Sweat Economy



"SWEAT is the natural evolution of Sweatcoin. Global, open, and fair, SWEAT is a next generation cryptocurrency that will bring the next billion people into Web 3.0, and make movement part of global GDP."

Oleg Fomenko, co-founder of Sweatcoin and Sweat Economy.

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Sweat disclaimer

If you believe that movement has real value, read on. If you don't share this belief yet, read our blog.

Legal disclaimer

This paper has been prepared for information and discussion purposes only. The management and founders of the Sweat Foundation, the Sweat Foundation remains committed to breaking new ground in creating the conditions for new ways to monetise physical activity and healthy habit formation by deploying blockchain technologies. The Sweat Foundation may adjust the operating model at any time as it sees fit to remain consistent with local regulation and business operating rules that may apply in certain jurisdictions. The Sweat Foundation may but is under no obligation to adjust the content of these papers/documents at its absolute discretion at any time including without limitation in response to the changes outlined above. Whilst the Sweat Foundation may raise funds via a token sale in the future, nothing in this paper constitutes an offer or an invitation to any third party to make any investment or to subscribe for any token, asset, security, or other instrument of any kind. The information in this paper is subject to change, deletion or revocation at any time and you should not rely on any content contained within this paper for any purposes whatsoever whether in relation to any future token sale by the Sweat Foundation or otherwise.

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The original Move to Earn

We designed Sweatcoin to reward movement to inspire a healthier, wealthier planet.

Sweatcoin has 120M+ users, who are 20% more active after downloading the app. It has 600 partners, who provided $70M worth of goods and services in Q1 2022.

You could say: mission accomplished.

We say: we are just getting started.

The mission remains the same. Tokenization, however, changes everything. What was regional, becomes global. What was centralized, becomes permissionless. What was a closed economy, becomes a world in which every step mints a token that can be applied to many new use cases. We call this...

The open economy of movement

One small step for man...

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Inspiring health

One small step for man...

We have created an entirely new way for you to earn, an entirely new mechanism of value creation. Everyone has an equal right to earn from, and contribute to, the new economy.

SWEAT increases physical activity, but we wouldn't want to claim that SWEAT 'causes' a healthier world. The relationship between health and physical activity is one of correlation, not causation.

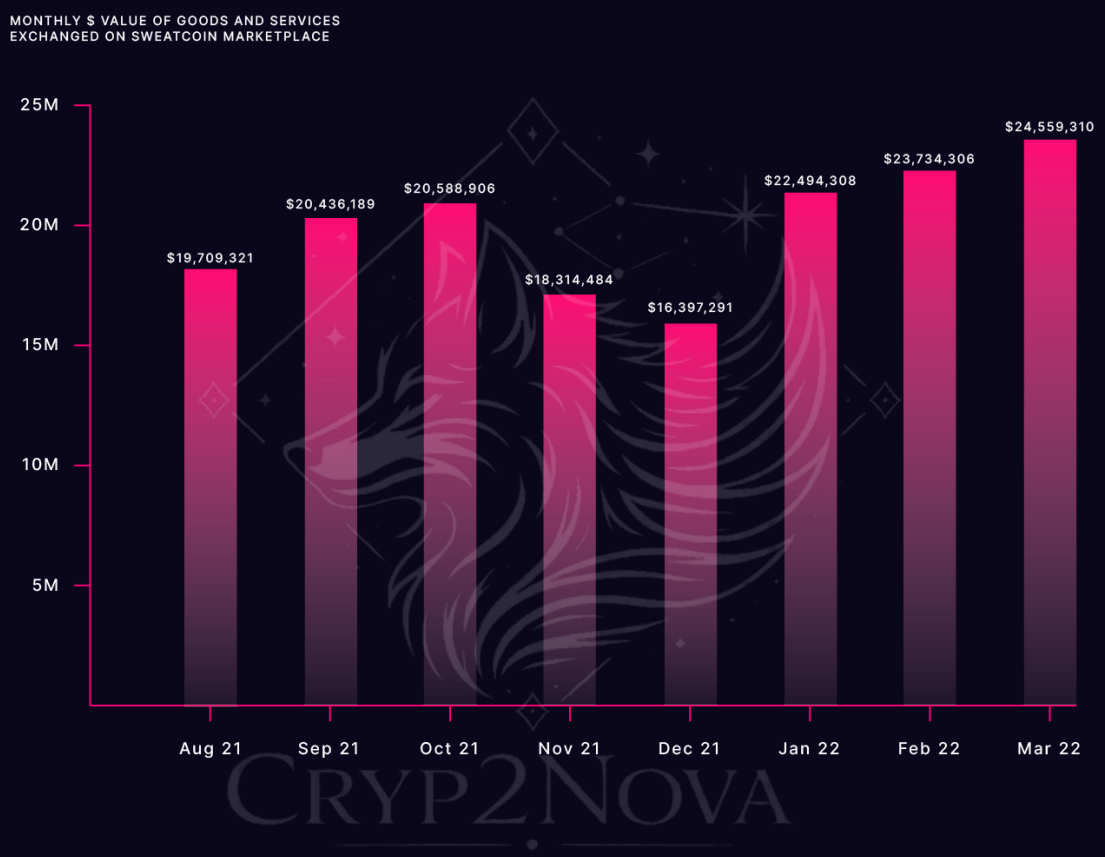
When people become more physically active, they are more likely to improve their health in other areas too. We believe that SWEAT can kick-start that positive feedback loop for people's physical and mental health.

