Flour Yield Token (FYT)
White Paper

Version 15 — August 2026

Prepared by UAB Insela, Lithuania

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

MiCA Compliance Statement

This crypto-asset White Paper (CAWP) has been drafted in strict conformity with Title II Regulation (EU) 2023/1114 on Markets in Crypto-assets (MiCA) and its accompanying Commission Implementing Regulation (EU) 2024/2984, to the best of the knowledge of the management body, the information presented in the crypto-asset White Paper is fair, clear and not misleading and the crypto-asset White Paper makes no omission likely to affect its import.

The Flour Yield Token (utility token) White Paper has been notified to, but not approved by, the Bank of Lithuania pursuant to Articles 6–8 MiCA.

Mandatory Risk Warnings

- This crypto-asset may lose its value in part or in full.
- This crypto-asset may not always be transferable.
- This crypto-asset may not be liquid.
- Where the offer to the public concerns a utility token, that utility token may not be exchangeable against the good or service promised in the crypto-asset White Paper, especially in the case of a failure or discontinuation of the crypto-asset project.
- This crypto-asset is not covered by the investor-compensation schemes under Directive 97/9/EC.
- This crypto-asset is not covered by the deposit-guarantee schemes under Directive 2014/49/EU.

Key information about the Flour Yield Token (FYT)

FYT is designed as s MiCA Title II crypto-asset with payment, access, loyalty and other utility features that provide access to existing goods and services. The Flour Yield Tokens are live on the Hyperliquid blockchain as an ERC-20 smart contract. FYT confers no rights—such as voting, ownership, or dividend claims—but functions solely as a medium of exchange and payment and access instrument ”within GreenFi applications, offering users a readily transferable crypto-asset for transactions in sustainable ecosystems.

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Abbreviations

AML/CFT – Anti-Money Laundering/Combating the Financing of Terrorism

AMLD5 – 5th Anti-Money Laundering Directive

API – Application Programming Interface

ART – Asset Referenced Token

AWS – Amazon Web Services

CeFI – Centralised Finance

DeFi – Decentralised Finance

DLT – Distributed Ledger Technology

ERC-20 – Ethereum Request for Comment 20

ESMA/EBA – European Securities and Markets Authority / European Banking Authority

EMT – Electronic Money Token

EU – European Union

EUR – Euro

FYT – Flour Yield Token

GDPR – General Data Protection Regulation (2016/679/EC)

IP – Intellectual Property

ISO – International Organisation for Standardisation

IVFAO – Initial Virtual Financial Asset Offering

MiCAR – Regulation on Markets in Crypto-Assets

KYC/AML – Know Your Customer/Anti-Money Laundering

MPC – Multi-Party Computation

MVP – Minimum Viable Product

PAS – Publicly Available Specification

RWT – Real World Token

RWA – Real World Asset

USD – United States Dollar

VAT – Value Added Tax

VASP – Virtual Asset Service Provider

VFA – Virtual Financial Asset

1 Executive Summary

This Executive Summary should be read as an introduction to this crypto-asset White Paper. Any decision to acquire the Flour Yield Token (“FYT”) should be based on the crypto-asset White Paper as a whole and not on this summary alone. This crypto-asset White Paper does not constitute a prospectus for the purposes of Regulation (EU) 2017/1129 or any other offer document relating to financial instruments.

Flour Yield Token (FYT) is a utility token issued by Insela UAB on the Hyperliquid / HyperEVM blockchain. FYT is designed to function as a digital utility and ecosystem token within the Flour Yield network. Its intended uses include payments for eligible goods and services, access to selected platform functions, participation in reward and discount programs, and other ecosystem-related utility features made available by Insela UAB and participating partners from time to time. FYT does not grant any equity interest, profit participation, repayment claim, redemption right, or ownership right in Insela UAB, Balkan Basalt, any basalt inventory, any carbon-credit proceeds, or any other asset, business, or revenue stream.

FYT is not designed to maintain a stable value. It is not pegged to fiat currency, to basalt, to carbon-removal units, or to any other asset, basket, or reference value. Holders have no right to redeem FYT for fiat currency, for a fixed quantity of basalt, for carbon credits, or for any other asset or service except where FYT may be accepted at a floating price within the Flour Yield ecosystem under the terms applicable at the relevant time. Any such acceptance is a utility use of the token and does not create a redemption right, reserve entitlement, repayment claim, or stability mechanism.

FYT is intended to fall under Title II of Regulation (EU) 2023/1114 on markets in crypto-assets (“MiCA”) as a crypto-asset other than an asset-referenced token or e-money token. FYT is not intended to qualify as an asset-referenced token (“ART”), e-money token (“EMT”), or financial instrument. The issuer does not undertake to maintain a stable value for FYT and does not promise any return, appreciation, or financial performance. Any market price of FYT, whether on a trading platform or otherwise, is determined solely by market conditions, token utility, and ecosystem adoption, and may fluctuate significantly or fall to zero.

The Flour Yield ecosystem is commercially connected to regenerative agriculture, basalt-related products, and environmental reporting initiatives. These activities form part of the broader commercial context of the project. However, they do not create any legal entitlement for FYT holders to underlying assets, reserves, revenues, verified environmental outcomes, or other economic proceeds. References in this White Paper to sustainability, basalt supply, Enhanced Rock Weathering, soil-health reporting, environmental transparency, or related commercial initiatives are provided for contextual and operational transparency only. They do not constitute asset backing, collateralization, a reserve arrangement, or a promise of economic return to token holders.

The issuer may use proceeds from the offer of FYT to develop, operate, and expand the Flour Yield ecosystem. This may include platform development, partner onboarding, marketplace functionality, basalt-related commercial operations, logistics, sustainability reporting systems, compliance, technology infrastructure, and general ecosystem growth. Such use of proceeds does not create any right of participation by token holders in the revenues, profits, assets, or business performance of the issuer or any project partner.

FYT may be offered to the public in accordance with MiCA and applicable national requirements. This crypto-asset White Paper has been notified to, but not approved by, the competent authority. The offeror of FYT is solely responsible for the content of this crypto-asset White Paper. Where required by applicable law, retail holders may have a right of withdrawal in accordance with the terms set out in this White Paper.

Prospective holders should be aware that FYT is a speculative crypto-asset. FYT may lose its value in part or in full. FYT may not always be transferable. FYT may not be liquid. The project may fail or be discontinued. Utility features described in this White Paper may be modified, delayed, restricted, or discontinued. Purchasers should acquire FYT only if they understand the risks associated with crypto-assets and can bear the risk of total loss.

1.1 Natural Utility & Supply Partnership

- Insela maintains a long-term supply agreement with Balkan Basalt, ensuring that sufficient basalt powder is available to support current and future ecosystem demand.
- Balkan Basalt receives FYT allocations and a share of token proceeds in return for providing basalt and logistics capacity.
- Basalt deployed through Enhanced Rock Weathering (ERW) may generate CO_2-removal certificates; Insela may undertake discretionary acquisitions and permanent cancellations of FYT in accordance with Section 5.3. Such activity is not automatically triggered by carbon-related revenues or any Green Dividend.

1.2 Token Use Cases (Phase 1)

1. **Medium of exchange** for basalt fertiliser and regenerative products in participating shops.
2. **Reward layer** for community contributions (e.g., referral programs).
3. **Access key** to premium features, discounts, and future governance modules.
4. Optional **utility locking (no yield)** to unlock access-tier perks and discounts; tokens remain user-owned.

1.3 Regulatory Position

- FYT falls under **Title II of MiCAR** as an “other token” (utility token).
- The accompanying Crypto-Asset White Paper (CAWP) was notified to the Bank of Lithuania in accordance with Articles 6–8 MiCAR.
- FYT does **not** purport to maintain a stable value, is **not** an asset-referenced token (ART) or e-money token (EMT), and conveys **no** profit-sharing, equity, or redemption rights.

1.4 Forward-looking Intent — Potential ART Upgrade

The issuer intends, subject to market demand, resourcing, and supervisory approval, to **pursue authorisation to issue FYT as a basalt-referenced Asset-Referenced Token (ART)** under MiCA Title III in a subsequent phase. The objective is to enable broader **medium-of-exchange** use within global commodity and ESG supply chains. **This is a non-binding statement of intent**: no timeline or outcome is assured. **Until any authorisation is granted, and an upgraded ART White Paper is approved and published, FYT remains**

a MiCA Title II utility token with **no redemption right, peg, or stability commitment**, and **no automatic conversion** will occur.

1.5 Tradability & Market Access

FYT is deployed as an ERC-20 smart contract on HyperEVM. Secondary trading may occur on licensed crypto-asset service providers (CASPs) in compliance with MiCAR Title V. Insela does not operate any exchange or automated-market-maker pool itself.

1.6 Sustainability Vision

By aligning token utility with tangible climate-positive products, the Flour Yield ecosystem aims to accelerate adoption of Enhanced Rock Weathering, support regenerative agriculture, and create measurable environmental impact—while giving token-holders practical benefits within a growing network of green merchants.

2 Project Snapshot

- **Token Name:** *Flour Yield Token (FYT)*
- **Involved Entities:** *Insela UAB* (Token Issuer) · *Balkan Basalt Holding B.V.* (Basalt commodity provider) · *Balkan Basalt Sh.p.k.* (Mine operator)
- **Blockchain:** *Hyperliquid Layer-1 (HyperEVM environment)* — an Ethereum-compatible proof-of-stake network optimised for high-performance on-chain markets.
- **Token Standard / Contract Type:** *ERC-20-compatible smart contract* deployed on HyperEVM (main net contract address to be published upon final deployment).
- **Consensus Mechanism:** *HyperBFT / Proof-of-Stake* (validators stake HYPE, Hyperliquid's native token, ensuring low-energy finality).
- **Token Type under MiCA:** Utility Token — used within the Flour Yield ecosystem to enable payments, rewards, and access to program-related services. It does not grant redemption, profit-sharing, or ownership rights.
- **Total Supply:** *1 billion (1,000,000,000) FYT* minted at genesis; total supply is fixed and capped.
- **Vision Statement:** To establish FYT as the regenerative medium of exchange for **GreenFi**, **Climate Finance**, **Sustainability**, and **Longevity** initiatives — bridging on-chain utility with real-world enhanced-weathering impact.

3 FYT: An ESG-Enabled Utility Token – Detailed Overview

Flour Yield Token (**FYT**) is an **environmentally focused utility token** issued by *Insela UAB* on the Hyperliquid network. Its sole function is to grant holders **on-chain access, payment convenience and loyalty benefits** within a closed ecosystem of regenerative-commerce partners—including the Flour Yield Online Shop and the TarCasso Marketplace. FYT **does not** promise a stable monetary value, a commodity-peg, or any redemption right in fiat or physical goods. Consequently, FYT is classified under **Title II ("other tokens") of Regulation (EU) 2023/1114 (MiCAR)** rather than as an Asset-Referenced Token (Title III) or E-Money Token (Title IV).

3.1 Basalt Partnership & Environmental Alignment

- **Strategic supply agreement:** *Balkan Basalt Holding B.V.* and its subsidiary *Balkan Basalt Sh.p.k.* commit to make sustainably quarried basalt powder available to Flour Yield ecosystem merchants.
- **Non-redeemable reference:** For transparency, Insela publishes the aggregate kilograms of basalt earmarked for ecosystem use, but token holders **have no legal claim** to this inventory.
- **Climate-impact data:** Deployment of basalt in Enhanced Rock Weathering (ERW) projects is recorded on-chain; verified CO_2 removal metrics are reported for informational purposes only.

This partnership ensures that real-world, carbon-negative commodities flow into the network without creating a price-stability mechanism that would re-qualify FYT as an ART.

