# MiCA White Paper

## TokenFi (Token)

Version 1.0
June 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).

LCX is voluntarily submitting this MiCA-compliant white paper for the TokenFi (TOKEN) token, which is classified as an "Other Crypto-Asset" (OTHR) under Regulation (EU) 2023/1114 on Markets in Crypto-Assets (MiCA). Unlike Asset-Referenced Tokens (ARTs), Electronic Money Tokens (EMTs), or Utility Tokens, TOKEN is not subject to a mandatory white paper requirement. However, pursuant to Article 6(1), second subparagraph of MiCA, service providers may voluntarily publish a white paper to enhance transparency, regulatory certainty, and investor protection.TOKEN functions as the native crypto-asset within the TokenFi ecosystem, a platform focused on simplifying the creation, launch, and management of tokens and tokenized assets. It enables users to access token generation services, participate in governance, and pay for ecosystem services in a decentralized and permissionless environment. As a core component of the TokenFi protocol, TOKEN supports broader adoption of tokenization in the Web3 economy by providing an efficient and accessible infrastructure for developers, businesses, and users looking to create or engage with tokenized assets.

This document provides essential information about TOKEN's characteristics, risks, and the framework under which LCX facilitates TOKEN-related services in compliance with MiCA's regulatory standards.

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).

## 00 TABLE OF CONTENT

**01 DATE OF NOTIFICATION**

2025-06-04

## 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

TokenFi's native crypto-asset, TOKEN, is a digital token that powers the TokenFi platform – an all-in-one tokenization ecosystem. TOKEN is used to facilitate transactions on the platform (for example, certain token creation or asset tokenization processes are "powered" by TOKEN) and to reward participation (through staking and user incentive programs). A small transaction tax on TOKEN trades is redistributed to the project treasury and liquidity pools, aligning incentives for long-term ecosystem growth

Additionally, platform usage triggers automatic buy-and-burn of TOKEN, making the token deflationary as adoption increases. Holding TOKEN may enable participation in platform activities (such as staking for rewards or future platform features), but it confers no ownership rights, governance authority in a legal entity, or entitlement to profits. TOKEN is not equity in any company and does not guarantee any return or access beyond its functional role within the TokenFi ecosystem. While TOKEN serves as the utility token of the TokenFi platform in a technical sense, this should not be confused with the regulatory category of "utility token" under MiCA. TOKEN is not limited to providing access to a specific good or service of an issuer and is not accepted solely by a service provider in exchange for such services; accordingly, it does not meet the strict MiCA definition of a Utility Token and is instead classified as an "Other Crypto-Asset" (OTHR)

09 Not applicable

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

TokenFi (TOKEN) is a decentralized crypto-asset with no centralized issuer conducting a new public offering at this time. TOKEN was introduced in late 2023 as part of the Floki ecosystem and distributed through various initial allocations rather than a traditional public sale. At launch, 10 billion TOKEN were generated, with an initial circulating supply of 1 billion tokens.

Token was allocated to ecosystem programs – for example, ~54% of the supply is designated as rewards for Floki token stakers over four years, 10% seeded initial liquidity on Ethereum and BNB Chain DEXs, 5% is for TokenFi user incentives over four years, 20% to the Floki Treasury for development, 2% to Floki NFT holders, and 2% to the team (vested over four years). TOKEN has since been listed and is actively traded on multiple exchanges (both centralized venues such as KuCoin, Gate.io, Bybit, etc., and decentralized exchanges on Ethereum and BNB Chain). This white paper is prepared voluntarily in alignment with MiCA to provide transparent regulatory disclosures as TOKEN is admitted to trading on a regulated platform. LCX AG, as a registered Crypto-Asset Service Provider, is facilitating the compliant listing and trading of TOKEN on the LCX Exchange. No new tokens are being offered to the public in connection with this document; instead, the focus is on disclosure regarding TOKEN's characteristics and risks as it becomes available for trading under the MiCA framework. LCX's regulated exchange supports a TOKEN/EUR trading pair, providing a secure and transparent marketplace for European investors. To trade TOKEN on LCX, users must register for an LCX account and complete full KYC/AML verification, in line with regulatory requirements and

LCX's compliance standards. Trading on LCX is accessible via its web platform and APIs for verified customers, and adheres to strict security and custody protocols.

| | |
|---|---|
| *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. LCX AG has applied for

MiCA licensing on February 1, 2025, the first day of MiCA's implementation in Liechtenstein.