Consider that the purpose of SWEAT. We want people to get moving because we hope, by incentivizing one contributing factor to general well-being, that we can play a part in bringing about that well-being to a greater number of people.

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The economy of movement

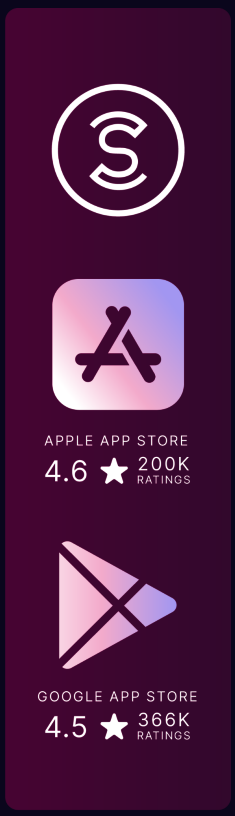
The economy of movement has already begun. Sweatcoin, via its centralized marketplace, validates the principle of monetizing user engagement to provide rewards for steps.



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The team who brought you Sweatcoin know that usership alone does not guarantee a successful product. We have not only created an app people love, but created sustainable ways to monetize user engagement and movement.



Walk the talk

Product market fit has been validated by Sweatcoin's success. That a centralized, regional, "walled garden" currency with a limited range of rewards has gained such popularity testifies to the strength of the product, and the simple fact that people love to earn rewards for their steps. It is an offering that has spoken to brands, institutions, and users alike.

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The largest Token Generation Event in history

The Sweatcoin app operated as the funnel to enable the launch of a new cryptocurrency, SWEAT. The Sweat Foundation made an offer for every Sweatcoin user to opt-in to claim 1 SWEAT for every sweatcoin in their balance, without burning their sweatcoins. The TGE occured on 13th September 2022. At TGE, the Sweat Foundation minted enough SWEAT to match the sweatcoins of users who have opted-in. That SWEAT was made available via a new Web3 app, Sweat Wallet. It was the largest airdrop to activate wallets in history.



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About Sweat Wallet

Sweat Wallet is a new app that shares the principles of Sweatcoin, but leverages Web3 to unlock new value. The app will include DeFi services, such as staking and crypto-crypto trading, Learn to Earn, an NFT game, and decentralized governance.

Token design

SWEAT is minted solely by movement, currently verified by the Sweatcoin app. Therefore, a stable number of users increases minting "input" (steps). An increase in users increases the input. A change in user habits – all users walking more because of intention and rewards – makes the input rise exponentially.

Each SWEAT will require more steps to mint than the last. To achieve our vision of making the world more physically active, SWEAT will be harder to mint with time. Not only does this incentivize users to get moving now – as their movement generates more SWEAT today than tomorrow – it preserves the utility of SWEAT as the model represents an ever increasing marginal cost of production.