3.2 Utility Pathways

Utility pathway	Description	Token-holder benefit (non-financial)
Payment token	Pay for basalt fertiliser, EVOO and other GreenFi products in participating shops.	Convenience, loyalty discounts, early-access sales.
Access key	Unlock premium features: soil-health dashboards, farm onboarding kits, educational content.	Tiered access and gamified badges.
Community incentives	Referral rewards, governance polls.	Ecosystem reputation, voting weight, badge NFTs.

All benefits are **consumption-based**; FYT does not entitle holders to dividends, interest, or redemption of underlying assets.

3.3 ESG Transparency without Financial Claims

1. **On-chain MRV (Measurement, Reporting, Verification)**
   - Each basalt deployment is linked to a verifiable NFT certificate.
   - Data fields: GPS coordinates, tonnes applied, independent lab assays, projected CO_2 removal.
2. **Impact dashboards** display aggregate sequestration and soil-health improvements, enhancing reputational value but not conferring a monetary payout.
3. **Buyback program (optional):** If Balkan Basalt shares CO_2-credit revenues with Insela, proceeds may be **used at Insela's discretion** to repurchase FYT on the open market. Any FYT acquired by the issuer will be permanently cancelled and will not be re-issued or resoldy. This program is neither contractual nor guaranteed and creates no security-like entitlement.

These design choices keep FYT outside the scope of financial-instrument regulation while aligning token circulation with climate-positive outcomes.

3.4 Why FYT Remains a Utility Token under MiCAR

- **No redemption right:** Holders cannot exchange FYT for a fixed amount of basalt or fiat.
- **No stability objective:** Insela makes no commitment to maintain FYT's market value, price flour or peg.
- **No profit share:** Any potential buybacks are discretionary and do not establish a right to issuer earnings.
- **Consumption focus:** FYT's primary purpose is to access goods, services and data within a closed regenerative-commerce network.

Accordingly, FYT satisfies MiCAR Title II criteria for "other tokens" and is not subject to the reserve, own-funds or redemption obligations applicable to Asset-Referenced Tokens.

4 About the Issuer

The token is issued by Insela UAB, a company registered in Lithuania with the company number **307133732**. The registered address of the company is Architektų g. 56-101, LT-04111 Vilnius, Lithuania and the contact email is compliance@flour-yield.com.

Insela operates as a wholly owned subsidiary of **Wharf Plan GmbH**, Vienna (FN 512680 t) an Austrian-registered family office with a strategic focus on high-impact investments across **blockchain**, **cryptocurrencies**, **fintech**, and **green technology**. Wharf Plan brings together a group of seasoned investors and entrepreneurs from multiple jurisdictions, providing deep domain expertise and a broad international network.

The operational leadership as well as the ultimate beneficial ownership of both Wharf Plan and Insela UAB is held by **Alexander Boehm**, who has been active as a project developer and investor in digital assets and frontier technologies since 2017. Under his direction, Insela contributes to the strategic development, tokenomics design, and implementation of the Flour Yield Token (FYT) ecosystem.

4.1 Balkan Basalt Holding B.V. – FYT's Strategic Asset Partner

Balkan Basalt Holding B.V. ("**Balkan Basalt**") is a Netherlands-registered holding company that controls and operates the **basalt mine in northern Albania—one of the largest known open-pit basalt deposit in Europe**. Day-to-day mining operations are carried out by its wholly owned Albanian subsidiary **Balkan Basalt Sh.p.k.**, which maintains full extraction licences, ISO-certified quality controls, and reserved port capacities for efficient EU shipping. The quarry's size and grade provide a multi-decadal reserve of agronomy-grade basalt powder.

The company is led by Dutch entrepreneur **Maurice Martens**, who brings more than three decades of experience in quarry development, rock dust micronisation, and bulk logistics. Martens is supported by an investor group who add substantial balance-sheet strength, corporate-governance rigor, and international network reach. The quarry has the operational capacity to respond to independently arising commercial demand within the Flour Yield ecosystem.

From an ESG standpoint, Balkan Basalt's feedstock meets the **EU Fertilising Products Regulation (2019/1009)** for heavy-metal thresholds and particle-size specifications. Independent labs certify every production batch, while the company's low-emission processing line and short haulage routes keep cradle-to-gate CO_2 footprints to a minimum—an essential prerequisite for credible *Enhanced Rock Weathering (ERW)* projects.

4.2 Basalt Supply Commitment

Insela UAB has entered into a **Purchase & Supply Agreement** with **Balkan Basalt Holding B.V.** (Netherlands) for the **acquisition of 1 million tonnes** of agronomy-grade basalt flour ("Basalt Reserve"). The contractual structure separates *Reservation for Consignment*, *title transfer* and *payment execution* to provide commercial supply certainty while preserving treasury flexibility.

For the purposes of this White Paper, "Basalt Reserve" means the operational quantity of basalt earmarked or made available by Balkan Basalt for commercial sales, shop fulfilment, logistics and ERW-related activities within the Flour Yield ecosystem. It is not a reserve of assets maintained to stabilise or support the value of FYT within the meaning of MiCA Title III. No individual FYT represents or confers a claim to any part of the Basalt Reserve.

Item	Summary
Reservation & Quantity	Balkan Basal earmarks and holds on **consignment** for Insela **1,000,000 tonnes** of basalt materials (the "**Basalt**").
Payment Plan	Consideration will be settled over time under a separate, mutually agreed **Payment Schedule** that combines FYT and fiat currency. The detailed amounts, milestones, and mechanics are set out exclusively in the private purchase agreement between Insela UAB and Balkan Basalt Holding B.V.
Pricing Principle	No fixed FYT redemption or floor price is created; basalt sales to ecosystem merchants occur at market rates prevailing at the time of delivery.
On-Chain Proof of Existence	**Contract hash and IPFS reference (publicly verifiable).** Insela UAB publishes a cryptographic hash (SHA-256) and an IPFS reference to evidence the existence and integrity of the Basalt Supply Agreement at a specific point in time. This on-chain reference serves as proof-of-existence and document integrity only; it does **not** constitute proof of asset ownership, does **not** imply redemption rights, and does **not** establish any form of asset backing or collateralisation under MiCA.
Contract Hash / IPFS Link	To be inserted
Regulatory & ESG Compliance	All material complies with EU Fertilising Products Regulation (2019/1009); heavy-metal and particle-size tests are performed by ISO-accredited laboratories.

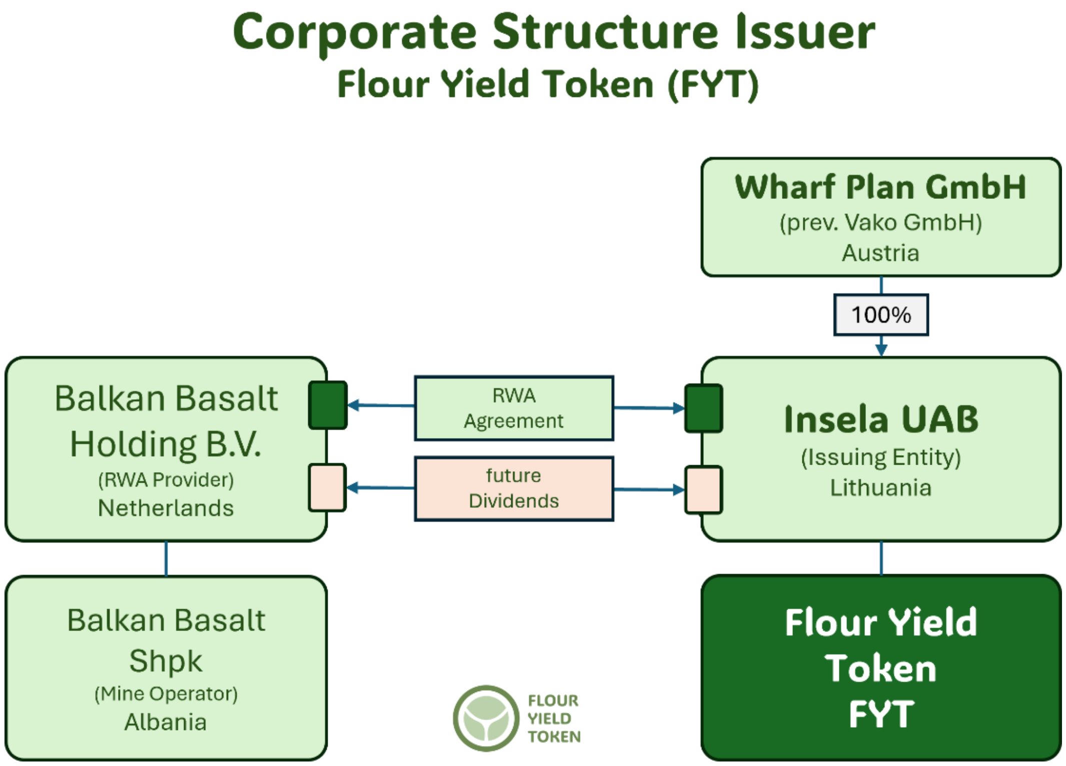
IPFS Hash as Proof of Existence Only.

The publication of a cryptographic hash and IPFS reference of the Basalt Supply Agreement serves exclusively as a proof-of-existence mechanism to verify that the agreement existed in a specific form at a specific point in time. The IPFS reference and on-chain hash do not confer any rights, claims, guarantees, redemption expectations or financial entitlements to FYT holders, nor do they establish any form of asset backing or collateralisation under MiCA.

Transparency Note: While Insela UAB's payment obligations are deferred, Balkan Basalt reserves on **consignment 1,000,000 tonnes** of basalt materials for Insela for (the "**Basalt**"). The Basalt remains in the possession of Balkan Basalt **(or its designated subsidiary/warehouse operator) as bailee/custodian for Buyer** until released in accordance with the Release Order mechanics of the Purchase & Supply Agreements.

Supply commitment structure and Release Orders. The basalt powder underlying the project's operational supply is subject to a contractual allocation and custody framework under which Insela UAB may call up specified quantities via **Release Orders**. Title transfer (if and when applicable) occurs only upon execution of Release Orders in accordance with the agreement's delivery and custody terms. This structure supports program logistics and transparency; it does **not** grant FYT holders any right to redemption, repayment, delivery of basalt, or any claim against Insela UAB, Balkan Basalt, or any third party, and it must not be interpreted as establishing asset-referencing, collateralisation, or a stability objective under MiCA.

4.3 Graphical Overview



4.4 Mandatory MiCA Issuer Information (Annex I, Part A)

Registered address and head office
Insela UAB

Architektų g. 56-101, LT-04111 Vilnius, Lithuania
Registered in the Lithuanian Register of Legal Entities
Date of registration: March 28, 2025

Contact information and response time
Email: compliance@flour-yield.com
Telephone: +43 676 6619818 (**investor contact line; answered in English**)
Insela UAB will respond to investor inquiries made through the above channels **within five business days**.

Fair review since incorporation (Annex I, Part A, item 10). Insela UAB is a **special purpose vehicle ("SPV")**. It was acquired in 2025 by Wharf Plan GmbH (100% shareholder) as a shelf company for the sole purpose of issuing and administering the Flour Yield Token (FYT) and coordinating the associated program activities described in this White Paper. Since its registration date (28 March 2025), Insela has not conducted material operating activities, has not generated operating revenues, and has not carried out trading activities outside early-stage project set-up. To date, Insela's activities have been funded through shareholder support and project partner arrangements; Insela has not taken customer deposits or other repayable funds.

The issuer's activities since incorporation have been limited to organisational and preparatory work, including: (i) corporate set-up and governance arrangements; (ii) engagement with professional advisers (legal, tax, compliance); (iii) drafting the crypto-asset White Paper and related disclosure materials; (iv) development and deployment of the FYT smart contract and associated technical infrastructure; and (v) negotiation and implementation planning of supply and ecosystem partner arrangements.