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**

Floki DAO (acting through the Floki Core Team for the TokenFi project)

**B.3 Legal Form**

Decentralized Autonomous Organization (unincorporated association of token holders)

**B.4 Registered Address**

Not applicable (core team operations are decentralized and not tied to a single office)

**B.5 Head Office**

Not applicable

**B.6 Registration Date**

Not applicable (the DAO is an informal entity established through community governance; the Floki project launched in 2021, and TokenFi was initiated in 2023)

**B.7 Legal Entity Identifier**

Not applicable

**B.8 Another Identifier Required Pursuant to Applicable National Law**

Company Registration No.: 2714388 (Hong Kong)

**B.9 Parent Company**

Not applicable

**B.10 Members of the Management Body**

Floki DAO operates without a formal board; however, the project is led by the pseudonymous Floki Core Team. Key contributors known publicly include:

- “B” – (Pseudonym; no public address) – Strategist and spokesperson of Floki Core Team
- “Sabre” – (Pseudonym; no public address) – Floki Core Team member (operations/marketing lead)
- “MrBrown Whale” – (Pseudonym; no public address) – Floki Core Team member (strategy & partnerships)
- Jackie Xu – (No address applicable) – Lead Developer of Floki and TokenFi core contracts

(The above individuals are part of the Floki Core Team which guides development; governance decisions are ultimately subject to FLOKI token holder votes via the DAO.)

**B.11 Business Activity**

The Floki DAO’s activity is the governance and support of the Floki ecosystem and its related projects (including TokenFi). The DAO oversees community proposals and strategic direction for ecosystem development. It is not a commercial enterprise in the traditional sense; rather, it coordinates resources (treasury funds) and community efforts to build and promote decentralized applications, NFTs, and DeFi platforms under the Floki brand.

**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**

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**C.5 Registration Date**

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**C.6 Legal Entity Identifier**

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**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 AG is voluntarily preparing a MiCA-compliant white paper for TokenFi (TOKEN) in order to enhance transparency, regulatory clarity, and investor confidence regarding TOKEN's listing on the LCX Exchange. Although TOKEN qualifies as an "Other Crypto-Asset" under MiCA – meaning it is not legally required to have a MiCA white paper (unlike Asset-Referenced Tokens or E-Money Tokens) – LCX is opting to publish this disclosure document pursuant to Article 6(1), second subparagraph of MiCA to uphold high standards of investor protection. By providing comprehensive information about TokenFi's token, LCX aims to facilitate informed decision-making by market participants within the EU and EEA. This proactive step underscores LCX's commitment as a regulated CASP to comply with MiCA in spirit and form, even where not mandatory, and to support the integration of innovative tokens like TOKEN into the regulated financial ecosystem.

**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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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 AG has applied for MiCA licensing on February 1, 2025, the first day of MiCA's implementation in Liechtenstein.

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- 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.

**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

TokenFi

## D.2 Crypto-Assets Name

TokenFi (TokenFi Token)

## D.3 Abbreviation

TOKEN

## D.4 Crypto-Asset Project Description

TokenFi is a tokenization platform launched in late 2023 by the team behind the Floki cryptocurrency.It is designed as a seamless, user-friendly solution for creating crypto tokens and tokenizing real-world assets (RWA) with minimal technical barriers. The platform features a web-based WYSIWYG ("What You See Is What You Get") interface that allows users to deploy new tokens (ERC-20, ERC-721 NFTs, ERC-1155 multi-tokens) on supported blockchains without writing code.

TokenFi aims to democratize token creation by enabling entrepreneurs, businesses, or individuals to easily launch tokens for various use cases – from crowdfunding and utility tokens to tokenized tangible assets – all through a guided interface. Key components of the TokenFi project include: a Token Launcher (for generating token contracts in 1–2 minutes), a QuickLaunch Bot (integrations with Telegram/Discord to create tokens via chat commands), a Launchpad for decentralized fundraising, a Generative AI module for creating NFT artwork, an AI Smart Contract Auditor for automated code audits, a Connect hub linking token creators with exchanges/market makers, and a dedicated RWA Tokenization Module for non-security real asset tokens. The TokenFi platform initially launched on five networks – Ethereum, BNB Chain, Arbitrum, Base, and opBNB – to maximize its reach and liquidity options.This multi-chain deployment means TokenFi's services and TOKEN operate across multiple blockchains, leveraging each network's advantages (e.g., Ethereum's broad DeFi ecosystem and BNB Chain's low fees). Overall, TokenFi is positioned as an "all-in-one" tokenization ecosystem targeting the growing trend of asset tokenization (projected to be a multi-trillion dollar market by 2030). The project's vision is to become a leading tokenization platform by combining ease of use, cross-chain flexibility, and community-driven growth.

