIs are not yet used. In the next stage of our operation, our KPIs will focus on the following areas.

Token-related KPIs	
Number of tokens issued	the total number of tokens introduced to the market
Token market capitalization (Market Cap)	the total market value of tokens in circulation
Number of token holders	the number of unique addresses holding tokens
Token trading volume	the value of tokens traded within a given period
Investment and financing-related KPIs	
Funds raised	the total amount of capital secured from investors or other sources
Capital efficiency	the effectiveness of utilizing raised funds for the company's development
Company valuation	the estimated market value of the company
Product development-related KPIs	
Time to market	the number of months/weeks required to develop and launch the product
Number of features implemented	the quantity of new functionalities or services added to the product within a specific period
Customer satisfaction score (CSAT)	the level of customer satisfaction with the product, measured on a scale (e.g., 1-10)
Team-related KPIs	
Number of specialists hired	the number of employees in key areas
Employee engagement score	the level of team satisfaction and commitment to the company's development

Partnership and collaboration-related KPIs	
Number of strategic partnerships established	the number of collaborations with external firms supporting the company’s growth
Value of partnerships	the estimated value of benefits derived from partnerships (e.g., cost savings, new business opportunities)

2. Information about the crypto-asset project

Crypto-Asset Project Name	HiTower
Crypto-Assets Name	HITO tokens
Abbreviation	HITO

2.1. Crypto-Asset Project Description

HiTower platform is a blockchain-based platform enabling investment into tokenized real-world assets (RWAs), including real estate, bonds, and commodities. By leveraging distributed ledger technology and smart contracts, HiTower lowers traditional entry barriers, enhances transparency, and facilitates fractional ownership for both retail and institutional participants.

Registered in the EU and operating under MiCA-aligned principles, HiTower bridges the gap between traditional asset markets and Web3 infrastructure. The platform is built for scalability, long-term utility, and regulatory clarity, with a clear roadmap for growth and cross-border compliance.

The HiTo ecosystem is designed as a two-layer structure: a utility layer powered by the HITO token, and a separate, regulated tokenization layer that will be operated by a dedicated Liechtenstein-based entity after the soft cap is reached.

2.2. Details of All Persons Involved in the Implementation of the Crypto-Asset Project

Full Name	Business Address	Function
Graś i Wspólnicy sp. k.	Poland, 01-632 Warsaw, Bieniewiecka 26	Legal and Compliance
EMBIQ sp. z o.o.	Poland, 20-719 Lublin, Gęsia 5	Software development
Maciej Król	Poland	Co-founder
Jakub Cukierski	Poland	Co-founder
Dariusz Zbucki	Poland	Co-founder
Marta Pawlak	Poland	COO
Michał Januszewski	Poland	CPO
Brendon Zegarlicki	Poland	BDM
Przemysław Kuciński	Poland	CMO
Bogusz Kończak	Poland	Advisor

2.3. Key Features of Goods/ Services for Utility Token Projects

HITO serves as a utility token allowing holders to access exclusive loyalty features, and participate in governance through DAO mechanisms. These features provide tangible value and incentivize active participation in the ecosystem **Importantly,** HITO does not grant access to any investment-related features. HITO is not required for accessing or acquiring tokenized RWAs, which are managed via separate mechanisms.

HITO functions as a utility token used within the HiTo ecosystem to access selected platform features.

The HITO token is not required for using services related to the tokenization of real-world assets (RWAs), which are managed through separate mechanisms. HITO does not grant any investment rights, financial entitlements, or claims against the issuer.

2.4. Plans for the Token

INITIAL PHASE
(Q1 2025 – Q2 2025)

- **Development of the HITO token concept and finalization of the tokenomics (distribution, deflation mechanisms, staking)**
- Consultation with strategic partners and experts to determine optimal issuance conditions

DEVELOPMENT PHASE
(Q3 2025 – Q4 2025)

- **Start pre-sale of HITO token with attractive discounts for early buyers**
- Finalize implementation of smart contracts on the HiTower platform
- Intensive marketing campaign and building a community focused on the token
- Conduct a security audit of smart contracts and assess regulatory compliance

LAUNCH PHASE
(Q1 2026 – Q2 2026)

- Public sale of the HITO token at a fixed issue price
- Listing of the token on selected decentralized exchanges (DEX
- **Deflation mechanisms, including automatic token burning and staking, are activated**

IMPLEMENTATION PHASE 1
(Q4 2025 – Q2 2026)

- Liquidity management tools and a secondary market for HITO tokens are developed
- Implementation of additional token utility functions in the HiTower ecosystem, including integration with external platforms
- **Regular security audits and smart contract updates to maintain the highest standards**

IMPLEMENTATION PHASE 2
(Q2 2026 AND BEYOND)

- **Full integration of the HITO token into a loyalty system and reward programs for long-term investors**
- Expansion of token use cases through the introduction of new investment models and cooperation with traditional financial institutions
- Continuous adaptation to changing regulatory requirements and further improvement of the ecosystem

2.5. Resource Allocation

The resources allocated to the HiTower project consist primarily of non-financial contributions, including a large number of man-hours and the experience provided by the issuer/offeror's development team. These activities have been focused on technical development, compliance with MiCA obligations, and project planning to ensure a successful public offering and launch of the HITO token.

In addition, financial investments were made in some key areas, such as website creation, company registration, preparation and submission of documents in accordance with the MiCA Regulation to EFSA.

2.6. Planned Use of Collected Funds or Crypto-Assets

Registration and establishment of a company in Liechtenstein
HiTower affiliate plans to operate in accordance with the Blockchain Act 2020 regulations in Liechtenstein, which will enable full compliance with international legal standards.
Obtaining the necessary licenses, such as a tokenization license and licenses to provide token exchange and deposit services.
Acquisition of the TerraLand platform
The acquisition of the TerraLand platform will form the technological and business foundation of HiTower, enabling further development and expansion of the real-asset tokenization business.
Development of the CaaS (Compliance-as-a-Service) model
Offering the possibility to build projects using the HiTower company's license, which will save other blockchain projects the time and cost of complying with legal regulations.
CaaS will support partners in complying with the MiCA and Blockchain Act 2020 regulations.

2.7. Establishment of a Liechtenstein Entity and Its Role in Tokenization

Following the achievement of the minimum subscription threshold (soft cap) in the HITO Token offering, a dedicated legal entity is planned to be incorporated in Liechtenstein. This entity will be responsible for delivering regulated tokenization services in accordance with the **TVTG** and relevant EU regulations.

The Liechtenstein entity will oversee the compliant issuance of real-world asset (RWA) tokens offered through the HiTower platform, including legal structuring, smart contract deployment, and adherence to AML/KYC and investor protection requirements.

HiTower will not issue RWA tokens directly through its Estonian entity. Instead, the issuance and custody infrastructure will be:

- operated internally by the Liechtenstein entity upon obtaining the appropriate licenses, or
- supported by licensed third-party Crypto-Asset Service Providers (CASPs) operating under the Blockchain Act 2020.

The HITO token is **not involved** in the issuance, transfer, or custody of RWA tokens and **does not grant** its holders any rights or claims related to the underlying tokenized assets.

2.8. Tokenization and Investment Models

HiTower platform enables the tokenization of real-world assets (RWA), turning them into blockchain-based tokens that represent ownership or rights to underlying physical assets.The legal requirements related to the issuance and trading of tokenized RWAs will be met by HiTower regardless of the requirements related to the issuance of the HITO Token. Even after the issuance and public offering of tokens representing RWA, the HITO Token will remain a utility token and will not have the characteristics of a financial instrument. This process involves:

verification and due diligence	Assets undergo legal and financial checks.
asset structuring	Legal entities and smart contract models are selected based on asset class.

token issuance	Compliant tokens are generated and linked to the underlying asset.
listing on platform	Tokens are published on the HiTower platform and can later be traded on the secondary market.

HiTower supports multiple investment models:

ownership model	Investors purchase 100% of tokenized shares of an asset.
fractional investment model	Investors can buy fractions across many assets.
on-demand model	Investors can propose an asset to tokenize; the HiTower team handles the process

2.9. Token typology on the HiTower platform

There are two types of tokens on the HiTower platform:

- HITO Token
- RWA Tokens

The HITO Token is a single crypto-asset (although divisible into units) constituting a crypto-asset other than asset-referenced tokens or e-money tokens within the meaning of MiCA. The HITO Token can be purchased and sold on the market and has certain functionalities that can be described as utility functions listed in this Whitepaper. The HITO Token is not used to acquire, represent, or hold rights to tokenized real-world assets (RWAs).

RWA Tokens are a group of tokens available on the platform that will represent RWA ownership. Each RWA Token can represent a separate RWA (one can represent car ownership, another can represent aircraft ownership). Therefore, RWA Tokens are issued as separate tokens, which are distinct from HITO Token and represent specific legal or economic rights to the underlying assets. An open catalogue of RWA that can be tokenized is expected. These may include the tokenization of movable property, real estate, or rights. The RWA Tokens will be issued or offered by a company based in Liechtenstein, which is affiliated with the Issuer through capital or personnel. This company will be responsible for the technical aspects of the issue and for ensuring that it complies with the law.

RWA tokens constitute “Tokens” within the meaning of the TVTG regulations, which will involve compliance with certain legal standards related to their issuance and offering. In particular, the entity responsible for their issuance may be required to prepare basic information in accordance with the following provisions; publish the basic information in an easily accessible manner; and report the token issuance to the FMA.

The Issuer assumes that RWA Tokens will not be considered a financial instrument. In the event of a contrary interpretation, the entity responsible for their issuance will meet the necessary legal requirements, such as publishing a prospectus or obtaining a license to operate a trading platform. These issues are discussed in more detail in 7.5. Project Implementation-Related Risks.

