MiCA White Paper

GALA

(GALA)

Version 1.1
Nov 2025

White Paper in accordance with Markets in Crypto Assets Regulation (MiCAR)
for the European Economic Area (EEA).

Purpose: seeking admission to trading in EEA.

Prepared and Filed by LCX.com

NOTE: THIS CRYPTO-ASSET WHITE PAPER HAS NOT BEEN APPROVED BY ANY COMPETENT
AUTHORITY IN ANY MEMBER STATE OF THE EUROPEAN ECONOMIC AREA. THE PERSON
SEEKING ADMISSION TO TRADING IS SOLELY RESPONSIBLE FOR THE CONTENT OF THIS
CRYPTO-ASSET WHITE PAPER ACCORDING TO THE EUROPEAN ECONOMIC AREA'S
MARKETS IN CRYPTO-ASSET REGULATION (MICA).

This white paper has been prepared in accordance with the requirements set forth in Commission
Implementing Regulation (EU) 2024/2984, ensuring that all relevant reporting formats, content
specifications, and machine-readable structures outlined in Annex I of this regulation have been fully
mapped and implemented, particularly reflected through the Recitals, to enable proper notification
under the Markets in Crypto-Assets Regulation (MiCAR).

Copyright:

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01   DATE OF NOTIFICATION

2025-11-17

COMPLIANCE STATEMENTS

02   This crypto-asset white paper has not been approved by any competent authority in any Member State of the European Economic Area. The offeror of the crypto-asset is solely responsible for the content of this crypto-asset white paper.

Where relevant in accordance with Article 6(3), second subparagraph of Regulation (EU) 2023/1114, reference shall be made to 'person seeking admission to trading' or to 'operator of the trading platform' instead of 'offeror'.

03   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   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   Not Applicable

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

SUMMARY

07   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

GALA is the native crypto-asset of the GALA Chain, a proprietary blockchain infrastructure developed by Gala Games to support a decentralized ecosystem for digital entertainment, including gaming, music, film, and other user-owned content. The GALA token is used across the GALA Chain as a multi-purpose asset supporting network operations, governance participation, and reward distribution.

Originally issued as an ERC-20 token on Ethereum, GALA has transitioned into the native token of the GALA Chain. The token migration enabled enhanced scalability, reduced transaction costs, and tighter integration with the Gala ecosystem. GALA now functions as the foundational asset for transaction fees, node incentivization, and smart contract execution on GALA Chain.

Within the network, GALA plays a central role in governance coordination. Holders can participate in decision-making processes regarding future protocol updates, tokenomics adjustments, and the onboarding of new projects or dApps. These governance actions are executed through decentralized mechanisms and consensus-based voting, ensuring that GALA token holders retain influence over the protocol's evolution.

09   Not applicable

10   Key information about the offer to the public or admission to trading

This document does not relate to a new public offering of GALA tokens. The GALA token has already been created, issued, and widely distributed through its integration into the Gala Games ecosystem and via ongoing protocol-based activities on GALA Chain. Rather than serving as an issuance prospectus, this whitepaper is prepared in the context of the admission of GALA to trading on a regulated crypto-asset trading platform operated by LCX AG.

LCX AG, a registered exchange and custodian based in Liechtenstein, facilitates the listing and trading of GALA in accordance with the regulatory obligations defined under the Markets in Crypto-Assets Regulation (MiCA). LCX is not the issuer or sponsor of the GALA token and does not exercise control over its supply, governance, or token economics. The responsibility of LCX is limited to ensuring that the token is admitted to trading on its platform in a manner that is compliant with MiCA's provisions on transparency, investor protection, and market integrity.

As GALA is already in circulation and traded across both centralized and decentralized platforms, its listing on LCX does not involve any fundraising, token sale, or initial offering event. No GALA tokens are being issued or distributed as part of the admission process.

The trading of GALA on LCX's regulated venue occurs under open market conditions. Prices are determined by supply and demand dynamics among market participants, without any pre-fixed valuation or minimum subscription thresholds. LCX supports trading pairs such as GALA/EUR to enhance liquidity and accessibility for users operating in fiat and crypto markets.

Total offer amount	Not applicable
Total number of tokens to be offered to the public	Not applicable
Subscription period	Not applicable
Minimum and maximum subscription amount	Not applicable
Issue price	Not applicable
Subscription fees (if any)	Not applicable
Target holders of tokens	Not applicable
Description of offer phases	Not applicable
CASP responsible for placing the token (if any)	Not applicable
Form of placement	Not applicable
Admission to trading	LCX AG, Herrengasse 6, 9490 Vaduz, Liechtenstein

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

A.1 Name

LCX

A.2 Legal Form

AG

A.3 Registered Address

Herrengasse 6, 9490 Vaduz, Liechtenstein

A.4 Head Office

Herrengasse 6, 9490 Vaduz, Liechtenstein

A.5 Registration Date

24.04.2018

A.6 Legal Entity Identifier

529900SN07Z6RTX8R418

A.7 Another Identifier Required Pursuant to Applicable National Law

FL-0002.580.678-2

A.8 Contact Telephone Number

+423 235 40 15

A.9 E-mail Address

legal@lcx.com

A.10 Response Time (Days)

020

A.11 Parent Company

Not applicable

A.12 Members of the Management Body

Full Name	Business Address	Function
Monty C. M. Metzger	Herrengasse 6, 9490 Vaduz, Liechtenstein	President of the Board
Katarina Metzger	Herrengasse 6, 9490 Vaduz, Liechtenstein	Board Member
Anurag Verma	Herrengasse 6, 9490 Vaduz, Liechtenstein	Director of Technology

A.13 Business Activity

LCX provides various crypto-asset services under Liechtenstein's Token and Trusted Technology Service Provider Act ("Token- und Vertrauenswürdige Technologie-Dienstleister-Gesetz" in short "TVTG") also known as the Blockchain Act. These include custody and administration of crypto-assets, offering secure storage for clients' assets and private keys. LCX operates a trading platform, facilitating the matching of buy and sell orders for crypto-assets. It enables both crypto-to-fiat and crypto-to-crypto exchanges, ensuring compliance with AML and KYC regulations. LCX also supports token placements, marketing crypto-assets on behalf of offerors.

Under MiCA, LCX is classified as a Crypto-Asset Service Provider (CASP). LCX is not yet formally supervised under MiCA until the license is granted by the competent authority.

Under the TVTG framework, LCX provides:

- TT Depositary – Custody and safekeeping of crypto-assets.
- TT Trading Platform Operator – Operation of a regulated crypto-asset exchange.
- TT Exchange Service Provider – Crypto-to-fiat and crypto-to-crypto exchange.
- Token Issuer – Marketing and distribution of tokens.
- TT Transfer Service Provider – Crypto-asset transfers between ledger addresses.
- Token Generator & Tokenization Service Provider – Creation and issuance of tokens.
- Physical Validator – Enforcement of token-based rights on TT systems.
- TT Verification & Identity Service Provider – Legal capacity verification and identity registration.
- TT Price Service Provider – Providing aggregated crypto-asset price information.

