MiCAR WHITE PAPER

"GUN TOKEN"

VERSION 1.0

JUNE 2025

White Paper in accordance with Regulation (EU) 2023/1114 of 31 May 2023 on markets in crypto-assets (MiCAR)

NOTE: THIS CRYPTO-ASSET WHITE PAPER HAS NOT BEEN APPROVED BY ANY COMPETENT AUTHORITY IN ANY MEMBER STATE OF THE EUROPEAN UNION. THE PERSON SEEKING ADMISSION TO TRADING OF THE CRYPTO-ASSET IS SOLELY RESPONSIBLE FOR THE CONTENT OF THIS CRYPTO-ASSET WHITE PAPER.

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COMMENT

COMPLIANCE STATEMENTS

01 DATE OF NOTIFICATION

2025-06-11

02 STATEMENT IN ACCORDANCE WITH ARTICLE 6(3) OF REGULATION (EU) 2023/1114

This crypto-asset white paper has not been approved by any competent authority in any Member State of the European Union. The person seeking admission to trading of the crypto-asset is solely responsible for the content of this crypto-asset white paper.

03 COMPLIANCE STATEMENT IN ACCORDANCE WITH ARTICLE 6(6) OF REGULATION (EU) 2023/1114

This crypto-asset white paper complies with Title II of Regulation (EU) 2023/1114 and, 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.

04 STATEMENT IN ACCORDANCE WITH ARTICLE 6(5), POINTS (A) (B) (C) OF REGULATION (EU) 2023/1114

The crypto-asset referred to in this white paper may lose its value in part or in full, may not always be transferable and may not be liquid.

05 STATEMENT IN ACCORDANCE WITH ARTICLE 6(5), POINT (D), OF REGULATION (EU) 2023/1114

The utility token referred to in this white paper 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.

06 STATEMENT IN ACCORDANCE WITH ARTICLE 6(5), POINTS (E) AND (F), OF REGULATION (EU) 2023/1114

The crypto-asset referred to in this white paper is not covered by the investor compensation schemes under Directive 97/9/EC of the European Parliament and of the Council or the deposit guarantee schemes under Directive 2014/49/EU of the European Parliament and of the Council.

SUMMARY

07 WARNING IN ACCORDANCE WITH ARTICLE 6(7), SECOND SUBPARAGRAPH, OF REGULATION (EU) 2023/1114

WARNING

This summary should be read as an introduction to the crypto-asset white paper.

The prospective holder should base any decision to purchase this crypto-asset on the content of the crypto-asset white paper as a whole and not on the summary alone.

The offer to the public of this crypto-asset does not constitute an offer or solicitation to purchase financial instruments and any such offer or solicitation can be made only by means of a prospectus or other offer documents pursuant to the applicable national law.

This crypto-asset white paper does not constitute a prospectus as referred to in Regulation (EU) 2017/1129 of the European Parliament and of the Council (36) or any other offer document pursuant to Union or national law.

08 CHARACTERISTICS OF THE CRYPTO-ASSET

The crypto-asset referred to in this white paper is named "GUN Token" (**GUN**). GUN is a fungible cryptographic token native to the GUNZ blockchain platform (**GUNZ**). GUN is intended to serve as the native currency of the Gunzilla Game's play-to-own gaming ecosystem developed by Poseidon 133 PTE. LTD, which currently comprises a drone simulator game known as "Technocore", a multiplayer shooter game known as "Off The Grid" (jointly, **Games**) and the GUNZ platform. GUN is not pegged to any currency, is not redeemable, and is not intended as a medium of exchange outside the project ecosystem.

GUN is designed to serve the following functions:

- **In-ecosystem currency**: players can purchase the token with fiat currency or crypto currency or earn it as a reward for participating in gameplay and GUNZ activities (e.g., trading non-fungible tokens (NFTs) representing in-game items and assets);
- **Consumable for GUNZ use**: players consume GUN when purchasing in-game NFTs, gifting NFTs, buying the battle pass, buying Off The Grid Pro (an in-game subscription) and opening in-game loot boxes (**HEXes**);
- **Fee payment**: GUN is used to pay transaction fees and other applicable charges incurred by players within the Games;
- **Validator Staking via Validator NFTs**: owners may use GUN to purchase in-game NFTs with unique digital properties (**Validator NFTs**), each of which contains a fixed amount of locked GUN that are gradually burned over time with each HEXes decoding. These tokens cannot be withdrawn by the NFT owner. Owners holding Validator NFTs may be randomly selected by GUNZ minting engine to act as validators (**Validators**) and decrypt HEXes as and when other players seek to open their HEXes in exchange for in-game NFTs. In return, Validators earn rewards from players, either as HEXes decoding fees or resale commissions. Owners of Validator NFTs who do not wish to be randomly selected by the Games as Validators for such decryption may deactivate the Validator property of their Validator NFTs. During this process of decryption:
  - a portion of the locked tokens is burnt as fuel for decryption;
  - the player requesting HEXes decryption pays a commission fee in GUN to the Validator.

  When a Validator NFTs runs out of locked tokens, it becomes ineligible unless replenished. Validators may earn: (i) commission fees in tokens; (ii) a share of tokens gained from resale of NFTs obtained from HEXes decryption.

09 UTILITY TOKEN BENEFITS AND TRANSFERABILITY

GUN has two primary utility types: (i) "Ecosystem Utility" (across all GUNZ projects) and (ii) "In-Game Utility" (specific to Off The Grid).

Ecosystem Utility include:

- GUN which is the exclusive currency for gas fees in the GUNZ ecosystem;
- GUN which fuels Validator NFTs, enabling them to function;
- hardware Validators receive GUN as rewards for validating on-chain transactions.

Future updates will allow upgrading Validator NFTs to earn rewards from multiple games on GUNZ, beyond Off The Grid.

In-Game Utility is directly tied to Off The Grid. In this context, GUN serves as the primary currency that powers, governs, and validates the game. Players can use GUN for various in-game transactions, including character and weapon customizations, base cosmetics, animations, weapons, accessories, and additional character or loadout slots for highly engaged players. Some key examples of in-game utility include:

- purchasing in-game NFT items from GUNZ Internal Shop;
- paying for customization items and expendables;
- paying for the Off The Grid Battle Pass;
- covering HEXes decoding fees, resale commissions, and all other in-game fees.

With more games launching on GUNZ, GUN's utility will expand to accommodate new mechanics.

Gamers can obtain GUN through the following methods:

- playing Games on the GUNZ chain;
- purchasing GUN using cash via in-game or web interfaces (processed by third-party providers);
- depositing GUN from external wallets and/or exchanges.

In order to maintain compliance with the biggest gaming platforms on the planet, exporting GUN from in-game wallets is not permitted. Users are, however, able to convert GUN into in-game assets and withdraw them from their GUNZ wallets to external NFT marketplaces where they can be freely traded.

NFT Minting with Validators

Each time a Validator NFT mints an in-game item, a portion of GUN is burned. This burning process is a fundamental requirement for minting in-game items in Off The Grid, adding another key utility layer to the GUN.

10 KEY INFORMATION ABOUT THE OFFER TO THE PUBLIC OR ADMISSION TO TRADING

Users earn GUN in-game and will be able to buy them on open market on the exchanges. GUNs are not offered by the Issuer to the public in exchange for any monetary consideration. GUNs will be admitted to trading on Binance, Kraken and Crypto.com, as well as on other trading platforms for crypto-assets in the EU that are managed by legal persons or other undertakings duly authorised as crypto-asset service providers pursuant to MiCAR. The listing price is 0.025. The initial circulating supply is 604,500,000, and prospective tokenholders include both retail and professional investors. The allocation of GUN involves multiple phases:

TOKEN ALLOCATION	% OF TOTAL SUPPLY	DAY 0 UNLOCK	CLIFF, MONTHS	VESTING, MONTHS
PRIVATE A	12.5%	0%	12	18
PRIVATE B	20.0%	0%	12	18
STRATEGIC ROUND	5.0%	0%	12	6
KOL ROUND	0.3%	15%	6	6
TREASURY	13.0%	0%	12	36
COMMUNITY INCENTIVES	4.0%	100%	-	-
LIQUIDITY POOL	3.0%	66% *		
NFT VALIDATOR STAKING	5.105%	Out of circulation, these tokens are used for decoding in-game NFTs		
GUNZ FOUNDATION	9.0%	0%	12	36
FOUNDERS & TEAM	12.805%	0%	30	18
ADVISORS	5.29%	0%	12	18
PLATFORM REWARDS	10.0%	0%	1	12

PART A - INFORMATION ABOUT THE OFFEROR OR THE PERSON SEEKING ADMISSION TO TRADING

A.1 **NAME**

Poseidon 133 PTE. LTD.

A.2 **LEGAL FORM**

Not applicable as LEI is provided in A.6.

A.3 **REGISTERED ADDRESS**

Not applicable as LEI is provided in A.6.

A.4 **HEAD OFFICE**

Not applicable as LEI is provided in A.6.

A.5 **REGISTRATION DATE**

2015-01-26.

A.6 **LEGAL ENTITY IDENTIFIER**

201502546D.

A.7 **ANOTHER IDENTIFIER REQUIRED PURSUANT TO APPLICABLE NATIONAL LAW**

Not applicable.

A.8 **CONTACT TELEPHONE NUMBER**

+491634880440.

A.9 **E-MAIL ADDRESS**

legal@gunzillagames.com.

A.10 **RESPONSE TIME (DAYS)**

030

A.11 **PARENT COMPANY**

Not applicable.

A.12 **MEMBERS OF THE MANAGEMENT BODY**

FULL NAME	BUSINESS ADDRESS	FUNCTION
Vladyslav Korolov	Gunzilla GmbH Westend Carree, Grueneburgweg 16-18 60322 Frankfurt am Main	Director
Alexander Zoll	Gunzilla GmbH Westend Carree, Grueneburgweg 16-18 60322 Frankfurt am Main	Director
Chan Wai Kwan	120 Serangoon Avenue 3 #09-08 Amaranda gardens Singapore (554774)	Director

A.13 BUSINESS ACTIVITY

Poseidon 133 PTE. LTD. operates in the Web3 and gaming sectors, managing the GUNZ Layer 1 blockchain and its associated digital token GUN.

A.14 PARENT COMPANY BUSINESS ACTIVITY

Not applicable.

A.15 NEWLY ESTABLISHED

False.