The HITO Token is not required to access or purchase such assets and plays no role in the settlement, custody, or issuance of RWA Tokens. RWA Tokens and HITO Tokens are two completely separate categories of crypto assets. Each can be held independently of the other. They are separate entities operating within a single ecosystem.

3. Information about the offer to the public of crypto-assets

Fundraising Target	5 590 000 USDC	**Issue Price**	0,09 USDC
Minimum Subscription Goal	1 100 000 USDC	**The official currency**	USDC (USD Coin)
Maximum Subscription Goal	5 590 000 USDC	**Time-Limited Offer**	12 months
Total Supply	200 000 000 HITO	**Subscription Period Beginning**	17.10.2025
Oversubscription Acceptance	No	**Time-Limited Offer**	17.10.2026

3.1. Reasons for Public Offering

This offering represents a critical step in the realization of HITO ecosystem long-term vision: to make real-world assets more accessible, tradable, and secure through blockchain innovation.

The HITO token is being offered to the public to increase the popularity of the HiTower ecosystem by adding new utility features and provide liquidity for its utility token. Listing on both decentralized (DEX) and centralized (CEX) exchanges ensures accessibility and transparency for all stakeholders. At the same time, the HITO Token is not linked to the tokenized RWAs available on the platform, but rather functions alongside them and no core services on the platform require HITO Token for access or execution.

The capital raised through the offering will support the strategic expansion of the HiTower platform, with a focus on technology development, regulatory compliance, and long-term ecosystem growth. The token sale aligns with MiCA guidelines and reflects HiTower's commitment to building a sustainable and inclusive financial infrastructure for tokenized real-world assets (RWAs).

3.2. Key Objectives of the Fundraising Initiative

Technology and Security
scale blockchain infrastructure with interoperability features
automate tokenization via smart contracts
implement advanced data protection and privacy solutions
Regulatory Compliance and Market Expansion
achieve and maintain full MiCA alignment
expand operations across the EU and strategic jurisdictions (e.g., Switzerland, Liechtenstein, North America)
collaborate with regulators and financial institutions on compliant asset tokenization models
Market Development and Liquidity
list HITO tokens on selected CEXs and DEXs
introduce secondary market liquidity support mechanisms
broaden the asset offering to include tokenized bonds, precious metals, and equity instruments
Community and Ecosystem Growth
launch educational initiatives and investor workshops
partner with universities and research hubs to promote tokenization standards
build an engaged user base through content, community programs, and referral models

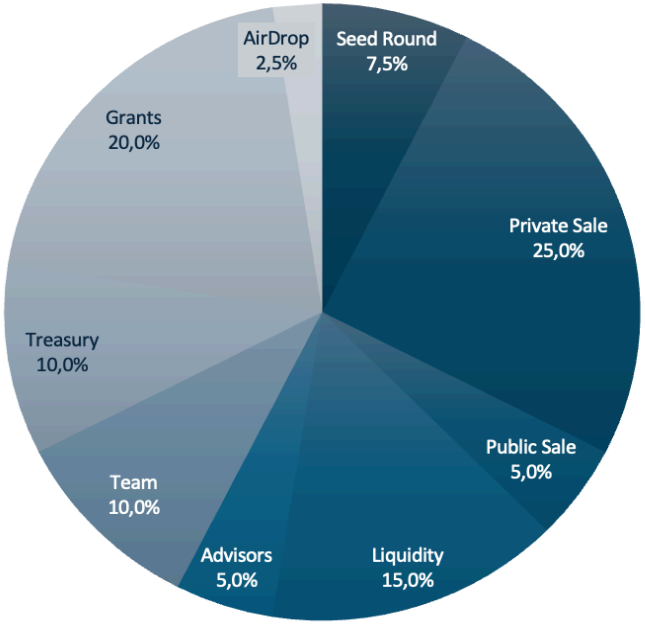
3.3. Offer Price Determination Method

The token price has been pre-determined at 0.09 USDC and will apply as both the issue price and listing price. This value is not subject to dynamic changes and is not the result of an auction mechanism.

The price has been determined based on a financial analysis of the project and consultations with strategic partners who participated in the process of setting it. The offering includes various stages of sale, including pre-sale, where early investors can be granted discounts on token purchases.

The pricing strategy has been developed in a way that provides predictability and stability for investors, while reflecting the growth potential of the project once it is launched.

3.4. Allocation - The total maximum supply of HITO tokens is capped at 200,000,000 HITO. No additional tokens will be minted beyond this limit.



Round	Allocation of HITO%	Allocation of HITO tokens	TGE unlock	Lockup	Vesting
Seed round	7,50%	15 000 000	0% 0 tokens	1 month from TGE	over the next 9 months (linear unlocking)
Private sale	25,00%	50 000 000	25% 12 500 000 tokens	1 month from TGE	over the next 6 months (linear unlocking)
Public sale	5,00%	10 000 000	25% 2 500 000 tokens	1 month from TGE	over the next 5 months (linear unlocking)
Liquidity	15,00%	30 000 000	100% 30 000 000 tokens	-	-
Advisors / KOL's	5,00%	10 000 000	0% 0 tokens	1 month from TGE	over the next 9 months (linear unlocking)
Team	10,00%	20 000 000	0% 0 tokens	9 months from TGE	over the next 12 months (linear unlocking)
Treasury	10,00%	20 000 000	0% 0 tokens	-	under DAO
Grants	20,00%	40 000 000	0% 0 tokens	-	under DAO
AirDrop	2,50%	5 000 000	0% 0 tokens	1 month from TGE	over the next 9 months (linear unlocking)

3.5. Restricted Jurisdictions

Entities and individuals operating in regions classified as high-risk by The European Commission, as outlined in Delegated Regulation (EU) 2016/1675 and its subsequent amendments, the most recent being Delegated Regulation (EU) 2024/163 and The Financial Action Task Force (FATF), either as jurisdictions subject to increased monitoring or considered high-risk are not eligible to participate in the offer. As of the publication date of this whitepaper, the following jurisdictions fall under these classifications:

Afghanistan, Barbados, Bulgaria, Burkina Faso, Cameroon, Croatia, Democratic Republic of the Congo, Democratic People's Republic of Korea, Gibraltar, Haiti, Iran, Jamaica, Kenya, Mali, Monaco, Mozambique, Myanmar, Namibia, Nigeria, Panama, Philippines, Russia, Senegal, South Africa, South Sudan, Syria, Tanzania, Trinidad and Tobago, Uganda, United Arab Emirates, Vanuatu, Venezuela, Vietnam, Yemen.

3.6. Exemptions for High-Risk Jurisdictions

The jurisdictions listed below are granted exemptions from these restrictions based on their demonstrated commitment to strengthening anti-money laundering (AML) and counter-terrorist financing (CFT) regulations, as well as their progress in implementing FATF recommendations.

Bulgaria, Croatia, United Arab Emirates (UAE)

3.7. Reimbursement Notice

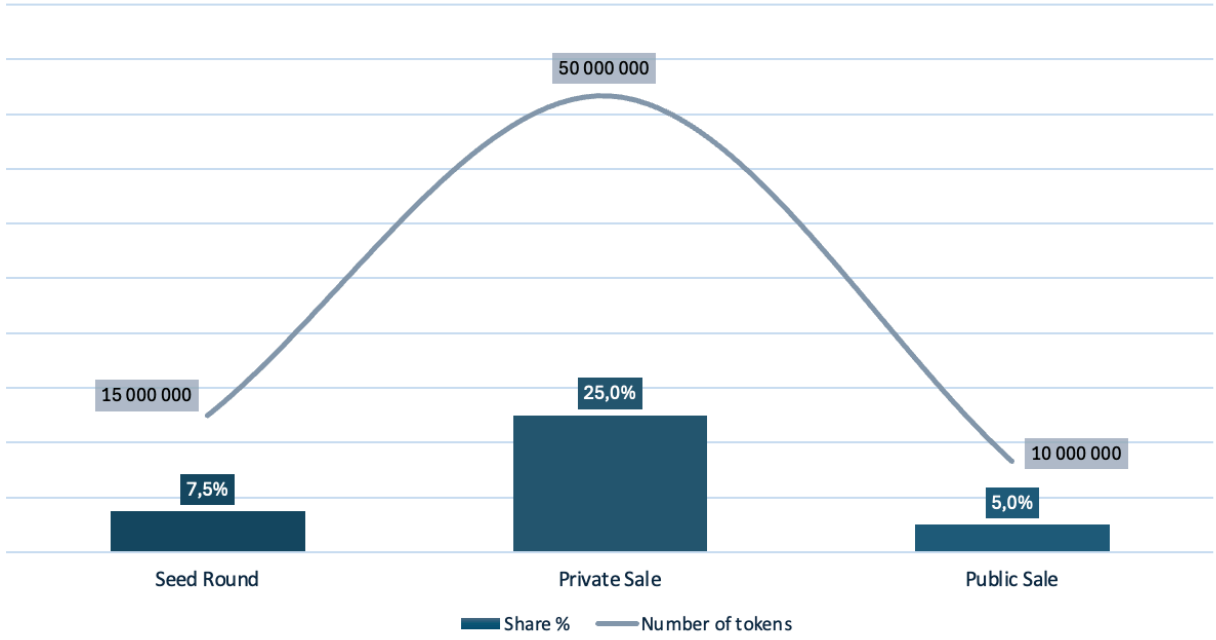
Buyers participating in the public offering of crypto-assets will be able to be reimbursed if the minimum target subscription goal is not reached at the end of the public offering, if they exercise the right to withdrawal foreseen in Article 13 of Regulation (EU) 2023/1114 or if the offer is cancelled.