A.14   Parent Company Business Activity

Not applicable

A.15   Newly Established

false

A.16   Financial Condition for the past three Years

LCX AG has a strong capital base, with CHF 1 million (approx. 1,126,000 USD) in share capital (Stammkapital) and a solid equity position (Eigenkapital) in 2023. The company has experienced fluctuations in financial performance over the past three years, reflecting the dynamic nature of the crypto market. While LCX AG recorded a loss in 2022, primarily due to a market downturn and a security breach, it successfully covered the impact through reserves. The company has remained financially stable, achieving revenues and profits in 2021, 2023 and 2024 while maintaining break-even operations.

In 2023 and 2024, LCX AG strengthened its operational efficiency, expanded its business activities, and upheld a stable financial position. Looking ahead to 2025, the company anticipates positive financial development, supported by market uptrends, an inflow of customer funds, and strong business performance. Increased adoption of digital assets and service expansion are expected to drive higher revenues and profitability, further reinforcing LCX AG's financial position.

A.17   Financial Condition Since Registration

LCX AG has been financially stable since its registration, supported by CHF 1 million in share capital (Stammkapital) and continuous business growth. Since its inception, the company has expanded its operations, secured multiple regulatory registrations, and established itself as a key player in the crypto and blockchain industry.

While market conditions have fluctuated, LCX AG has maintained strong revenues and break-even operations. The company has consistently reinvested in its platform, technology, and regulatory compliance, ensuring long-term sustainability. The LCX Token has been a fundamental part of the ecosystem, with a market capitalization of approximately $200 million USD and an all-time high exceeding $500 million USD in 2022. Looking ahead, LCX AG anticipates continued financial growth, driven by market uptrends, increased adoption of digital assets, and expanding business activities.

B. 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

True

B.2 Name

Gala Games

B.3 Legal Form

Corporation, Inc.

B.4 Registered Address

1309 Coffeen Avenue, Suite 11110, Sheridan, Wyoming 82801, USA

B.5 Head Office

1309 Coffeen Avenue, Suite 11110, Sheridan, Wyoming 82801, USA

B.6 Registration Date

December 2018

B.7 Legal Entity Identifier

Not available

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

Eric Schiermeyer – Chief Executive Officer & Co-Founder. (Eric is a co-founder of Gala Games, previously co-founder of Zynga; he leads strategic direction) ⌑.

John Osvald – President of Games & Co-Founder. (John, also from Zynga's leadership, oversees game development and platform operations) ⌑.

Michael McCarthy – Creative Director & Co-Founder. (Michael, gaming industry veteran, contributes to game design and ecosystem development – e.g., lead on Mirandus game) ⌑.

Additional senior personnel: Warren Marshall – VP Creative (co-founder, 3D design) ⌑; Jason "BitBender" Brink – former President of Blockchain, now advisor (led blockchain integration and community engagement).

B.11 Business Activity

Gala Games is a Web3 entertainment company building a decentralized gaming and content ecosystem. Founded in 2018, Gala's core business is developing blockchain-based games and platforms where players can own in-game assets and be rewarded for participation ⌑. The company operates Gala Games (a platform offering a portfolio of play-to-earn games across genres), Gala Music (a decentralized music streaming and NFT platform), and Gala Film (an upcoming platform for film content and NFTs) ⌑. Gala's activities include game development in partnership with studios, issuance of NFTs and nodes for network support, and maintaining GalaChain – a proprietary Layer-1 blockchain optimized for entertainment uses ⌑ ⌑. The company's model emphasizes community involvement: users can purchase licenses to run Founder Nodes that support the network and in return earn rewards in GALA tokens ⌑. Gala Games generates revenue through game and NFT sales, node license sales, and its retained share of GALA token emissions (used to fund development). The mission of the

issuer is to foster a player-owned ecosystem in gaming and digital content, where its GALA token facilitates transactions, rewards, and governance in a decentralized manner ▢▢.

B.12   Parent Company Business Activity

Not applicable

C. 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

LCX AG

C.2 Legal Form

AG

C.3 Registered Address

Herrengasse 6, 9490 Vaduz, Liechtenstein

C.4 Head Office

Herrengasse 6, 9490 Vaduz, Liechtenstein

C.5 Registration Date

24.04.2018

C.6 Legal Entity Identifier

529900SN07Z6RTX8R418

C.7 Another Identifier Required Pursuant to Applicable National Law

FL-0002.580.678-2

C.8 Parent Company

Not Applicable

C.9 Reason for Crypto-Asset White Paper Preparation

LCX is preparing this MiCA-compliant whitepaper for GALA (GALA) to enhance transparency, regulatory clarity, and investor confidence. While GALA has its classification as "Other Crypto-Assets", LCX is providing this document to support its role as a Crypto-Asset Service Provider (CASP) and ensure compliance with MiCA regulations in facilitating GALA trading on its platform.

C.10 Members of the Management Body

Full Name	Business Address	Function
Monty C. M. Metzger	Herrengasse 6, 9490 Vaduz, Liechtenstein	President of the Board
Katarina Metzger	Herrengasse 6, 9490 Vaduz, Liechtenstein	Board Member
Anurag Verma	Herrengasse 6, 9490 Vaduz, Liechtenstein	Director of Technology

C.11 Operator Business Activity

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orders for crypto-assets. It enables both crypto-to-fiat and crypto-to-crypto exchanges, ensuring compliance with AML and KYC regulations. LCX also supports token placements, marketing crypto-assets on behalf of offerors.

Under MiCA, LCX is classified as a Crypto-Asset Service Provider (CASP). LCX is not yet formally supervised under MiCA until the license is granted by the competent authority.

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- TT Price Service Provider – Providing aggregated crypto-asset price information.

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

D. PART D - INFORMATION ABOUT THE CRYPTO-ASSET PROJECT

D.1 Crypto-Asset Project Name

Gala Games (Gala Ecosystem and GalaChain project).

D.2 Crypto-Assets Name

GALA

D.3 Abbreviation

GALA

D.4 Crypto-Asset Project Description

GALA is the native token powering the Gala Games ecosystem, which includes blockchain-based gaming, music, and film platforms built on GalaChain (also known as Project GYRI). GALA was initially launched as an ERC-20 token on Ethereum, but has since migrated to GalaChain, a purpose-built Layer-1 blockchain designed to improve scalability, reduce fees, and support decentralized application development. The GALA token is used for transaction settlement within the ecosystem, including payments for digital assets such as NFTs and peer-to-peer value transfers. Additionally, GALA serves as the reward mechanism for node operators who provide infrastructure and validation services to the network. GalaChain supports near-instant, low-cost transactions recorded immutably on-chain. GALA tokens are distributed daily as part of the protocol's reward schedule, particularly to Founder Node operators, rather than through an initial coin offering or token sale. The token has a fixed maximum supply of 50 billion units, issued over time through an emission schedule that incorporates annual halving events. A portion of GALA used for network transactions is burned as part of a deflationary mechanism designed to gradually reduce the circulating supply. Gala's governance model is evolving toward decentralization, with proposals and decisions governed through GalaChain Improvement Proposals (GIPs), allowing the community to shape the network's development and protocol changes. GALA does not provide access rights to any specific digital good or service, nor does it grant legal rights, dividends, or ownership in any entity. It is not classified as a utility token, but instead falls under the category of "Other Crypto-Assets" under Title II of Regulation (EU) 2023/1114 (MiCA).