A.16 FINANCIAL CONDITION FOR THE PAST THREE YEARS

GUNZ has received over USD 100 million from industry's top investors, including Delphi Digital, VanEck, Coinbase Ventures, Republic Capital, Coinfund, Spartan Group, Hack.VC, Animoca Brands, Griffin Gaming Partners, Raptor Group, Justin Kan (founder of Twitch) and others - demonstrating strong industry confidence in Gunzilla's vision.

These funds are utilized for Off The Grid development, marketing activities and promotions, and administrative support such as legal services and specific consulting fees.

The formal P&L has ended up with a loss in each of the last three years (2022-2024), but the reason for that was the development phase of the project and the constant capitalization of acquired IP to the Off The Grid asset.

The expectation for the year 2025 is the full coverage of ongoing and accumulated costs (amortization) by the earned revenue. There were no other substantive financial events in the last three reporting years.

A.17 FINANCIAL CONDITION SINCE REGISTRATION

Not applicable.

PART B - INFORMATION ABOUT THE ISSUER, IF DIFFERENT FROM THE OFFEROR OR PERSON SEEKING ADMISSION TO TRADING

B.1 **ISSUER DIFFERENT FROM OFFEROR OR PERSON SEEKING ADMISSION TO TRADING**

False.

B.2 **NAME**

Not applicable.

B.3 **LEGAL FORM**

Not applicable.

B.4 **REGISTERED ADDRESS**

Not applicable.

B.5 **HEAD OFFICE**

Not applicable.

B.6 **REGISTRATION DATE**

Not applicable.

B.7 **LEGAL ENTITY IDENTIFIER**

Not applicable.

B.8 **ANOTHER IDENTIFIER REQUIRED PURSUANT TO APPLICABLE NATIONAL LAW**

Not applicable.

B.9 **PARENT COMPANY**

Not applicable.

B.10 **MEMBERS OF THE MANAGEMENT BODY**

Not applicable.

B.11 **BUSINESS ACTIVITY**

Not applicable.

B.12 **PARENT COMPANY BUSINESS ACTIVITY**

Not applicable.

PART C - INFORMATION ABOUT THE OPERATOR OF THE TRADING PLATFORM IN CASES WHERE IT DRAWS UP THE CRYPTO-ASSET WHITE PAPER AND INFORMATION ABOUT OTHER PERSONS DRAWING THE CRYPTO-ASSET WHITE PAPER PURSUANT TO ARTICLE 6(1), SECOND SUBPARAGRAPH, OF REGULATION (EU) 2023/1114

C.1 **NAME**

Not applicable.

C.2 **LEGAL FORM**

Not applicable.

C.3 **REGISTERED ADDRESS**

Not applicable.

C.4 **HEAD OFFICE**

Not applicable.

C.5 **REGISTRATION DATE**

Not applicable.

C.6 **LEGAL ENTITY IDENTIFIER**

Not applicable.

C.7 **ANOTHER IDENTIFIER REQUIRED PURSUANT TO APPLICABLE NATIONAL LAW**

Not applicable.

C.8 **PARENT COMPANY**

Not applicable.

C.9 **REASON FOR CRYPTO-ASSET WHITE PAPER PREPARATION**

Not applicable.

C.10 **MEMBERS OF THE MANAGEMENT BODY**

Not applicable.

C.11 **OPERATOR BUSINESS ACTIVITY**

Not applicable.

C.12 **PARENT COMPANY BUSINESS ACTIVITY**

Not applicable.

C.13 **OTHER PERSONS DRAWING UP THE WHITE PAPER UNDER ARTICLE 6 (1) SECOND SUBPARAGRAPH MICA**

Not applicable.

C.14 **REASON FOR DRAWING UP THE WHITE PAPER UNDER ARTICLE 6 (1) SECOND SUBPARAGRAPH MICA**

Not applicable.

PART D - INFORMATION ABOUT THE CRYPTO-ASSET PROJECT

D.1 CRYPTO-ASSET PROJECT NAME

GUNZ

D.2 CRYPTO-ASSETS NAME

GUN

D.3 ABBREVIATION

GUN

D.4 CRYPTO-ASSET PROJECT DESCRIPTION

GUNZ is a Layer 1 blockchain purpose-built for AAA Web3 gaming, developed by Gunzilla Games. It powers a comprehensive gaming ecosystem with services tailored to the needs of both developers and players. Originally created to support a community-driven economy for Gunzilla's flagship title, Off The Grid, GUNZ has evolved into a full-featured platform offering blockchain-native infrastructure essential for modern game development.

Built by game developers for game developers, GUNZ eliminates the need for studios to make deep investments in custom blockchain architecture. Instead, it offers a suite of white-label products and easy-to-integrate SDKs, enabling any studio to launch community-driven economies seamlessly. Core features include in-game wallets, P2P marketplaces, block explorers, token and NFT minting engines, and more.

GUNZ is already fully integrated with leading third-party service providers, including NFT marketplaces like OpenSea, custodial wallet solutions such as Fireblocks, and community engagement platforms like Zealy and others, ensuring a robust and interconnected ecosystem for developers and players alike.

For gamers - GUNZ is the underlying infrastructure behind games like Off The Grid, enabling true digital ownership, seamless interoperability, and enhanced player-driven economies.

D.5 DETAILS OF ALL PERSONS INVOLVED IN THE IMPLEMENTATION OF THE CRYPTO-ASSET PROJECT

Full Name	Business Address	Function
Vladyslav Korolov	vlad@gunzillagames.com Gunzilla GmbH Westend Carree, Grueneburgweg 16-18 60322 Frankfurt am Main	Co-founder and Chief Executive Officer
Alexander Zoll	zoll.alexander@gunzillagames.com Gunzilla GmbH Westend Carree, Grueneburgweg 16-18 60322 Frankfurt am Main	Co-founder and Chief Strategy Officer
Neill Blomkamp	neill.blomkamp@gunzillagames.com Poseidon 133 PTE. LTD. 39 Robinson Road #14-01 Robinson Point Singapore 068911, Singapore	Co-founder and Chief Visionary Officer

Timur Davidenko	timur.davidenko@gunzillagames.com Gunzilla GmbH Westend Carree, Grueneburgweg 16-18 60322 Frankfurt am Main	Chief Technology Officer
David Nicholson	david.nicholson@gunzillagames.com Gunzilla GmbH Westend Carree, Grueneburgweg 16-18 60322 Frankfurt am Main	Executive Producer
Enlai Chong	chong.enlai@gunzillagames.com Poseidon 133 PTE. LTD. 39 Robinson Road #14-01 Robinson Point Singapore 068911, Singapore	Senior Corporate Lawyer
Dmitriy Markov	dmitriy.markov@gunzillagames.com Harmatna 4, Kyiv, Ukraine	Technical Director
Sven Schetzke	sven.schetzke@gunzillagames.com Gunzilla GmbH Westend Carree, Grueneburgweg 16-18 60322 Frankfurt am Main	Associate Product Director
Marina Danylyuk	marina.danylyuk@gunzillagames.com Poseidon 133 PTE. LTD. 39 Robinson Road #14-01 Robinson Point Singapore 068911, Singapore	Chief Legal Officer

D.6 UTILITY TOKEN CLASSIFICATION

True.

D.7 KEY FEATURES OF GOODS/SERVICES FOR UTILITY TOKEN PROJECTS

GUN has two primary utility types: (i) “Ecosystem Utility” (across all GUNZ projects) and (ii) “In-Game Utility” (specific to Off The Grid).

Ecosystem Utility include:

- GUN which is the exclusive currency for gas fees in the GUNZ ecosystem;
- GUN which fuels Validator NFTs, enabling them to function;
- hardware Validators receive GUN as rewards for validating on-chain transactions.

Future updates will allow upgrading Validator NFTs to earn rewards from multiple games on GUNZ, beyond Off The Grid;

In-Game Utility is directly tied to Off The Grid. In this context, GUN serves as the primary currency that powers, governs, and validates the game. Players can use GUN for various in-game transactions, including character and weapon customizations, base cosmetics, animations, weapons, accessories, and additional character or loadout slots for highly engaged players. Some key examples of in-game utility include:

- purchasing in-game NFT items from GUNZ Internal Shop;
- paying for customization items and expendables;
- paying for the Off The Grid Battle Pass;
- covering HEXes decoding fees, resale commissions, and all other in-game fees.

With more games launching on GUNZ, GUN's utility will expand to accommodate new mechanics.

Gamers can obtain GUN through the following methods:

- playing Games on the GUNZ chain;
- purchasing GUN using cash via in-game or web interfaces (processed by third-party providers);
- depositing GUN from external wallets and/or exchanges.

D.8 PLANS FOR THE TOKEN

1. GUNZ

GUNZ is a Layer 1 blockchain purpose-built for AAA Web3 gaming, developed by Gunzilla Games (a brand operated by Poseidon 133 PTE. LTD., the legal entity acting as issuer under this White Paper, "**Gunzilla**") It powers a comprehensive gaming ecosystem with services tailored to the needs of both developers and players. Originally created to support a community-driven economy for Gunzilla's flagship title, Off The Grid, GUNZ has evolved into a full-featured platform offering blockchain-native infrastructure essential for modern game development.

By March 2025, the GUNZ ecosystem delivered record-breaking test net results

- Over 14 million unique wallets;
- Over 440 million transactions processed;
- Over 900,000 daily active wallets at peak.

Following its successful debut in Off The Grid - which reached over 14 million active wallets and peaked at 900,000 daily unique users - GUNZ is now ready to empower other developers who want to harness the power of blockchain to build thriving, player-owned ecosystems within their Games.

2. GUNZILLA GMBH

Gunzilla GmbH - a German company fully owned by Poseidon 133 PTE. LTD. – is a AAA game developer behind the cutting-edge multiplayer shooter Off The Grid, the innovative blockchain gaming ecosystem GUNZ, and Game Informer - the most recognized gaming magazine in the world, with a 33-year legacy.

Founded in 2019 and headquartered in Frankfurt, Germany, Gunzilla GmbH has grown into a powerhouse studio with over 450 full-time employees. The team includes industry veterans, and the studio's founders previously stood behind Warface - a multiplayer shooter that reached over 140 million players and generated more than USD 1 billion in lifetime revenue-as well as Plink, the world's largest social network for gamers with over 20 million users.

Gunzilla's creative leadership features Oscar-nominated film director and screenwriter Neill Blomkamp (best known for District 9, Elysium, Chappie) as a Creative Director and Co-Founder, alongside acclaimed author Richard K. Morgan (best known for the Altered Carbon series), which was adapted into a hit Netflix show.