3.8. Refund Mechanism

Refund procedure	The funds will be refunded to the account (e.g. crypto wallet or bank account) provided by the buyer during the subscription.
	Refunds will be made in the same currency in which the payment was made.
Conditions for refund	The issuer has set a minimum subscription target and a verification date of **17.10.2026**
	The refund will be initiated automatically if the target is not reached, or the offer is cancelled.
Confirmation for buyers	The issuer will provide confirmation of the refund in electronic or paper form, indicating the amount and date of the transaction.
Refund Timeline	The issuer specifies the maximum time for the refund. The refund will be made within 26 days from the date of the end of the public offer or its cancellation.

3.9. Offer Phases

The public offering of HITO tokens consists of three sales stages, which together form the entire public offering and have been planned transparently, providing participants with clear conditions for purchasing tokens.



Each round follows one after and the public offering starts with the seed round. The condition for triggering the next round is that the pool of tokens from the round is exhausted.

In addition, this offer is linked to the Early Purchase Discount, as earlier purchase rounds provide participants with preferential token prices before the tokens are made available for public sale.

3.10. Early Purchase Discount

Round	Number of tokens	Price (USDC)	Discount from listing price
Seed round	15 000 000	$0,046	48,89%
Private sale round	50 000 000	$0,080	11,11%
Public sale round	10 000 000	$0,090	0,00%

3.11. Safeguarding Arrangements for Offered Crypto-Assets

In order to safeguard the storage of funds or other crypto-assets in accordance with Article 10 of Regulation (EU) 2023/1114 during the withdrawal period, buyers' investments in USDC will be stored via a smart contract on the blockchain until the withdrawal period has ended. The smart contract mechanism guarantees automatic management of funds, ensuring their integrity and protection against unauthorized access.

In the case of payments made in crypto-assets, the funds will also be securely stored within the smart contract belonging to HiTower Labs OU, which allows them to be returned in the event of a cancellation or failure of the public offering. Retail participants have the right to withdraw their funds during the offer period by submitting a request via the smart contract. The refund is fully automated, eliminating the need for intermediaries and increasing the transparency of the process.

After the end of the public offering period, the funds will be allocated according to the intended use specified in the offering documentation, in full compliance with MiCA regulatory and operational requirements. The entire allocation process will be fully transparent, and transactions will be available for verification on the blockchain, ensuring maximum security and transparency of operations for investors.

3.12. Payment Methods for Crypto-Asset Purchase

HiTower Labs only allows the purchase of HITO tokens with USDC (USD Coin) stablecoins, ensuring fast, transparent and secure transactions for users.

Supported Blockchains – USDC (USD Coin) Base

The payment methods described above are valid as of October 17, 2025 and do not take into account any changes that may occur after that date.

3.13. Value Transfer Methods for Reimbursement

In the event of a refund, the process is carried out in an automatic and transparent manner, in accordance with the rules set out in the offer documentation and the requirements of the MiCA Regulation. Methods of transferring value to buyers in the event of a refund.

Automatic refund via smart contract	all USDC deposits are stored in a smart contract, which ensures their security and automatic management
	according to MiCA, investors have the right to withdraw from the contract and receive a refund within 14 days of making the deposit, regardless of the duration of the collection
	in the event of a withdrawal, the smart contract automatically returns the full amount paid in USDC to the wallet of the user who made the transaction
Possibility to withdraw funds during the offer period	since the offer is only available for a limited time, every user can exercise their right to a refund at any time within 14 days of the deposit, regardless of when the deposit was made
	refunds are made without intermediaries, and the transaction is carried out automatically via a smart contract

Refunds in case of offer cancellation	in case of offer cancellation or change of offer conditions, the smart contract will return all collected funds to investors' wallet addresses
	the funds are returned in the same currency in which they were deposited (USDC), which eliminates the risk of exchange rate volatility
Transparency and security	the entire refund process is recorded on the blockchain, which allows investors to fully control and verify transactions
	thanks to the use of smart contracts, the process is automatic and independent, which eliminates the risk of manipulation and delays

3.14. Right of Withdrawal

Retail holders who purchase HITO Tokens have the right to withdraw from the HITO Token purchase contract without incurring any fees or costs and without having to provide a reason. The withdrawal period is 14 calendar days from the date of conclusion of the contract. If the retail holder exercises the right to withdraw from the purchase agreement, they should send a notification by email to the following address: hello@hitower.app. The notification must be sent before midnight CET on the 14th day from the date of the agreement.

The right of withdrawal cannot be exercised after the end of the Subscription Period or the admission of the HITO token to trading.

In the event of exercising the right of withdrawal, the Offeror shall reimburse the retail holder for all payments received within 14 days of receiving the notice of withdrawal.

3.15. Transfer of Purchased Crypto-Assets

Distribution via smart contract	After the end of the public offering and the redemption period, HITO tokens will be distributed via the Base smart contract through user-initiated transactions.
Token Allocation	Token allocation is carried out according to the terms of the specific purchase phase, not proportionally to the amount contributed. This means that each participant receives a number of tokens corresponding to the unit price applicable in the respective phase. Seed round = 0.046 USDC /1 HITO token; Private sale: 0.080 USDC /1 HITO token; Public sale: 0.090 USDC /1 HITO token.
	After the offering concludes, tokens will be allocated based on the number of tokens purchased, not in proportion to the total amount of USDC contributed.
Blockchain-based delivery	HITO tokens will be distributed to eligible participants via the Base smart contract through user-initiated transactions.
	Tokens will be delivered directly to the addresses of the EVM wallets that participants used to contribute to the public offering.
	Direct delivery ensures a smooth, transparent and secure transfer of HITO tokens to holders while utilizing the efficiency of the Base blockchain.
Exclusivity of Base wallets	Only Base-compatible wallets can receive HITO tokens because the entire process takes place on the Base blockchain. Participants are required to provide valid wallet addresses during the deposit process.

3.16. Transfer Time Schedule

The transfer of HITO tokens to buyers will begin only after the Token Generation Event (TGE), which will take place no later than 14 days after 17.10.2026.

The public offering is time-limited, ending on 17.10.2026. All transfers must be executed within a clearly defined schedule after the offering ends. However, the distribution of tokens will only commence once the minimum subscription threshold defined in the offering terms has been reached. Upon fulfilment of this condition, the transfer process will start, subject to technical procedures such as confirmation on the blockchain.

Token distribution is subject to differentiated release schedules depending on the investment round. Each group of tokens may be subject to an initial lock-up period (blockade), during which the tokens cannot be accessed or transferred, followed by a gradual release (unlocking or vesting) over a defined period of time.

Round	Allocation of HITO tokens	TGE unlock	Lockup	Vesting
Seed round	15 000 000	0% 0 tokens	1 month from TGE	over the next 9 months (linear unlocking)
Private sale	50 000 000	25% 12 500 000 tokens	1 month from TGE	over the next 6 months (linear unlocking)
Public sale	10 000 000	25% 2 500 000 tokens	1 month from TGE	over the next 5 months (linear unlocking)

All unlocks will be carried out on-chain and managed through secure smart contracts. The exact unlocking schedule will be visible to token holders via the official blockchain explorer and/or user dashboard.

Opt-out option in case of long waiting time – if it takes longer than expected to reach the minimum subscription target (up to a maximum of 17.10.2026), you can withdraw your funds. In such a case, the refund will be made within 14 working days of the cancellation request, as specified in the subscription conditions.

If the minimum subscription target is not reached by the end of the public offering (i.e. by 17.10.2026), all participants will receive a full refund within 26 days of the end of the subscription period. This process will be carried out in accordance with the subscription terms and conditions and will commence immediately after the official announcement of the subscription's termination without the target being achieved.

3.17. Purchaser's Technical Requirements

To buy and use the HITO token on the Base network, the user must:
have a wallet that supports the Base network (e.g. MetaMask, Coinbase Wallet)
add the Base network to the wallet if it is not supported by default
have USDC on the Base network to purchase tokens
have a small amount of ETH on the Base network for transaction fees
use a web browser that supports Web3 wallets

In all interactions with the HiTower smart contracts (e.g. deposits, refunds, voting, token purchases), the user is responsible for paying the associated gas fees on the Base network. These costs are mandatory and non-refundable.

3.18. Conflicts of Interest

HiTower Labs strives for full transparency and fairness in the HITO token issuance process and platform development. Nevertheless, potential conflicts of interest may arise in the course of the project. Below are the key risk areas and measures to minimize their impact.

Team and founders holding tokens	team members and founders hold HITO tokens, which can lead to a conflict of interest between their interests and those of investors
	to prevent this, vesting mechanisms have been implemented to restrict the sale of tokens for a certain period of time
	vesting motivates the team to focus on the long-term development of the ecosystem instead of short-term profits
Advisors and strategic partners	advisors and partners may hold HITO tokens or other interests in the project
	to ensure the integrity of their recommendations, they are required to disclose their holdings
	restrictions on token sales during key periods have been introduced to avoid potential price manipulation
Cooperation with launchpads and exchanges	launchpads and exchanges on which the HITO token is listed have their own interests, which may not always coincide with those of HiTower investors
	to minimize risk, HiTower negotiates with multiple parties and strives for transparent terms of cooperation
Technology providers and auditors	smart contract developers and auditing companies can affect the security of the ecosystem
	HiTower works exclusively with independent and reputable technology providers to ensure the highest quality and objectivity of audits

VC funds and institutional investors	venture capital funds and institutional investors may aim to maximize their own profits at the expense of the development of the entire ecosystem
	to counteract this, the direction of development of the HiTower platform will be based as much as possible on DAO mechanisms, giving the community the opportunity to express their opinion on development issues

Measures to minimize conflicts of interest	transparent communication and reporting of project activities
	vesting for key stakeholders to limit sudden token sales
	diversification of partnerships with exchanges, launchpads and strategic partners
	independent audits of smart contracts and the platform
	gradual implementation of DAO mechanisms for greater decentralization of management

HiTower Labs actively works to eliminate conflicts of interest, giving users confidence that the project is developing in a fair and transparent manner.