D.5 Details of all persons involved in the implementation of the crypto-asset project

The GALA project is a collaborative effort involving the core developers, the issuing foundation, and a decentralized community of node operators and users. Key parties include:

Full Name	Business Address	Function
Gala Games Inc	Sheridan, WY, USA	Issuer & Core Developer
Founder Node Operators (Community)	Global	Distributed Network Operators
Gala Ecosystem Developers	Global	Open source contributors

D.6   Utility Token Classification

false

D.7   Key Features of Goods/Services for Utility Token Projects

Not applicable

D.8   Plans for the Token

Not applicable

D.9   Resource Allocation

Not applicable

D.10   Planned Use of Collected Funds or Crypto-Assets

Not applicable

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

E.1 Public Offering or Admission to Trading

ATTR

E.2 Reasons for Public Offer or Admission to Trading

LCX is filing this MiCA-compliant white paper for GALA to provide full disclosure under the new regulatory framework and GALA has been classified as "other crypto-asset" under MICA. The aim is to boost investor confidence and clarity regarding GALA's features, risks, and legal status. By aligning with MiCA's high disclosure standards, LCX strengthens its position as a regulated exchange and facilitates broader market access for GALA within the European Economic Area ⬚.This initiative is expected to remove uncertainty for institutional participants and comply with evolving EU rules, thereby supporting broader adoption of GALA and integration into regulated financial ecosystems ⬚. In summary, the admission is pursued to list GALA in a fully compliant manner, allowing European users to trade GALA on a transparent, regulated venue with all necessary information provided upfront.

E.3 Fundraising Target

Not applicable

E.4 Minimum Subscription Goals

Not applicable

E.5 Maximum Subscription Goal

Not applicable

E.6 Oversubscription Acceptance

Not applicable

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

Circulating Supply ≈ 45.84 billion GALA (as of Sep 2025) out of a fixed 50 billion maximum supply ⬚. All GALA tokens in existence have been issued through the network's reward mechanism; no new tokens are being created for this admission. The circulating supply (~91.7% of max) fluctuates slightly over time due to the daily emissions (to node operators and conservatorship) and token burns (from transaction fees) ⬚ ⬚. Importantly, since GALA's token distribution is ongoing and predetermined by the protocol (with automatic halving each July), the number of GALA in circulation will gradually increase until reaching the 50 billion cap, while burns permanently remove tokens from the total supply (reducing effective supply growth) ⬚ ⬚. At the time of this writing, ~45.84 B GALA are in public circulation, and the

remaining ~4.16 B (8.3%) are yet to be emitted or are held in the Gala Conservatorship reserve for future network rewards.

E.13   Targeted Holders

ALL

E.14   Holder Restrictions

Not applicable

E.15   Reimbursement Notice

Not applicable

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

Not applicable

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

GALA/EUR

E.25   Value Transfer Methods for Reimbursement

Not applicable

E.26   Right of Withdrawal

Not applicable

E.27   Transfer of Purchased Crypto-Assets

Not applicable

E.28   Transfer Time Schedule

Not applicable

E.29   Purchaser's Technical Requirements

Not applicable

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

LCX AG

E.34   Trading Platforms Market Identifier Code (MIC)

LCXE

E.35   Trading Platforms Access

GALA is widely traded on numerous cryptocurrency exchanges globally. GALA is not confined to any single trading venue; it can be accessed by retail and institutional investors worldwide through dozens of exchanges. LCX Exchange now supports GALA trading (pair GALA/EUR). To access GALA trading on LCX, users must have an LCX account and complete the platform's KYC verification, as LCX operates under strict compliance standards. Trading on LCX is available via its web interface and APIs to verified customers.

E.36   Involved Costs

Not applicable

E.37   Offer Expenses

Not applicable

E.38   Conflicts of Interest

Not Applicable

E.39   Applicable Law

Not applicable –As such, GALA itself is not governed by a single national legal framework. The applicable laws depend on the jurisdictions where it is traded or utilized. However, in relation to the admission to trading of GALA on LCX Exchange, the laws of Liechtenstein apply in accordance with Regulation (EU) 2023/1114 (MiCA) and other applicable EU financial regulations.

E.40   Competent Court

In case of disputes related to services provided by LCX, the competent court is: The Courts of Liechtenstein, with jurisdiction in accordance with Liechtenstein law and applicable EU regulations

F. PART F - INFORMATION ABOUT THE CRYPTO-ASSETS

F.1 Crypto-Asset Type

Other Crypto-Asset

F.2 Crypto-Asset Functionality

GALA token performs several protocol-level functions within the Gala Games ecosystem. It serves as the native currency of GalaChain, used to pay transaction (gas) fees for on-chain operations. Each transaction consumes a small amount of GALA, which is burned to reduce total supply and incentivize efficient network use. GALA is also the reward mechanism for operators of Founder Nodes, who contribute validation and infrastructure services to maintain GalaChain's decentralized operations. In addition to its technical and economic roles, GALA plays a governance function within the network. Node operators who hold and stake GALA may participate in community governance through the GalaChain Improvement Proposal (GIP) framework, which allows voting on platform-level decisions such as protocol upgrades or ecosystem integrations. While GALA may be used within the broader Gala environment to settle payments for digital assets like in-game items or NFTs, its issuance is not intended to provide digital access rights to specific goods or services. GALA does not confer any enforceable legal rights, claims to profit, or ownership in any legal entity. Its functionality is embedded in the decentralized technical infrastructure of GalaChain and governed by transparent, on-chain rules.

F.3 Planned Application of Functionalities

No fundamental changes are planned regarding the core functionalities of the GALA token. GALA is already fully integrated into GalaChain, where it performs essential network roles such as transaction fee settlement, protocol-level rewards, and participation in decentralized governance. The token's existing use cases are expected to evolve in scope and volume as the Gala ecosystem expands; however, this evolution will not alter the fundamental characteristics or intended purpose of the token. Future enhancements to GalaChain, including protocol upgrades or increased decentralization through the GalaChain Improvement Proposal (GIP) framework, may expand the opportunities for GALA holders to participate in governance, but these developments reflect natural progression rather than a functional transformation. No new rights, claims, or token features are planned that would change GALA's classification or regulatory treatment under MiCA. There is no intention to reposition GALA beyond its current use within the GalaChain infrastructure. The continued development of GalaChain is expected to reinforce, rather than redefine, the GALA token's role within the network.