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

TokenFi is a project emerging from the Floki ecosystem and, as such, is implemented by a combination of the Floki Core Team and the broader Floki/TokenFi community. There

| Full Name | Business Address | Function |
|---|---|---|
| *Floki Core Team – "B" (pseudonym)* | *Not applicable (global)* | *Co-founder of Floki; Strategy Lead for TokenFi (project oversight)* |
| *Floki Core Team – "Sabre" (pseudonym)* | *Not applicable (global)* | *Floki Core Team; Operations and Marketing Lead for TokenFi* |

| | | |
|---|---|---|
| *Floki Core Team – "MrBrown Whale" (pseudonym)* | *Not applicable (global)* | *Floki Core Team; Partnerships & Community Outreach for TokenFi* |
| *Floki Core Team – Jackie Xu* | *Not applicable (global)* | *Lead Developer for Floki & TokenFi smart contracts (Solidity engineer)* |
| *TokenFi User Community (TokenFi platform users and TOKEN holders)* | *Global (decentralized)* | *Provides feedback, participates in testing and eventual governance (if introduced); drives adoption through usage* |

*(Note: The Floki Core Team (noted above by pseudonyms) are the primary implementers of TokenFi – they devised the platform's concept, wrote its whitepaper and code, and orchestrated the token launch.They operate without public personal addresses (pseudonymously) but are accountable to the Floki DAO. Jackie Xu, one of the few publicly named contributors, is identified as lead blockchain developer (he has been cited as Floki's lead dev in community communications).*

**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

*(Fields D.6–D.10 are not applicable because TRAC is not being offered as a new utility token for funding a specific project with defined future use of proceeds; rather, it is an existing token voluntarily admitted to trading.)*

# 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

The admission of TOKEN to trading on LCX's regulated exchange is pursued to increase market transparency and accessibility for the token. LCX's rationale for listing TokenFi's TOKEN and publishing this white paper is to foster a compliant trading environment for an emerging tokenization project. By voluntarily aligning TOKEN's disclosure with MiCA standards, LCX aims to provide European investors with confidence that key information and risks are clearly communicated. This initiative supports LCX's strategy to proactively meet regulatory expectations ahead of MiCA's full implementation, and to set a precedent for listing innovative tokens in a supervised manner. For the TokenFi project, being listed on a compliant exchange can broaden its reach to institutional and retail users who prefer regulated venues, thereby potentially expanding TokenFi's user base and liquidity. In essence, both LCX and the TokenFi project benefit: LCX enhances its asset offerings with a tokenization-themed asset, and TokenFi gains a stamp of credibility and access to EU markets under a clear regulatory framework. It should be emphasized that this is not a capital-raising event – it is an initiative to integrate TOKEN into the regulated market infrastructure, leveraging the MiCA regime to improve disclosure and trust.

## 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-Asset

As of Q2 2025, approximately 1.0 billion TOKEN are in circulation out of a fixed total supply of 10,000,000,000 tokens. The token's supply is capped at 10 billion (no further minting), and the remaining ~9 billion tokens are not freely circulating yet – they are allocated to various incentive and development programs and will vest gradually over approximately 4 years.Specifically, large portions of TOKEN are being distributed over time as rewards for staking programs (both to FLOKI token stakers and to TOKEN stakers) and for user incentives to encourage platform adoption. These distributions follow predefined schedules (e.g., linear release or milestone-based unlocks) managed

via smart contracts or the project's internal tracking. Because of this vesting, the circulating supply will increase incrementally: for example, by the end of 2025, circulation may reach roughly 1.5–2 billion tokens (depending on user participation in staking and incentives), and by 2027 the majority of tokens will have been released. Importantly, TOKEN's tokenomics include deflationary mechanisms: a 0.3% transaction tax is applied on each on-chain transfer of TOKEN, with 80% of that fee directed to the project treasury and 20% to liquidity pools.