4. Information about the crypto-assets

4.1. Crypto-Asset Type

The HITO token is a utility token that plays a key role in the HiTower ecosystem. Its main purpose is to enable users to take advantage of the platform's functionality and participate in its development.

4.2. HITO Token Characteristics

Type of crypto-asset	Utility token
Token standard	ERC-20 on the Base network
Main function	Supporting the HiTower ecosystem, increasing its usability and liquidity
No exposure to RWA assets	The HITO token does not represent tokenized RWA assets and does not grant rights to any financial returns. While increased adoption of the HiTower ecosystem may affect demand for the token, this should not be interpreted as an entitlement to profit, return on investment, or guaranteed token appreciation. The token is purely utilitarian in nature and does not constitute a financial instrument.
Relation to the Hitower platform	No core services on the platform require HITO for access or execution. The HITO token is an independent instrument that operates on the platform alongside RWAs.

HiTower Platform Feature	Is HITO Token Required?
Transaction fees (gas fees)	❌ No
Access to tokenization services (CaaS)	❌ No
Access to premium tools and advanced features	✅ Yes
Loyalty and discount programs	✅ Yes
User tier system (segmentation based on HITO)	✅ Yes
Viewing available RWA assets	❌ No
Account registration and basic KYC	❌ No
Access to educational materials	❌ No
Participation in public events/marketing campaigns	❌ No

4.3. HITO Token and MiCA Regulations

As an utility token, HITO does not fulfil the function of an e-money token (EMT) or asset-referenced token (ART). Its main role is to ensure usability within the HiTower platform, rather than functioning as a means of payment or financial instrument. HITO Token does not incorporate equivalent rights to those granted by shares, bonds, other forms of non-equity securities or other transferable securities. It does not give the right to any profit related to the activity of the company or the business or service in question, which could even resemble a dividend in a company. Nor do holders of a HITO Token have any voting rights at the HiTower Labs company's shareholders' meeting.It is important to note that HITO Token holders not only do not receive a profit corresponding to the shareholder's dividend, but also no other profit or remuneration. Therefore, HITO Token is not a crypto-asset excluded from the scope of MiCA pursuant to Article 2(4). HITO Token will not maintain a stable value through any mechanism designed for such a purpose by the HiTower Labs. The value of HITO Token will be determined solely by market mechanisms and may be subject to changes, including a complete loss of value. Due to these characteristics, the HITO Token cannot be considered an asset-referenced token or an electronic money token. HITO Token should be classified as a crypto-asset other than asset-referenced tokens or e-money tokens.

4.4. Crypto-Asset Functionality

The HITO token qualifies strictly as a utility crypto-asset within the meaning of Regulation (EU) 2023/1114 (MiCA). It does not possess any investment characteristics and does not confer any rights to income, capital, or financial returns. Its sole purpose is to enable access to certain predefined, non-financial functionalities within the HiTower ecosystem. The HITO token is not linked, directly or indirectly, to any regulated activity, financial instrument, or tokenized real-world asset (RWA).

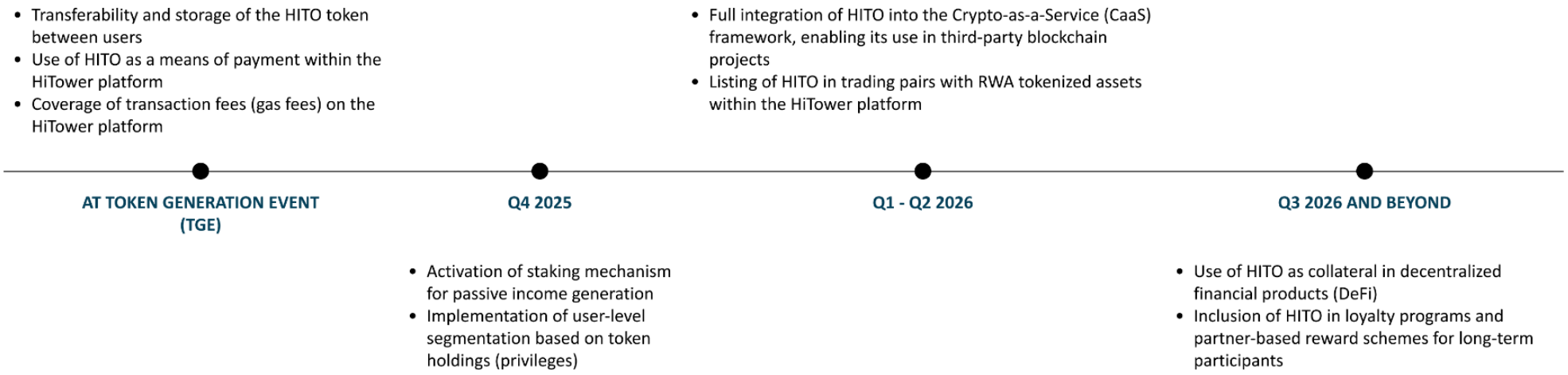
The following functionalities are available or may be made available to holders of the HITO token:

Governance Features	Participation in DAO-based governance is limited to protocol-level decisions (e.g., feature prioritization, technical parameters) and does not constitute shareholder voting or control over the legal entity. DAO participation does not provide any financial rights, revenues, or binding influence over the issuer's corporate decisions. The right to participate in DAO voting is not the same as the right to vote at a company shareholders' meeting. This right is limited to voting on changes or the introduction of new platform features or platform’s design changes. This right does not allow for key decisions to be made regarding the company responsible for the project or affiliated companies.

Discount and Preferential Access Features	HITO may be used to obtain discounts or preferential access to certain non-regulated services offered within the HiTower platform, such as platform tools or features made available to users or partners.These discounts are discretionary, non-transferable, and do not imply any economic right or return on investment. They are granted solely for operational efficiency or promotional purposes.
Loyalty and Community Participation Features	The token may be used in connection with loyalty programmes or community engagement initiatives aimed at incentivising non-financial participation (e.g., referral programmes, educational contributions, event participation). These activities do not generate any financial reward or create any claim to assets, revenue, or corporate governance. All incentives are granted on a non-contractual, non-financial basis.

All aforementioned functionalities are executed via smart contracts deployed on the Base Layer 2 blockchain (Ethereum), ensuring high throughput, operational transparency, and cost-efficient transactions.

4.5. Planned Application of Functionalities



4.6. Crypto-Asset Characteristics

Utility Token – functionality in the ecosystem	the HITO token does not directly represent RWA (Real World Assets) but fulfils a utilitarian role within the HiTower platform
	it is used for, discounts, and can also be used in reward systems and loyalty programs
ERC-20 standard on the Base network	the HITO token runs on the Base blockchain (L2 Ethereum), which ensures low transaction costs and high scalability
	the ERC-20 standard guarantees compatibility with various wallets and exchanges that support this format
No exposure to RWA assets	unlike security tokens, HITO is not directly linked to tokenized assets and does not entitle holders to any claim on the value or revenue generated by such assets or by the platform. Although demand for HITO may be influenced by platform usage, the token does not confer any rights of participation in profits, dividends, or asset ownership. Any potential changes in value are solely the result of market supply and demand; HITO is entirely independent from RWA tokens and does not reflect their performance or grant any rights to the underlying asset.
	an increase in the number of users and transactions on the platform can positively influence the demand for the HITO token
Benefits for holders	discounts on the platform – users can get preferential conditions for transactions
	participation in the ecosystem – token holders can use additional platform features, such as access to exclusive offers
	staking possibility (in the future) – HITO can be used to earn rewards in the staking system

Liquidity and availability	HITO will be available on various launchpads and listed on decentralized (DEX) and centralized (CEX) exchanges
	the possibility of exchanging and trading increases its investment attractiveness

4.7. RWA Token – Real-World Asset Instruments

RWA Tokens are separate digital assets issued during the process of tokenizing real-world assets on the HiTower platform. They represent a claim to ownership or a right defined in legal agreements related to the underlying asset. RWA Tokens are not utility tokens, and their classification (e.g. as financial instruments) will depend on the asset class and jurisdiction.

HITO is not interchangeable with RWA Tokens and does not confer any ownership or investment rights in connection with such tokens.

4.8. LEI Eligibility

The issuer is eligible for a Legal Entity Identifier (LEI) because it plans to conduct operations on regulated and over-the-counter (OTC) markets in the future as part of its real-world asset (RWA) tokenized business.

LEI code: 98450096AADAF7K4BB63

5. Information on the rights and obligations attached to the crypto-assets

5.1. Purchaser Rights and Obligations

HITO holders have the right to use the token to vote in governance processes, and access premium features. The right to participate in DAO voting is not the same as the right to vote at a company shareholders' meeting. This right is limited to voting on changes or the introduction of new platform features or platform's design changes. This right does not allow for key decisions to be made regarding the company responsible for the project or affiliated companies. They must comply with applicable KYC/AML regulations and ensure secure custody of their private keys. Token ownership does not confer equity rights or profit participation.