The open economy of movement is enabled by SWEAT. It is a new market, a new economy, in which anyone, anywhere, can be rewarded in increasingly attractive ways, for any form of physical activity.

Cycle to work. Swim in the sea. Walk the dog. Jog around the park. Hike a mountain. The open economy establishes a new paradigm in which users are rewarded for their contribution to society by being active.

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Movement Validators are required to verify the validity of movement and update the blockchain accordingly. Consistent and accurate movement validation is fundamental to ensuring the integrity of the underlying asset

The current process at Sweatcoin – and the process applied to the launch claim – is such that: for every 1,000 verified steps, 1 sweatcoin is awarded. The validator receives the raw data from the recording device, and implements an algorithm to detect fraudulent behavior, and ensure only true movement is rewarded. SweatCo Ltd is the only Movement Validator as of launch.

Going forward, we intend to decentralize the validation process to enable third parties, such as activity trackers, fitness equipment makers, and fitness app developers to operate as Movement Validators. Examples include FitBit, Apple Watch, Peloton, and more. These tracking services will have to stake SWEAT to operate as Movement Validators. In return, for their contribution, they will receive a % fee for all transactions they process. By decentralization, we enable new markets for different types of physical activity, and expand the breadth of the open economy of movement.[1]

[1] Movement Validators receive 5% of the SWEAT they contribute to the minting of. This is the same fee that SweatCo Ltd has earned for its verification of steps via the Sweatcoin app.

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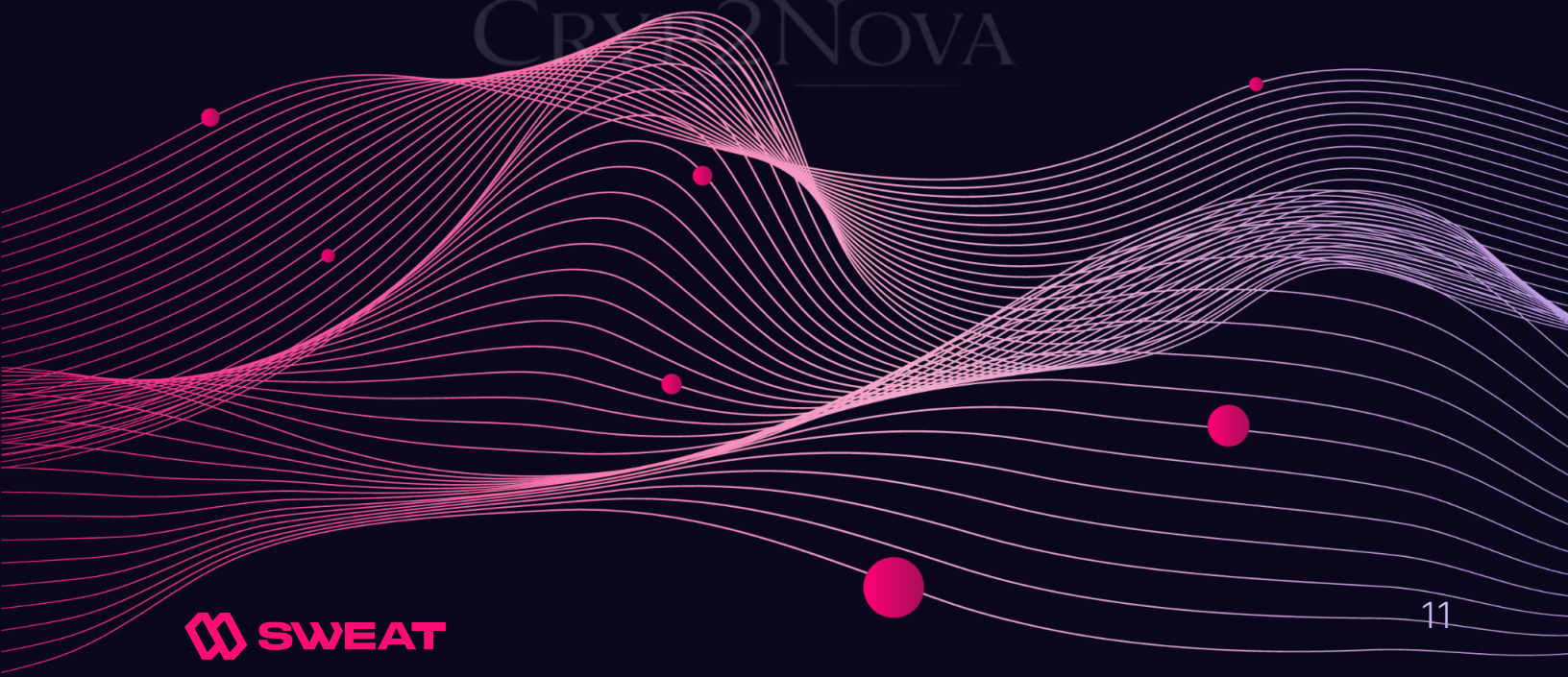
Power to you