F.4 Type of white paper

OTHR

F.5 The type of submission

NEWT

F.6 Crypto-Asset Characteristics

GALA is a fungible, divisible digital token operating natively on GalaChain, a custom Layer 1 blockchain developed by Gala Games. It is not backed by any fiat currency, asset, or commodity, and its market value is determined by supply and demand. GALA is designed for efficient performance on GalaChain, which supports high transaction throughput and near-instant finality at low cost. The blockchain currently uses a permissioned consensus mechanism coordinated by a known set of validator nodes (Founder Nodes), providing deterministic ledger finality and eliminating the risk of forks. GALA has a fixed maximum supply of 50 billion tokens, with issuance governed by an annual halving schedule and deflationary mechanics that burn a portion of tokens used as transaction fees. As of March 2025,

approximately 45.8 billion GALA are in circulation. The token is implemented via GalaChain's native asset standard and is divisible to facilitate microtransactions. GALA does not grant holders any legal claim to profits, ownership, or equity in Gala Games or any affiliated entity, nor does it represent a debt instrument or entitlement to any underlying assets. It is freely transferable and traded on secondary markets without restrictions. While GALA is used as the transaction token within the GalaChain ecosystem, it is not intended to provide access to specific digital goods or services, and it does not fall under the definition of a utility token. Accordingly, GALA is classified as an "Other Crypto-Asset" under Title II of Regulation (EU) 2023/1114 (MiCA). The GalaChain protocol and the GALA token have been subject to external security audits by professional firms, including CertiK and Halborn, with no critical vulnerabilities reported. The network continues to evolve toward greater decentralization, with the token's characteristics governed by protocol rules and subject to changes only through transparent, community-driven governance procedures.

F.7 Commercial name or trading name

GALA

F.8 Website of the issuer

https://www.galachain.com/

F.9 Starting date of offer to the public or admission to trading

2025-12-17

F.10 Publication date

2025-12-17

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 available (none currently assigned)

F.14 Functionally Fungible Group Digital Token Identifier, where available

Not applicable

F.15 Voluntary data flag

true

F.16 Personal data flag

false

F.17 LEI eligibility

false

F.18 Home Member State

Liechtenstein

F.19 Host Member States

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

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

G.1 Purchaser Rights and Obligations

Purchasing, holding, or using GALA does not confer any legal rights of ownership, equity, governance (in corporate matters), dividends, or profit-sharing in Gala Games or any affiliated entity. GALA does not represent debt, equity, or a claim on any issuer's assets, nor does it carry any entitlement to redemption, repayment, or guaranteed return. The token is not a financial instrument within the meaning of MiFID II, nor does it grant any enforceable rights against any legal entity. Holders of GALA may choose to use the token within the Gala ecosystem in various programmatic functions, such as paying transaction fees on GalaChain, participating in governance proposals through node operations, or transacting with third parties. These uses are enabled by the technical architecture of the network and do not constitute contractual or statutory rights. Similarly, GALA may be used within applications built on GalaChain, including entertainment and gaming platforms, but this does not entitle holders to the delivery of any specific good or service by default. There is no obligation to use or stake the token; holders may passively store or transfer GALA at their discretion. The network recognizes the token on a bearer basis, meaning that control over GALA is determined by cryptographic key ownership, not identity or contract. Except for optional participation in on-chain functions (such as node operation or staking under defined terms), no obligations are imposed on holders merely by possessing the token. All interactions with GALA and GalaChain are governed by decentralized smart contracts and executed transparently on-chain. GALA is thus a crypto-asset whose associated "rights" are limited to what the protocol permits and are not enforceable legal claims under contract or securities law.

G.2 Exercise of Rights and Obligation

As GALA does not confer any contractual, financial, or enforceable legal rights, there is no formal process for exercising rights in the traditional sense used for securities or regulated utility tokens. Instead, holders interact with the GALA token by engaging directly with decentralized smart contracts or protocol-level systems. For example, spending GALA to acquire a digital asset such as an NFT, participating in governance voting via a Founder Node, or claiming token rewards through protocol-defined mechanisms are actions carried out entirely through the GalaChain infrastructure. These interactions are governed by on-chain logic and do not involve any application to, or claim against, a central issuer or entity. Participation in governance activities, such as voting on GalaChain Improvement Proposals (GIPs), typically requires wallet connection, token balance validation, and compliance with the protocol's eligibility criteria. Similarly, network usage obligations—such as transaction fees—are enforced programmatically through GalaChain's smart contracts and deducted automatically upon confirmation of a transaction. There is no requirement for token holders to take any action beyond initiating network interactions. Gala Games or its affiliates may introduce optional features, such as token-gated experiences or incentives, but these are implemented at the application layer and do not establish legal rights or entitlements. Accordingly, the use of GALA is determined by technological rules embedded within GalaChain, and holders may use, store, or trade the token at their discretion without needing to invoke any legal procedure to access its features.

G.3 Conditions for Modifications of Rights and Obligations

GALA does not grant enforceable contractual or legal rights to holders. Therefore, there is no legal mechanism by which those rights can be modified, and no entity has unilateral authority to alter token-holder entitlements. However, the protocol-level functionalities associated with GALA—such as its use in transaction fees, reward distribution, and governance participation—may evolve over time through the GalaChain governance process. Any such changes are proposed and executed via the GalaChain Improvement Proposal (GIP) framework and require community participation, validator consensus, and implementation through smart contract updates. These modifications do not represent legal amendments to

token-holder rights but rather reflect adjustments to the decentralized technical infrastructure governing token usage. Gala Games has published a multi-phase decentralization roadmap, and while the project currently retains influence through development activity and token holdings, its stated objective is to progressively shift governance and decision-making to the broader community. Any significant protocol changes affecting GALA's supply mechanics, reward formulas, or governance processes would require broad consensus and transparent implementation. Under MiCAR, any material change that would affect the functioning or understanding of the crypto-asset—such as a change to the emission schedule—would trigger an update to this whitepaper and notification to the competent authority. Gala Games may continue to update platform-level features or launch companion tokens (e.g., GSTAKE for staking purposes), but these do not alter the status or rights of GALA holders and are typically introduced as optional extensions. In all cases, any change affecting token functionality is expected to be public, transparent, and based on on-chain governance or protocol upgrades. GALA holders remain free to continue participating in the ecosystem or to dispose of their holdings should they disagree with any changes.