5.2. Exercise of Rights and Obligation

HITO token holders are entitled to a range of rights within the HiTower ecosystem, all governed and enforced through automated, audited smart contracts. These include the right to receive tokens, request refunds, trade on secondary markets, and access platform functionalities. Importantly, none of these rights confer economic claims on the issuer, nor do they constitute any form of legal, financial, or ownership entitlement. Participation in governance or other utilities shall not be interpreted as investment rights.

The HITO token is strictly a utility instrument within the platform (see point 4.2) and should not be interpreted as a financial instrument under EU law. All rights and functionalities are defined within the ecosystem and are implemented in line with the MiCA regulatory framework.

In all interactions with the HiTower smart contracts (e.g. deposits, refunds, voting, token purchases), the user is responsible for paying the associated gas fees on the Base network. These costs are mandatory and non-refundable.

HITO Token Holders rights	
Token Allocation	After the public offering and refund period ends, HITO tokens are distributed to the BASE-compatible wallet address specified by each user. Only those who submitted an eligible deposit and did not withdraw from the offer will receive tokens.
Right of Withdrawal and Refund	Buyers may withdraw from the token purchase agreement within the designated timeframe by submitting a written request (e.g., via email). Refunds are processed automatically in line with the platform's refund policy. If the public offering is cancelled or fails to meet its minimum threshold, all affected participants will be refunded directly via the platform's smart contract infrastructure.
Trading Rights	Following token distribution, holders may freely transfer or trade their HITO tokens on supported decentralized exchanges (DEXs), provided they use compatible wallets.
Utility Rights	HITO tokens provide access to various platform features, automatic discounts based on token holdings, eligibility for loyalty programs and referral-based rewards, redemption of benefits and exclusive features within the HiTower ecosystem. No core services on the platform require HITO for access or execution.

HITO Token Holders obligations	
To maintain the integrity, transparency, and compliance of the ecosystem, token holders are required to:	use a wallet that supports the HITO ecosystem (Base) network and maintain sufficient balance for transaction fees
	comply with Know Your Customer (KYC) and Anti-Money Laundering (AML) regulations, and fulfil tax or financial reporting obligations according to their jurisdiction
	securely manage their private keys and report any suspected security breaches to the platform without delay
	use tokens solely in accordance with the rules, terms, and conditions of the HiTower ecosystem

Limitations of HITO Token Rights	
Ownership of HITO tokens does not confer:	any entitlement to profits, dividends, or capital guarantees
	equity rights, voting power in the issuer’s corporate matters, or legal ownership of assets

5.3. Conditions for Modifications of Rights and Obligations

The terms and conditions of the public offering, including the rights of buyers (e.g. right of return, allocation of tokens) and their obligations (e.g. contribution limits, technical requirements), are defined in advance and communicated transparently. This guarantees stability and predictability for all participants. In the unlikely event that unexpected circumstances require changes, participants will be informed immediately, and any modifications will comply with the regulations in force to protect buyers' interests.

5.4. Issuer Retained Crypto-Assets

The issuer plans to retain the following number of Tokens - 40 000 000 HITO. The amount applies to the team and treasury pools, as per Allocation section

5.5. Utility Tokens Redemption

The HITO token has a utilitarian function in the HiTower ecosystem and can be exchanged for certain services and benefits available on the platform. The mechanism for exchanging tokens for goods and services is automatic, according to the conditions defined in the HiTower ecosystem.

5.6. Crypto-Assets Purchase or Sale Modalities

After the public offering, HITO tokens will be available for purchase or sale on at least one decentralised exchange (DEX) or centralised exchange (CEX).

Information about the listing of HITO tokens on exchanges will be announced on the official project website.

5.7. Supply Adjustment Mechanisms

To promote long-term value and reduce circulating supply over time, the following **deflationary mechanisms** are implemented:

Token burn	10% of every transaction fee paid in HITO is automatically burned (permanently removed from circulation) by a smart contract. This mechanism reduces the circulating supply over time and is intended to increase scarcity and long-term value of the token. The burn percentage may be adjusted in the future based on DAO voting and community consensus, within a permitted range of 5% to 20%. This mechanism is triggered on-chain and recorded transparently.
No re-minting	Once burned, tokens cannot be reissued or reintroduced into circulation.
Supply ceiling	There is a hard cap of 200 million HITO tokens. No minting beyond this limit is technically possible within the deployed smart contracts.

5.8. Applicable Law and Jurisdiction

This whitepaper and any claims or disputes arising out of or in connection with the HITO token shall be governed by and construed in accordance with the laws of Estonia. Any such disputes, including matters related to the validity, nullity, violation or termination, shall be subject to the exclusive jurisdiction of the Estonian courts.
Address of the Harju County Court: Harju Maakohus, Lubja 4, 10115 Tallinn, Estonia

6. Information on the underlying technology

Distributed ledger technology	
General Information on Distributed Ledger Technology	Distributed Ledger Technology (DLT) describes a decentralized and distributed network system architecture where multiple participants maintain and verify a shared database. Unlike traditional databases, DLT systems do not rely on a central authority to ensure data consistency and security. Rather, they distribute control across a network of computers (nodes) and require all changes to be recorded and agreed by the nodes. This distributed approach enhances the resilience and security of such a system, and transparency of the data stored in it without the need for trust between the actors of the systems.
Blockchain technology	Blockchain technology is a subset of DLT, where the distributed database maintains a continuously growing list of records, called blocks, which are linked together in chronological order and secured using cryptographic techniques.
Distribution	A blockchain operates on a network of nodes, each holding a copy of the ledger and each participating in the transaction verification and synchronization process.
Security	Blockchain employs advanced cryptographic methods to secure data. Each block contains a cryptographic hash (a 'digital fingerprint') of the previous block, a timestamp, and transaction data. This structure ensures that once data is recorded, it cannot be altered retroactively without also changing all subsequent blocks, which would require consensus from the majority of the network nodes.
Transparency and Immutability	Transactions on a blockchain are usually visible to all participants in the network, providing transparency. Once a transaction is confirmed and added to the blockchain, it is virtually immutable due to the cryptographic methods used, meaning it cannot be changed or deleted.

The BASE Blockchain	
Characteristics of blockchain BASE	BASE is a layer 2 solution for Ethereum, developed by Coinbase in collaboration with Optimism. Its aim is to increase scalability and reduce transaction costs on the Ethereum network.
Layered architecture	BASE is based on a layered architecture, using optimistic rollup technology. It acts as a layer 2 on Ethereum, which means that transactions are processed off-chain and then grouped into bundles (rollups) that are sent to the main Ethereum network. This allows BASE to achieve higher throughput and lower transaction fees while benefiting from the security and decentralization of the parent network.
Smart contracts and native assets	BASE is fully compatible with the Ethereum Virtual Machine (EVM), which allows developers to easily create and deploy smart contracts and decentralized applications (dApps) without having to modify the code. It is worth noting that BASE does not have its own native token; instead, it uses Ether (ETH) as the main currency for transaction fees and network operations. In addition, USDC is available natively on BASE, which facilitates stablecoin operations without the need for cross-chain bridges.
Transaction volume	BASE processes around 24 transactions per second, which is sometimes higher than the activity on the underlying Ethereum network.
Consensus mechanism	BASE uses optimistic rollup technology, which assumes that transactions are valid until they are challenged. Transactions are grouped and sent to the Ethereum mainnet, which ensures finality and security thanks to its Proof-of-Stake (PoS) consensus mechanism.
Energy efficiency	Thanks to the use of the Proof-of-Stake mechanism in the Ethereum network and optimistic rollups, BASE is characterized by high energy efficiency. The reduction in energy consumption compared to traditional Proof-of-Work mechanisms makes BASE a more environmentally friendly solution.

Ecosystem of developers and users	BASE offers full EVM compatibility, enabling developers to easily migrate existing applications and build new decentralized applications (dApps) without the need to rewrite code. Access to comprehensive tools and resources provided by Coinbase further accelerates the development and integration process. At the same time, end users benefit from low transaction fees and fast confirmations, ensuring a smooth and efficient experience. The integration with the broader Coinbase ecosystem also facilitates seamless access to a wide range of blockchain-based services and applications.

The BASE Blockchain	
Transaction costs	BASE, as a layer-two solution, significantly reduces transaction costs compared to the main Ethereum network. Thanks to optimistic rollup technology, transaction fees on BASE are much lower, making it attractive to users and developers looking for cost-effective solutions in the Ethereum ecosystem.
Security mechanisms	BASE implements a comprehensive set of security mechanisms to ensure the integrity and reliability of the network. Within its optimistic rollup architecture, all transactions are initially considered valid unless challenged. Participants in the network are given a designated timeframe to detect and report any irregularities, supporting the fairness and trustworthiness of the system. Each data block is protected using cryptographic hashes, creating an immutable chain where altering one block would require modifying all subsequent ones—a task that is virtually impossible—thus preserving data integrity. To further enhance security, BASE operates bug bounty programs that incentivize the developer community to identify and report vulnerabilities, enabling rapid response and mitigation of potential threats.

BASE as the best choice for HITO	
Suitability of BASE for the HITO Token	BASE is an efficient, secure, and low-cost blockchain that meets all the requirements of the HITO token. Its low transaction costs make it ideal for daily operations and microtransactions. The underlying security model of Ethereum, combined with the fraud-proof nature of optimistic rollups, ensures network stability and decentralization. Support for the token burning mechanism contributes to maintaining the long-term value of HITO, while integration with the Coinbase ecosystem facilitates broader adoption and enhances usability within decentralized applications.
BASE and Ethereum PoS	Although the HITO token itself does not provide inherent network security or resilience, it operates on BASE - a Layer 2 blockchain built on Ethereum's Proof of Stake (PoS) model. It is this PoS infrastructure that ensures a secure, energy-efficient, and robust environment for the token's operation. As such, PoS contributes to sustainability by minimizing energy consumption and supporting a resilient network architecture. Additionally, staking mechanisms will allow HITO holders to passively earn rewards, further incentivizing long-term engagement.