Your data is yours. Now, and forever.

Sweatcoin has never sold user data. Neither will the Sweat Foundation. The Sweat Foundation will create a platform through which SWEAT holders can choose to monetize their data.

Through this platform, a SWEAT holder could, for example, choose to engage a health insurer who will pay for access to their movement data. A SWEAT holder could contribute their data to an aggregate data pool, resulting in features such as global activity indices. Insurers, doctors, academic institutions, and investors would pay for this data – **and you, the creator and owner of that data, would receive the reward**. The DAO would collect a fee for running the service.

We believe in autonomy. This is a point of principle, and a part of our mission. We believe that each person should own the data they create; and, by owning it, increase their own reward for moving.



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SWEAT: token fundamentals

- After TGE, the only way to mint new SWEAT is by movement, verified by a Movement Validator.

- After TGE, only a user's first 5,000 steps will mint SWEAT; anything above will create sweatcoins. This minting limit is liable to change with tiered minting, a reward offered in the Sweat Wallet.

- SWEAT is built on the NEAR blockchain.

- At TGE, SWEAT will be available as an erc-20 (Ethereum) token and nep-141 (NEAR) token.

- To encourage movement in perpetuity, the Foundation will introduce an inactivity fee. The DAO will charge users a fee if their activity consistently falls below a given threshold. Not only does this align with our mission of promoting consistent habits, it will also contribute to the exponentially decreasing rate of inflation (the exact details of the fee will be left to SWEAT holders, who govern the DAO).

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Tokenomics: introduction

The revenue generated by the activities listed below will at first go to the Sweat Foundation and be used to buy and burn. The Foundation has committed to use 50% of profits for buy and burn/yield. Thereafter, this revenue will go to the Sweat DAO, which will be governed by veSWEAT (locked SWEAT for governance).

- **NFTs.** 1) Third party NFT providers will have to pay SWEAT to sell NFTs to users. 2) Users will be able to purchase and upgrade NFTs with SWEAT, or else by staking considerable amounts of SWEAT.

- **DeFi functions.** The Sweat Wallet will generate fees by enabling a suite of DeFi functions: buying and selling crypto, the exchange of SWEAT into other crypto, liquidity provision, staking, and more. With the volume of users, the accumulated fees will be significant.

- **Access to the audience.** Projects who wish to market their tokens or NFTs to the Sweat Wallet community will have to pay a fee in SWEAT, and/or give free/heavily-discounted products to users.