G.4   Future Public Offers

Not applicable

G.5   Issuer Retained Crypto-Assets

Not applicable

G.6   Utility Token Classification

No

G.7   Key Features of Goods/Services of Utility Tokens

Not applicable

G.8   Utility Tokens Redemption

Not applicable

G.9   Non-Trading Request

True

G.10   Crypto-Assets Purchase or Sale Modalities

Not applicable

G.11   Crypto-Assets Transfer Restrictions

Not applicable

G.12   Supply Adjustment Protocols

The total supply of GALA is fixed at 50,000,000,000 (50 billion) tokens, as defined in the protocol's issuance logic. GALA follows a predefined emission schedule that includes an annual halving mechanism, whereby the daily distribution of newly issued tokens is reduced by 50% each year. This emission model is fully embedded within the GalaChain protocol and executed autonomously through smart contracts. No additional minting of tokens beyond the fixed cap is permitted, and no discretionary issuance rights are held by any entity, including Gala Games. In addition to fixed emissions, GALA incorporates a deflationary mechanism through token burns. A portion of transaction fees paid in GALA on GalaChain is automatically and permanently removed from circulation, reducing the total circulating supply over time. These burn events are enforced at the protocol level and executed programmatically upon each transaction, without the need for manual intervention. There is no formal buyback or re-minting process, and no central authority can modify the supply constraints unilaterally. Any proposed changes to the emission schedule, burn rate, or maximum supply would require a governance proposal under the GalaChain Improvement Proposal (GIP) process and broad

community support. As of March 2025, approximately 45.8 billion GALA are in circulation. GALA's supply adjustment protocols are therefore predictable, transparent, and fully integrated into the decentralized architecture of GalaChain.

G.13   Supply Adjustment Mechanisms

The supply of GALA is governed by automated protocol mechanisms that are encoded into GalaChain's smart contracts. The emission of new GALA tokens follows a fixed schedule, with annual halving events that reduce daily token issuance by 50% each year. Beyond this fixed issuance model, GALA includes a built-in burn mechanism as its primary supply adjustment tool. A portion of the GALA used to pay transaction fees on GalaChain is automatically burned, permanently removing those tokens from circulation. This burn is executed at the time of each transaction and does not require manual approval or centralized intervention. The protocol does not currently support dynamic supply expansion (i.e. reminting or inflation outside the original emission curve). Any proposed adjustment to the burn rate, emission frequency, or token supply rules must be introduced via a governance proposal under the GalaChain Improvement Proposal (GIP) framework. These proposals are subject to review and approval by community participants, including node operators and token holders, in accordance with the governance rules set by the protocol. No single entity, including Gala Games or its affiliates, has unilateral control over the GALA supply. All changes to token economics must pass through transparent, on-chain decision-making and cannot be enforced without majority consensus. As a result, GALA's supply adjustment mechanisms are programmatic, decentralized, and subject to community oversight.

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

Not applicable – As such, GALA itself is not governed by a single national legal framework. The applicable laws depend on the jurisdictions where it is traded or utilized. However, in relation to the admission to trading of GALA on LCX Exchange, the laws of Liechtenstein apply in accordance with Regulation (EU) 2023/1114 (MiCA) and other applicable EU financial regulations.

G.19   Competent Court

Not applicable - As GALA (GALA) is a decentralized, open-source crypto-asset with no central issuer or governing entity, it does not fall under the jurisdiction of any specific legal framework. In case of disputes related to services provided by LCX, the competent court is: The Courts of Liechtenstein, with jurisdiction in accordance with Liechtenstein law and applicable EU regulations.

H. PART H – INFORMATION ON THE UNDERLYING TECHNOLOGY

H.1 Distributed ledger technology

The GALA token operates on the Ethereum blockchain, a public, permissionless distributed ledger that supports decentralized applications and smart contract execution. Ethereum utilizes a Proof-of-Stake (PoS) consensus mechanism, where validators propose and confirm blocks based on staked ETH, replacing the former Proof-of-Work (PoW) model to improve energy efficiency, scalability, and security. This infrastructure ensures that all transactions involving GALA are immutably recorded and transparently auditable on the Ethereum network. Once confirmed, transactions achieve probabilistic finality and cannot be altered or reversed. The GALA token conforms to the ERC-20 token standard, which is widely used and supported across Ethereum-based applications, wallets, and protocols. As an ERC-20 token, GALA benefits from Ethereum's interoperability, security architecture, and robust smart contract environment. All transfers and contract interactions involving GALA require transaction fees (gas) to be paid in ETH, with costs determined dynamically based on network congestion. Ethereum's open-source nature and global validator participation make it a resilient and censorship-resistant infrastructure for digital assets. This distributed ledger serves as the foundation for GALA's token issuance, ownership management, and transfer functionality.

GALA Whitepaper: Gala whitepaper

Public block explorer: https://etherscan.io/

GALA Main repository: https://github.com/GalaChain/sdk

GALA Developer portal: https://creators.gala.com/

H.2 Protocols and Technical Standards

The GALA token is implemented using widely adopted blockchain token standards that enable compatibility with decentralized applications, wallets, and custody solutions across the broader digital asset ecosystem. The token follows a fungible token format that defines standardized functions for balance tracking, transfers, approvals, and allowances. These functions are executed through immutable smart contracts deployed on a decentralized blockchain infrastructure. Transactions involving GALA are cryptographically signed by the token holder and broadcast to the network, where they are validated and recorded on the distributed ledger. Token balances and transfer logic are governed entirely by code and executed autonomously without requiring intermediary involvement. The GALA smart contract also supports interaction with token-handling mechanisms such as custodial services, multi-signature wallets, and decentralized exchanges, ensuring broad accessibility and integration. The underlying protocol adheres to deterministic rules for transaction processing, supports finality after confirmation, and enforces standard decimal precision to allow for micro-denominated transfers. The token's technical design ensures transparency, composability with other smart contracts, and resilience against unauthorized modifications. STecurity audits of the token contract and related infrastructure have been conducted to assess correctness and resistance to vulnerabilities, aligning with best practices in the blockchain ecosystem.

H.3 Technology Used

The GALA token is deployed on a public, decentralized blockchain that operates as a distributed ledger system, enabling peer-to-peer transaction recording without centralized control. The network uses public-key cryptography to ensure secure token ownership, where access to GALA balances is controlled via private keys associated with blockchain addresses. All transactions are digitally signed and submitted to the network, where they are validated according to protocol rules and permanently recorded on the ledger. Token behavior, including

issuance, transfer, and approval functions, is governed by immutable smart contract code deployed on the blockchain. These smart contracts execute deterministically and enforce compliance with predefined token logic. The system achieves consensus on the ledger state through a decentralized validator network, ensuring consistency and resilience against manipulation or data loss. Transaction data is visible on-chain and can be independently audited by any network participant. The infrastructure enables composability with other decentralized applications and is compatible with tools for custody, compliance, and monitoring. The underlying architecture ensures transparency, reliability, and immutability in the operation of the GALA token, supporting its secure and autonomous use within the blockchain ecosystem.

H.4   Consensus Mechanism

The blockchain infrastructure supporting the GALA token utilizes a Proof-of-Stake (PoS) consensus mechanism to validate and finalize transactions. In this system, network participants known as validators are selected to propose and attest to new blocks based on the amount of native tokens they have staked within the protocol. Validators are incentivized to act honestly through a system of rewards and penalties; misbehavior or downtime may result in partial loss of staked assets, while accurate participation leads to reward distribution. Blocks are produced at regular intervals and, once finalized through validator consensus, transactions become irreversible and immutably recorded on the ledger. This consensus design enhances energy efficiency compared to Proof-of-Work models and enables scalable, near real-time transaction confirmation. All transaction validation processes are carried out by a decentralized set of validators operating independently across the network, without reliance on any single central party. Finality is probabilistic but achieved rapidly, with most transactions considered confirmed after a short number of subsequent blocks. This mechanism ensures the integrity, fault tolerance, and tamper resistance of the distributed ledger that supports the GALA token.