Protocols and Technical Standards	
Consensus Mechanism	HITO operates on a Proof of Stake (PoS) consensus mechanism.
Smart Contract Standards	HITO will use ERC-20 standard smart contracts to ensure compatibility with existing blockchain ecosystems.
Smart Contract Audits	The HITO token smart contracts will be audited after they have been created, but before the distribution date.
Interoperability & Compliance Readiness	HITO is built for interoperability, enabling cross-chain compatibility with major DeFi and CeFi platforms, and supporting real-time regulatory reporting for enhanced compliance.
Wallet Compatibility and Transferability	Users can store HITO tokens on ERC-20 compatible wallets such as MetaMask, Coinbase Wallet or Trust Wallet, and transfer them freely between addresses using the Base network. Exchanges and transfers are carried out through smart contracts on the Base blockchain, which ensures immutability, transparency and security of transactions.
Data Security & Privacy Standards	HITO applies strong encryption and decentralized identity solutions to protect user data and ensure compliance with GDPR and AML/KYC regulations.

7. Information on risks

7.1. Risk Assessment and Classification Methodology

This section presents a detailed analysis of the risks associated with the HiTower project, as required by European Parliament and Council Regulation (EU) 2023/1114 ("MiCA"). The purpose of this analysis is to provide potential investors and stakeholders with a full picture of the risks that may affect the project, its regulatory compliance, operational safety and the value of the HITO token.

Each risk was assessed according to a uniform methodology including:

a. probability of occurrence - rated on a three-point scale: low / medium / high
b. effects of risk materialization - determining the impact of an event on the project, its participants and investors
c. description of the nature of the risk - including a detailed explanation of the source and potential consequences

In addition, for greater clarity, risks have been grouped according to their source and nature, allowing for a better understanding of their impact on different areas of project operations.

The analysis is qualitative and indicative. The identified risks may evolve over time with changes in the regulatory, technological or market environment, and their assessment will be regularly updated as the project continues to develop.

7.2. Offer Related Risks

The risks in this category relate to the stage of offering the HITO token to investors, including the terms of its distribution, liquidity, and regulatory and operational aspects accompanying the issuance. Their occurrence may affect the limitation of the token's availability, the level of investor interest, the quality of KYC/AML processes and potential barriers to trading the token on the secondary market.

Name	Description	Probability	Effect
High price volatility	The token price may fluctuate strongly due to low liquidity, investor sentiment and market speculation.	High	Sudden declines in the value of investments can result in financial losses and investor outflows.
Regulatory risk (jurisdictions)	Changing crypto-asset regulations in various countries may limit the ability to offer or trade the HITO token.	High	The possibility of having to shut down operations in certain countries, which will affect the scale of the project.
Distribution risk (KYC/AML)	Differences in KYC/AML regulations may prevent certain users from acquiring a token, even if they are interested in investing.	Medium	Reduced availability of the token, fewer investors and lower adoption.
Low liquidity of the token	The HITO token may initially be available only on a limited number of exchanges, reducing the ability of investors to buy or sell tokens quickly.	Medium	Difficulty in selling tokens, decreased liquidity in the secondary market, greater vulnerability to price fluctuations.
Counterparty risk	HiTower Labs relies on third-party partners - including technology companies developing UI/UX, smart contract providers, exchange operators and custody services. Contractor defaults or financial problems could disrupt the issuance and distribution of the HITO token, as well as affect its security.	Medium	Potential loss of some funds, delays in implementation, deterioration of the project's reputation among investors.

7.3. Issuer-Related Risks

The risks in this category directly affect the entity responsible for issuing the HITO token and implementing the HiTower project roadmap. They include, but are not limited to, financial, operational, regulatory and image issues that may affect the stability and effectiveness of the issuer as an organization running the project. Their occurrence could translate into a limitation of the platform's ability to develop, a halt to operations or a loss of confidence on the part of investors.

Name	Description	Probability	Effect
Regulatory compliance risk (MiCA, other)	HiTower Labs is pursuing the issuance of the HITO token under MiCA compliance and licenses in the Liechtenstein market, but the interpretation of regulations - particularly with regard to asset classification, required registrations and cross-border offerings - remains ambiguous. Additionally, the international expansion plan may require additional approvals from local regulators. Also at risk is the integration of staking functions, DAOs, partner programs or the Compliance-as-a-Service model, which may qualify as regulated instruments.	High	Risk of administrative sanctions, need to reorganize offerings, increase in legal costs.
Market risk	The value of the HITO token and the attractiveness of the project can be strongly influenced by external factors: investor sentiment, macroeconomic changes, monetary policy, commodity prices and the geopolitical situation. As HiTower Labs operates at the intersection of traditional asset markets and the world of cryptocurrencies, negative impulses from both spheres may accumulate and affect investor interest, trading volumes or the token's price.	High	Extreme fluctuations in the HITO rate independent of project activities.
Operational risk	HiTower's team is responsible for managing distributed legal, technological and business processes (Liechtenstein - regulations, Poland - operations, partners - global). Organizational problems or inappropriate strategic decisions could affect operational inefficiency. There is also a risk of overloading the executive team during critical phases (TGE, asset onboarding, smart contract audits).	Medium	Delays in implementations, communication chaos, loss of stakeholder trust.

Name	Description	Probability	Effect
Issuer financial risk	HiTower Labs is at an early stage of development, and its financing is currently based on proceeds from the HITO token issuance and subsequent fundraising rounds. The project is not yet generating stable, recurring operating revenues, and its cash flow depends on the effectiveness of the TGE (Token Generation Event) campaign and the pace of asset tokenization (RWA) implementation. In addition, regulatory compliance costs (MiCA, AML/KYC) and technology integrations (e.g., with exchanges, custody, on-ramp) generate significant financial liabilities. There is a risk that the issuer may not be able to raise sufficient funding to sustain its operations, which may lead to liquidity shortages or, in the worst case, insolvency.	Medium	HiTower may experience project delays, operational reductions or require restructuring. HITO token holders do not hold any ownership rights in the issuer and are not entitled to any reimbursement or capital guarantees in the event of insolvency.
Industry risk (RWA, blockchain)	The Real World Assets (RWA) tokenization sector is in its formative stages, and still lacks stabilized standards, interoperability and a uniform regulatory environment at the global level. At the same time, the development of blockchain technology (e.g., L2, modularity, ZKP) is dynamically changing the way infrastructure projects are implemented. HiTower may find it difficult to adapt to sudden changes or lose its competitive edge against better-funded or more experienced players.	Medium	Loss of implementation momentum, need to change operating model or technology pivot.
External partner risk	The HiTower project relies on collaboration with a number of technology, legal, marketing and infrastructure partners (e.g. EMBIQ, Bitcan, Authologic, external law firms). The loss of any of the key partners or their insolvency could disrupt the platform or force time-consuming and costly integration changes.	Medium	Downtime, errors, loss of data or lack of regulatory compliance.

Name	Description	Probability	Effect
Tax and AML risk	As a cross-border platform, HiTower Labs must take into account the differing fiscal and AML approaches in different jurisdictions. The HITO token, as a utility token, may be considered a tax or financial asset in some countries, requiring precise interpretations and adjustments to reporting processes. In addition, the platform integrates third-party solutions to KYC (e.g., Authologic), which involves operational and regulatory risks in the transfer of the data.	Medium	Need to adjust processes, incur compliance and reporting costs.
Reputational risk	As a public and regulated project, HiTower Labs is particularly sensitive to reputational issues. Ties to other Web3 industry players that may be considered controversial, as well as potential security incidents (e.g., hacking of smart contracts, unauthorized access to user data) could affect investors' and regulators' perceptions of the project. Reputation can also suffer as a result of ill-considered marketing communication or media blunders.	Medium	Limited market confidence, difficulty in establishing partnerships.
ESG Risk	Although HiTower Labs is focused on tokenizing physical assets, the project currently lacks an integrated ESG (Environmental, Social, Governance) reporting system. With the increased importance of these criteria in the investment decisions of institutions (e.g., family office funds, VCs), the lack of sustainability transparency could reduce the attractiveness of the project.	Low	Loss of institutional interest if the project does not adequately report ESG.

7.4 Crypto-Asset-Related Risks

These risks arise from the characteristics of the HITO token as a digital asset operating in a blockchain environment. They include, but are not limited to, price volatility, low adoption, cyber threats, asset storage issues and smart contract security issues. Their materialization could lead to loss of token value, user funds or disruption of the HiTower ecosystem.

Name	Description	Probability	Effect
HITO price volatility	As a publicly traded asset, the HITO token will be subject to market mechanisms, and its price may react strongly to changes in investor sentiment, media information or global trends in the Web3 industry. Due to the relatively low trading volume in the early stage of the project and the limited availability of the token (vesting, deflation, lack of farming), strong fluctuations in the price are possible, especially in the first months after the TGE.	High	Sudden loss of value for investors.
Cyber threats	The project's infrastructure - including HITO's smart token contracts, user interface, DAO staking and management systems - could be the target of phishing, exploit, DDoS or unauthorized access attacks. Although HiTower Labs plans to subject smart contracts to security audits and employ multi-layered security measures (including multi-sig, address whitelists, cold storage), cyber threats are a significant component of risk in the Web3 sector.	High	Loss of funds, seizure of user accounts.
Attacks on stock exchanges / smart contracts	The HITO token will be listed on third-party exchange platforms and functions with its own smart contracts implemented on the platform. In case of vulnerabilities in the code, lack of audits or integration errors, attacks leading to theft of funds, manipulation of the exchange rate or destabilization of token issuance and burning mechanisms are possible.	High	Theft of funds, loss of credibility of the project.