In addition, the TokenFi platform's revenue model involves using a portion of platform fees to buy back and burn TOKEN from the open market. These burns effectively reduce the total supply over time. Thus, while the maximum supply is 10 billion, the effective supply may decrease if significant platform activity leads to tokens being permanently burned. As of the date of this white paper, an initial burn has not materially reduced supply (since the platform is in early stages), so 10 billion remains the reference total. All TOKEN were created at genesis (October 2023) and no further issuance is possible by the contract. The distribution of holdings is fairly concentrated in the early phases: the Floki Treasury and core team allocations (around 22% combined) are locked/vested, and the staking reward pools (61% across FLOKI and TOKEN staking incentives) will release over time to participants.

Public float mainly comes from the ~10% allocated to liquidity and the small portions distributed to NFT holders and initially circulating. The project commits to providing updates on supply circulation figures on its official channels.

**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**

Not applicable

**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**

TOKEN is traded on multiple platforms; it is widely accessible on both centralized and decentralized exchanges. On LCX Exchange, access is granted to compliant users in supported jurisdictions who have completed sign-up and KYC. Generally, any retail or institutional investor worldwide can access TOKEN markets through various exchanges, barring local legal restrictions. As a decentralized token, TOKEN can also be traded peer-to-peer on-chain. For LCX specifically: users access the trading interface via the LCX web platform or API, submit orders for the TOKEN/EUR pair, and must maintain an account balance in EUR or TOKEN to trade. LCX requires all customers to undergo AML/KYC verification to use the exchange, ensuring that only verified individuals/entities trade (in line with Liechtenstein and EU regulations).

**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

**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

TOKEN is the utility and governance token of the TokenFi ecosystem, imbued with several core functionalities: (a) Platform Utility: TOKEN serves as the gas/fuel for the TokenFi platform's operations. Certain actions on TokenFi (such as deploying a new token contract or using advanced features) either require payment in TOKEN or result in automatic market buy/burn of TOKEN. This ties the token's demand to platform usage. (b) Transaction Fee & Burn Mechanism: All on-chain transfers of TOKEN incur a 0.3% fee (tax). This is built into the token's smart contract. Of each taxed amount, 80% goes to the project's treasury wallet (for development, marketing, and operations) and 20% is automatically added to liquidity pools (improving market liquidity).

This mechanism simultaneously funds the project and supports token market health. Additionally, the TokenFi platform's smart contracts will use part of their fees to buy TOKEN on the open market and burn it (send to an irrecoverable address), permanently reducing supply and creating a deflationary pressure. (c) Incentive and Staking Rewards: TOKEN can be staked by holders to earn rewards; a portion of the total supply (7%) is allocated to a TokenFi staking program that distributes tokens as rewards over time.

This incentivizes long-term holding and network participation. Similarly, FLOKI token holders can stake FLOKI to earn TOKEN (from a 54% allocation) which weaves TOKEN's utility into the broader Floki ecosystem and bootstraps a user base. (d) Governance Potential: Although primary governance of TokenFi lies with the Floki DAO (via FLOKI tokens), there is potential for TOKEN holders to have a say in platform-specific matters in the future. For example, the project may introduce community voting using TOKEN for certain decisions (such as listing new assets on the TokenFi Launchpad or adjusting platform fee parameters). Any such governance functionality would further embed TOKEN in the ecosystem's decision-making processes.

## F.3 Planned Application of Functionalities

TOKEN is already in use and fully functional for its intended purposes, and there are currently no announced new functionalities to be added to the token itself beyond what is described. The project's roadmap for TokenFi centers on expanding the platform's features (for example, integrating more blockchains, enhancing the AI auditor, etc.) rather than fundamentally changing how TOKEN functions. In practice, TOKEN will continue to be used as: (a) the core payment and fee token on TokenFi – all future feature modules (such as new launchpad rounds or RWA tokenization flows) are expected to incorporate TOKEN (either through fee discounts, required staking, or burn mechanisms); (b) the staking/reward token – the staking programs will run for the planned durations (four years for most rewards pools) and possibly new incentive programs could be introduced, funded by the treasury allocation; (c) if governance via TOKEN is introduced, it may be used to vote on certain platform parameters (for instance, the community could vote on changing the transaction tax rate or how treasury funds are allocated – these are hypothetical and would be subject to technical implementation). At this time, no such governance module is live. Any major change in TOKEN's functionality (such as migration to a different contract or chain) is not planned and would in any case be subject to community approval via the DAO. The team has communicated that TOKEN will remain central to TokenFi's ecosystem as it grows – e.g., if TokenFi partners with external projects or launches new products, TOKEN might be integrated as a utility or rewards token in those. To summarize, no new categories of functionality (like converting it into a stablecoin or giving it a radically different use) are planned; TOKEN's role will be maintained as the platform's fuel and value accrual mechanism. The focus is on driving adoption so that existing functionalities (fee generation, burning, staking) operate at scale. Should any new functionality be proposed, the issuer (Floki DAO/Core Team) will disclose it via official channels and, if material, would consider updating this white paper or publishing a supplement.