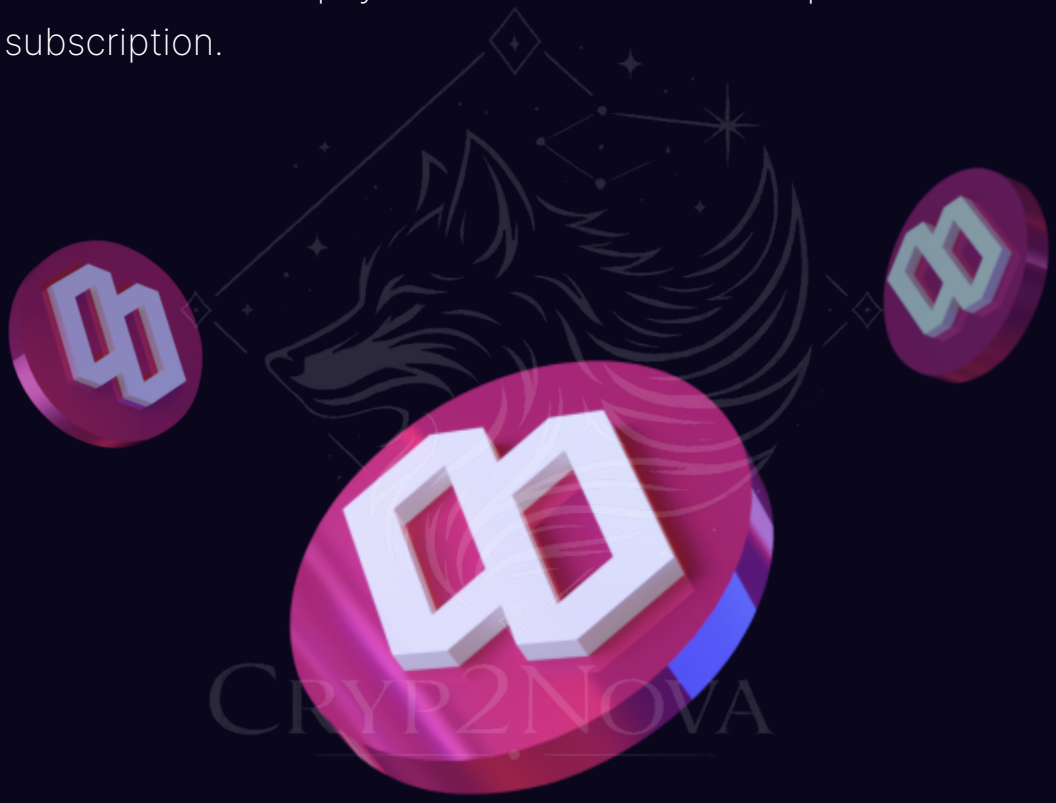
- **Advertizing.** With 120M users and counting, the apps (Sweatcoin and Sweat Wallet app) offer valuable advertising space. Any advertiser must pay in SWEAT to access this customer base.

- **Alternative Movement Validators** will have to stake a considerable amount of SWEAT to operate as a Movement Validator (for which they will receive a % fee as per the current SweatCo Ltd validator).

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- **Data analytics.** The Sweat DAO will give individuals ownership of their data, and offer them the opportunity to monetize that data. As such, any institution, investor, healthcare provider or insurer can buy an individual's SWEAT to gain access to data analytics.

- **Premium subscription services**. The premium services, such as those already on the Sweatcoin app, will include many benefits, such as access to exclusive markets, NFTs, social channels, and more. Users must pay in SWEAT to access the premium subscription.



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Sweat Wallet roadmap: phase one (complete)

The following tokeomics phases indicate the core functionality and utility of SWEAT. To achieve this, the Foundation has built the Sweat Wallet app.

The first phase of utility for SWEAT will include:

- **Staking.** In Sweat Wallet, earn an attractive % return on SWEAT. At EOY 2022, over 250M SWEAT has been staked. 2.5M Growth Jars (staking feature) have been created in Sweat Wallet.
- **Rewards.** On-chain and off-chain rewards will be given to holders depending on the amount of SWEAT they hold/stake. At EOY 2022, 32,435 rewards have been distributed to users.

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Phase two (Q4 2022 - Q1 2023)

- **Sweat Hero NFT game MVP.** A new, hyper-casual head-to-head game that creates a score out of **real life steps** and gameplay skill. Players use a Legs NFT to access the game. A common NFT will be given to any Sweat Wallet user who wishes to play.

- **Fiat on-ramp.** Users can purchase crypto with fiat in Sweat Wallet. We will work with leading payment processors to allow users to easily purchase SWEAT using a card/bank account.

- **Learn and Earn v1.** A new feature to allow users to earn by answering simple questions, sponsored by third parties.

- **Portfolio.** Multi-token wallet (Near only)

Phase three (2023)

- **Decentralization.** Governance and voting v1. The first vote was held at the end of 2022.

- **Trade crypto.** Integration with CEX/DEX to enable users to buy, sell and exchange crypto.

- **Sweat Hero NFT game.** Full rollout of NFT game to all users.

- **Inactivity fee.** SWEAT earning will be reduced for users whose level of activity consistently falls beneath a given threshold.