Name	Description	Probability	Effect
Low adoption	Despite the infrastructure that has been built, the RWA asset tokenization market is still in the education phase. An insufficient number of partners willing to tokenize their assets through HiTower platform, a lack of integration with financial institutions or low interest in HITO token staking may translate into low activity in the ecosystem.	Medium	Low value, lack of liquidity and limited ecosystem development.
Loss of private keys	Users who store HITO tokens in non-custodial wallets are fully responsible for the security of their private keys. If they are lost, the HiTower platform does not offer a mechanism to recover access to the tokens. This also applies to DAO members or stakers managing pools.	Medium	Irretrievable loss of investment.
Fiduciary risk (custody)	For users using custodial solutions (e.g., exchanges, mobile apps), loss of access to a service provider, its bankruptcy or a hacking attack could mean a permanent loss of funds. HiTower platform uses third-party custody solutions (including an optional institutional model), which involves operational risk.	Medium	Permanent loss of user assets.
Risk of low market liquidity	Even with HITO token listing on exchanges, the number of active investors and market participants may be limited in the first months. In addition, institutional investors operating in the RWA market do not always engage in trading on public exchanges. High spreads, lack of market makers or too small volumes may make it difficult to execute larger token buy/sell orders.	Medium	Difficulty in executing orders, decrease in investor interest.

7.5. Project Implementation-Related Risks

Implementation risks relate to practical aspects of the HiTower project, such as schedule execution, team and partner dependencies, funding stability and operational efficiency. Delays, staff shortages or the withdrawal of key players can negatively affect the pace of platform development, investor confidence and the ultimate success of the project.

Name	Description	Probability	Effect
Team dependency	The HiTower project is heavily dependent on the expertise of key team members, including those responsible for regulation, blockchain architecture, investor relations and technology partners. The loss of any of these human resources - especially during the implementation phase of the TGE or commercialization of the tokenization model - could slow down implementations and make it difficult to continue operations.	Medium	Their departure can hinder development and destabilize operations.
Technological delays	The development of HiTower's technology components - including integration with blockchain, gas fee system, DAO and asset tokenization partner onboarding tool - may encounter programming issues, external dependencies (audits, integrations) or unexpected schedule shifts. In particular, testing smart contracts and token management in a cross-chain environment requires additional validation.	Medium	Decreased investor confidence, delayed functionality.
Risk of partnerships	The implementation of HiTower's business model involves working with partners to tokenize RWA assets, KYC solution providers, payment gateways (on-ramp/off-ramp) and financial tool providers (e.g. custody, audits, valuations). The withdrawal of any of the strategic partners could delay market entry, reduce coverage or undermine the roadmap. The RWA Tokens will be issued or offered by a company based in Liechtenstein, which is affiliated with the Issuer through capital or personnel. This company will be responsible for the technical aspects of the issue and for ensuring that it complies with the law.	Medium	Lack of functionality, weaker market exposure.

RWA tokens constitute “Tokens” within the meaning of the TVTG regulations, which will involve compliance with certain legal standards related to their issuance and offering. In particular, the entity responsible for their issuance may be required to prepare basic information in accordance with the following provisions; publish the basic information in an easily accessible manner; and report the token issuance to the FMA.

The Issuer assumes that RWA Tokens will not be considered a financial instrument. In the event of a contrary interpretation, the entity responsible for their issuance will meet the necessary legal requirements, such as publishing a prospectus or obtaining a license to operate a trading platform.

For a crypto-asset to be recognised as a transferable security under MiFID II, it must be negotiable, transferable, and encapsulate rights attached to securities.

RWA Tokens will be transferable, but to a limited extent, taking into account the functioning of the order book mechanism. The possibility of selling RWA Tokens on the capital market is similarly limited. RWA Tokens will be available only on the platform operated by their issuer, which is also the owner or disposer of all tokenised assets, not making the assets, including those tokenised, available to other entities. The above indicates that the RWA Tokens issuer will not operate a platform for trading in financial instruments. In the event that RWA Tokens are recognised as financial instruments, it should be remembered, however, about the exclusions from the obligation to prepare a prospectus.

According to EWR-WPPDG: “Exemption from the obligation to publish a prospectus Offers of securities to the public are exempt from the obligation to publish a prospectus in accordance with Art. 3 (1) of Regulation (EU) 2017/1129, insofar as: a) these offers are not subject to notification in accordance with Art. 25 of Regulation (EU) 2017/1129; and b) the total consideration of such an offer in the European Economic Area (EEA) is less than a monetary amount calculated over a period of 12 months which shall not exceed EUR 8 000 000 or the equivalent in CHF”. Therefore, if a given instrument meets the amount requirements presented above and was not issued in another Member State as the home Member State, the requirement to draw up a prospectus will not apply.

	As indicated above, the RWA Token should not be classified as a financial instrument. Otherwise, however, it should also be referred to whether the RWA Token Issuer will run a financial instruments trading platform. Users will have the option of listing the RWA Token for sale on the platform itself. Nevertheless, the individual types of RWA Token will be the only instruments available on the platform. Moreover, the platform will play a role similar to a "notice board", where users publish their announcements, and the RWA Token issuer, as the platform administrator, only provides the technical infrastructure for conducting transactions, without being involved in their course or execution. In the event that the supervisory authorities issue a general or individual interpretation establishing that the RWA Token issuer's activities related to running the platform in the scope of the secondary market constitute the organization of a place of trading in financial instruments, the RWA Token Issuer will obtain the necessary license in this respect or use the services of a third-party provider offering such regulated services.		
Instability of funding	The HiTower platform assumes raising financing from the issuance of the HITO token and subsequent phases of cooperation with institutional partners (e.g. family offices, VCs). If one of the investment rounds fails, cash flow is reduced or there are delays in accessing operational funds, some deployments may have to be halted or reduced.	Medium	Interruption of key deployments or reduction in scale of operations.

7.6. Technology-Related Risks

Technology risks relate to the digital infrastructure used by the HiTower project, including blockchain, smart contracts, management systems and dependence on third-party technology providers. They include potential crashes, code vulnerabilities, scalability limitations, and risks arising from technology developments (e.g., cryptography). Their occurrence can result in loss of funds, destabilization of the system or reduced user confidence in the platform.

Name	Description	Probability	Effect
System failure	HiTower relies on a decentralized blockchain infrastructure, supplemented by off-chain components (e.g. dashboards, backend for KYC, DAO panels). Failure of key components - such as integration APIs or platform backend - can lead to temporary platform unavailability, blocked transactions or settlement errors.	Medium	Platform unavailability, transaction delays.
Scalability issues	If a project is successful and the number of users, assets, and transactions increases exponentially (e.g., with tokenization of real estate or funds), the technical infrastructure may not be sufficiently prepared for the increased load. This applies to both the blockchain layer (bandwidth) and the application layer (interfaces, databases, integrations with exchanges).	Medium	High fees have reduced the quality of service.
Dependence on technology providers	Some components of the HiTower ecosystem (e.g., onboarding software, off-chain processing servers, fiat-crypto payment gateways) are provided by third parties. Failure, bankruptcy or cessation of cooperation with these entities could disrupt the entire platform and require urgent implementation of alternative solutions.	Medium	Critical errors in the functioning of the platform.
Lack of economic self-sufficiency	HiTower is aiming for a model in which the platform's operations are funded by tokenization commissions, staking fees and HITO token usage. However, if the number of RWA partners and users does not reach an adequate level, the ecosystem may require additional external funding.	Medium	The need to change the operating model or close it down.

Name	Description	Probability	Effect
Consensus errors /forks	HiTower implements custom functions related to gas fees, token burning and DAO. If the consensus algorithm or the mechanics of interacting with the main network (e.g. Ethereum) are poorly designed or become inconsistent, unplanned forks or split transaction histories can occur.	Medium	Network fragmentation, transactional chaos.
Errors in blockchain code	Despite testing and auditing, the blockchain protocol code on which HiTower is based may contain logical or implementation errors. Changes to the tokenization module, gas fee allocation and privilege management functions are particularly risky. In case of errors, it is possible to manipulate the logic of the platform's operation or expose funds.	Medium	Possibility of manipulation and attacks.
Gaps in smart contracts	HITO token and staking, DAO and issuance functions are based on a set of smart contracts. Even after audits, they may contain non-obvious vulnerabilities (e.g., re-entrancy, integer overflow, manipulation by MEV). These vulnerabilities can be exploited to steal funds, manipulate voting results or disable protocol functions.	Medium	Loss of funds or faulty execution of logic.
Dependence on infrastructure	HiTower's platform requires continuous operation of server infrastructure (backends, APIs, dashboards), stable internet connections and hosting services. Technical interruptions on the part of vendors (e.g., AWS, Hetzner, Cloudflare) or physical hardware failures can affect platform performance and access to user functions.	Medium	Lack of service availability.
Governance Risk	HiTower assumes the implementation of a DAO model, in which HITO token holders will be able to co-determine the direction of the platform, resource allocation and partner integrations. If voting mechanisms are designed too centrally (e.g., the prevalence of so-called "whales") or are vulnerable to Sybil attacks, there could be a loss of community trust and decisions that are not in the best interest of the project.	Medium	Lack of community acceptance, forums, and a decline in trust.