H.5   Incentive Mechanisms and Applicable Fees

The operation of the GALA token on a decentralized blockchain network involves a system of fees and incentive mechanisms designed to maintain network functionality and support ecosystem participants. Each transaction involving GALA, including token transfers and smart contract interactions, requires the payment of a network transaction fee. These fees are denominated in the native token of the underlying blockchain infrastructure and are paid by the initiator of the transaction. The amount of the fee is dynamically calculated based on network congestion and computational resources required to process the transaction. These fees are used to compensate validators who maintain and secure the distributed ledger. In addition to standard transaction fees, GALA also operates within a broader incentive framework associated with infrastructure participation. Network contributors such as node operators may receive GALA token rewards for providing validation services, maintaining uptime, or contributing to the stability and decentralization of the network. These rewards are distributed according to predefined rules encoded in smart contracts and do not require direct involvement from any central party. The incentive and fee mechanisms are integral to the decentralized governance and operation of the token's infrastructure and are subject to modification only through community-led proposals under the applicable governance framework. There are no embedded guarantees of returns, and participation in any incentive program is entirely voluntary and governed by on-chain logic.

H.6   Use of Distributed Ledger Technology

True

H.7   DLT Functionality Description

The distributed ledger technology on which the GALA token operates provides a decentralized, transparent, and tamper-resistant infrastructure for recording and verifying token-related

activities. The DLT allows for the creation, transfer, and tracking of GALA tokens through a shared, synchronized ledger maintained by a distributed network of validators. Each transaction is cryptographically signed by the sender and broadcast to the network, where it is validated in accordance with consensus rules and irreversibly recorded on the ledger. Token balances, transaction histories, and smart contract interactions are visible to all participants and can be independently verified without reliance on a central authority. The ledger also enables the execution of deterministic logic through smart contracts, which govern the conditions under which GALA tokens may be transferred or interacted with by decentralized applications. This functionality ensures consistent and predictable outcomes for transactions while preventing unauthorized modifications. The DLT supports interoperability with other applications and systems that adhere to compatible technical standards, allowing GALA to be integrated into a wide range of decentralized financial tools, wallets, and services. Overall, the DLT enables secure value transfer, permissionless participation, and reliable execution of token logic within a decentralized framework

H.8   Audit

True

H.9   Audit Outcome

The smart contract underpinning the GALA token has undergone independent security reviews by recognized blockchain auditors. In 2020, AnChain.AI conducted an audit of the ERC-20 smart contract code. The audit concluded that no high-severity vulnerabilities were identified and that the contract met AnChain.AI's standard for secure implementation.

Audit link: Anchain.AI

More recently, in 2023, a comprehensive audit of the updated GalaV2 token contract was performed by CertiK. The assessment identified nine issues ranging across severity levels, including one medium-severity logical issue and several minor and informational findings. All issues were resolved according to the CertiK report.

Audit link: CertiK report

These audit reports demonstrate a commitment to transparency and security by making the findings publicly available. The AnChain.AI audit report can be accessed in full through the Gala Games audit repository, and the CertiK report is publicly posted alongside the GalaV2 contract documentation. Any user or service provider may refer to these documents for detailed information on identified issues and remediation steps taken.

I.   PART I – INFORMATION ON RISKS

I.1   Offer-Related Risks

Market Volatility: GALA's price is highly volatile. The token has experienced significant price swings historically, including a peak near $0.83 in late 2021 followed by a drawdown of over 98% ⌷. Such volatility means investors could incur large losses in short timeframes. Crypto markets operate 24/7 and can be influenced by a wide range of factors (market sentiment, macroeconomic news, crypto-specific events, etc.), leading to rapid price changes. There is no guaranteed stable value for GALA – it is not a stablecoin. Buyers should be prepared for the possibility of sharp declines (or spikes) in GALA's value, including flash crashes or rallies, and only invest funds they can afford to lose.

Liquidity Risk: While GALA is traded on multiple exchanges and has a large circulating supply, liquidity can vary. During market stress or off-peak hours, the bid-ask spread may widen and large sell/buy orders could significantly impact the price. If many holders try to sell at once – for

instance, after negative news – liquidity might dry up, making it hard to execute orders at expected prices. Additionally, LCX is one trading venue; if for any reason LCX or other major exchanges pause or delist GALA (due to technical issues, regulatory reasons, or low volume), holders' ability to trade would be impaired.

No Income or Guaranteed Return: GALA does not entitle holders to any dividends or interest. The only way to realize gains is to sell the token at a higher price in the future, which is uncertain. If the Gala ecosystem does not grow as anticipated, demand for GALA may stagnate or drop, yielding little to no price appreciation or even losses. Unlike some crypto-assets, GALA currently doesn't have a staking yield for regular holders (only node operators earn rewards, which requires significant commitment). Thus, simply holding GALA long-term carries an opportunity cost and no guaranteed yield, and its value could erode if the project underperforms or broader crypto sentiment worsens.

I.2   Issuer-Related Risks

Operational Business Risk: Gala Games (the issuer) is a relatively young company in a fast-evolving industry (blockchain gaming). It faces typical startup risks – e.g., the success of its games, user adoption, competition from other gaming platforms – as well as the challenge of building and maintaining its own blockchain. If Gala Games fails to deliver engaging games or loses its player base, the demand for GALA tokens within the ecosystem could drop sharply. The company's revenue primarily comes from NFT sales, game transactions, and its share of token emissions; if these dry up, Gala Games might encounter financial difficulties that could slow development or support for the network. In a worst-case scenario, insolvency of the issuer could occur (though currently Gala Games reportedly has significant funding and revenue ▨). While GALA is decentralized to an extent, the issuer's role is crucial; if the issuer significantly downsizes or shuts down, the ecosystem's growth (and trust in the token) would be severely impaired.

Key Personnel and Management Risk: The Gala Games team includes founders and key developers (Eric Schiermeyer, etc.) whose vision and expertise drive the project ▨. There is a risk of team disruption – for instance, internal conflicts have occurred: in 2023, Gala's co-founders engaged in legal disputes against each other ▨. Such infighting can divert management attention, possibly lead to departures of talent or loss of strategic direction. Indeed, the President of Blockchain (Jason Brink) left his executive role in 2024 amid restructuring ▨. If other key team members leave or are ousted, it could delay technical upgrades or business development. Additionally, Gala's workforce (like any tech company) needs to innovate continuously; failure to attract and retain skilled developers (especially in blockchain) could hamper the project. This risk extends to governance: concentrated decision power in a small team means if they make poor decisions (or if leadership changes hands suddenly), it could negatively impact the token and platform.