Business position and material changes. Given Insela's SPV nature and early project stage, the issuer's financial position to date (to the extent incurred) primarily reflects formation and professional-services costs, technology development costs, and other administrative expenses typical for a newly established SPV preparing a regulated token launch. Any material changes in expenditure during this period are expected to be driven mainly by (a) advisory and compliance workstreams related to MiCA/ITS readiness, (b) technical deployment and security review/audit preparation, and (c) commercial contracting and onboarding activities.

Availability of historical financial information. Insela has not yet published statutory financial statements, and historical financial figures are not available at the date of this White Paper. Statutory accounts and/or management accounts will be prepared in accordance with applicable Lithuanian law and accounting requirements. If relevant historical financial information becomes available prior to CAWP notification, Insela will update this section accordingly and will provide the most recent statutory financial statements and/or management accounts to the competent authority upon request and, where required, publish or otherwise make them accessible in accordance with applicable law.

5 Green Dividend and Ecosystem Growth Model

The Flour Yield ecosystem is designed around a commercially funded growth model connecting basalt-related activities, Enhanced Rock Weathering ("ERW") initiatives and the practical utility of FYT.

Commercial activities conducted by Balkan Basalt Holding B.V. and other project partners may generate profits, revenues or corporate distributions for Insela UAB. Insela may use part of its available corporate resources to develop and expand the Flour Yield ecosystem, including its products, merchant network, technology, sustainability infrastructure and utility features.

For the purposes of this White Paper, the term **"Green Dividend"** refers exclusively to a dividend or other corporate distribution that may be received by Insela UAB from Balkan Basalt Holding B.V. or another project partner under applicable corporate or contractual arrangements.

The Green Dividend is received by Insela UAB in its own corporate capacity. It is not a dividend on FYT and is not paid or distributed to FYT holders.

The Green Dividend model is intended to provide the Flour Yield ecosystem with an additional source of corporate funding that may support the continued expansion of FYT's practical utility. It does not grant FYT holders any right to revenues, profits, distributions, assets or financial returns.

5.1 Corporate Green Dividend

Under its arrangements with Balkan Basalt Holding B.V., Insela UAB may receive dividends or other corporate distributions if and when such distributions are lawfully declared, become payable and are actually received.

Such distributions may arise from the broader commercial performance of Balkan Basalt, including, where applicable:

- basalt extraction, processing and commercial sales;
- the supply of basalt flour for agricultural and regenerative applications;
- participation in Enhanced Rock Weathering projects;
- revenues generated from verified CO_2-removal activities or certificates; and
- other commercial or sustainability-related activities.

The amount, timing and availability of any Green Dividend depend on the financial performance, distributable reserves, corporate decisions, contractual arrangements and applicable legal requirements of the relevant project partner. No minimum amount, frequency or payment schedule is guaranteed.

Any Green Dividend received belongs exclusively to Insela UAB and forms part of its general corporate resources. It is not received, segregated, reserved or administered for or on behalf of FYT holders.

Accordingly:

- FYT holders have no ownership or beneficial interest in the Green Dividend;
- FYT holders have no right to require a distribution, payment or allocation of Green Dividend proceeds;
- no amount of Green Dividend is attributed to an individual FYT;
- FYT does not represent a share in the profits or revenues of Insela UAB, Balkan Basalt Holding B.V. or any other project partner; and
- the amount of Green Dividend received does not determine any redemption value, fixed value, reference value or guaranteed purchasing power of FYT.

5.2 Green Growth Allocation Policy

Subject to applicable law, contractual obligations, available liquidity and decisions of its management body, Insela UAB's current policy is to consider using part of any Green Dividend received to support the development and expansion of the Flour Yield ecosystem.

Potential uses may include:

- onboarding additional merchants and commercial partners that accept FYT;
- expanding the range and availability of basalt-related, regenerative, longevity and sustainability-oriented products;
- developing FYT payment, wallet, marketplace and merchant-integration infrastructure;
- funding discounts, priority access, special product editions and other consumption-based holder benefits;
- supporting activity-based reward programs for referrals, merchant onboarding, verified environmental participation and community contributions;
- developing soil-health, ERW, MRV and environmental-transparency services;
- financing pilot projects, logistics, research, product development and sustainability reporting;
- supporting compliance, cybersecurity, smart-contract development and other operational infrastructure; and
- undertaking discretionary acquisitions and permanent cancellation of FYT as described in Section 5.3.

The Green Growth Allocation Policy is intended to increase the availability, quality and scope of goods, services and utility features within the Flour Yield ecosystem.

Any benefit available to FYT holders arises through the potential expansion of products, services, discounts, access rights, reward programs and participation opportunities. It does not arise through a contractual entitlement to profits, revenues, dividends or financial returns.

Insela UAB retains discretion over the amount and allocation of its corporate resources. No fixed percentage of the Green Dividend is allocated in advance to any particular use, and Insela may retain funds for working capital, compliance, operations or other legitimate corporate purposes.

Where appropriate, Insela may publish periodic transparency reports describing:

- aggregate Green Dividend amounts received, where disclosure is legally and commercially permissible;
- the principal categories in which funds have been deployed;
- new products, merchants and utility services introduced;
- sustainability and MRV initiatives supported; and
- any FYT acquisitions and permanent cancellations completed during the relevant reporting period.

Such reporting is provided for operational transparency only and does not constitute a forecast, valuation statement or promise of future expenditure or token performance.

5.3 Discretionary FYT Acquisition and Permanent Cancellation

As one possible component of the Green Growth Allocation Policy, Insela UAB may use part of its available corporate resources, which may include proceeds from a Green Dividend, to acquire FYT on the secondary market and permanently cancel the acquired tokens.

Any acquisition and cancellation of FYT is:

- subject to a separate decision of the management body of Insela UAB;
- discretionary and not guaranteed;
- dependent on applicable law, market-integrity considerations, available corporate resources and prevailing market conditions;
- not subject to a fixed percentage, amount, frequency, timetable or duration;
- not automatically triggered by the receipt of a Green Dividend;
- not calculated by reference to the amount of Green Dividend, basalt quantities, basalt prices, carbon-removal units, carbon-credit prices or any other value or right;
- not undertaken at a fixed, minimum, target or formula-based FYT price; and
- capable of being modified, suspended or discontinued at any time.

FYT acquired under this policy will be permanently cancelled and will not be re-issued or resold by Insela UAB. Completed cancellation transactions may be disclosed on-chain and in periodic transparency reports.

Permanent cancellation reduces the number of FYT then in circulation. It does not create any entitlement for remaining FYT holders and does not imply or guarantee that the market price or purchasing power of FYT will increase, remain stable or be protected against loss.

FYT holders have no right to require Insela UAB to acquire their tokens and no right to sell FYT to Insela UAB at any specified price or time.

5.4 No Holder Dividend, Profit Participation or Stability Commitment

The Green Dividend and Green Growth Allocation Policy do not grant FYT holders:

- dividends, interest or other distributions;
- profit-sharing or revenue-participation rights;
- ownership or beneficial rights in Insela UAB, Balkan Basalt Holding B.V. or any other entity;
- claims against basalt, carbon-removal units, environmental certificates or other assets;
- redemption, repayment or delivery rights;

- a guaranteed level of products, discounts, rewards or services;
- a right to require acquisitions or cancellation of FYT; or
- any guarantee of appreciation, liquidity, purchasing power or financial return.

Insela UAB does not undertake to maintain or stabilise the value of FYT by reference to:

- the Green Dividend;
- the revenues, profits or assets of Insela UAB or any project partner;
- basalt quantities or basalt prices;
- carbon-removal units, carbon credits or environmental outcomes;
- fiat currency or another crypto-asset;
- an index or basket of assets; or
- any other value or right.

Any market price of FYT is determined by market participants and may fluctuate significantly or fall to zero. The commercial success of Insela UAB, Balkan Basalt Holding B.V., ERW projects or the broader Flour Yield ecosystem does not create a contractual obligation to support or increase the market price of FYT.

The model described in this Section is intended to finance and expand FYT's practical ecosystem utility. It does not constitute token backing, collateralisation, reserve coverage, profit participation, redemption or a mechanism intended to maintain a stable token value.

6 FYT Marketplace – Basalt Flour Purchase Facility

To demonstrate immediate real-world usefulness, *Insela UAB* operates an online **Basalt Flour Marketplace** accessible on the FYT website. The Marketplace enables holders to **spend** (not redeem) FYT for packaged, agronomy-grade basalt flour.

Feature	Utility-token alignment (MiCAR Title II)
Flexible pricing	Basalt flour is listed at a **variable FYT price** that reflects prevailing market conditions, logistics costs and inventory levels. *No fixed kg-per-token rate is promised.*
Payment mechanism	FYT functions as a **means of payment** at checkout, similar to loyalty points or store credit. Users may also pay in fiat or other accepted crypto-assets.
Operational buffer	Insela maintains a rolling stock of basalt to ensure order fulfilment. This buffer is an **operational inventory**, not a regulatory reserve backing the token.
Transparency dashboard	A WooCommerce plug-in publishes current inventory metrics (tons in stock, average dispatch time). Data are informational and create no ownership or redemption claim.

Feature	Utility-token alignment (MiCAR Title II)
Terms of sale	Prices, minimum order sizes and shipping fees may change without notice; all transactions are subject to standard e-commerce terms and local regulations.

Regulatory note: Because FYT is **spent** at a floating price rather than **redeemed** at a fixed quantity or value, the Marketplace does **not** establish a price-stabilisation mechanism. FYT therefore remains an "other token" under MiCAR, governed by Title II disclosure rules only.

The Marketplace is one of several planned acceptance points—alongside the TarCasso Shop and participating regenerative-commerce partners—illustrating FYT's function as a versatile, sustainability-oriented payment token.

7 FYT as a Functioning Currency: Purchases, Acceptance, and Purchasing Power

FYT is designed as a utility token that can be accepted as a means of payment within the Flour Yield ecosystem for eligible goods and services offered by Insela UAB and participating partners, subject to availability and applicable terms. FYT does not constitute e-money, does not maintain a stable value, and does not confer any redemption, repayment, or delivery right.

7.1 The TarCasso Acceptance Partner

Under a signed acceptance agreement between **Insela UAB** and **TarCasso**, FYT may be accepted as a payment method for eligible products offered through the TarCasso online shop, subject to the merchant's terms, availability, and applicable consumer-law requirements. Product prices are displayed in fiat and, where enabled, in FYT equivalents for convenience and transparency.

In practice, this demonstrates payment utility for ecosystem purchases and partner acceptance, without creating any redemption claim or value-stabilisation mechanism.

This online purchase model is implemented via a WooCommerce-based e-commerce system, where FYT can be used at checkout. Behind this lies operational inventory planning intended to support fulfilment, subject to availability, logistics constraints and standard e-commerce terms.

7.2 Beyond the Pilot: Building the FYT Acceptance Network

The partnership with TarCasso is the initial acceptance point. The long-term vision is to expand the FYT acceptance network by onboarding additional regenerative-commerce partners (e.g., regenerative food stores, longevity product brands, sustainable lifestyle platforms, local cooperatives and farming collectives). Partner participation and acceptance of FYT may vary over time and may be amended or discontinued by the relevant merchant.

7.3 A Currency for Regenerative Value

Utility-first design. FYT is intended to facilitate participation in the Flour Yield ecosystem and enable specific platform functions (e.g., access, payments, discounts, and rewards) as described in this White Paper. FYT is not backed, collateralised, guaranteed, or stabilised by any asset, commodity, reserve or index, and no statement in this White Paper should be understood as a promise of value, stability, or purchasing power.