Name	Description	Probability	Effect
Privacy risk	HiTower platform, as a project running on a public blockchain, processes some data transparently - which, with proper analysis, can lead to de-anonymization of users. Despite the use of pseudonymization systems and off-chain KYC data processing, analytical methods (e.g., chain analysis) may be able to identify users or their activities.	Medium	Loss of anonymity, risk of phishing.
Data damage	HiTower platform stores and processes data on users, staking history, DAO votes, partner onboarding and asset tokenization information. Damage to this data - due to system errors, server crashes or sabotage - can lead to inconsistencies in account balances and settlements between participants.	Medium	Discrepancies in account balances, incorrect settlements.
Dependence on third parties	HiTower platform uses a number of third-party service providers: wallets (e.g., MetaMask, WalletConnect), exchanges (DEX and CEX), KYC solutions, fiat-onramp operators and audit firms. The loss of any of these elements - for technical, regulatory or business reasons - could disrupt the availability of services or affect the security of funds.	Medium	Lack of operational capacity, loss of funds.
Technological threats (e.g., cryptography)	HiTower platform bases transaction security on standard cryptography (ECDSA, hash SHA-3). In the long term, the development of quantum computers or new cipher cracking techniques could threaten the integrity and privacy of the blockchain. Although this risk is theoretical at present, the lack of a plan to migrate to post-quantum algorithms in the future could threaten the sustainability of the system.	Low	Potential compromise of blockchain security.
Lack of finality and irreversibility	Transactions executed on the HiTower platform blockchain (including HITO token transfer, DAO participation, staking) are irreversible. This means that incorrect transfers, mistakes in entering wallet addresses or phishing-influenced actions cannot be undone by the system administrator.	Low	Permanent loss of funds on an incorrect transfer.

7.7. Mitigation Measures

Audit of smart contracts (Security Audit) - Smart contracts HITO will undergo comprehensive security audits to identify and eliminate potential vulnerabilities and exploits. As a result, the HITO ecosystem will ensure a high level of security and operational reliability for all users.

Backup and system redundancy – HiTower platform uses distributed data storage systems and backups to minimize the impact of potential failures.

Planning and roadmap for development – The project follows a clear development strategy that considers infrastructure scaling and integration with IBC.

Third-party risk for the HITO token - HITO only cooperates with reputable exchanges and wallet providers to minimize the risk of security breaches. Users can store the token in decentralized or hardware wallets, reducing dependence on third parties.

8. Information on the sustainability indicators in relation to adverse impact on the climate

Adverse impacts on climate and other environment-related adverse impacts.

8.1. Key Indicator on Energy Consumption

The total amount of energy consumed to validate transactions and maintain the integrity of the distributed ledger, expressed per calendar year.

0.0008 - 0.004 kWh per transaction in 2025 - forecasted
640 - 3 200 kWh / annually - forecasted

8.2. Energy Consumption Sources

Ethereum Foundation	The Ethereum Foundation provides data on Ethereum's transition to Proof of Stake (PoS) and its energy efficiency improvements post-Merge (September 2022) - https://ethereum.org/
Cambridge Bitcoin Electricity Consumption Index (CBECI)	While focused on Bitcoin, CBECI provides a methodology for estimating energy consumption in blockchain networks, which can be adapted for other chains - ccaf.io/cbeci
Coinbase and Base Documentation	Coinbase, the creator of Base, provides technical documentation on how Base operates as an Optimistic Rollup and its energy efficiency compared to Ethereum Layer 1 - https://base.org/

Research Papers on Layer 2 Solutions	Academic and industry research on Optimistic Rollups and Layer 2 scaling solutions provide insights into energy consumption reductions. Example: Research by the Ethereum Research team and organizations like the Ethereum Climate Platform.
Digiconomist	Digiconomist provides estimates for energy consumption of Ethereum and Bitcoin, which can be used as benchmarks - https://digiconomist.net/

8.3. Energy Consumption Methodologies

The HITO project has not yet been launched, so all information regarding its environmental impact is an estimate. These estimates are based primarily on technological data and research on the Base blockchain.

1. Energy Consumption per Transaction on Ethereum (PoS).

Ethereum's energy consumption post-Merge is estimated based on the number of validators and their energy usage. The average energy consumption per transaction is calculated by dividing the total network energy consumption by the number of transactions processed.

Energy per transaction (Ethereum) = Total network energy consumption / Number of transactions.

Post-Merge, Ethereum's energy consumption dropped by over 99%, resulting in ~0.03 kWh per transaction.

2. Energy Consumption per Transaction on Base (Layer 2).

Base, as an Optimistic Rollup, aggregates thousands of transactions into a single batch, which is then submitted to Ethereum. The energy consumption per transaction is significantly lower because the computational load is offloaded from Ethereum Layer 1.

Energy per transaction (Base) = Energy per batch / Number of transactions per batch.

Based on this, Base's energy consumption per transaction is estimated to be 0.001 – 0.005 kWh.

3. Forecast for 2025.

Impact of Increased Adoption: If Base gains more popularity, the number of transactions may increase, but the energy consumption per transaction is likely to remain at a similar level or even decrease due to technological optimizations.

Optimization of Rollup Technology: In 2025, further improvements in Optimistic Rollups technology are expected, which could reduce energy consumption per transaction by 10–20%.

Ethereum Efficiency: Since Base relies on Ethereum, any improvements in Ethereum's energy efficiency (e.g., through the introduction of proto-danksharding or other upgrades) will positively impact Base. This could further reduce energy consumption per transaction.

4. Estimated Energy Consumption per Transaction in 2025.

Base: It is projected that the energy consumption per transaction on Base in 2025 will be approximately 0.0008–0.004 kWh.

5. Comparison with Other Blockchains.

Bitcoin: ~ 700–1000 kWh per transaction (Proof of Work).

Ethereum Layer 1 (PoS): ~ 0.03 kWh per transaction.

Base (Layer 2): ~ 0.001–0.005 kWh per transaction (2024), 0.0008–0.004 kWh (2025 forecast)

ACRONYMS AND ABBREVIATIONS

In this document, several technical acronyms and abbreviations are used, primarily related to blockchain technology, finance, and crypto-asset regulation. To enhance readability and ensure transparency, the following list provides brief explanations of each term. Understanding these concepts is essential for grasping the fundamentals of the HITO project and the environment in which it operates.

1. **HITO** – The native token and brand name of the project described in this whitepaper. It is not an acronym but plays a central role in the ecosystem.
2. **BASE** – A Layer 2 blockchain network developed by Coinbase, built on the OP Stack (Optimism). It enables scalable dApps with low fees.
3. **USDC** – USD Coin. A stablecoin pegged to the US Dollar, issued by Circle. Widely used in DeFi and digital payments.
4. **RWA** – Real World Assets. Tokenized versions of tangible assets like real estate, art, or bonds, represented on the blockchain.
5. **RWA Tokens** - tokens representing tokenized rights to RWA, incorporating specific legal or economic rights to the underlying assets.
6. **DAO** – Decentralized Autonomous Organization. An organization governed by smart contracts and community consensus, without centralized leadership.
7. **MiCA** – Markets in Crypto-Assets. An EU regulation framework aimed at increasing security and transparency in the crypto-asset market.
8. **DLT** – Distributed Ledger Technology. The foundational technology behind blockchains, ensuring data integrity and decentralization.
9. **DeFi** – Decentralized Finance. A movement for creating open financial systems without intermediaries, based on blockchain and smart contracts.
10. **KYC** – Know Your Customer. A compliance process for verifying the identity of users in financial and crypto services.
11. **AML** – Anti-Money Laundering. A set of laws and practices aimed at preventing illicit financial activity.
12. **DEX** – Decentralized Exchange. A platform for trading crypto-assets directly between users, without a central intermediary.
13. **CEX** – Centralized Exchange. A crypto trading platform operated by a centralized organization (e.g., Binance, Coinbase).

14. **VC** – Venture Capital. Private equity provided by investors to startups and early-stage companies with high growth potential.

15. **API** – Application Programming Interface. A set of tools enabling communication between different software applications.

16. **GDPR** – General Data Protection Regulation. A regulation in EU law on data protection and privacy for individuals, impacting how personal data is collected, stored, and processed.

17. **IBC** – Inter-Blockchain Communication. A protocol that allows independent blockchains to exchange data and assets in a secure and decentralized way. Widely used in the Cosmos ecosystem to enable interoperability between different blockchain networks.

18. **EFSA** – Estonian Financial Supervision Authority. The competent authority responsible for supervising the compliance of crypto-asset issuers with MiCA in Estonia.

19. **EU** – European Union. A political and economic union of 27 Member States located primarily in Europe. The EU operates a single internal market with standardized laws, including regulations relevant to financial services and crypto-assets.

20. **EVM** – Ethereum Virtual Machine. A decentralized computing environment that allows smart contracts to run on the Ethereum blockchain and compatible networks including Base blockchain and HiTower platform. It enables developers to deploy decentralized applications (dApps) using a standardized programming model across all EVM-compatible chains

21. **TGE** – Token Generation Event. The official moment when a new token is created (minted) and made available for use or distribution. It typically marks the beginning of the token's existence on the blockchain and often precedes public sale, listing on exchanges, or platform integration.

22. **CASP** – Crypto-Asset Service Provider. An entity that offers services related to crypto-assets, such as exchange, custody, transfer, or issuance. Under the EU's MiCA regulation, CASPs are subject to licensing and oversight to ensure user protection and regulatory compliance.

23. **TVTG** - Liechtenstein Law of 03 October 2019 on Tokens and TT Service Providers.

24. **FMA** - Financial Market Authority in Liechtenstein.

25. **EWR-WPPDG** - Liechtenstein Law of 10 May 2019 implementing Regulation (EU) 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market.