Centralization and Reliance on Issuer: Currently, Gala Games retains considerable influence over GalaChain (operating ordering nodes, controlling the token treasury, etc.). This centralization means that investors are exposed to the issuer's decisions and performance. If the issuer decided to significantly change tokenomics (within what it can do) or divert focus to a different strategy, GALA holders might have limited recourse. The risk is mitigated by the project's intention to decentralize, but until fully achieved, one must trust the issuer to act in the token holders' best interest. Any perceived mismanagement – for example, if Gala Games were to sell a large chunk of its retained GALA abruptly or if it launches new tokens that overshadow GALA – could erode holder confidence and market value.

Co-founder Litigation Risk: It is public that one co-founder (Wright Thurston) and the CEO (Eric Schiermeyer) became embroiled in lawsuits accusing each other of misconduct (allegations of asset misappropriation, etc., emerged in mid-2023) ▨. Such legal battles pose risk in multiple

ways: (a) they might result in financial liabilities or injunctions for the company, (b) they could force corporate changes or asset freezes, and (c) they damage the company's reputation. Investors should note that these internal issues, while partly resolved or ongoing in courts, create uncertainty about the issuer's stability and governance. Negative developments in these cases could affect GALA's price. For instance, if a court were to freeze a large trove of GALA tokens under dispute, or if a judgment against the company leads to forced selling of tokens to pay damages, market repercussions could be severe.

I.3   Crypto-Assets-Related Risks

Smart Contract Vulnerabilities / Hacks: Although GalaChain is a permissioned system, it is not immune to exploits. In November 2022, an incident involving a third-party bridge (pNetwork's pGALA on Binance Smart Chain) led to an attack that created billions of synthetic GALA tokens, crashing the token's value on that platform ⌨. In May 2024, a major security breach occurred where an attacker compromised a privileged private key and illicitly minted 5 billion GALA tokens (worth ~$200 million) on the Ethereum side ⌨. While Gala Games was able to respond (blocking the address and securing the funds) ⌨, these events highlight the technical risks in the Gala ecosystem. Future vulnerabilities might exist either in GalaChain's smart contracts, bridges, or in the operational security of keys controlling token supply. Such an exploit could lead to token inflation (if someone managed to bypass controls and create GALA) or theft of tokens from wallets/treasuries, directly impacting token value. The project has taken steps (like multi-signature governance) to prevent repeats ⌨, but no system is 100% secure. A successful attack on GalaChain's code or wallet infrastructure could cause a sudden loss of confidence and a price crash.

Consensus Failures / Node Outages: GalaChain's reliance on a limited set of orderer nodes means there's a concentration risk. If the main ordering service fails (due to a software bug, DDoS attack, or malicious insider at the issuer), the network could halt transactions. Similarly, if a significant number of Founder Nodes go offline or are compromised concurrently, network performance or integrity might suffer. While Fabric's Raft can tolerate some node failures, it cannot proceed if the leader and enough followers fail. During upgrades to BFT, new risks will emerge – BFT algorithms are complex, and misconfiguration could lead to consensus deadlock or network partition. A prolonged network outage would paralyze GALA transfers (except possibly on exchanges if off-chain), undermining trust in its utility. If an attacker somehow took over a threshold of consensus nodes (e.g., obtaining keys of enough Founder Nodes in a future BFT setting), they could potentially fork or censor the chain. The risk is mitigated by permissioning and the upcoming decentralization distributing trust, but transitions are delicate periods.

Blockchain Adoption and Utility Risk: The value of GALA is intrinsically tied to the adoption of GalaChain and its applications. If the games and services on GalaChain fail to attract a critical mass of users, the demand for GALA could stagnate or decline. For instance, if flagship games like Spider Tanks or Mirandus do not retain players or if promised projects are delayed, fewer transactions and in-game purchases will occur, reducing organic need for GALA. Moreover, Gala has expanded to multiple tokens (MUSIC, FILM for respective platforms). This multi-token ecosystem risk implies that some utility that might have accrued to GALA is being diverted – e.g., music artists use $MUSIC token for rewards, not GALA, which could limit GALA's role in that vertical ⌨. Should Gala's ecosystem fragment among many tokens, GALA might serve mainly as gas and a general store of value but not capture all platform growth. If one of those sub-ecosystems (say Gala Music) thrives independently of GALA, or if a competitor's platform becomes more popular, GALA's utility could diminish. Additionally, if Gala's blockchain doesn't achieve broader developer adoption (few third-party devs build on it), it remains a closed system reliant only on Gala's own content, which is a risk if Gala's content pipeline slows.

Token Concentration and Dumping Risk: As noted, the issuer holds a large portion of GALA, and also early node operators accumulated significant tokens. There is a risk of large holders ("whales") selling substantial amounts of GALA on the market, which could crash the price. For example, if a founding team member or early node whale decides to liquidate holdings (perhaps due to the aforementioned legal disputes or personal reasons), the market may not absorb it without price impact. The token distribution, while broad, has pockets of concentration – especially the Gala Conservatorship wallet (issuer's share). Although Gala Games has generally not sold off reckless amounts, there's no explicit lock preventing it. Investors should be aware that low float relative to total supply (since not all tokens are actively circulating – some are held by the issuer) can mean volatility if those held tokens move.

Burn Mechanism Uncertainty: GALA's fee burn mechanism means the supply can decrease with usage. However, if network usage is low, burns are negligible and supply continues to increase until the cap. On the flip side, if usage unexpectedly skyrockets, significant burns could reduce supply more than anticipated. While that might seem positive, it could also have network effects (e.g., higher cost to use if token price spikes). There is also a risk that if fees are set too low or too high, it could undercut security or adoption: too low means little disincentive for spam (though permissioning helps), too high means users may not engage. Gala can adjust fees via governance, but any misalignment could impact token demand – this is a technical-economic risk.

Bridge and Interoperability Risks: GalaChain will rely on bridges to connect with other networks (Ethereum, Binance Chain, etc. for liquidity and access). Bridges are historically points of failure in crypto (many hacks occurred on bridges). The pGALA incident was one example where coordination in a bridge went wrong ⚇. Future bridges (whether run by Gala or third parties) pose risk of exploits that could indirectly affect GALA's reputation or create synthetic supply. For example, if a new Ethereum-GalaChain bridge is hacked, attackers could steal assets or flood one side of the bridge with fake GALA, causing confusion and loss of trust. Although such events might not increase actual native GALA supply, they can crash market confidence and cause price divergence.

I.4   Project Implementation-Related Risks

Technology and Network Security Risk: Although GALA has been audited and uses robust consensus, no system is infallible. Potential technical risks include:

Software bugs: A critical bug in the consensus code or token logic could, in worst case, cause a chain halt or an unintended minting of tokens.

Network attacks: With dPoS, a collusion attack is possible if an attacker gathers enough delegated stake (maybe by convincing many holders to delegate to their validators or outright buying stake) to control consensus.

Centralization & Governance risk: If GALA, Inc. retains significant control, the network might suffer from a single-point-of-failure (if something happens to the company or if an insider goes rogue, they could, for example, subvert validators under their influence).