OFF THE GRID

Off The Grid (hereinafter in this paragraph, "**OTG**") is an innovative free-to-play battle royale game developed by Gunzilla, initially conceived as a direct competitor to renowned multiplayer battle royale titles such as Call of Duty: Warzone, Fortnite, Apex Legends, and PUBG-games that collectively generate more than USD 12 billion annually. Meticulously crafted over five years by a dedicated team of more than 400 industry professionals, OTG leverages Unreal Engine 5, delivering exceptional visual fidelity and setting new standards for graphical quality in the gaming industry.

OTG distinguishes itself as the first AAA game to feature a fully community-driven economy. Every transaction involving in-game assets occurs exclusively between players who have earned these items through gameplay or acquired them from other players. OTG releases regularly highly desirable, limited-edition collections of in-game items with capped supply, empowering the community to determine their value. This innovative economic model significantly enhances player engagement, deepening professional involvement by granting gamers full control over their digital assets and enabling them to monetize their playtime through peer-to-peer trading.

OTG monetizes by charging a commission for decoding in-game items that players initially collect for free through gameplay, as well as a 5% commission on all trades conducted between players. Additionally, OTG generates revenue primarily through a completely optional monthly subscription model priced at USD 11.99, offering subscribers exclusive features and additional in-game benefits.

This dynamic player-driven economy is uniquely integrated with the GUNZ blockchain, which grants players the optional ability to withdraw their in-game items as tradable non-fungible tokens (NFTs) from the game to supported blockchain wallets, NFT marketplaces, and centralized exchanges. This groundbreaking blockchain integration provides genuine digital ownership and facilitates secure and transparent transactions powered by the native GUN.

Further elevating its appeal, OTG includes an immersive narrative crafted by highly acclaimed director Neill Blomkamp, seamlessly blending rich storytelling with intense gameplay. Players engage fiercely on Teardrop Island, an expansive battlefield capable of hosting matches of up to 150 simultaneous participants.

Days after its launch, OTG attracted millions of users, quickly surpassing 900,000 daily unique players and overtaking Fortnite as the most popular title on the Epic Games Store. Its exceptional impact was recognized at the 2024 GAM3 Awards, where OTG secured the prestigious "Game of the Year" honor, alongside awards for Best Action Game, Best Shooter Game, and Best Multiplayer Game.

Currently, OTG is available in early access on PlayStation 5, Xbox Series X|S, and PC via the Epic Games Store, and accessible on mobile devices, Mac, tablets, and TV sets through NVIDIA's GeForce Now streaming platform. OTG's monetization approach aligns its business interests closely with the long-term success and growth of its vibrant, player-driven economy and its native token (GUN).

KEY METRICS AND ACHIEVEMENTS

GUNZ and OTG are redefining the gaming landscape, seamlessly merging AAA gameplay with blockchain innovation. With an explosive launch, record-breaking engagement, and backing from industry giants, we are setting new benchmarks in both mainstream and Web3 gaming. Here's a look at our key achievements:

- Days after the launch, OTG skyrocketed to the first Free-to-Play game on the Epic Games Store, surpassing Fortnite;
- The game's excellence has been recognized within the industry, earning it the Game of the Year award at the 2024 GAM3 Awards. Additionally, it secured accolades for Best Shooter Game, Best Multiplayer Game, and Best Action Game, highlighting its multifaceted strengths.
- Many times, OTG was ranked among the Top 3 streamed games on Twitch, achieving:
  - over 138,000 concurrent viewers;
  - over 2,77 million hours watched on Twitch in October alone, and over 7.3 million total hours watched to date;
  - over 3,200 participating streamers;
- The game received an outstanding reception from both the mainstream gaming community (including top streamers like Ninja, Shroud, Scump and Timthetatman playing OTG) and crypto audiences.

OTG has garnered extensive organic media coverage in mainstream and Web3 outlets, in particular in Forbes, CNET, Cointelegraph, The Block, Decrypt, IGN and many others.

3. FUTURE MILESTONES

Q3 2025 (starting from 2025-07-21):

Launch of the GUNZ mainnet and official listing of GUN on trading platforms for crypto-assets in the EU that are managed by legal persons or other undertakings duly authorised as crypto-asset service providers according to MiCAR (e.g. Binance, Kraken, Crypto.com).

Q3 2025:

- Full migration of all GUNZ ecosystem products from testnet to mainnet;
- Release of GUNZ Wallet 2.0;
- Launch NFT Validators Dashboard 2.0.

Q3 2025:

- Major updates to OTG, including the launch of a narrative campaign for early players;
- Expansion of the OTG universe with new content focused on Teardrop Island;
- Onboarding of new third-party projects to the GUNZ platform.

Q4 2025:

Full launch of the complete OTG world experience.

D.9 RESOURCE ALLOCATION

GUNZ has received over USD 100 million from industry's top investors, including Delphi Digital, VanEck, Coinbase Ventures, Republic Capital, Coinfund, Spartan Group, Hack.VC, Animoca Brands, Griffin Gaming Partners, Raptor Group, Justin Kan (founder of Twitch) and others - demonstrating strong industry confidence in Gunzilla's vision.

D.10 PLANNED USE OF COLLECTED FUNDS OR CRYPTO-ASSETS

Not applicable considering that GUNs are not offered by the Issuer to the public.

PART E - INFORMATION ABOUT THE OFFER TO THE PUBLIC OF CRYPTO-ASSETS AND THEIR ADMISSION TO TRADING

E.1 PUBLIC OFFERING OR ADMISSION TO TRADING

ATTR.

E.2 REASONS FOR PUBLIC OFFER OR ADMISSION TO TRADING

GUN is a fungible cryptographic token native to GUNZ. GUN is intended to serve as the native currency of the Gunzilla Games' play-to-own gaming ecosystem developed by Poseidon 133 PTE. LTD.

GUN functions as a native utility token deeply integrated into the GUNZ chain architecture and serves as the fundamental currency that powers the system. It is integral to paying for computation (gas fees), incentivizing Validators, and enabling core network functions. In the context of the GUNZ chain, the native token plays roles similar to Ether on Ethereum, serving as the gas currency and part of the network's security and economic model.

The purpose of making GUN available for purchase on the exchange is to allow gamers to fully engage with the Off The Grid experience by using them within the game. Players can also earn GUN during gameplay, as they form a core component of the in-game economy.

E.3 FUNDRAISING TARGET

Not applicable.

E.4 MINIMUM SUBSCRIPTION GOALS

Not applicable.

E.5 MAXIMUM SUBSCRIPTION GOAL

Not applicable.

E.6 OVERSUBSCRIPTION ACCEPTANCE

False.

E.7 OVERSUBSCRIPTION ALLOCATION

Not applicable.

E.8 ISSUE PRICE

Not applicable.

E.9 OFFICIAL CURRENCY OR ANY OTHER CRYPTO-ASSETS DETERMINING THE ISSUE PRICE

Not applicable.

E.10 SUBSCRIPTION FEE

Not applicable.

E.11 OFFER PRICE DETERMINATION METHOD

Not applicable.

E.12 TOTAL NUMBER OF OFFERED/TRADED CRYPTO-ASSETS

10,000,000,000.

E.13 TARGETED HOLDERS

ALL.

E.14 HOLDER RESTRICTIONS

No.

E.15 REIMBURSEMENT NOTICE

GUN is not offered to the public; it is allocated only via trading platform and in-game. GUN holders do not hold any right of withdrawal, reimbursement or refund.

E.16 REFUND MECHANISM

Not applicable.

E.17 REFUND TIMELINE

Not applicable.

E.18 OFFER PHASES

Not applicable.

E.19 EARLY PURCHASE DISCOUNT

Not applicable.

E.20 TIME-LIMITED OFFER

False.

E.21 SUBSCRIPTION PERIOD BEGINNING

Not applicable.

E.22 SUBSCRIPTION PERIOD END

Not applicable.

E.23 SAFEGUARDING ARRANGEMENTS FOR OFFERED FUNDS/CRYPTO-ASSETS

Not applicable.

E.24 PAYMENT METHODS FOR CRYPTO-ASSET PURCHASE

GUN can be purchased through the following methods:

- cryptocurrency payments: GUN can be purchased on centralized crypto exchanges, with the following trading pairs: GUN/USDT, GUN/USDC, GUN/AVAX, GUN/FDUSD, GUN/TRY GUN/WAVAX, GUN/USD, GUN/BNB, GUN/EUR;
- fiat currency (via credit/debit cards, bank transfers).

E.25 VALUE TRANSFER METHODS FOR REIMBURSEMENT

Not applicable.

E.26 RIGHT OF WITHDRAWAL

Not applicable.

E.27 TRANSFER OF PURCHASED CRYPTO-ASSETS

GUN will be transferred to prospective holders' wallets via compatible blockchain networks (GUNZ and Avalanche).

E.28 TRANSFER TIME SCHEDULE

The transfer of GUN to eligible holders will occur as follows:

- purchase via Trading Platforms: GUN transfers processed upon purchase confirmation through exchanges. Delivery typically takes up to 5-15 minutes, depending on the particular exchange internal procedures;
- in-game acquisition: GUN acquired through in-game mechanisms transferred to the user's in-game custodial wallet immediately after transaction is finalized.

E.29 PURCHASER'S TECHNICAL REQUIREMENTS

If the purchaser wants to hold GUN in their own non-custodial wallet, they should use an ERC-20 compatible wallet address on the GUNZ chain.

E.30 CRYPTO-ASSET SERVICE PROVIDER (CASP) NAME

Not applicable.

E.31 CASP IDENTIFIER

Not applicable.

E.32 PLACEMENT FORM

NTAV

E.33 TRADING PLATFORMS NAME

Binance, Kraken, Crypto.com as well as other trading platforms for crypto-assets in the EU that are managed by legal persons or other undertakings duly authorised as crypto-asset service providers pursuant to MiCAR.

E.34 TRADING PLATFORMS MARKET IDENTIFIER CODE (MIC)

Not applicable – details to be provided upon listing.

E.35 TRADING PLATFORMS ACCESS

Prospective GUN holders must create a trading account on the platforms referred to in paragraph E.33 above, by completing the specific onboarding procedure requested by each of the mentioned platform.

E.36 INVOLVED COSTS

There are no costs involved in relation to the access of investors to the trading platforms.

E.37 OFFER EXPENSES

Not applicable.

E.38 CONFLICTS OF INTEREST

There are no potential conflicts of interest of the persons involved in the admission to trading, arising in relation to the admission to trading.

E.39 APPLICABLE LAW

Not applicable.