Factors that may influence the practical usefulness of FYT within the ecosystem include (i) merchant acceptance and product availability, (ii) the scope of discounts, access and program features made available by Insela and partners, and (iii) overall ecosystem adoption. These factors are informational and do not create any right or expectation of profit, appreciation, or stable value.

8 Tokenomics

The Flour Yield Token (FYT) has been designed with **economic transparency, regenerative value creation**, and **ecosystem sustainability** in mind. Its tokenomics framework supports growth, incentivizes participation, and aligns stakeholder interests over the long term.

8.1 Why FYT Lives on Hyperliquid (HyperEVM) as an ERC-20–Compatible Token

ERC-20 in one sentence.
ERC-20 (“Ethereum Request for Comment 20”) is the common rule-set that tells wallets, exchanges and smart contracts how to recognize, send and receive a fungible token. Because FYT follows the ERC-20 interface on an **EVM-compatible** chain, anything that works with USDC/DAI on EVM will also work with FYT—no custom integration needed.

8.1.1 What is Hyperliquid / HyperEVM?

Hyperliquid is a high-performance **Layer-1** blockchain built around **HyperBFT** consensus (inspired by HotStuff). It runs two tightly-integrated execution domains:

- **HyperCore** (the L1 core that powers on-chain order books and exchange logic), and
- **HyperEVM** (an **Ethereum-compatible** smart-contract environment embedded in the same L1).

HyperEVM **is not a separate sidechain**; it inherits security from the same L1 consensus and can interact natively with HyperCore (e.g., reading order books or settling flows). **HYPE** is the **native gas token** used to pay HyperEVM transaction fees.

Why this matters for FYT. You get **EVM tooling and wallets** with **direct access to Hyperliquid’s on-chain liquidity rails**, low fees, and fast finality—without bridging to a different chain. Hyperliquid is an independent third-party blockchain; Insela UAB neither owns nor operates the Hyperliquid network or its exchange infrastructure.

8.1.2 Why We Chose Hyperliquid for FYT

Requirement for FYT	How Hyperliquid (HyperEVM) meets it
Listing & liquidity rails	Native integration with Hyperliquid's L1 exchange primitives and order books via HyperCore/HyperEVM. **Hyperliquid venue access (intent).** The issuer intends to apply for admission of FYT to trading on Hyperliquid. Any listing, market activation, or trading availability is subject to Hyperliquid's independent eligibility criteria, review processes, and approval, and may be delayed or declined at their discretion.
Low fees for micro-payouts	HyperEVM uses **HYPE** for gas; docs and ecosystem guides highlight **minimal gas** and high throughput.
Fast finality / performance	**HyperBFT** L1 consensus optimized for high-performance settlement; EVM blocks are part of the same execution.
EVM & ERC-20 compatibility	Standard Solidity contracts, ERC-20 interface, and familiar wallet UX.
Composability & integrations	Tooling and partner docs (Chainlink, LayerZero, deBridge, Privy) show growing integrations for messaging, bridging, and app dev on HyperEVM.

Context: HyperEVM launched on mainnet in **February 2025** to bring general-purpose programmability to the Hyperliquid L1.

8.1.3 Notable Components & Ecosystem Touchpoints

- **On-chain perps/spot via HyperCore** with one-block finality for the exchange layer; HyperEVM contracts can interface with these primitives.
- **EVM developer stack**: Solidity, standard ERC-20/721/1155, RPC tooling; ecosystem resources and integration guides from third-party infra providers.
- **Growing apps/content on HyperEVM** (programmability layer live since Feb 2025; NFTs and DeFi experiments launching over 2025).

8.1.4 Technical takeaway for readers

- FYT is an **ERC-20–compatible** token on **HyperEVM**—store and trade it like any EVM asset.
- **HYPE** is the **gas token**; FYT users pay tiny network fees for transfers/interactions.
- **Security**: HyperEVM inherits **HyperBFT** L1 consensus, not a separate sidechain; it can call into **HyperCore** for native exchange/state access.

In short: EVM gives FYT universal wallet/exchange compatibility; **Hyperliquid** adds high-performance settlement, native liquidity rails, and low costs on an integrated L1.

8.1.5 Total Supply and Issuance

- **Total Token Supply:** 1,000,000,000 FYT (fixed supply, no minting)
- **Token Standard:** ERC-20 (Hyperliquid — HyperEVM)
- **Smart Contract Audit:** done by SolidProof in May 2026 (https://app.solidproof.io/projects/flour-yield-token) .

FYT can be **used to purchase** basalt flour via the FYT shop, **subject to availability and current terms**; holders have **no claim to a specific quantity or peg**. FYT does **not** track the value of any asset. Its utility and adoption within the FYT program drive usage; any climate-related benefits or RWA partnerships are described for context and **do not** create redemption rights.

8.2 Token Allocation Breakdown

Allocation	Amount	% of Total Supply	Lock-Up / Vesting	Purpose
Private Placement (Institutional)	200,000,000 FYT	20%	Subject to private vesting	Strategic partners and early backers
Marketing & Ecosystem Growth	50,000,000 FYT	5%	12-month linear vesting	Promotions, airdrops, referral campaigns
Strategic Advisors & Partners	50,000,000 FYT	5%	Minimum 6-month cliff, 12-month vesting	Ecosystem development, partnership incentives
Basalt Reserve Provider	50,000,000 FYT	5%	6-month cliff, 24-month vesting	Consideration for long-term basalt reservation, operational supply capacity, logistics support and ecosystem cooperation under the applicable commercial agreements*
Team and Founders (Wharf Plan)	50,000,000 FYT	5%	6-month cliff, 24-month vesting	Long-term alignment and operational resilience
Treasury & Future Programs	600,000,000 FYT	60%	-	Held in treasury for future ecosystem initiatives, including a potential public offering (ICO) or strategic sales subject to regulatory approval

**The allocation to the Basalt Reserve Provider constitutes commercial consideration for supply reservation, logistics capacity and ecosystem cooperation. It does not establish any token-to-basalt ratio, reserve coverage, redemption entitlement or mechanism intended to maintain or stabilise the value of FYT.*

The FYT treasury currently holds approximately sixty percent (60%) of the total supply. These tokens are reserved to secure long-term program sustainability, fund ecosystem development, and provide optional capacity for future regulated token offerings or other distributions (collectively, “Future Allocations”).

The Issuer may adjust the detailed token allocation, timing, or specific use of the Treasury holdings in response to regulatory developments under the Markets in Crypto-Assets Regulation (EU) 2023/1114 (“MiCA”), market conditions, or strategic priorities.

Any material re-allocation or sale of Treasury tokens will be conducted transparently and publicly disclosed through the official FYT information channels and, where required, in updated White Paper versions. No change will affect tokens already issued or vested, and no alteration will modify the total authorised FYT supply of one billion (1,000,000,000) tokens.

8.3 Offer to the Public and Issuance Details (MiCA Annex I, Part E)

8.3.1 Funding target and subscription parameters

The FYT utility token is offered without a predefined fundraising target. No minimum or maximum subscription amount applies. Oversubscriptions are **not** relevant to the FYT issuance, as FYT is minted up to its fixed total supply of **1,000,000,000 FYT** and allocated according to the distribution schedule described in Section 8.

Accordingly, **no allocation or prioritisation rules** apply.

8.3.2 Issue price and pricing method

FYT is not offered at a fixed "issue price" in fiat or in another crypto-asset. Instead, FYT is made available through:

1. **Private placement allocations** at individually negotiated terms with eligible investors, and
2. **Utility use within the Flour Yield ecosystem**, where FYT's role is functional and non-redeemable.

For the avoidance of doubt, FYT does **not** represent a claim to basalt, does not track any commodity price, and has **no redemption or repayment rights**.

Any secondary market pricing following the listing of FYT is determined exclusively by market participants.

8.3.3 Right of withdrawal (Article 13 MiCA)

Where FYT is purchased by a retail holder directly from Insela UAB under this offer to the public and before any admission of FYT to trading on a trading platform for crypto-assets, the retail holder has a right of withdrawal within 14 calendar days after the purchase, without incurring fees or costs and without being required to give a reason. To exercise the right of withdrawal, the retail holder must notify Insela UAB within the withdrawal period using the contact details set out in Section 4.4 and return the FYT received. Any refund will be made using the same means of payment (or an equivalent method agreed with the retail holder) within the statutory deadline, subject to the return of the FYT. The right of withdrawal does not apply to purchases made after FYT has been admitted to trading on a trading platform for crypto-assets, nor to secondary-market purchases. This clause is without prejudice to any mandatory consumer rights that may apply.

8.3.4 Expenses and fees related to the offer

Insela UAB does not charge a subscription or placement fee for FYT purchases made directly through the issuer's issuance flow. Purchasers may incur third-party costs such as (i) blockchain network fees for minting or transferring FYT on HyperEVM/Hyperliquid, (ii) fees charged by payment service providers, on-ramp providers or custodial wallet providers (if used by the purchaser), and (iii) currency conversion or banking fees. Any fees charged by third-party intermediaries are outside Insela UAB's control and will be disclosed by the relevant provider at the point of use. Fees and charges related to purchasing basalt products in the Flour Yield shop (including shipping and applicable taxes/VAT on goods) are described separately at checkout and are not part of the FYT issuance price.

8.3.5 Applicable law and competent court

This White Paper and the offer to the public of FYT by Insela UAB are governed by the laws of the Republic of Lithuania, without prejudice to any mandatory provisions of consumer-protection law that may apply to retail holders in their Member State of residence. Any disputes arising out of or in connection with the offer to the public of FYT that cannot be resolved amicably shall be subject to the exclusive jurisdiction of the competent courts of Vilnius, Lithuania (or, where mandatory rules require otherwise, the courts having jurisdiction under applicable law).

8.4 Use Cases for FYT

FYT provides several practical payment, access, reward and participation functions within the Flour Yield ecosystem:

- **Medium of Exchange**: Accepted in the TarCasso Shop for EVOO and regenerative products. Further partnerships with sustainable retailers are in development.
- **Content & Influencer Economy**: FYT can be used to pay regenerative influencers and educators — forming a new impact economy.
- **Governance (Future)**: In later stages, FYT may function as a voting token within a DAO-like structure for treasury proposals and partnership decisions.

8.5 Utility Locking Program

Utility Locking Program (No Yield). FYT holders may optionally lock tokens in a non-custodial smart contract to unlock access tiers (discounts, priority fulfilment, exclusive product lines, and feature access). The program does **not** provide interest, profit-sharing, or APY; no monetary return is promised or expected. Perks are consumption benefits and may be amended or discontinued at the issuer's discretion. Tokens remain the holder's property and are releasable at any time; early unlock simply ends the access tier. The program is designed to preserve FYT's classification as a utility token under MiCA Title II and does not constitute a crypto-asset service requiring authorisation.

Risk Note — Utility Locking (No Yield). *The optional FYT locking feature unlocks access tiers and in-kind perks only; it does **not** provide interest, APY, dividends, or profit-sharing, and creates **no expectation of profit**. Locked tokens remain the holder's property and are releasable at any time; early unlock simply ends access-tier benefits. Perks are **discretionary** and may be modified, suspended, or withdrawn without notice; availability may vary by jurisdiction or third-party integrations. While designed as a **non-custodial** contract, smart-contract and network risks remain (delayed unlocks, bugs, outages); audits reduce but cannot eliminate such risks. The program does **not** constitute deposit-taking, lending, or a crypto-asset service by Insela UAB under MiCA. Marketing must avoid "staking," "yield," or "APY" language to preserve FYT's **utility-token** classification.*

8.6 Purchase Mechanism & Basalt Flour Buffer

To facilitate the use of FYT as a payment method for commercially available basalt flour, Flour Yield has established a dedicated online shop on its official website. This shop is built using the WooCommerce framework and serves as both a utility interface for FYT holders and an anchor for the token's real-world usability.