Quantum Computing (future risk): As with all modern blockchains, GALA's cryptography (ECDSA/EdDSA) could be broken by a sufficiently powerful quantum computer, potentially in a decade or more unless networks upgrade to quantum-resistant algorithms. If not proactively addressed, this could in the long term allow attackers to forge signatures and steal tokens. This risk is not immediate, but it's noted in forward-looking risk assessments ⚇. The mitigation would be to upgrade cryptography in time.

Custodial Risks: Many GALA holders might keep tokens on exchanges or custodial wallets for convenience. Those introduce counterparty risk – if an exchange holding GALA is hacked or insolvent, users could lose their tokens. For instance, if someone leaves GALA on an exchange that later gets breached, the attacker could steal the deposit (just as with any crypto). Self-custody has its own risk: if you lose your private key or recovery phrase, your GALA is lost permanently. There's no password reset in blockchain. This is a classic crypto-asset risk – user security practices (or exchange security) are crucial.

I.5   Technology-Related Risks

Technical Integration Risk: Launching new Stars or bridging to other blockchains introduces complexity and possible vulnerabilities. A bug in contracts or a compromised bridge could undermine the protocol, while reliance on Ethereum exposes users to high gas costs. Layer-2 solutions may help but bring additional risks such as liquidity fragmentation and contract vulnerabilities.

Scaling and Performance Risk: Rising Ethereum gas fees or network congestion could make the protocol uneconomical for smaller users. While Layer-2 adoption is planned, this transition carries its own risks related to security and integration.

Community Coordination Risk: Decentralized governance may lead to slow or indecisive action. In moments requiring rapid parameter adjustments (e.g., during market stress), delays in decision-making could worsen outcomes.

Key Personnel and Development Risk: Although governance is decentralized, the protocol relies on core developers for new features and upgrades. The loss of key contributors or coding errors during upgrades could delay implementation or introduce vulnerabilities.

Adoption Risk: Even if features are successfully delivered, market adoption is not guaranteed. Competing protocols or adverse market conditions could limit uptake, reducing revenues and protocol sustainability.

Interdependency Risk: Many components of the roadmap are interconnected. If one is delayed or underperforms, it may hinder the effectiveness or profitability of others, weakening the overall ecosystem.

I.6   Mitigation Measures

A range of technical and operational measures have been implemented to mitigate key risks associated with the GALA token and its supporting infrastructure. The smart contracts governing GALA have undergone independent audits by recognized security firms to identify and remediate vulnerabilities, and their source code is publicly accessible for transparency and ongoing community scrutiny. To reduce operational and cyber risk, the blockchain infrastructure on which GALA operates is maintained by a decentralized validator network using a consensus mechanism that does not rely on a single point of control. Network-level protections, such as cryptographic transaction validation, decentralized ledger replication, and smart contract immutability, help prevent unauthorized changes, double-spending, or transaction tampering. For users interacting with GALA, wallet-level controls, including private key management and hardware wallet compatibility, mitigate risks related to unauthorized access or loss of funds. Any updates to token-related functionality or governance are conducted through transparent, on-chain proposals that require community consensus, minimizing the risk of unilateral or non-transparent changes. To address ongoing operational risks, the network supports redundancy and resilience across nodes, and protocol-level governance mechanisms allow the community to respond collectively to emerging threats. No guarantees of outcome or value are provided, and users are encouraged to implement their

own risk management practices.

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

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

J.1   Information on principal adverse impacts on the climate and other environment-related adverse impacts of the consensus mechanism

The GALA token operates on a blockchain network that uses a Proof-of-Stake (PoS) consensus mechanism, which significantly reduces energy consumption compared to traditional Proof-of-Work (PoW) systems. Instead of relying on computational mining, PoS networks achieve consensus through validators who are selected based on the amount of native tokens they stake, resulting in lower overall resource intensity. While this model is widely regarded as more environmentally efficient, it still involves some level of energy consumption, which may vary depending on validator hardware, network participation, and geographical factors. The GALA token does not maintain its own dedicated network or validator infrastructure, and its transaction finality and security are entirely supported by the consensus operations of the underlying blockchain. Therefore, any environmental impact associated with the use or transfer of GALA is inherently linked to the broader energy profile of the public blockchain on which it operates.

General information	
S.1 Name *Name reported in field A.1*	LCX
S.2 Relevant legal entity identifier Identifier referred to in field A.2	529900SN07Z6RTX8R418
S.3 Name of the crypto-asset Name of the crypto-asset, as reported in field D.2	GALA
S.4 Consensus Mechanism The consensus mechanism, as reported in field H.4	The crypto-asset's Proof-of-Stake (PoS) consensus mechanism, introduced with The Merge in 2022, replaces mining with validator staking. Validators must stake at least 32 ETH every block a validator is randomly chosen to propose the next block. Once proposed the other validators verify the blocks integrity. The network operates on a slot and epoch system, where a new block is proposed every 12 seconds, and finalization occurs after two epochs (~12.8 minutes) using Casper-FFG. The Beacon Chain coordinates validators, while the fork-choice rule (LMD-GHOST) ensures the chain follows the heaviest accumulated validator votes. Validators earn rewards for proposing and verifying blocks, but face slashing for

	malicious behavior or inactivity. PoS aims to improve energy efficiency, security, and scalability, with future upgrades like Proto-Danksharding enhancing transaction efficiency.
S.5 Incentive Mechanisms and Applicable Fees Incentive mechanisms to secure transactions and any fees applicable, as reported in field H.5	The crypto-asset's PoS system secures transactions through validator incentives and economic penalties. Validators stake at least 32 ETH and earn rewards for proposing blocks, attesting to valid ones, and participating in sync committees. Rewards are paid in newly issued ETH and transaction fees. Under EIP-1559, transaction fees consist of a base fee, which is burned to reduce supply, and an optional priority fee (tip) paid to validators. Validators face slashing if they act maliciously and incur penalties for inactivity. This system aims to increase security by aligning incentives while making the crypto-asset's fee structure more predictable and deflationary during high network activity.
S.6 Beginning of the period to which the disclosure relates	2024-05-18
S.7 End of the period to which the disclosure relates	2025-05-18
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	1788.36362 kWh per year
Sources and methodologies	
S.9 Energy consumption sources and Methodologies Sources and methodologies used in relation to the information reported in field S.8	For the calculation of energy consumptions, the so called "bottom-up" approach is being used. The nodes are considered to be the central factor for the energy consumption of the network. These assumptions are made on the basis of empirical findings through the use of public information sites, open-source crawlers and crawlers developed in-house. The main determinants for estimating the hardware used within the network are the requirements for operating the client software. The energy consumption of the hardware devices was measured in certified test laboratories. When calculating the energy consumption, we used - if available - the Functionally Fungible Group Digital Token Identifier (FFG DTI) to determine

	all implementations of the asset of question in scope and we update the mappings regularly, based on data of the Digital Token Identifier Foundation.

J.2   Supplementary information on principal adverse impacts on the climate and other environment-related adverse impacts of the consensus mechanism

Not Applicable