- **Learn and Earn on-chain.** Bringing the Learn and Earn feature within Sweat Wallet on-chain.

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- **Multi-token and multi-chain wallet**. Including an interface with single balance for users to easily manage their crypto.

Phase four (2025 onwards)

- **An open economy of movement.** The Foundation will support the creation and evolution of an entirely new economy.

- **Data analytics.** The Sweat DAO will give individuals the opportunity to monetize their own movement data.

- **Movement Validators.** By sharing SweatCo Ltd's proprietary movement validation algorithm with alternative activity tracking devices and wearables, the scope of the open economy can expand to offer users an endless range of new kinds of movement to mint SWEAT.



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SWEAT minting difficulty

Minting change (Oct 2022)

1.3K STEPS

≈ 1 SWEAT

6 months

4.5K STEPS

≈ 1 SWEAT

12 months

8.6K STEPS

≈ 1 SWEAT

18 months

13.1K STEPS

≈ 1 SWEAT

24 months

18.2K STEPS

≈ 1 SWEAT

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SWEAT token supply

- There is an uncapped supply of SWEAT to incentivize movement in perpetuity. However...

- This is balanced with a controlled, exponentially decreasing rate of inflation – SWEAT minting difficulty is exponential – such that inflation becomes asymptotic to zero.

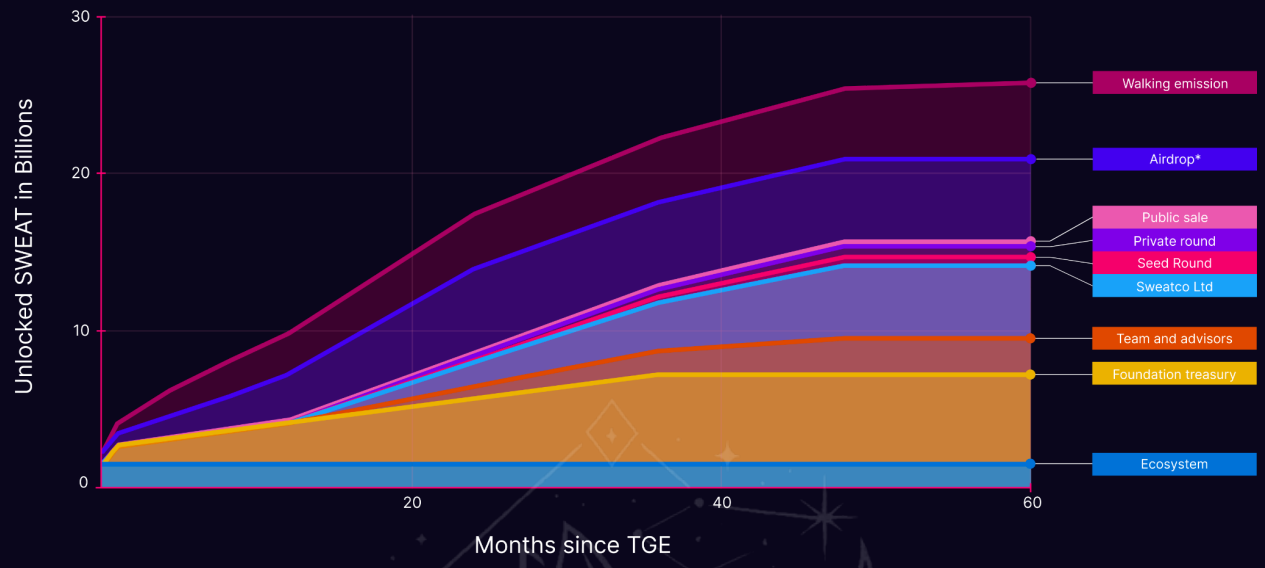
- This encourages adoption and movement, as movement today generates higher rewards than movement tomorrow.