8.7 Online Sales & VAT – At a Glance (See Tax §13 for full details)

- **Issuance & trading:** FYT issuance is **out of VAT scope**; secondary-market trading is treated as a **VAT-exempt financial service**.
- **Redemption for goods:** VAT applies **when basalt is supplied**, based on the **euro value** at that moment; standard EU rules (e.g., **OSS** for intra-EU B2C, ICS for B2B, export/import VAT) apply.
- **Invoices:** The VAT document is the **goods invoice** issued at checkout.
- **Buybacks:** Issuer **buybacks are burn-only** and do not affect VAT on the goods transaction.
  *For the full VAT framework and invoicing requirements, see **Tax §13/§14**.*

8.7.1 Inventory & Fulfilment

A **dedicated buffer stock** is maintained for shop purchases and is **replenished regularly** in coordination with Balkan Basalt. **We do not use "backing/collateral" mechanics for FYT;** availability is operational, not a legal redemption right.

8.7.2 Future Expansion of Purchase Use Cases

Potential extensions (subject to community input, regulation, and market demand) include:

- **Buyback program** with **burn-only cancellation** of repurchased FYT (no re-issuance).
- **Retail fertiliser sales** (FYT and fiat accepted), following the VAT rules above (OSS, ICS/export, import VAT).
- **Verification APIs** to **evidence inventory and fulfilment** (avoid "proof-of-backing" phrasing).

8.8 Treasury and Deflationary Dynamics

To administer circulating supply and support the long-term development of the Flour Yield ecosystem, the Flour Yield tokenomics includes:

- **Token Burns**: From store sales. **FYT received at checkout are not automatically burned**; their post-sale treatment is a treasury choice and **has no impact on the VAT due on the underlying goods**. Only **issuer buybacks** are subject to a **burn-only** policy to avoid re-sale characterization.
- **Discretionary FYT Acquisition and Cancellation Policy**: Tokens are subject to a **burn-only policy**.
- **Treasury Rebalancing**: To support LPs and fund partnerships.

A quarterly **transparency report** will be published on the website, including:

- Circulating supply
- Treasury activity
- Burn events

8.9 Price Discovery and Market Valuation

Secondary-market demand for FYT may be influenced by the availability of its utility functions, merchant acceptance, product availability, ecosystem adoption, liquidity and general market conditions. The issuer does not determine or predict the market price of FYT.

8.10 Buyback & VAT Policy

Purpose. FYT is a program/utility token used for payments, discounts, and rewards within the FYT ecosphere. This policy clarifies how issuer buybacks are handled and how VAT is treated.

Buybacks = Burn-Only.
If the issuer repurchases FYT on the secondary market, all repurchased tokens are **permanently cancelled ("burned")** and **will not be re-issued or resold**. Any issuer acquisition and permanent cancellation of FYT is conducted in accordance with the discretionary policy described in Section 5.3 and is not intended to maintain or stabilise the market value of FYT.

No VAT at Buyback.
A buyback followed by immediate burn does **not** constitute a supply of goods or services; therefore, it is **generally outside the scope of VAT**. The issuer will **not** issue VAT invoices for buybacks and will provide a receipt stating, "no VAT—no supply."

VAT at Redemption Only.
VAT (or equivalent sales tax) applies **only** when FYT is redeemed for taxable goods/services (e.g., basalt flour), in line with the tax rules of the place of supply (e.g., OSS for intra-EU B2C distance sales, import VAT for third-country imports). The **goods invoice** is the VAT document.

No Peg / No Redemption Right.
FYT **does not** grant a legal right to redemption, a fixed value, or a peg to any asset or unit of measure.

Market Integrity.
Any market-making support is conducted by **independent, licensed counterparties** on arm's-length terms. The issuer does **not** conduct proprietary re-sales of bought-back FYT.

Change Control.
Any change to this policy requires a formal board resolution and an updated White Paper. Changes are **prospective** only.

Disclaimer.
VAT treatment may vary by jurisdiction and facts. Participants should consult their own tax advisers.

9 Operational Basalt Supply Arrangements

9.1 Operational Basalt Supply Capacity

Through long-term commercial arrangements with Balkan Basalt and related parties, the FYT issuer has secured rights to deploy up to **1,000,000 tons of basalt flour** over the life of the Flour Yield program. This basalt flour is earmarked for enhanced rock weathering (ERW) projects within the FYT ecosphere and defines the **maximum operational capacity** of the program (the "Program Basalt Reserve").

The Program Basalt Reserve is an **operational resource** used to plan and execute quarrying, milling and logistics. It does **not** constitute a segregated pool of assets owned for or on behalf of FYT holders, and it does **not** establish any individual legal entitlement of a token holder to receive basalt or any other asset.

9.2 Aggregate Operational Supply Capacity

Insela UAB intends to issue up to 1,000,000,000 FYT in accordance with the token supply and allocation framework described in Section 8.

Separately, under its commercial arrangements with Balkan Basalt and related parties, the issuer may have access to basalt flour for use in commercial sales, Enhanced Rock Weathering projects, logistics programs and other operational activities within the Flour Yield ecosystem.

The maximum FYT token supply and the operational availability of basalt are separate and independent program parameters. They are not connected by any formula, conversion rate, allocation ratio, valuation methodology or economic entitlement.

In particular:

- no quantity, mass or value of basalt is attributed to any individual FYT;
- no FYT represents, evidences or corresponds to any specific quantity of basalt;
- no basalt is segregated, reserved or held for the benefit of FYT holders;
- holding FYT does not create any ownership, delivery, redemption, repayment, security or beneficial interest in basalt;
- the issuance or transfer of FYT does not require the issuer or any project partner to acquire, retain, deploy or deliver a corresponding quantity of basalt; and
- changes in the quantity, availability, cost or market value of basalt do not result in any adjustment to the number, rights or contractual characteristics of FYT.

The quantity of basalt actually purchased, sold or deployed through the Flour Yield ecosystem will depend on commercial demand, product orders, project funding, logistics, market prices, regulatory requirements and other operational factors.

Any information concerning the issuer's potential basalt supply capacity is provided solely to explain the scale and operational context of the Flour Yield ecosystem. It does not constitute token backing, collateralisation, asset referencing, reserve coverage or a mechanism intended to maintain or stabilise the value of FYT.

9.3 Basalt Product Pricing and Token Independence

Market prices for basalt flour may vary significantly depending on product specifications, particle size, processing, packaging, delivery location, transport costs, order volume, regulatory requirements and prevailing market conditions.

Any basalt prices referred to by the issuer, its merchants or its project partners are product-market information used for commercial planning or the sale of basalt products. Such prices are not used to determine, calculate, support or maintain the issue price, market price or economic value of FYT.

In particular:

- FYT has no fixed, indicative or target value expressed in kilograms of basalt, euros or any other unit of account;
- no basalt price is attributed or allocated to an individual FYT;
- there is no exchange, conversion or redemption ratio between FYT and basalt;
- the issuer does not establish a price floor, price ceiling, target price or benchmark price for FYT by reference to basalt;
- the issuer does not undertake to purchase or sell FYT in response to changes in the market price of basalt; and
- the issuer does not undertake to maintain or stabilise the value of FYT by reference to basalt, carbon-removal units, fiat currency, another crypto-asset, an index, a basket of assets or any other value or right.

Where FYT is accepted as payment for basalt flour or other goods or services, the required amount of FYT will be determined at the time of the transaction under the merchant's then-applicable pricing and payment terms. Prices, product availability and payment conditions may be changed, suspended or withdrawn at any time.

Acceptance of FYT as a payment method does not constitute redemption of FYT and does not create an obligation for the issuer or merchant to provide a fixed quantity or fixed value of goods or services for each FYT.

Any market price of FYT is independent of the market price, availability or commercial performance of basalt and may fluctuate significantly or fall to zero. Nothing in this Section constitutes a fair-value statement, valuation opinion, price forecast, guarantee of purchasing power or promise of value preservation.

9.4 No Redemption, no Stability Objective (non-ART Positioning)

FYT is designed and offered as a **utility / program token** within the Flour Yield ecosphere:

- FYT does **not** provide a contractual right to redeem tokens for a fixed quantity of basalt, fiat currency or any other asset.

- FYT does **not** aim to maintain a stable value relative to basalt, to any basket of commodities, to fiat currency, to carbon removal units, or to any other reference index.
- Any acceptance of FYT as a means of payment or for discounts within the Flour Yield shop or partner ecosystem is **discretionary, program-driven and subject to change**, including the applicable pricing, discounts and conditions.

Accordingly, the issuer does **not** consider FYT to be an **asset-referenced token (ART)** or **e-money token (EMT)** within the meaning of Regulation (EU) 2023/1114 (MiCA). The descriptions in this section are intended to provide transparency on program capacity and internal valuation references and must not be interpreted as implying a legally enforceable backing, coverage or redemption arrangement.

9.5 Risk and Adjustment Rights

All reference prices, capacities and ratios in this section are subject to **material uncertainty and change**, including but not limited to:

- changes in basalt extraction, milling, transport and compliance costs;
- changes in market demand and retail pricing for basalt flour;
- changes in regulatory, tax and environmental frameworks; and
- changes in FYT issuance volumes and program design.

The issuer reserves the right to **update, suspend or replace** the reference values and metrics described above as market conditions, regulatory requirements or program parameters evolve. Any such changes will be communicated through updated White Paper versions and/or dedicated disclosures on the FYT information channels.

10 Strategic Roadmap & Potential Regulatory Upgrade

Forward-looking statement
The information in this Section 10 is forward-looking, subject to uncertainties, and does **not** create any right, expectation, or obligation in respect of current FYT holders. References to future regulatory status are purely indicative and contingent on factors outside the issuer's control. All dates and milestones are indicative and subject to change without notice.

10.1 Objective of a Potential ART Upgrade

Subject to (i) market demand, (ii) availability of sufficient own funds, and (iii) approval by the competent national authority, **Insela UAB** may, in a subsequent phase, apply for authorisation under **Title III of Regulation (EU) 2023/1114 ("MiCAR")** to issue FYT as an **Asset-Referenced Token (ART)** backed by a quantified reserve of basalt flour.

Without creating any right, expectation, or guarantee for holders, Insela UAB intends to **assess and, if appropriate, apply for authorisation** to issue FYT as a **basalt-referenced ART** under **MiCA Title III** to support **wider B2B settlement and acceptance** across commodity and ESG value chains. Any such upgrade would be contingent on: (i) meeting MiCA Title III requirements (including **reserve governance, custody, daily reconciliation, own-funds**, and **redemption** framework); (ii) **approval by the competent authority** (currently the Bank of Lithuania) and **publication of a new, approved ART White Paper**; and (iii) completion of the necessary **operational, audit, and reporting** arrangements.
No automatic conversion.

Until authorisation is granted, and the new ART documentation is approved and effective, FYT **continues as a Title II utility token**. Holders **do not** have any **redemption, peg, stability**, or **income** entitlements, and **no conversion** to any future ART will occur automatically.

Scope & positioning. If pursued and approved, a basalt-referenced ART would be **positioned as a medium of exchange within commodity/ESG supply chains** (not legal tender and **not an EMT**). **Significant ART** status, if ever triggered, could entail additional obligations and supervision. Forward-looking statements herein are indicative and may change without notice.