**F.4 Type of white paper**

OTHR

**F.5 The type of submission**

NEWT

**F.6 Crypto-Asset Characteristics**

TOKEN is a fungible digital token deployed on multiple Ethereum Virtual Machine (EVM) compatible networks. Its primary instantiation is as a BEP-20 token on BNB Smart Chain and an ERC-20 token on Ethereum (the project deployed TOKEN with the same contract address on both chains for consistency).

These smart contracts ensure that TOKEN is interoperable with the broad ecosystem of wallets, exchanges, and DeFi applications on those chains. Blockchain Platform & Consensus: TOKEN itself does not have a proprietary blockchain; instead, it relies on the underlying consensus of the blockchains it resides on. On Ethereum, this is the Proof-of-Stake (PoS) consensus (the Ethereum network's validators stake ETH and use a combination of Casper FFG and LMD-Ghost algorithms to agree on blocks). On BNB Chain, the consensus is Proof-of-Staked Authority (PoSA), a variant of Delegated PoS with a limited set of validators (21 active validators at a time) producing blocks in a round-robin fashion.

Both consensus mechanisms provide fast and energy-efficient transaction finality: Ethereum targets ~12-second block times with finality typically within 6–12 minutes (2 epochs), while BNB Chain achieves ~3-second block times with near-instant finality due to its validator structure.The use of well-established networks means TOKEN's transactions benefit from robust security (Ethereum being secured by hundreds of thousands of validators globally, and BNB Chain by a smaller but institutional-grade validator set) and compatibility with standard tooling.

Smart Contract Standards: TOKEN's code adheres to the standard interface of ERC-20/BEP-20 tokens, implementing functions like transfer, approve, and transferFrom, which allow seamless integration with wallets and exchanges. The contract also includes additional logic for the transaction tax and fee routing. The token contract has been audited by Certik to ensure its logic is sound and free of critical vulnerabilities.

Interoperability: Because TOKEN is present on multiple networks, the project employs cross-chain bridges to maintain a single economic supply. Initially, a portion of tokens were allocated on Ethereum and BNB Chain respectively. A trusted bridge (managed by the project) or a third-party bridging service allows holders to transfer TOKEN between Ethereum and BNB Chain (and other chains like Arbitrum or Base). When tokens move across chains, they are locked on the origin chain and an equivalent amount is unlocked (or minted from a reserved pool) on the destination, ensuring the total across all chains does not exceed 10 billion.

In summary, TOKEN is a fungible, freely transferable ERC-20/BEP-20 token with deflationary tokenomics, operating on public blockchains and integrated into a DeFi-capable ecosystem. It inherits the security, transparency, and immutability properties of its host ledgers (all transactions are publicly viewable and traceable on BNB Chain/Ethereum explorers). The choice of established standards and chains ensures broad compatibility and relatively low technical risk at the infrastructure level (as opposed to creating a new bespoke blockchain).

**F.7 Commercial name or trading name**

TokenFi (TOKEN)

**F.8 Website of the issuer**

tokenfi.com

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

2025-07-08

**F.10 Publication date**

2025-07-08

**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

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

Not available

**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**

Purchasers or holders of TOKEN do not acquire any claim, share, or enforceable right against an issuer or any other entity simply by holding the token. TOKEN is OTHR token and does not represent equity, debt, or ownership in a legal entity.

**G.2 Exercise of Rights and Obligation**

Since there are no formal contractual rights attached to TOKEN, there is no traditional “exercise” of rights in the manner of a security. The rights that do exist are functional in nature and are exercised by using the token itself on-chain or within applications. For instance, the ability to transfer TOKEN to another party is a right exercised by simply creating a blockchain transaction (initiated by the holder through their wallet and private key).

### G.3 Conditions for Modifications of Rights and Obligations

Because TOKEN doesn't confer formal contractual rights, "modification" in the usual sense (amending terms of rights) doesn't apply straightforwardly. However, modifications can occur in the practical utility of the token or the rules encoded in its smart contract: any such modifications would effectively mean changes to the token's smart contract or the platform's code/policies.