E.40 COMPETENT COURT

Subject to mandatory applicable law, any dispute arising out of or in connection with this white paper and all claims in connection with the GUN shall be exclusively, including the validity, invalidity, breach or termination thereof, subject to the jurisdiction of the courts in Singapore.

PART F - INFORMATION ABOUT THE CRYPTO-ASSETS

F.1 CRYPTO-ASSET TYPE

Crypto-asset other than asset-referenced tokens or e-money tokens (Utility Token).

F.2 CRYPTO-ASSET FUNCTIONALITY

GUN functions as a native utility token and is deeply integrated into the GUNZ blockchain architecture. In Ethereum Virtual Machine (EVM) compatible blockchain networks, the native token is the fundamental currency that powers the system. It is integral to paying for computation (gas fees), incentivizing Validators, and enabling core network functions. In the context of the GUNZ chain, the native token plays roles similar to Ether on Ethereum, serving as the gas currency and part of the network's security and economic model.

F.3 PLANNED APPLICATION OF FUNCTIONALITIES

The native token of the GUNZ blockchain, GUN, has a strictly fixed supply capped at genesis, meaning the entire supply was minted at the initial blockchain launch. Specifically, all GUNs were created at the genesis event, setting a permanent, immutable supply ceiling that the protocol itself enforces. This fixed-supply model provides predictability and long-term stability, essential for maintaining consistent economic incentives for Validators, players, developers, and other ecosystem participants.

No additional issuance, inflation, or minting mechanisms exist within the GUNZ blockchain after the genesis event, preventing future dilution or unpredictable inflation scenarios. Consequently, GUN becomes increasingly scarce relative to network utilization, especially as tokens are consumed.

Moreover, the fully pre-minted token model simplifies the economic model for users, developers, and Validators by removing uncertainties around future issuance, inflation schedules, or unexpected supply changes. The transparency provided by a fixed total supply model facilitates clearer asset valuation, planning, and risk management across the entire GUNZ chain ecosystem.

In summary, the capped and pre-minted supply structure is a deliberate economic design decision intended to foster a stable, transparent, and predictable ecosystem-critical factors in supporting sustained network usage, confidence among participants, and long-term economic viability within the high-performance gaming context of GUNZ.

F.4 TYPE OF WHITE PAPER

OTHR

F.5 THE TYPE OF SUBMISSION

NEWT

F.6 CRYPTO-ASSET CHARACTERISTICS

GUN has two primary utility types: (i) "Ecosystem Utility" (across all GUNZ projects) and (ii) "In-Game Utility" (specific to Off The Grid).

Ecosystem Utility include:

- GUN which is the exclusive currency for gas fees in the GUNZ ecosystem;
- GUN which fuels Validator NFTs, enabling them to function;
- hardware Validators receive GUN as rewards for validating on-chain transactions.

Future updates will allow upgrading Validator NFTs to earn rewards from multiple games on GUNZ, beyond Off The Grid.

In-Game Utility is directly tied to Off The Grid. In this context, GUN serves as the primary currency that powers, governs, and validates the game. Players can use GUN for various in-game transactions, including character and weapon customizations, base cosmetics, animations, weapons, accessories, and additional character or loadout slots for highly engaged players. Some key examples of in-game utility include:

- purchasing in-game NFT items from GUNZ Internal Shop;
- paying for customization items and expendables;
- paying for the Off The Grid Battle Pass;
- covering HEXes decoding fees, resale commissions, and all other in-game fees.

With more games launching on GUNZ, GUN's utility will expand to accommodate new mechanics.

Gamers can obtain GUN through the following methods:

- playing Games on the GUNZ chain;
- purchasing GUN using cash via in-game or web interfaces (processed by third-party providers);
- depositing GUN from external wallets and/or exchanges.

In order to maintain compliance with the biggest gaming platforms on the planet, exporting GUN from in-game wallets is not permitted. Users are, however, able to convert GUN into in-game assets and withdraw them from their GUNZ wallets to external NFT marketplaces where they can be freely traded.

F.7 COMMERCIAL NAME OR TRADING NAME

Gunzilla Games.

F.8 WEBSITE OF THE ISSUER

https://gunzillagames.com/en/about/.

F.9 STARTING DATE OF OFFER TO THE PUBLIC OR ADMISSION TO TRADING

2025-07-21

F.10 PUBLICATION DATE

2025-07-14

F.11 ANY OTHER SERVICES PROVIDED BY THE ISSUER

Not applicable.

F.12 LANGUAGE OR LANGUAGES OF THE WHITE PAPER

English.

F.13 DIGITAL TOKEN IDENTIFIER CODE USED TO UNIQUELY IDENTIFY THE CRYPTO-ASSET OR EACH OF THE SEVERAL CRYPTO ASSETS TO WHICH THE WHITE PAPER RELATES, WHERE AVAILABLE

Not applicable.

F.14 FUNCTIONALLY FUNGIBLE GROUP DIGITAL TOKEN IDENTIFIER, WHERE AVAILABLE

Not applicable.

F.15 VOLUNTARY DATA FLAG

False.

F.16 **PERSONAL DATA FLAG**

True.

F.17 **LEI ELIGIBILITY**

True.

F.18 **HOME MEMBER STATE**

Italy.

F.19 **HOST MEMBER STATES**

Austria; Belgium; Bulgaria; Croatia; Cyprus; Czechia; Denmark; Estonia; Finland; France; Germany; Greece; Hungary; Ireland; Italy; Latvia; Lithuania; Luxembourg; Malta; Netherlands; Poland; Portugal; Romania; Slovakia; Slovenia; Spain; Sweden.

PART G - INFORMATION ON THE RIGHTS AND OBLIGATIONS ATTACHED TO THE CRYPTO-ASSETS

G.1 PURCHASER RIGHTS AND OBLIGATIONS

GUN does not represent any contractual rights or claims that entitle the tokenholder to receive payments or other forms of compensation or give the tokenholder ownership of a legal person, contractual rights or any similar rights (no equity-like or debt-like interest is granted).

GUN is designed to serve the following functions:

- **In-ecosystem currency**: players can purchase the token with fiat or crypto currency or earn it as a reward for participating in gameplay and GUNZ activities (e.g., trading non-fungible tokens (NFTs) representing in-game items and assets);
- **Consumable for GUNZ use**: players consume GUN when purchasing in-game NFTs, gifting NFTs, buying the battle pass, buying Off The Grid Pro (an in-game subscription) and opening in-game loot boxes HEXes;
- **Fee payment**: GUN is used to pay transaction fees and other applicable charges incurred by players within the Games;
- **Validator Staking via Validator NFTs**: owners may use GUN to purchase Validator NFTs, each of which contains a fixed amount of locked GUN that are gradually burned over time with each HEXes decoding. These tokens cannot be withdrawn by the NFT owner. Owners holding Validator NFTs may be randomly selected by GUNZ minting engine to act as Validators and decrypt HEXes as and when other players seek to open their HEXes in exchange for in-game NFTs. In return, Validators earn rewards from players, either as HEXes decoding fees or resale commissions. Owners of Validator NFTs who do not wish to be randomly selected by the Games as Validators for such decryption may deactivate the Validator property of their Validator NFTs. During this process of decryption:
  - a portion of the locked tokens is burnt as fuel for decryption;
  - the player requesting HEXes decryption pays a commission fee in GUN to the Validator;

  When a Validator NFTs runs out of locked tokens, it becomes ineligible unless replenished. Validators may earn: (i) commission fees in tokens; (ii) a share of tokens gained from resale of NFTs obtained from HEXes decryption.

G.2 EXERCISE OF RIGHTS AND OBLIGATION

Not applicable.

G.3 CONDITIONS FOR MODIFICATIONS OF RIGHTS AND OBLIGATIONS

Not applicable.

G.4 FUTURE PUBLIC OFFERS

Not applicable.

G.5 ISSUER RETAINED CRYPTO-ASSETS

GUN was sold via Simple Agreement for Future Tokens (SAFT) between 2021 and 2024 to GUNZ partners across four pools, totaling 3.78 billion tokens (37.8%), structured as follows:

- private A: 1.25 billion tokens;
- private B: 2.00 billion tokens;
- strategic round: 0.50 billion tokens;
- KOL Round: 0.03 billion tokens (0.3%) - allocated to top Web3 KOLs supporting the project.

G.6 UTILITY TOKEN CLASSIFICATION

True.

G.7 KEY FEATURES OF GOODS/SERVICES OF UTILITY TOKENS

GUN has two primary utility types: (i) "Ecosystem Utility" (across all GUNZ projects) and (ii) "In-Game Utility" (specific to Off The Grid).

Ecosystem Utility include:

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NFT Minting with Validators

Each time a Validator NFT mints an in-game item, a portion of GUN is burned. This burning process is a fundamental requirement for minting in-game items in Off The Grid, adding another key utility layer to the GUN.

G.8 UTILITY TOKENS REDEMPTION

Users are able to convert GUN into in-game assets and withdraw them from their GUNZ wallets to external NFT marketplaces where they can be freely traded.

G.9 NON-TRADING REQUEST

True.

G.10 CRYPTO-ASSETS PURCHASE OR SALE MODALITIES

Not applicable.

G.11 CRYPTO-ASSETS TRANSFER RESTRICTIONS

GUN cannot be transferred into the game from sanctioned wallets, and regional restrictions apply to users from sanctioned countries.

G.12 SUPPLY ADJUSTMENT PROTOCOLS

False.

G.13 SUPPLY ADJUSTMENT MECHANISMS

Not applicable.

G.14 TOKEN VALUE PROTECTION SCHEMES

False.

G.15 TOKEN VALUE PROTECTION SCHEMES DESCRIPTION

Not applicable.

G.16 COMPENSATION SCHEMES

False.

G.17 COMPENSATION SCHEMES DESCRIPTION

Not applicable.

G.18 APPLICABLE LAW

Singapore law.

G.19 COMPETENT COURT

Subject to mandatory applicable law, any dispute arising out of or in connection with this white paper and all claims in connection with the GUN shall be exclusively, including the validity, invalidity, breach or termination thereof, subject to the jurisdiction of the courts in Singapore.