10.2 Pre-Conditions for Filing an ART Application

Pre-condition	**Summary of Requirement**	**Status**
Own funds (Art 31 MiCAR)	Minimum of EUR 350 000 or 2 % of the reserve's value, held in CET1-quality capital.	To be met from Phase 1 proceeds and additional equity.
Reserve governance & custody	Daily inventory reconciliation, monthly attestation, insured warehousing.	Strategic agreements being negotiated.
White-paper upgrade	Full Annex II disclosure, including redemption rights and risk factors.	Draft outline prepared; final drafting starts post-funding.
Supervisory approval	Authorisation by the Bank of Lithuania before any public offer or trading as an ART.	Not yet filed.

10.3 Interim Legal Status

Until such time as (a) authorisation is granted and (b) the upgraded White Paper is approved and published, **FYT remains classified as a utility token under Title II of MiCAR**. No redemption right, price-stability commitment, or backing ratio is in force.

10.4 No Automatic Conversion

Holders should note that the contemplated upgrade **will not occur automatically**. Any conversion mechanism, peg ratio, or reserve entitlement will be defined—if at all—in a new White Paper and may be subject to additional terms, conditions, or acceptance requirements.

10.5 Risk Factors Specific to The Upgrade

- **Regulatory risk:** Approval is at the sole discretion of the competent authority and may be delayed, conditioned, or refused.
- **Capital risk:** Insela UAB may be unable to raise the requisite own funds or secure adequate reserve assets.
- **Operational risk:** Establishing an audited reserve and compliant redemption infrastructure may prove more complex or costly than anticipated.

Disclaimer
Nothing in this Section 10 should be construed as a firm commitment by Insela UAB to pursue, complete, or succeed in obtaining ART authorisation. Prospective purchasers must base their investment decision solely on FYT's current utility-token characteristics as described in Sections 1–9 of this White Paper.

11 Sustainability Footprint

(MiCA Art. 6 §1 (p) & Implementing Reg. 2024/2984 – Part K)

11.1 Project-Wide Climate Context and Operational Objective

The Flour Yield ecosystem includes commercial and sustainability-related activities involving finely milled basalt rock, commonly referred to as "basalt flour", and its potential use in Enhanced Rock Weathering ("ERW") projects.

When basalt flour is applied to suitable soils, naturally occurring geochemical reactions may contribute to the removal of atmospheric CO_2 by converting it into bicarbonate and other stable forms. The scale, timing and effectiveness of any such removal depend on multiple factors, including basalt composition, particle size, soil conditions, climate, application methods, logistics, project design and applicable measurement and verification standards.

These basalt- and ERW-related activities form part of the broader commercial and environmental context of the Flour Yield ecosystem. They are separate from the issuance, ownership, transfer, legal characteristics and market value of FYT.

In particular:

- no individual FYT represents, evidences or corresponds to any quantity or value of basalt;
- no individual FYT represents or confers any amount of CO_2 removal, emissions reduction or environmental benefit;
- FYT does not grant any ownership, redemption, repayment, delivery or beneficial right in relation to basalt, carbon-removal units, carbon credits, environmental certificates or any other asset or right;

- the number of FYT issued, acquired, transferred or held does not determine the quantity of basalt purchased, deployed or applied;
- the acquisition or holding of FYT does not require Insela UAB or any project partner to undertake a corresponding ERW activity or deliver a particular environmental outcome; and
- environmental performance does not result in any adjustment to the supply, rights, contractual characteristics or value of FYT.

Insela UAB may, at its discretion, use part of the proceeds generated from FYT-related activities to support ecosystem development, basalt-related commercial operations, logistics, sustainability reporting, ERW research, project implementation or other operational purposes. Any such use of proceeds is discretionary and does not create any contractual entitlement, economic claim or environmental performance right for FYT holders.

Actual basalt deployment and ERW activities will depend on commercial demand, project funding, regulatory requirements, operational capacity, third-party participation, logistics and other relevant factors. No minimum quantity of basalt application or CO_2 removal is promised or guaranteed.

Any environmental data, estimates, scenarios or reporting presented in this White Paper are provided solely at the aggregate project or operational level for sustainability disclosure and transparency purposes. They are not intended to determine, support, maintain or stabilise the issue price, market price, purchasing power or economic value of FYT, and they do not constitute token backing, collateralisation, asset referencing, reserve coverage or a promise of environmental or financial performance.

11.2 Blockchain Layer Impact

FYT transfers occur on the Hyperliquid L1 (HyperEVM), which is secured by the HyperBFT consensus protocol and economic staking in the native HYPE token. HyperBFT is a PoS-style design that does not rely on energy-intensive proof-of-work mining; blocks are finalized by a compact validator set using pre-commit agreements, resulting in orders-of-magnitude lower electricity use per transaction than legacy PoW systems.

For the purposes of this White Paper, we treat the marginal emissions of FYT's on-chain activity as follows: under conservative assumptions about validator hardware and grid mix, the lifecycle emissions of all FYT-related Hyperliquid activity (minting, transfers, oracle calls) associated with 1 million FYT are approximated at ≈ 1 t CO_2e. This is a planning assumption rather than a chain-wide measurement and will be updated as better data becomes available.

11.3 Net Climate Balance

The table below presents an illustrative aggregate sustainability scenario for selected operational activities within the Flour Yield ecosystem. The figures are provided exclusively to explain the potential environmental profile of the program and do not establish any relationship between the number or value of FYT and any quantity of basalt, CO_2 removal or environmental outcome.

Component	Illustrative CO_2 released	Illustrative CO_2 removed	Illustrative net effect
Aggregate FYT-related on-chain activity on Hyperliquid during an illustrative reporting period	≈ 1 t CO_2e	—	+1 t CO_2e
Separate operational ERW scenario involving the application of approximately 1,000 tonnes of basalt	—	≈ 300 t CO_2e	–300 t CO_2e
Illustrative aggregate program balance	**≈ 1 t CO_2e**	**≈ 300 t CO_2e**	**≈ –299 t CO_2e**

Important qualification: The two operational components shown above are combined solely for high-level sustainability illustration. They are not linked through any token-to-basalt ratio, token-to-carbon formula, allocation mechanism, reserve arrangement or value-stabilisation mechanism. The number of FYT issued, acquired, transferred or held does not determine the quantity of basalt applied or the amount of CO_2 removed.

This illustrative scenario describes potential environmental effects at the aggregate program level only. It does not establish or imply any fixed relationship between the number of FYT issued, acquired or held and any quantity of basalt applied, any amount of CO_2 removed or any other environmental outcome. No individual FYT represents, corresponds to, is backed by, or confers any claim or entitlement to basalt, carbon-removal units, emissions reductions, environmental certificates or a net-negative carbon position.

The figures are non-binding estimates provided solely for sustainability reporting and operational transparency. They are subject to methodological uncertainty, independent verification and revision as additional data and improved methodologies become available. No environmental figure presented in this section is intended to determine, support, maintain or stabilise the market value of FYT.

11.4 Governance & Reporting

- **On-chain MRV:** Each ERW deployment is linked to a GPS-tagged NFT; carbon removal measurements are uploaded to IPFS and hashed in the FYT registry on Hyperliquid.
- **Annual sustainability audit:** Third-party verification of (i) tonnes of basalt spread, (ii) CO_2 removed, and (iii) FYT-related Hyperliquid transaction volumes and associated emissions as per the methodology disclosed in the MRV repository.
- **Contingency offsets:** Should Hyperliquid's infrastructure or FYT usage patterns lead to materially higher emissions than assumed in this section, the FYT Issuer will purchase additional high-quality carbon credits or adjust program parameters to maintain a strongly net-negative balance over the life of the program.

12 Data Protection

(Required under MiCA Art. 6 §1 (q) and GDPR (EU) 2016/679)

12.1 Legal Bases

Processing of personal data within the FYT ecosystem relies on:

Purpose	Lawful basis (GDPR)	Reference
KYC/AML onboarding, sanctions screening	**Art. 6 (1)(c)** – legal obligation under MiCA and 6 AMLD	MiCA 2023/1114
Ongoing transaction monitoring & Travel-Rule packets	**Art. 6 (1)(c)** – legal obligation	MiCA + Implementing Reg. 2024/2902
Investor support via Chatbase bot	**Art. 6 (1)(b)** – contract performance	
Analytics on anonymised usage data	**Art. 6 (1)(f)** – legitimate interest (service improvement)	

12.2 Controller & Processors

- **Controller:** *Architektų g. 56-101, Vilnius, Lithuania.*
- **Data Protection Officer:** compliance@flour-yield.com.
- **Processors:**
  - **Sumsub Ltd.** – identity verification, KYT and Travel Rule.
  - **OpenAI Ireland UC (Chatbase)** – conversational support.
  - AWS EU-Central-1 – backend infrastructure.
    All processors are bound by GDPR-compliant DPAs and are **ISO 27001-certified**.

12.3 Data Categories Collected

Dataset	Examples	Retention limit*
Identification	ID document image, selfie video, liveness metrics	≤ 5 years**
Contact	E-mail, mobile, IP address	≤ 5 years
KYT & wallet	Public wallet address, transaction risk score	≤ 5 years
Support logs	Chat text, ticket metadata	≤ 3 years

* Counting from the end of the business relationship or last regulatory obligation.
** Maximum set by Implementing Reg. (EU) 2024/2902 Art. 22 (1).

Data required by accounting laws may be held longer where statutory.

12.4 Lawful Basis for Blockchain Processing.

Certain FYT-related transactions may involve the processing of personal data (e.g., wallet identifiers or transaction metadata) on the Hyperliquid blockchain. Because blockchain data is immutable by design, such processing is justified under **GDPR Article 6(1)(b)** (performance of a contract in providing FYT-related services) and **Article 6(1)(f)** (legitimate interest in maintaining a secure, tamper-resistant transaction ledger). Insela UAB and the user act as **joint controllers** only for the on-chain elements necessary to execute FYT transfers. Due to the decentralised nature of the ledger, data recorded on the blockchain cannot be altered or erased, but where feasible, off-chain personal data is minimised, pseudonymised or deleted in accordance with Section 12.

12.5 Storage & Security

- All raw KYC/AML data reside **solely on Sumsub's EU servers**; FYT stores only opaque session IDs.
- TLS 1.3 in transit; AES-256 at rest; hardware HSM for treasury keys.
- Role-based access, quarterly access-log review, and mandatory MFA for staff.
- Annual penetration test and SOC 2 Type II reports from critical vendors.

12.6 Blockchain-Specific Considerations

- **On-chain hashes:** Verification proofs (e.g., KYC-passport NFT metadata) are salted/hashed so they are **not personal data** in the GDPR sense.
- **Immutability risk:** Should any hash later be deemed personal, erasure is technically impossible; instead we will overwrite associated off-chain records and rotate salts, a measure recognised by the EDPB as an effective mitigation.
- **Public wallet addresses** are treated as pseudonymous data; linkage to a natural person occurs only inside Sumsub's secure environment.

12.7 Cross-Border Transfers

No raw personal data leave the EEA. If future service extensions require transfers to a third country, FYT will use **Standard Contractual Clauses (SCCs)** and, where necessary, supplementary measures per Schrems II guidance.

12.8 Data Subject Rights

Holders may exercise **access, rectification, erasure, restriction, portability and objection** (GDPR Arts. 15-21) by contacting the DPO. Requests are fulfilled within 30 days unless manifestly unfounded or excessive.

12.9 Governance & Oversight

- **Record of Processing Activities (RoPA)** maintained and reviewed annually.
- **Data Protection Impact Assessment (DPIA)** completed for KYC/AML flows and reviewed whenever the processing changes materially.
- **Incident response:** Any personal-data breach will be assessed without undue delay and, where required, notified to the competent supervisory authority (as lead supervisory authority, the State

Data Protection Inspectorate of Lithuania) within 72 hours of becoming aware of it, and to affected data subjects where required under GDPR Articles 33–34.