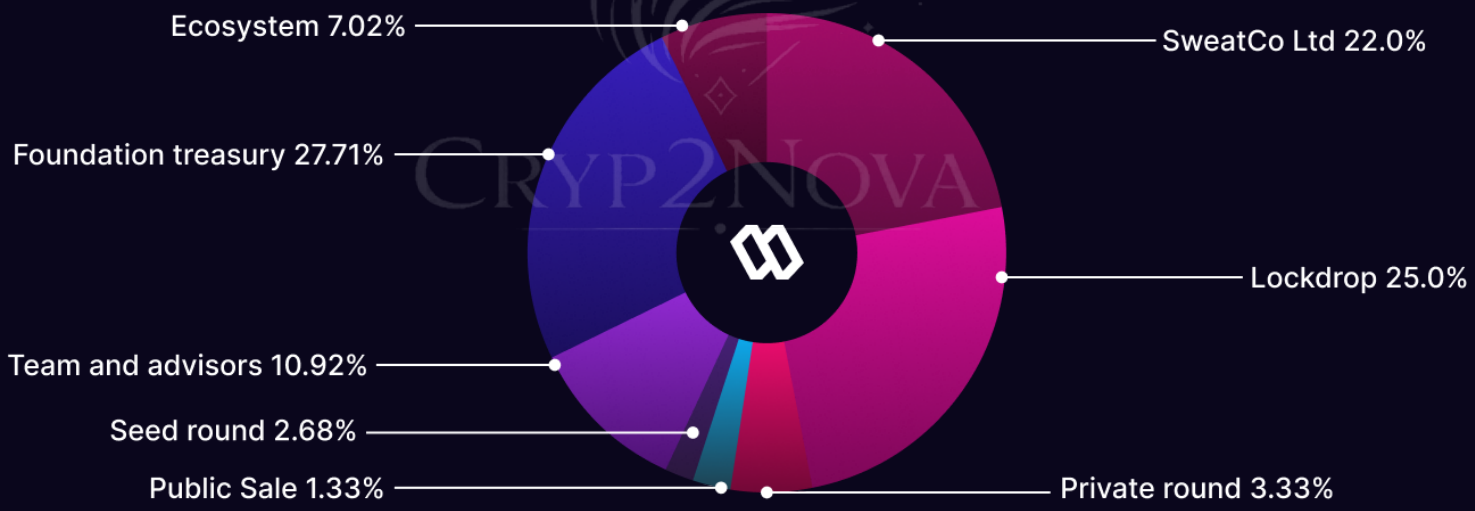
- Supply of new SWEAT depends only on physical activity already submitted, meaning that minted tokens are backed by the value of physical activity and nothing else. Uncapped supply with exponentially-decreasing inflation will ensure motivation to be physically active in perpetuity while consistently increasing value perception of SWEAT.

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SWEAT unlock and allocation





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Roadmap

Phase 1

2022 (complete)

TGE

Sweat Wallet App

SWEAT staking (grow)

MVP: rewards for staking SWEAT



Phase 2

2022-Q1 2023 (complete)

Sweat Hero NFT game MVP



Fiat on-ramp: buy SWEAT and crypto with fiat

Adding further rewards for staking

Learn and Earn v1

Multi-token wallet (Near only)

Phase 3

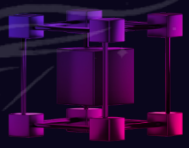
2023

Decentralization: governance & voting v1

Sweat Hero NFT game

Trade crypto (DEX integration)

Multi-token and multi-chain wallet interface with single balance



Inactivity fee

Learn and Earn on-chain

Phase 4

2024 onwards



Support the creation of an entire economy of movement

Movement data analytics

New Movement Validators e.g. cycling, swimming etc.

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A new economy

The open economy of movement introduces a new way to think of exchange. You do not have to part with something valuable to gain something else. The movement you exchange has already benefited you and, even better, it is easily accessible, and easily producible.

It is also self-fulfilling. When you exercise, endorphins create a positive association to sustain the behavioral change. SWEAT enters the positive feedback loop to mean that, not only will you feel better, you will have material benefit for it, further prompting the continuation and sustainment of that exercise, making you feel better, creating more rewards, and so on. If exercise is self-fulfilling, so is SWEAT.

Whether you want to skip, swim, cycle, hike, or simply walk the block, you will earn for it. You will benefit yourself, your family, your employer, your healthcare provider, your society, and the world you are a part of.

Now, take a hike!
... you may just like how it feels

THE SWEAT FOUNDATION

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Keep up with the movement.

For updates and community contributions, please follow our channels!

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