PART H - INFORMATION ON THE UNDERLYING TECHNOLOGY

H.1 DISTRIBUTED LEDGER TECHNOLOGY

TECHNOLOGY OVERVIEW

GUNZ is a standalone Layer 1 blockchain implemented as a dedicated subnet within the Avalanche ecosystem. This means that while GUNZ utilizes Avalanche's core infrastructure, it operates as an independent network with its own set of Validators. While GUNZ follows Avalanche's standard consensus model for subchains (**Snowman**), it is permissioned in terms of smart contract deployment, meaning only approved addresses can deploy code within the ecosystem. The blockchain is fully EVM-compatible, allowing seamless deployment of solidity-based smart contracts and full support for Ethereum-based tooling by authorized entities.

Thanks to Avalanche's technology, GUNZ offers high throughput and low latency, with transaction finalization times averaging sub-second (≈0.8s) finality and a theoretical throughput of over 4,500 transactions per second (TPS). This ensures a seamless and scalable experience, especially for high-performance gaming applications. The consensus mechanism enables unparalleled scalability, supporting thousands of Validators while maintaining decentralization and network security. By leveraging parallelized transaction processing, blockchain minimizes congestion, ensuring a smooth user experience for gaming applications and in-game asset transactions.

CHAIN NETWORK ARCHITECTURE

GUNZ operates as a private permissioned blockchain within the Avalanche ecosystem, ensuring controlled access for selected partners. The network consists of:

- Validator nodes responsible for block production and consensus;
- wallets and users, emitting transactions into blockchain;
- DApps, providing user interfaces to smart contracts.

Unlike public blockchains, GUNZ is designed to be a controlled environment where only approved Validators can participate in consensus. While everyone can submit transactions in GUNZ, this does not imply centralization or unrestricted control. The network strictly follows consensus rules and cannot arbitrarily alter node behaviour, override transactions, or bypass consensus integrity.

The permissioned nature of the chain is solely intended to ensure a stable and high-performance Validator set, as Validators must meet specific operational standards to handle high transaction throughput efficiently. While Validators are pre-approved, they cannot unilaterally change the ledger, manipulate transaction ordering, or modify execution rules, ensuring a decentralized and trustless verification process at the protocol level.

By leveraging Avalanche's scalability and interoperability, GUNZ remains logically isolated from other networks while retaining the ability to connect with external chains via cross-chain bridges when necessary.

SUBNETWORKS

In the Avalanche ecosystem, a subnetwork, or subnet, is a dynamic set of Validators working together to achieve consensus on the state of a specific set of blockchains. Each blockchain is validated by one subnet, and a subnet can validate multiple blockchains. Validators can participate in multiple subnets simultaneously.

The subnet model offers several advantages:

- Efficiency: Validators only process transactions for the subnets they are a part of, reducing computational and network overhead compared to monolithic blockchains where all Validators must process every transaction;

- Customization: subnets can enforce unique rules for governance, Validator participation, and execution environments. For example, subnets can require Validators to meet jurisdictional compliance requirements or operate under specific contractual obligations;
- Privacy and Permissioning: subnets enable the creation of private or permissioned blockchains where only selected Validators can participate, ensuring higher security and reliability for enterprise use cases.

GUNZ utilizes the Avalanche subnet architecture to maintain a balance between decentralization and operational stability. While Validators must be pre-approved to participate in the GUNZ chain, they still adhere to the consensus model, ensuring immutability, security, and efficient transaction processing. The GUNZ subnet operates independently but can interoperate with other subnets via cross-chain bridges when necessary.

VALIDATOR NODES IN GUNZ

Physical Validators play a critical role in ensuring the integrity, security, and smooth operation of the GUNZ chain by verifying transactions and maintaining consensus. Validator Staking in the GUNZ chain follows a customized and permissioned approach, tailored specifically for a high-performance gaming environment.

At the core of Validator participation is an economic commitment known as staking. Staking serves as a crucial economic incentive, binding Validators to honest behaviour through tangible financial commitments. Nodes wishing to become Validators within the GUNZ chain must first fulfil Avalanche's Validator requirements by committing (staking) a predefined amount of Avalanche's native token ($AVAX). This stake is immobilized for the entire duration of the Validator's participation in the Avalanche network, including its subnetworks such as GUNZ. This immobilization provides an economic incentive, deterring malicious behaviour by ensuring Validators have tangible financial commitments at stake. The economic logic behind staking dictates that the feasibility of malicious activities, such as double-spends or transaction manipulation, becomes economically prohibitive due to the costliness of compromising staked assets.

To become a Validator, nodes initiate participation by submitting a staking transaction directly to Avalanche's primary Validator chain. This transaction explicitly states the exact stake amount (in AVAX), the duration of the stake commitment, and the start time for validation duties. Upon network acceptance, the funds become locked, meaning Validators cannot access, move, or alter their staked AVAX until the committed staking period has ended.

Unlike certain proof-of-stake (PoS) systems that employ punitive mechanisms such as slashing-penalizing Validators for downtime or protocol violations-Avalanche and therefore GUNZ do not implement slashing penalties. This design choice ensures Validators face no risk of losing their stake due to unexpected software or hardware issues, significantly reducing operational risk and enhancing node reliability. Upon completion of the defined staking period, the stake is fully returned to Validators, reinforcing predictable operational economics and minimizing potential losses.

Furthermore, staking keys used in GUNZ are solely utilized for consensus participation and have no functionality for asset transfers or fund management. As such, potential loss or compromise of a staking key poses no direct threat to the Validator's funds, ensuring an additional layer of security against theft or unauthorized asset movements.

Validators in the GUNZ chain must first be approved participants due to the chain's permissioned structure, ensuring network performance and security compliance. Once validated, nodes can subsequently participate in the GUNZ chain's consensus operations.

Validators begin their participation by staking $AVAX, Avalanche's native token, at the Avalanche mainnet level. This initial AVAX stake is mandatory because, according to Avalanche's design, all

subnet Validators must first validate the primary network before they can participate in any blockchain, including GUNZ. The stake is locked and immobilized for a predefined duration, ensuring Validators have a tangible financial commitment that discourages malicious or negligent behaviour.

In return for validating transactions and maintaining network consensus, Validators are rewarded through two complementary mechanisms. Validators earn rewards in $AVAX tokens at the Avalanche mainnet level for validating transactions and participating in consensus on the Avalanche primary network. Additionally, for their role in validating transactions specifically within the GUNZ chain, Validators earn rewards denominated in the chain's native token, GUN. These chain-specific earnings originate from the gas fees paid by users during transactions on the GUNZ chain. Thus, Validators directly benefit from the success, growth, and user engagement within the GUNZ ecosystem.

This dual-incentive structure clearly aligns Validators' economic motivations: while their initial staking commitment is made in AVAX, Validator earnings within the GUNZ chain are directly tied to user activity through GUN transaction fees. Validators are thus incentivized to maintain high operational standards, contributing directly to the growth and security of the GUNZ ecosystem.

To join and actively participate in the GUNZ chain, Validator nodes undergo a bootstrapping process comprising three distinct stages:

- STAGE 1 - CONNECTION TO SEED NODES

Initially, each Validator node connects to a set of pre-defined seed nodes (also known as seed anchors). Their primary role is facilitating the initial peer discovery process. Unlike traditional blockchains requiring a single correct seed node, GUNZ leverages Avalanche's design, necessitating only a majority of trustworthy seed nodes to ensure accurate network discovery.

There is no barrier to become a seed anchor, therefore a set of seed anchors cannot dictate whether a node may or may not enter the network, since nodes can discover the latest network of peers by attaching to any set of seed anchors.

- STAGE 2 - NETWORK STATE SYNCHRONIZATION

After establishing connections with seed nodes, the Validator synchronizes its state with the network. It requests the latest validated blocks-referred to as the accepted frontier - from the connected seed nodes. The accepted frontier consists of the most recent state transitions (blocks) that have been finalized and agreed upon by a majority of Validators.

The Validator cross-references responses from multiple seed nodes. State transitions confirmed by a majority consensus among seed nodes are recognized as valid. This ensures each Validator node reliably acquires the correct and up-to-date network state even in dynamically changing environments.

- STAGE 3 - VALIDATOR SET DISCOVERY AND ACTIVATION

Simultaneously with state synchronization, Validators retrieve the current membership set, which is maintained on a dedicated internal blockchain known as the Validator chain. This blockchain defines the active set of Validators authorized to participate in GUNZ's consensus mechanism.

By synchronizing with the Validator chain, a new node obtains a precise view of the currently authorized Validator set, guaranteeing that it only interacts with legitimate, approved peers. Validators become active participants in the consensus process once fully synchronized and recognized as part of the membership set.

Through this structured yet flexible process, GUNZ Validators swiftly join the network, reliably synchronize the state, and begin actively contributing to network security and transaction validation.

Optimization

Pruning is a critical optimization feature for Validators operating on the GUNZ chain, designed to maintain high performance and sustainable growth over time. Unlike blockchains using traditional consensus mechanisms (such as Bitcoin), which require Validators to maintain the entire transaction history indefinitely, GUNZ enables effective pruning.

Validator nodes do not need to permanently retain historical data once transactions are deeply committed. Instead, Validators only need to maintain active state information-such as current balances, recent transactions, and pending (uncommitted) state changes. This approach significantly reduces storage requirements, enhancing Validator efficiency and enabling the network to scale sustainably as usage grows.

Validators joining or synchronizing with the network do not require access to the entire historical state. Instead, new nodes synchronize by obtaining the current active state and recent consensus snapshots, which further accelerates onboarding and reduces computational overhead.

This pruning methodology ensures GUNZ remains highly performant, scalable, and resource-efficient, critical for supporting the demanding transaction workloads expected in a high-performance gaming environment.

Smart Contracts on GUNZ Blockchain

The GUNZ blockchain is fully compatible with Ethereum Virtual Machine (EVM-compatible), enabling seamless integration and deployment of Solidity-based smart contracts. EVM compatibility means a blockchain can execute Ethereum bytecode and use the same tooling (Solidity compilers, wallets like MetaMask, etc.) as Ethereum. Developers can leverage existing Ethereum tooling, libraries, and infrastructure to build and deploy decentralized applications (dApps), enhancing interoperability and simplifying integration with the broader blockchain ecosystem.

A smart contract is essentially a program deployed to the blockchain at a specific address. Each contract account holds immutable code (the compiled EVM bytecode) and a persistent storage state for variables. The code is stored as part of the contract's account data and defines the contract's functions and logic, while the storage is a key-value store (256-bit slots) that persists between transactions. In addition to code and storage, a contract account can also hold a token balance and has an ever-increasing nonce value (like any Ethereum account).

The EVM is a stack-based virtual machine. It uses a stack (LIFO structure up to 1024 elements of 256-bit words) for holding operands and results of computations. It also provides a chunk of memory (volatile byte-array, cleared after each execution) for use during transaction execution. Persistent data is kept in contract storage (a Merkle-Patricia trie mapping 256-bit keys to 256-bit values), which is part of the global state.