- **Audit rights:** FYT retains contractual rights to audit all processors for GDPR compliance.

13 Regulation & Compliance

The Flour Yield Token ("FYT") is issued by Insela UAB, a company established in Lithuania.

For regulatory purposes, FYT is classified primarily as a **crypto-asset within the scope of Title II of Regulation (EU) 2023/1114 on markets in crypto-assets ("MiCA"), other than an asset-referenced token ("ART") or e-money token ("EMT")**.

FYT incorporates payment, access, loyalty, reward and other utility-oriented functionality within the Flour Yield ecosystem. References in this White Paper to "utility", "utility functions", "utility locking" or similar terminology describe the functional and commercial use of FYT and do not imply that FYT's regulatory classification depends exclusively on qualification as a "utility token" within the meaning of Article 3 MiCA.

FYT is not intended or structured as an ART, EMT or financial instrument. It does not purport to maintain a stable value by reference to an official currency, basalt, carbon-removal units, another crypto-asset, an index, a basket of assets or any other value or right.

The regulatory classification described in this Section is based on the current characteristics, rights and functionality of FYT as described throughout this White Paper.

13.1 FYT Regulatory Classification under MiCA

The regulatory classification of FYT is based on the substance of its current rights, characteristics and functionality rather than on any commercial label applied to the token.

Category	Classification	Rationale
Crypto-asset under MiCA	**Applicable**	FYT is a transferable digital representation of value capable of being stored and transferred electronically using distributed-ledger technology.
MiCA Title II crypto-asset other than ART or EMT	**Applicable — Primary Classification**	FYT does not meet the defining characteristics of an ART or EMT and is therefore treated as a crypto-asset within the scope of MiCA Title II.
E-Money Token (EMT)	**Not Applicable**	FYT does not purport to maintain a stable value by reference to one official currency. It has no fixed monetary value, par-value redemption right or commitment to preserve purchasing power.
Asset-Referenced Token (ART)	**Not Applicable**	FYT does not purport to maintain a stable value by reference to another value or right or any combination thereof. It is not pegged to basalt, carbon-removal units, revenues, the Green

Category	Classification	Rationale
		Dividend, fiat currency, another crypto-asset or any other reference value.
Financial Instrument	**Not Applicable**	FYT does not confer equity, debt, repayment, interest, profit-sharing, dividend, ownership or corporate voting rights and is not structured to replicate the economic or legal characteristics of a transferable security or other financial instrument.
Utility-oriented functionality	**Applicable — Functional Characteristic**	FYT provides payment, access, loyalty, reward and other ecosystem functionality, including use in connection with eligible goods and services. Such functionality describes how FYT is used and does not constitute its exclusive regulatory classification.

13.2 Functional Characteristics

FYT may be used, subject to applicable terms and availability, for purposes including:

- payment for eligible goods and services within the Flour Yield ecosystem and participating partner networks;
- access to selected products, services, digital features and content;
- discounts, loyalty benefits and other consumption-based incentives;
- activity-based rewards and community participation;
- optional utility locking for access-related benefits without yield, interest or financial return; and
- other ecosystem functionality described in this White Paper.

The existence of multiple utility-oriented functions does not create any right to a stable token value, financial return or participation in the assets or financial performance of Insela UAB or any project partner.

13.3No Redemption, Asset or Revenue Claim

Holding FYT alone does not create an unconditional claim to any good, service, asset or payment.

In particular:

- FYT does not entitle its holder to receive a fixed quantity or value of basalt;
- FYT does not confer ownership or beneficial rights in the Basalt Reserve;
- FYT does not confer any entitlement to carbon credits, carbon-removal units or environmental certificates;
- FYT does not confer any entitlement to revenues, profits or corporate distributions of Insela UAB, Balkan Basalt Holding B.V. or any other project partner;

- the Green Dividend described in Section 5 is a corporate distribution received by Insela UAB and not by FYT holders; and
- discretionary FYT acquisitions and permanent cancellations described in Section 5 do not create a repurchase, redemption, return or price-support right for FYT holders.

Where FYT is accepted as payment for goods or services, the applicable amount of FYT is determined in accordance with the merchant's prevailing terms, pricing and product availability. Such acceptance does not constitute redemption at a fixed value.

13.4 No Stability Objective

Insela UAB does not undertake to maintain or stabilise the value or purchasing power of FYT.

In particular, no mechanism is operated to maintain the value of FYT by reference to:

- an official currency;
- basalt or the Basalt Reserve;
- carbon-removal units or environmental outcomes;
- the Green Dividend;
- revenues, profits or assets of Insela UAB or any project partner;
- another crypto-asset;
- an index or basket of assets; or
- any other value or right.

The market value of FYT, if any, is determined by market participants and may fluctuate significantly or fall to zero.

13.5Governance

FYT does not currently confer corporate governance, shareholder or ownership rights in Insela UAB or any project partner.

Any community polls or participation mechanisms made available within the Flour Yield ecosystem are separate from corporate governance and do not confer legally enforceable authority over Insela UAB, its management body, corporate assets or shareholder decisions.

Any future introduction of materially different or legally binding token-based governance rights would be subject to a separate legal and regulatory assessment and, where applicable, appropriate disclosure.

13.6 Potential Future ART Structure

The potential future regulatory development described in Section 10 does not alter the current classification of FYT.

Any future basalt-referenced ART structure would require satisfaction of the applicable MiCA Title III requirements, regulatory authorisation and appropriate ART documentation before becoming effective.

Until such requirements are satisfied, FYT remains a **MiCA Title II crypto-asset other than an ART or EMT**, with the current rights and functionality described in this White Paper.

This architecture closely reflects the Article 8(4) classification approach: for Title-II crypto-assets, the notification must explain why the asset is not excluded from MiCA, is not an EMT and is not an ART; the ESA template additionally requires consideration of financial-instrument and other Article 2(4) exclusions.

13.7 Legal & Regulatory Framework

FYT falls within the scope of **MiCA Title II — Crypto-assets other than asset-referenced tokens or e-money tokens**.

The regulatory treatment of FYT does not depend on FYT qualifying exclusively as a utility token. Its payment, access, reward, loyalty and other utility-oriented characteristics form part of the functional description of the crypto-asset, while its primary regulatory classification derives from its current legal and economic characteristics and the absence of ART, EMT or excluded financial-product features.

The FYT Crypto-Asset White Paper has been notified to the Bank of Lithuania in accordance with the applicable MiCA Title II notification framework.

Under that framework:

- the Crypto-Asset White Paper is notified to the competent authority of the home Member State;
- the notification does not constitute approval of FYT or of this White Paper by the competent authority;
- competent authorities do not require prior approval of a Title II Crypto-Asset White Paper;
- the notification is accompanied by an explanation of why FYT is not excluded from the scope of MiCA, is not an EMT and is not an ART;
- offers to the public and admission to trading are subject to the requirements of MiCA Title II, except where a specific statutory exemption applies; and
- FYT does not require an ART or EMT issuer authorisation while it retains the current characteristics described in this White Paper.

Any exemption available under Article 4 MiCA depends on the specific conditions applicable to the relevant offer. The regulatory positioning of FYT in this White Paper does not rely on a narrow interpretation of FYT as an exclusively issuer-provided utility token or on an exemption from the general Title II disclosure framework.

Because FYT is not structured as a financial instrument, this White Paper is not a prospectus under Regulation (EU) 2017/1129.

Article 8 MiCA expressly provides for notification rather than prior approval and requires an accompanying classification explanation covering the MiCA exclusions, EMT and ART tests.

13.8 Alignment with EU MiCA and Implementing Regulation (EU) 2024/2984

This Crypto-Asset White Paper has been prepared to comply with Regulation (EU) 2023/1114 ("MiCA") and Commission Implementing Regulation (EU) 2024/2984 concerning the forms, formats and machine-readable requirements applicable to crypto-asset White Papers.

The version submitted for regulatory notification was prepared in the required machine-readable format, including the applicable XHTML / Inline-XBRL structure and taxonomy mapping.

The disclosure architecture of this White Paper covers, among other matters:

- issuer and project information;
- the characteristics and functionality of FYT;
- the offer and issuance structure;
- token supply, allocation and vesting;
- rights and obligations associated with FYT;
- technology and smart-contract architecture;
- risk disclosures;
- sustainability and environmental information;
- data-protection considerations; and
- FYT's regulatory classification.

The Article 8(4) regulatory classification explanation accompanying the Title II notification is conceptually distinct from the White Paper itself but is supported by and cross-references the disclosures contained in this document.

Commission Implementing Regulation 2024/2984 establishes the standard forms, formats and machine-readable White Paper architecture used for MiCA filings.

13.9 MiCA / ITS Completeness Index — Selected Items

MiCA / ITS Requirement	Where Satisfied in this White Paper
Mandatory MiCA statement and risk warnings	Page 1 — MiCA Compliance Statement and Mandatory Risk Warnings
Executive Summary and summary warning	Section 1 — Executive Summary

MiCA / ITS Requirement	Where Satisfied in this White Paper
Issuer identification, ownership and contact information	Section 4 — About the Issuer; Section 4.4 — Mandatory MiCA Issuer Information
Issuer business and financial position	Section 4.4 — Mandatory MiCA Issuer Information
Project and ecosystem description	Sections 1–4
Offer structure, funding parameters and pricing method	Section 8.3 — Offer to the Public and Issuance Details
Right of withdrawal	Section 8.3.3
Expenses and fees related to the offer	Section 8.3.4
Applicable law and competent court	Section 8.3.5
Token supply, allocation, vesting and treasury	Sections 8.1.5 and 8.2
Functional characteristics and token-holder rights	Sections 3, 5–9 and 13.1
Regulatory classification — Title II / non-ART / non-EMT	Sections 1.3 and 13.1
No stable-value or asset-reference mechanism	Sections 5.4, 7.3, 9.2–9.4, 11.1 and 13.1
Technology, blockchain and smart-contract architecture	Section 8.1
Technology and smart-contract risks	Section 16.2
Environmental and sustainability disclosures	Section 11 — Sustainability Footprint
Data protection	Section 12 — Data Protection
Risk disclosures	Section 16 — Risk Disclosures
Machine-readable MiCA filing format	Regulatory notification package prepared in accordance with Commission Implementing Regulation (EU) 2024/2984

The regulatory-classification row in the existing completeness index currently describes FYT specifically as a **“Title II Utility Token.”** I would change that to **“MiCA Title II crypto-asset other than an ART or EMT, incorporating utility-oriented functionality.”** The current Section 13 still makes Utility Token the controlling classification, even though the Executive Summary already uses the broader Title-II formulation.

14 MiCA Compliance Note (Treasury & Allocation Flexibility)

Any material future modification of FYT's token allocation, treasury utilisation, vesting schedules or other disclosed characteristics will be assessed and, where applicable, handled in accordance with Article 12 MiCA. Material changes will be disclosed in an updated CAWP and communicated publicly before implementation. No amendment shall modify the total authorised FYT supply (1,000,000,000 tokens) nor alter the non-redeemable rights associated with FYT.

Authoring process. We started from the official XHTML/XBRL template bundle released with ITS 2024/2984, locked all "pre-defined text" cells, then filled only the free-text fields with plain-language explanations and numeric data. A final validation pass was run through ESMA's draft MiCA white-paper validator to ensure correct tagging and completeness.

14.1 "Zero-Touch" KYC/AML

Insela UAB complies with Lithuanian AML laws and the EU AMLD5 directive. KYC checks are performed for all token sales. FYT is classified as a **utility token under MiCA (Reg. EU 2023/1114)**: it provides holders with access to on-chain agricultural data services and does **not** confer profit-sharing or governance rights.

To keep the sale friction-free while still meeting EU/EEA AML standards, we run a **single-vendor, fully outsourced model with Sumsub**:

What happens	How it works (automated by Sumsub)
Onboarding	ID-document + selfie liveness → sanctions/PEP check → wallet risk screen – avg. 20 s.
Tier limits	Tier T1 ≤ €15 k, T2 ≤ €100 k, T3 institutions – encoded in a soul-bound NFT minted on approval.
Purchase gate	Smart-contract buy function validates the NFT tier before minting FYT.
Travel Rule & TX monitoring	Sumsub's Travel-Rule hub exchanges originator/beneficiary data; all FYT transfers streamed to real-time blockchain AML analytics.
Refresh / escalation	Automated re-KYC at 1- or 3-year intervals; suspicious alerts routed to FYT MLRO only when human review is required.

Result: **~75 % fewer manual reviews**, instant investor experience, and continuous alignment with MiCA, the EU Transfer-of-Funds Regulation and 6AMLD.

14.2 Summary

FYT is a legally compliant utility token designed to function within a sustainable commerce ecosystem. The issuer is committed to full transparency, regulatory alignment, and ongoing compliance with MiCAR and Lithuanian law.

For full legal documentation and regulatory updates, visit: www.flour-yield.com/compliance

15 Tax Considerations (EU VAT–focused; non-VAT taxes noted briefly)

15.1 Issuance And Non-Redeem Transfers of FYT

- No VAT at issuance. FYT issuance is out of scope because no specific supply is known at that time (multi-use/prepayment logic). Also when FYT transfers are considered as in scope for VAT, the transfers of FYT should be treated as VAT-exempt financial services as referred to under "other securities" under Art. 135(1)(f) of the VAT Directive EC 2006/112/EC.
- **Secondary trading by holders.** Trading FYT on exchanges is treated as **VAT-exempt financial services**; intermediaries' fees may be VAT-able per local rules.

15.2 Redemption For Basalt (Goods Supply) — When VAT applies

- **Tax point & base.** VAT arises **when basalt is supplied**, based on its **euro value at that moment** (the shop price).
- **Place of supply & logistics.**
    - **EU customers**: fulfil from **Netherlands stock**. **B2C**: charge the **customer-country VAT rate** and report via **OSS**; **B2B**: typically **0% intra-Community supply** with acquisition VAT by the buyer.
    - **Non-EU**: fulfil **from Albania** for non-EU shipments; **exports 0%** from the EU, **import VAT (EUSt)** on entry to the EU as applicable.
    - **Crypto valuation.** For fluctuating assets, convert FYT to **EUR at the spot rate at transaction time**.

15.3 Rewards, Referrals, Airdrops

- **Referrals** provided **for FYT** are likely **VAT-taxable services** (CJEU *Naturally Yours*, *Empire Stores*). For B2B referrers, expect **invoicing/self-billing**; consider using a **third-party loyalty provider** if invoicing isn't feasible.
- **Airdrops** may be feasible **only** where FYT issuance is out of scope (utility token). If FYT were re-qualified (e.g., ART), feasibility narrows.

15.4 Buybacks (Issuer) — Burn-only

- **VAT position. Issuer buybacks followed by immediate burn** are **generally outside VAT** (no supply). **Do not re-sell** bought-back FYT; re-issues risk re-characterising the issuer as a **VAT-taxable reseller**. **Policy: "Buybacks = burn-only."**

15.5 Invoicing & Record-Keeping

- Issue a **VAT-compliant goods invoice** that shows **FYT surrendered + EUR equivalent**, **taxable amount**, **rate/amount of VAT**, and **shipping/ancillaries**. For **B2C via OSS**, a formal VAT invoice is not always required, but full records must be kept **10 years**.

15.6 Non-VAT taxes

- **Income/capital-gains taxes** for holders vary by jurisdiction and status (private vs. business). These are **outside the VAT scope** of this section and should be assessed with local advisers.

15.7 Practical Summary for Holders

- **Issuance / secondary trading:** no VAT at issuance; exchange trading treated as **VAT-exempt**.
- **Buying basalt with FYT: VAT applies** per the **goods** rules (OSS for EU B2C; ICS for EU B2B; exports/import VAT for third countries).
- **Referrals** maybe **VAT-able services** (B2B invoicing or self-billing).
- **Buybacks:** issuer **burns** all repurchased FYT; **no re-issues**.

16 Risk Disclosures:

The following section summarises the principal risks that could adversely affect holders of Flour Yield Token ("FYT"), the FYT ecosystem, or both. It fulfils **Articles 6 §1 (q)–(r) MiCA** and the fields **"I — Risk Factors"** in Commission Implementing Regulation (EU) 2024/2984

The list is not exhaustive; additional or unforeseen risks may arise. Each investor should conduct independent due diligence and, where necessary, obtain professional advice.

Category	Key risks	Potential impact
Market & Liquidity	• **Price volatility:** FYT trades on open markets and may fluctuate sharply. • **Thin liquidity:** Limited trading volume could make large orders difficult to execute without slippage. • **Market correlation:** Broader crypto downturns may depress FYT irrespective of project fundamentals.	Loss of token value; inability to exit positions at desired price or time.

Category	Key risks	Potential impact
Utility & Adoption	• **Platform demand risk:** FYT's value depends on adoption of the FYT data-services platform. • **Network effects:** If user growth stalls, utility and market depth may stagnate. • **Competition:** Rival agritech or DeFi solutions could erode FYT's market share.	Reduced token utility and price pressure.
Regulatory & Legal	• **Regime change:** Amendments to MiCA, AML/CTF laws or securities regulations could impose new obligations or restrictions. • **Jurisdictional divergence:** Rules outside the EEA (e.g., the U.S. or UK) may hinder exchange listings or marketing. • **Enforcement actions:** Misinterpretation of FYT's utility status could trigger investigations or penalties. • Mislabelling utility locking as 'staking/yield' could trigger re-qualification risks or additional authorisation requirements; availability may be restricted in some jurisdictions. • Authorisation for any ART upgrade may be delayed, conditioned, refused, or withdrawn; requirements could materially change project economics.	Trading restrictions; increased compliance costs; forced modifications to token design or sale.
Smart-Contract & Protocol	• **Code vulnerabilities:** Bugs in FYT contracts, the Hyperliquid network, or project oracles could be exploited. • **Upgrade risk:** Contract upgrades (e.g., via proxy) may introduce errors or malicious code. • **Layer-2 dependency:** Hyperliquid technical failures or re-orgs might disrupt FYT transfers.	Theft or loss of FYT; network downtime; reputational damage.
Cyber-Security	• **Key compromise:** Private keys of treasury or bridging contracts could be stolen. • **Phishing/social-engineering:** Users may be deceived into granting approvals or revealing seed phrases. • **DDoS attacks:** Infrastructure (API, RPC, oracle) may be targeted, impairing service.	Asset loss; operational interruption; legal liability.
Operational & Governance	• **Centralisation risk:** Early project phases rely on core team multisig; governance failures could arise. • **Personnel risk:** Loss of key developers or founders may slow delivery. • **Outsourcing dependency:** Critical services (e.g., Sumsub KYC, oracle providers) may fail or terminate contracts.	Delays in roadmap; reduced trust; additional costs or migration effort.

Category	Key risks	Potential impact
	• **Non-custodial lock contracts** carry smart-contract and network risks (bugs, delays, outages); perks are discretionary and may change.	
Technology & Scalability	• **Throughput limits:** Sudden growth in user base may exceed Hyperliquid or backend capacity. • **Interoperability bugs:** Bridges or cross-chain solutions may malfunction. • **Technical debt:** Rapid feature additions could outpace code audits.	Transaction bottlenecks; increased fees; degraded user experience.
Environmental & ESG	• **Carbon-footprint misalignment:** Although Hyperliquid is carbon-neutral today, future network changes could raise emissions. • **ESG perception risk:** Negative publicity about blockchain energy use may deter partners.	Reputational damage; potential loss of enterprise adoption.
Taxation	• **Uncertain treatment:** Tax rules for utility tokens differ by jurisdiction and may change retroactively. • **Withholding obligations:** FYT transactions or rewards could attract VAT or income-tax reporting duties.	Higher effective tax burden for holders; administrative overhead.
Force Majeure	Natural disasters, geopolitical conflicts, or global pandemics could impair operations of cloud providers, validators, or staff.	Network interruption; service degradation; project delays.
Insurance & Safeguards	FYT balances in user wallets are **not covered by investor-compensation or deposit-guarantee schemes** under EU law.	Full loss of value may be irrecoverable.

16.1 Mitigation Overview

- **Security:** Independent audits, bug-bounty program, and time-locked upgrade mechanisms for FYT contracts.
- **Compliance:** Continuous monitoring of EU & non-EU rule-making; Sumsub-powered KYC/AML controls already MiCA-ready.
- **Infrastructure:** Multicloud deployments, Hyperliquid staking redundancy, and cold-storage for treasury keys.
- **Governance:** Gradual decentralisation roadmap to migrate major decisions to FYT community voting.

Investors must be able to bear the economic risk of a complete loss of their investment.

16.2 Technology and Smart-Contract Risks.

FYT operates on the Hyperliquid Layer-1 blockchain using the HyperEVM execution environment. As with any distributed ledger system, FYT is exposed to underlying protocol risks including: (i) consensus failures or forks; (ii) validator misbehaviour or network congestion; (iii) bugs or vulnerabilities in the smart contract code; (iv) temporary or permanent chain outages; (v) changes to the Hyperliquid protocol, fee model or security assumptions; and (vi) reliance on off-chain components such as oracles or data providers. Hyperliquid and HyperEVM are operated by independent third parties, and Insela UAB has no influence over their performance, continuity, governance or security. Any disruption, failure or modification of the underlying blockchain may affect FYT's functionality, transferability or availability.

16.3 What This Means for FYT Holders

- **Purchasing FYT for basalt flour** triggers a VAT obligation, billed at the euro value at purchase.
- **Trading FYT on exchanges** remains VAT-free, treated like currency exchanges.
- **Selling FYT for profit** requires personal or business income tax depending on frequency and purpose.

16.4 Compliance Measures Taken by Flour Yield

- VAT registration in Lithuania to legally process and invoice purchases.
- Issuance of compliant invoices with correct VAT on basalt deliveries.
- Transparent euro-value conversion and token pricing for tax accuracy.
- Ongoing monitoring of EU crypto tax regulations and alignment with evolving frameworks (e.g., MiCA, OECD).

17 Roadmap

Q4 2025

- Token creation
- Smart contract deployment
- First acceptance use case (TarCasso)

Q1 2026

- Documentation review by law firm
- Basalt Flour shop live

Q2 2026

- Partner onboarding (market makers, banking partner etc.)

- Start Private Placement phase

Q3 2026

- Close Private Placement phase
- Focus on securing listings for FYT on cryptocurrency exchanges.
- Listing on Tier 1 or Tier 2 exchanges and engage with market makers **(Hyperliquid)**

Q4 2026 / 2027

- Expanded utility and market adoption
- Decision on the ART application
- DAO evolution and green treasury management

18 Opportunities & Risks

Opportunities

- Early leadership in GreenFi and regenerative-commerce tokens
- CO_2 credits market growing fast
- Real-world commerce and loyalty use case

Risks

- Regulatory uncertainty
- Dependence on Balkan Basalt Holding's performance
- Market volatility of FYT/USDC pool

Mitigation: Buffer models, clear disclosures, and decentralized ecosystem governance

19 Final Statement

Flour Yield Token (FYT) is a new breed of regenerative cryptocurrency:

✓ connected to real-world regenerative commerce
✓ Rewarding environmental action
✓ Usable as a currency

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