In high-level languages like Solidity, a contract's code is organized into functions and state variables. When compiled, this turns into EVM bytecode plus metadata. The bytecode includes function selectors for external calls and the sequence of opcodes implementing each function. The deployed bytecode is immutable - once a contract is created on GUNZ, its code cannot be changed (except through design patterns like proxy contracts). All state changes must happen via transactions that call the contract's functions, which execute within the EVM sandbox.

Gas is a core part of the EVM's design that ties computational work to economic cost. Gas is the unit that measures the amount of computational effort required to execute operations on the EVM network. Every single opcode in the EVM has an associated gas cost (reflecting its complexity or impact on the network - e.g. writing to storage costs much more gas than a simple addition). When a user submits a transaction, they must specify a gas limit (the maximum gas they are willing to consume) and pay a fee for the gas used by the transaction. This gas fee is paid in GUN (native currency) denominated in Gwei (gigawei).

Because computational resources on the network are limited, gas fees ensure that users pay for the compute and storage their transactions consume, deterring attackers from spamming the network or running infinite loops without cost. In practice, a smart contract's execution cost depends on the complexity of the transaction: e.g., a simple token transfer might use ~50,000 gas, whereas an interaction with a complex DeFi protocol could use hundreds of thousands of gas.

CONTACTS DEPLOYING ON GUNZ

GUNZ operates as a permissioned chain, meaning that the deployment of smart contracts is restricted to authorized addresses only. This permissioned deployment model provides critical operational and compliance advantages:

- Security and Compliance: only approved entities can deploy smart contracts, significantly reducing the risk of malicious or faulty contracts entering the network;
- Performance Optimization: the permissioned environment ensures that smart contracts meet predetermined standards for efficiency, resource management, and operational reliability, crucial for gaming applications requiring high transaction volumes and real-time responsiveness.

GUNZ ensures interoperability through EVM-compatibility, facilitating easy integration of external Ethereum-compatible wallets, third-party marketplaces, and decentralized exchanges (DEXs). Leveraging standards such as ERC-20 and ERC-721, GUNZ seamlessly integrates with external platforms (e.g., OpenSea) and cross-chain bridges (e.g., LayerZero) for broader market access and liquidity.

CONSENSUS AND SECURITY

GUNZ adopts Avalanche's Snowman consensus-a high-performance, linear consensus mechanism optimized for smart contract execution.

Unlike traditional Proof-of-Work or standard Proof-of-Stake models, Avalanche's consensus achieves near-instant finality through a probabilistic sub-sampling technique, where nodes validate transactions by iteratively querying a small subset of other Validators. In Snowman, there is no single leader or miner; any Validator can propose a block, and consensus is reached through repeated random sub-sampled voting rather than heavy computation or round-robin leadership. Each Validator randomly queries a small subset (k) of other Validators for their preference on a proposed transaction or block. If a supermajority (α) of the sampled Validators agrees on one choice, the querying node adopts that preference. This process repeats across the network, quickly snowballing toward agreement as nodes recursively reinforce the majority decision. Validators do not form fixed committees or follow a strict leader schedule. This makes Snowman consensus lightweight and scalable: each node's communication overhead remains constant even as the Validator count grows.

The design of Snowman allows high transaction throughput and fast finality. Blocks are produced and finalized in seconds (often under 1-2 seconds), compared to the longer confirmation times in PoW systems (which often must wait for multiple blocks to ensure irreversibility). Because Snowman's Validators only need to sample a small random set of peers (e.g., 20 peers out of thousands) to reach a decision, consensus can be achieved very quickly without waiting for global communication. This rapid, probabilistic voting mechanism enables chain to process thousands of transactions per second in practice, vastly outperforming the ~7 TPS of Bitcoin or dozens of TPS in many first-generation PoS chains. This efficiency makes Snowman ideal for a gaming blockchain like GUNZ, where fast-paced interactions and low latency are critical.

Once a transaction or block is decided by Snowman consensus, it is considered final and irreversible within a couple of seconds. This yields a security threshold such that all honest Validators will

almost surely make the same decision on a transaction, and the chance of two conflicting outcomes propagating is negligible. Finality is thus both fast and reliable - once a block is accepted, it will not be forked away. The probability of it being reversed or a conflicting decision being chosen can be made vanishingly small - effectively zero for practical purposes. By adjusting the β (confidence threshold) parameter, chain can require more consecutive rounds of consensus before finalizing, thereby exponentially decreasing the chance of error. For example, with β = 20 as used in defaults, and each round requiring a supermajority agreement, the chance of a contradictory outcome after finalization is astronomically low (e.g., 1 in 10^n, with n being very large). This is crucial for applications like gaming: in the GUNZ chain, in-game asset transfers or state updates can be confirmed within a second and players have confidence that outcomes won't be rolled back, preserving fairness and consistency. Players can trust that once an in-game transaction (like purchasing an item or winning a battle reward) is confirmed, it won't be reversed or altered.

Snowman's consensus mechanism selects Validators in a random and fair manner for each round of voting. Every decision round, each Validator will randomly pick a small set of other Validators to poll. Importantly, this random selection is weighted by stake, not purely random per node. That means if a Validator has 5% of the total stake, roughly 5% of the random polls (network-wide) will query that Validator. This prevents a swarm of small, staked nodes from outvoting a big staker by sheer count, while still giving small stakers collective influence proportional to their sum stake. Over many rounds, every Validator's opinion (weighted by stake) is heard often enough that the network gravitates to a consensus that reflects the majority of honest stake. No fixed committees or delegation are required - every Validator continuously participates in the process, maintaining a fluid and decentralized decision-making. Every Validator has a voice in every consensus decision (with probability proportional to stake), which strengthens decentralization and consensus fidelity. The combination of open access, stake-weighting, and random sampling yields a network that is decentralized in practice, not just in theory.

Consensus achieves remarkable scalability by keeping communication overhead independent of the network size. Each Validator only needs to send a fixed number of messages per round (to k sampled peers). For instance, if k = 20 (a common default), a node queries 20 others regardless of whether the network has 50 Validators or 5,000 Validators. This means the network can add many Validators with minimal impact on latency or bandwidth. Subsampling also means the consensus protocol's load grows gracefully: adding more Validators marginally increases security (more nodes to sample from) without bogging down the network in communication. This property is especially beneficial for gaming blockchains like GUNZ, which might attract many Validators (e.g., game guilds, community members) - the chain can expand its Validator set for decentralization without sacrificing performance.

Consensus is designed to maintain liveness (the network continues to process new transactions) even when a portion of Validators are faulty or malicious. As long as the share of malfunctioning or malicious stake remains below the protocol's threshold (commonly around 20% by stake weight for default parameters), the network will continue to progress and finalize transactions. Even if the threshold is exceeded, the network doesn't halt immediately; instead, the agreement process might slow or require more rounds, but there's no hard fail-stop at exactly 1/3 like in classical BFT systems.

The absence of a leader also improves liveness because there is no single Validator whose failure or malicious behaviour can stall the block production. In protocols with fixed leaders or block proposers, if the leader is offline or censoring transactions, progress can be delayed until a new leader is chosen. In Snowman, if one Validator doesn't issue a block in a timely manner, others can simply continue proposing blocks. This ensures that even if some Validators drop out or attempt to censor, the rest of the network can keep confirming transactions. For GUNZ, this means the game remains responsive and available even if some subsets of Validators (or their hosting

providers) have outages or are under attack - an important consideration for an uninterrupted gaming experience.

Additional security layers-including custom Validator requirements, internal monitoring, and access control mechanisms-are enforced to ensure that all Validators maintain high operational uptime and computational standards. This permissioning approach is designed to enhance network stability, scalability, and efficiency, ensuring that Validators can handle the expected high transaction throughput required for gaming applications while maintaining the decentralized and autonomous nature of the consensus process.

Snowman consensus mechanism has matured into a highly efficient, secure, and scalable protocol. Its security model leverages PoS to guard against Sybil attacks while delivering near-instant finality, which is essential for a fair gaming environment on GUNZ. Validator selection in Snowman is inclusive and distributed, promoting a decentralized set of Validators - a critical factor for credible neutrality in games. The protocol's scalability ensures that even as GUNZ grows to many players and complex game economies, the underlying blockchain can handle the load with quick responsiveness. For the GUNZ chain, building on Snowman consensus means inheriting a battle-tested, game-ready foundation: fast, secure, and scalable - capable of supporting an immersive, trustless gaming experience on its chain.

GUN FUNCTIONS

GUN functions as a native utility token and is deeply integrated into the GUNZ chain architecture. In EVM compatible blockchain networks, the native token is the fundamental currency that powers the system. It is integral to paying for computation (gas fees), incentivizing Validators, and enabling core network functions. In the context of the GUNZ chain, the native token plays roles similar to Ether on Ethereum, serving as the gas currency and part of the network's security and economic model.

Every transaction and smart contract operation consumes gas, which is a unit of computational work. To have a transaction processed by the network, the sender must pay the gas fee in the native token of that blockchain. This mechanism serves two critical purposes: (1) it prevents abuse by making denial-of-service attacks and infinite loops economically expensive, and (2) it rewards those who validate and include transactions. Because each transaction requires computational resources, requiring payment in the native currency ensures the network is not vulnerable to spam or endless execution. In practice, Validators will only include a transaction in a block if the sender offers an adequate gas fee (in the native token) as an incentive. If the offered fee is too low, Validators may ignore the transaction, meaning it may be delayed or never confirmed. Thus, the native token underpins transaction validation by acting as the fuel that users spend to have their transactions executed and confirmed on the blockchain.

Smart contract execution on an EVM chain incurs computational costs that are measured in gas. The native token is used to pay for this gas consumption: for every step of a contract's execution, a small amount of GUN is expended. For example, reading from storage, writing to storage, performing arithmetic, or calling another contract all have predetermined gas costs, as defined in the gas schedule. The total computational cost of a transaction equals the sum of gas for all operations it executes. Users specify a gas limit (the maximum gas they are willing to allow for the transaction) and a gas price (how much of the native token they will pay per gas unit). The product of these (gas used × gas price) is the fee in the native token that the user ultimately pays.

The native token in an EVM environment is implemented at the protocol level rather than via a smart contract. Each account in the EVM state has a balance field for the native currency, and operations to transfer the native token are baked into the EVM's rules. For example, when you send a transaction with a value that indicates an amount of native token to transfer to the recipient address (or to a contract's payable function).

TOKEN SUPPLY

The native token of the GUNZ chain, GUN, has a strictly fixed supply capped at genesis, meaning the entire supply was minted at the initial blockchain launch. Specifically, all GUNs were created at the genesis event, setting a permanent, immutable supply ceiling that the protocol itself enforces. This fixed-supply model provides predictability and long-term stability, essential for maintaining consistent economic incentives for Validators, players, developers, and other ecosystem participants.

No additional issuance, inflation, or minting mechanisms exist within the GUNZ chain after the genesis event, preventing future dilution or unpredictable inflation scenarios. Consequently, GUN becomes increasingly scarce relative to network utilization, especially as tokens are consumed.

Moreover, the fully pre-minted token model simplifies the economic model for users, developers, and Validators by removing uncertainties around future issuance, inflation schedules, or unexpected supply changes. The transparency provided by a fixed total supply model facilitates clearer asset valuation, planning, and risk management across the entire GUNZ chain ecosystem.

In summary, the capped and pre-minted supply structure is a deliberate economic design decision intended to foster a stable, transparent, and predictable ecosystem-critical factors in supporting sustained network usage, confidence among participants, and long-term economic viability within the high-performance gaming context of GUNZ.

LINKS

https://gunbygunz.com/ - The official platform of GUNZ;

https://github.com/ava-labs/avalanchego - Node implementation for the Avalanche network and GUNZ;

https://github.com/ava-labs/subnet-evm - EVM implementation for Avalanche GUNZ Subnet;

https://docs.avax.network/ - Official Avalanche documentation;

https://github.com/ava-labs/avalanche-wallet - The code repository for the Avalanche wallet;

https://github.com/ava-labs/avalanche-cli - Avalanche CLI is a command line tool for GUNZ;

https://github.com/ava-labs/avalanche-rosetta - A repository that provides a Rosetta API implementation for Avalanche and GUNZ;

https://github.com/ava-labs/icm-contracts - Smart contracts built on top of Avalanche Interchain Messaging (ICM) to facilitate GUNZ cross-chain application development;

https://github.com/ava-labs/ledger-avalanche - Avalanche app for GUNZ;

Avalanche and subnets audits:

https://github.com/ava-labs/audits
https://support.avax.network/en/articles/5462273-has-the-avalanche-code-been-audited-where-are-the-audit-reports.

H.2 PROTOCOLS AND TECHNICAL STANDARDS

GUNZ follows Avalanche's standard consensus model for subchains (Snowman), it is permissioned in terms of smart contract deployment, meaning only approved addresses can deploy code within the ecosystem. The blockchain is fully EVM-compatible, allowing seamless deployment of solidity-based smart contracts and full support for Ethereum-based tooling by authorized entities.

H.3 TECHNOLOGY USED

GUNZ adopts Avalanche's Snowman consensus - a high-performance, linear consensus mechanism optimized for smart contract execution.

Unlike traditional Proof-of-Work or standard Proof-of-Stake models, Avalanche's consensus achieves near-instant finality through a probabilistic sub-sampling technique, where nodes validate transactions by iteratively querying a small subset of other validators. In Snowman, there is no single leader or miner; any validator can propose a block, and consensus is reached through repeated random sub-sampled voting rather than heavy computation or round-robin leadership. Each validator randomly queries a small subset (k) of other validators for their preference on a proposed transaction or block. If a supermajority (α) of the sampled validators agree on one choice, the querying node adopts that preference. This process repeats across the network, quickly snowballing toward agreement as nodes recursively reinforce the majority decision. Validators do not form fixed committees or follow a strict leader schedule. This makes Snowman consensus lightweight and scalable: each node's communication overhead remains constant even as the validator count grows.

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H.4 Consensus Mechanism

Unlike public blockchains, GUNZ is designed to be a controlled environment where only approved Validators can participate in consensus. While everyone can submit transactions in GUNZ, this does not imply centralization or unrestricted control. The network strictly follows consensus rules and cannot arbitrarily alter node behaviour, override transactions, or bypass consensus integrity.

The permissioned nature of the chain is solely intended to ensure a stable and high-performance Validator set, as Validators must meet specific operational standards to handle high transaction throughput efficiently. While Validators are pre-approved, they cannot unilaterally change the ledger, manipulate transaction ordering, or modify execution rules, ensuring a decentralized and trustless verification process at the protocol level.

Please also refer to the information provided in section H.1 above.

H.5 Incentive Mechanisms and Applicable Fees

At the core of Validator participation is an economic commitment known as staking. Staking serves as a crucial economic incentive, binding Validators to honest behaviour through tangible financial commitments. Nodes wishing to become Validators within the GUNZ chain must first fulfil Avalanche's Validator requirements by committing (staking) a predefined amount of Avalanche's native token ($AVAX). This stake is immobilized for the entire duration of the Validator's participation in the Avalanche network, including its subnetworks such as GUNZ. This immobilization provides an economic incentive, deterring malicious behaviour by ensuring Validators have tangible financial commitments at stake. The economic logic behind staking dictates that the feasibility of malicious activities, such as double-spends or transaction manipulation, becomes economically prohibitive due to the costliness of compromising staked assets.

H.6 Use of Distributed Ledger Technology

True.

H.7 DLT FUNCTIONALITY DESCRIPTION

GUNZ operates as a private permissioned blockchain within the Avalanche ecosystem, ensuring controlled access for selected partners. The network consists of:

- Validator nodes responsible for block production and consensus;
- wallets and users, emitting transactions into blockchain;
- DApps, providing user interfaces to smart contracts.

Unlike public blockchains, GUNZ is designed to be a controlled environment where only approved Validators can participate in consensus. While everyone can submit transactions in GUNZ, this does not imply centralization or unrestricted control. The network strictly follows consensus rules and cannot arbitrarily alter node behaviour, override transactions, or bypass consensus integrity.

The permissioned nature of the chain is solely intended to ensure a stable and high-performance Validator set, as Validators must meet specific operational standards to handle high transaction throughput efficiently. While Validators are pre-approved, they cannot unilaterally change the ledger, manipulate transaction ordering, or modify execution rules, ensuring a decentralized and trustless verification process at the protocol level.

By leveraging Avalanche's scalability and interoperability, GUNZ remains logically isolated from other networks while retaining the ability to connect with external chains via cross-chain bridges when necessary.

Please also refer to the information provided in section H.1 above.

H.8 AUDIT

True.

H.9 AUDIT OUTCOME

Pentest and Security Analysis Report: the Gunzilla API and web platform demonstrate a strong security posture, with effective access controls and stable core functionality. The minor issues identified should be addressed to further strengthen long-term resilience and reduce potential exposure. A remediation plan is in place for most findings, reflecting a proactive approach to security. Regular evaluations and adherence to secure development practices are recommended to sustain and enhance the system's defenses.

PART I - INFORMATION ON RISKS

I.1 OFFER-RELATED RISKS

To the fullest extent permitted by applicable law and except as otherwise specified in a writing by us, (a) tokens are sold on an "as is" and "as available" basis without warranties of any kind, and we expressly disclaim all implied warranties as to tokens, including, without limitation, implied warranties of merchantability, fitness for a particular purpose, title and non-infringement, whether arising by law, course of dealing, course of performance, usage of trade, or otherwise; (b) we do not represent or warrant that tokens are reliable, current, or error-free, meet your requirements, or that defects in tokens will be corrected; and (c) we cannot and do not represent or warrant that the tokens or the delivery mechanism for tokens are free of viruses or other harmful components.

You acknowledge that you have not relied upon any representation or warranty made by the project, or any other person on the project's behalf, including, but not limited to, conversations of any kind, whether through oral or electronic communication.

We do not and will not provide you with any software other than tokens in your resulting distribution.

You understand that tokens, blockchain technology, Avalanche, the Ethereum protocol, and erc-20 are new technologies outside of our control and adverse changes in market forces or technology will excuse our performance under these terms.

Transactions using blockchain technology, such as those involving token sale, are at risk to multiple potential failures, including high network volume, computer failure, blockchain failure of any kind, user failure, token theft, and network hacking. We are not responsible for any loss of data, token, hardware, or software resulting from any type of failure, theft, or hack.

The tokens, the project, and their related software are or will be deployed on an avalanche subnet blockchain, and later may be deployed on other blockchains. Therefore, any malfunction, unplanned function, or unexpected operation of the token protocol may cause the GUN network to malfunction or operate in a way that is not expected.

Some jurisdictions do not allow the exclusion of certain warranties or disclaimer of implied terms in contracts with consumers, so some or all of the exclusions of warranties and disclaimers in this section may not apply to you.

I.2 ISSUER-RELATED RISKS

Not applicable.

I.3 CRYPTO-ASSETS-RELATED RISKS

EARLY-STAGE TECHNOLOGY

Cryptocurrency tokens are created and distributed using distributed ledger or blockchain technology. This technology is highly experimental; therefore, participation in cryptocurrency token sales is very risky. Issuers of tokens often use software, new technologies, and new ways of doing business that are in an early development stage and unproven. The software, technologies, and related businesses invested in by the entity issuing tokens could be unfit for their intended purpose and/or not work as effectively or as well as anticipated.

PROTOCOL-RELATED RISK

Many cryptocurrency tokens are based on the Bitcoin or Ethereum protocols. The project using them will be adversely affected by any malfunction, dysfunction, or abandonment of these protocols. Additionally, these protocols could be rendered less valuable or valueless by advances in cryptography or other technical advances, such as the development of quantum computing.

UNPROVEN SOFTWARE

Cryptocurrency tokens use software and other technology that are likely to be in an early development stage and unproven, and there is normally no warranty that the process for receiving, using, and ownership of tokens will be uninterrupted or error-free. Such software and other technology could contain weaknesses, vulnerabilities, or bugs that could cause serious problems, including but not limited to the inability to use tokens and the partial or complete loss of tokens.

LOSS OF YOUR CREDENTIALS

If you lose your crypto-wallet credentials or they are stolen, tokens you purchased will be permanently lost. A private key, or a combination of private keys, is necessary to control and dispose of tokens stored in your wallet. Loss of the private key(s) associated with your wallet will result in a loss of tokens. Any third party that acquires the ability to access your private key(s), including by acquiring login credentials of a hosted wallet service you use, may be able to steal your tokens. If your crypto-wallet malfunctions or fails for any reason, including your own failure to properly maintain or use it, it may also result in your tokens being lost. Failure to correctly follow the procedures set out in any token sale documentation for buying and receiving tokens, including providing an incorrect wallet address or an address that is not ERC-20 compatible, may result in token loss.

FAILURE OR ABANDONMENT

Any aspect of any cryptocurrency token abandoned or required to be restructured, become or remain technologically or commercially unsuccessful, or be shut down for many reasons, including, but not limited to lack of interest by the public; statutory, regulatory, or other legal changes; lack of funding; and lack of commercial success due to competing projects. There is no assurance that any token you acquire will have the value expected, or any value, at the time you wish to use them. You should understand and accept that the ownership and use of tokens is very risky such that they could be or become unusable or valueless with respect to the exchange of information, services, or value with other token owners, and they typically cannot be exchanged or redeemed to the entity that issued the tokens in return for fiat or alternative cryptocurrencies.

REGULATORY RISK

The sale or use of tokens could be prohibited under applicable securities law. It is possible that existing regulations could be applied, or new regulations could be enacted, affecting blockchain technology-based applications and sales of tokens such that any aspect of cryptocurrency token could be negatively affected, requiring its modification or discontinuance and potentially resulting in the loss of tokens or token value.

NO STATUTORY PROTECTION

Tokens do not represent deposits and are not subject to any statutory insurance or guarantees. In the event of insolvency of an entity issuing tokens or any entity involved in a cryptocurrency token, there will be no protection in place to allow recovery of losses.

LACK OF OVERSIGHT

Most token sales are not structured or intended as an offer of securities or a promotion, invitation, or solicitation for investment purposes. Token sales are not, therefore, subject to the offering requirements that apply to securities, including legal standards for prospectuses or other documentation. Investing in unregulated tokens does not involve independent review or oversight required by law for securities offerings, and the accounts of token issuers may not be subject to audit requirements.

NO VIABLE LEGAL REMEDY

In the event of a dispute between you and the entity issuing tokens or any related or associated entity about any aspect of a cryptocurrency token, it may be prohibitively difficult or costly for you to assert your legal rights. Even if you do bring a claim, prevailing on your claim may be difficult or impossible because of the difficulty of distinguishing between legally binding and enforceable contractual representations, warranties and terms and mere projections about the expected future of tokens that do not constitute legally binding promises and representations. Your ability to prevail on any such claim will be extremely difficult because of the presence in the terms and conditions applicable to token sales of numerous warnings about the many risks involved in purchasing or using tokens.

I.4 PROJECT IMPLEMENTATION-RELATED RISKS

REGULATORY RISK

The sale or use of tokens could be prohibited under applicable law. It is possible that existing regulations could be applied, or new regulations could be enacted, affecting blockchain technology-based applications and sales or use of tokens or virtual coins such that any aspect of cryptographic token could be negatively affected, requiring its modification or discontinuance and potentially resulting in the loss of tokens or token value.

I.5 TECHNOLOGY-RELATED RISKS

PRIVATE KEY MANAGEMENT RISK AND LOSS OF ACCESS TO CRYPTO-ASSETS

The security of crypto-assets heavily relies on the management of private keys, which are used to access and control the crypto-assets (e.g. initiate transactions). Poor management practices, loss, or theft of private keys, or respective credentials, can lead to irreversible loss of access to crypto-assets.

SETTLEMENT AND TRANSACTION FINALITY

By design, a blockchain's settlement is probabilistic, meaning there is no absolute guaranteed finality for a transaction. There remains a theoretical risk that a transaction could be reversed or concurring versions of the ledger could persist due to exceptional circumstances such as forks or consensus errors. The risk diminishes as more blocks are added, making it increasingly secure over time. Under normal circumstance, however, once a transaction is confirmed, it cannot be reversed or cancelled. Crypto-assets sent to a wrong address cannot be retrieved, resulting in the loss of the sent crypto-assets.

SCALING LIMITATIONS AND TRANSACTION FEES

As the number of users and transactions grows, a blockchain network may face scaling challenges. This could lead to increased transaction fees and slower transaction processing times, affecting usability and costs.

ECONOMIC SELF-SUFFICIENCY AND OPERATIONAL PARAMETERS

A blockchain network might not reach the critical mass in transaction volume necessary to sustain self-sufficiency and remain economically viable to incentivize block production. In failing to achieve such inflection point, a network might lose its relevance, become insecure, or result in changes to the protocol's operational parameters, such as the monetary policy, fee structure and consensus rewards, governance model, or technical specifications such as block size or intervals.

NETWORK ATTACKS AND CYBER SECURITY RISKS

Blockchain networks can be vulnerable to a variety of cyber-attacks, including 51% attacks, where an attacker gains control of the majority of the network's consensus, Sybil attacks, or DDoS attacks. These can disrupt the network's operations and compromise data integrity, affecting its security and reliability.

CONSENSUS FAILURES OR FORKS

Faults in the consensus mechanism can lead to forks, where multiple versions of the ledger coexist, or network halts, potentially destabilizing the network and reducing trust among participants.

BUGS IN THE BLOCKCHAIN'S CORE CODE

Even with thorough testing, there is always a risk that unknown bugs may exist in a blockchain protocol, which could be exploited to disrupt network operations or manipulate account balances. Continuous code review, audit trails, and having a bug bounty program are essential to identify and rectify such vulnerabilities promptly.

SMART CONTRACT SECURITY RISK

Smart contracts are code running on a blockchain, executing the programmed functions automatically if the defined conditions are fulfilled. Bugs or vulnerabilities in smart contract code can expose blockchain networks to potential hacks and exploits. Any flaw in the code can lead to unintended consequences, such as the loss of crypto-assets or unauthorized access to sensitive data.

DEPENDENCY ON UNDERLYING TECHNOLOGY

Blockchain technology relies on underlying infrastructures, such as specific hardware or network connectivity, which may themselves be vulnerable to attacks, outages, or other interferences.

RISK OF TECHNOLOGICAL DISRUPTION

Technological advancements or the emergence of new technology could impact blockchain systems, or components used in it, by making them insecure or obsolete (e.g. quantum computing breaking encryption paradigms). This could lead to theft or loss of crypto-assets or compromise data integrity on the network.

GOVERNANCE RISK

Governance in blockchain technology encompasses the mechanisms for making decisions about network changes and protocol upgrades. Faulty governance models can lead to ineffective decision-making, slow responses to issues, and potential network forks, undermining stability and integrity. Moreover, there is a risk of disproportionate influence by a group of stakeholders, leading to centralized power and decisions that may not align with the broader public's interests.

ANONYMITY AND PRIVACY RISK

The inherent transparency and immutability of blockchain technology can pose risks to user anonymity and privacy. Since all transactions are recorded on a public ledger, there is potential for sensitive data to be exposed. The possibility for the public to link certain transactions to a specific address might expose it to phishing attacks, fraud, or other malicious activities.

DATA CORRUPTION

Corruption of blockchain data, whether through software bugs, human error, or malicious tampering, can undermine the reliability and accuracy of the system.

THIRD-PARTY RISKS

Crypto-assets often rely on third-party services such as exchanges and wallet providers for trading and storage. These platforms can be susceptible to security breaches, operational failures, and regulatory non-compliance, which can lead to the loss or theft of crypto-assets.

I.6 MITIGATION MEASURES

Not applicable.

PART J- INFORMATION ON THE SUSTAINABILITY INDICATORS IN RELATION TO ADVERSE IMPACT ON THE CLIMATE AND OTHER ENVI-RONMENT-RELATED ADVERSE IMPACTS

J.1 ADVERSE IMPACTS ON CLIMATE AND OTHER ENVIRONMENT-RELATED ADVERSE IMPACTS

MANDATORY INFORMATION ON PRINCIPAL ADVERSE IMPACTS ON THE CLIMATE AND OTHER ENVIRONMENT-RELATED ADVERSE IMPACTS OF THE CONSENSUS MECHANISM

General information	
S.1 Name Name reported in field A.1.	Poseidon 133 PTE. LTD.
S.2 Relevant legal entity identifier Identifier referred to in field A.2.	LWXI.
S.3 Name of the crypto-asset Name of the crypto-asset, as reported in field D.2.	GUN Token.
S.4 Consensus Mechanism The consensus mechanism, as reported in field H.4.	Unlike public blockchains, GUNZ is designed to be a controlled environment where only approved Validators can participate in consensus. While everyone can submit transactions in GUNZ, this does not imply centralization or unrestricted control. The network strictly follows consensus rules and cannot arbitrarily alter node behavior, override transactions, or bypass consensus integrity. The permissioned nature of the chain is solely intended to ensure a stable and high-performance Validator set, as Validators must meet specific operational standards to handle high transaction throughput efficiently. While Validators are pre-approved, they cannot unilaterally change the ledger, manipulate transaction ordering, or modify execution rules, ensuring a decentralized and trustless verification process at the protocol level. Please refer further to the information provided in section H.1 above.
S.5 Incentive Mechanisms and Applicable Fees Incentive mechanisms to secure	At the core of Validator participation is an economic commitment known as staking. Staking serves as a crucial economic incentive, binding Validators to honest behaviour through tangible financial commitments. Nodes wishing to become Validators within the GUNZ chain must first fulfil Avalanche's Validator requirements by committing (staking) a predefined amount of Avalanche's native token ($AVAX). This stake is immobilized for the entire duration of the Validator's participation in the Avalanche network, including its subnetworks such as GUNZ. This immobilization provides an economic incentive, deterring malicious behaviour by

transactions and any fees applicable, as reported in field H.5.	ensuring Validators have tangible financial commitments at stake. The economic logic behind staking dictates that the feasibility of malicious activities, such as double-spends or transaction manipulation, becomes economically prohibitive due to the costliness of compromising staked assets.
S.6 Beginning of the period to which the disclosure relates	2025-01-01
S.7 End of the period to which the disclosure relates	2025-12-31
Mandatory key indicator on energy consumption	
S.8 Energy consumption Total amount of energy used for the validation of transactions and the maintenance of the integrity of the distributed ledger of transactions, expressed per calendar year.	17,000 kilowatt-yearly.
Sources and methodologies	
S.9 Energy consumption sources and Methodologies Sources and methodologies used in relation to the information reported in field S.8	We used data from Crypto Carbon Ratings Institute, adjusted to reflect GUNZ's capacity and the specific hardware used. https://carbon-ratings.com/dl/pos-report-2022&ved=2ahUKEwjAmd6Kus2MAxXFCRAIHT9iNeMQFnoECA0QAQ&usg=AOvVaw1rfGDw7f_KHTZXrUGgW3kg