### 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

TOKEN's supply is intended to be capped and deflationary. There is no algorithmic supply expansion or contraction mechanism akin to what asset-referenced or algorithmic stablecoins might have. The only programmed supply change is the burn mechanism, which reduces supply as usage increases (burns are triggered by real economic activity – platform transactions – not by an algorithm trying to maintain a peg). There is no protocol that can increase supply on its own; no new tokens can be minted (the smart contract lacks any mint function accessible after deployment). Similarly, there is no "rebase" or elastic supply logic – TOKEN's nominal supply will not increase or decrease on a schedule or based on price triggers. All supply adjustments are one-directional (burns making supply smaller) and are outcomes of usage. The project does reserve the ability, through community governance, to adjust parameters if absolutely needed (for example, if the community decided to lower the transaction tax or reallocate the fee split, that would be a change in token economics but not supply). However, any such change would require deploying a new contract or an update, which in practice is highly unlikely given the complexity and trust implications. In summary: no active supply management protocols exist – TOKEN's supply trajectory is defined at launch (fixed maximum, gradual distribution, and incidental reduction through burns). There is also no underlying asset reserve that would prompt supply adjustments (unlike an ART where reserves might cause issuances or redemptions). The project team does not act like a central bank for TOKEN; they cannot "print" more tokens, nor do they have a mechanism to systematically remove tokens from circulation aside from the automated burn or by spending their own treasury tokens to buy and burn. This predictable supply structure is a deliberate design to avoid complexity and potential manipulation.

### 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

Not applicable

### G.19 Competent Court

Not applicable

## H. PART H – INFORMATION ON THE UNDERLYING TECHNOLOGY

### H.1 Distributed ledger technology

TokenFi's native token, TOKEN, is built upon and operates across two established public distributed ledger networks: Ethereum and BNB Smart Chain (BSC). These are decentralized, permissionless blockchains that independently and transparently record all TOKEN transactions. Both networks maintain a distributed ledger via a global network of nodes, ensuring resilience, immutability, and decentralization.

On Ethereum, the validator set exceeds half a million participants globally, contributing to a high degree of decentralization and cryptoeconomic security through its proof-of-stake consensus mechanism. BNB Smart Chain, while using a more limited set of 21 active validators per epoch (selected from a larger candidate pool), offers faster block times and lower fees, albeit with comparatively reduced decentralization.

The ledger structures of both Ethereum and BSC are based on a sequential chain of blocks, with each TOKEN transfer recorded as a transaction within a block. Both networks utilize an account-based model to manage token balances, updating address states with each transaction. These transactions are validated and finalized via their respective consensus protocols, ensuring a single authoritative record of TOKEN ownership.

TokenFi operates as a multi-chain asset, with TOKEN balances distributed across Ethereum and BSC. Cross-chain functionality is facilitated by bridge protocols that lock tokens on one chain and unlock them on the other, ensuring the total circulating supply remains consistent and verifiable across ledgers. Each blockchain independently maintains records relevant to its hosted portion of the token supply.

TOKEN is governed by a smart contract deployed identically on both Ethereum and BSC, defining key rules such as transfer functions, balance updates, and allowance mechanisms. When users transact with TOKEN, they interact directly with this smart contract, triggering automated updates to the distributed ledger's state. These contract calls are executed uniformly across all consensus-aligned nodes.

Both Ethereum and BSC networks employ strong cryptographic primitives—such as ECDSA signatures and block hashing—to secure the integrity and authenticity of transactions. Ethereum's slashing mechanism penalizes malicious validator behavior, while BSC relies on delegated proof-of-stake with reputational and economic incentives.

While the possibility of a 51% attack exists theoretically, Ethereum's large validator base and capital requirements make such an event highly improbable. BSC's validator centralization introduces a slightly higher risk, though it remains mitigated by community oversight and operational reputation. Importantly, TokenFi does not control either ledger but leverages the existing infrastructure to ensure trust, decentralization, and transparency.

In conclusion, the DLT systems supporting TOKEN provide a secure, transparent, and immutable record of all token activities. By building on Ethereum and BSC, TokenFi benefits from widely adopted and thoroughly tested blockchain ecosystems, enabling the project to focus on delivering application-layer innovation while relying on proven foundational technologies.

**TokenFi Whitepaper**:https://docs.tokenfi.com/

**TokenFi block explorer**: https://etherscan.io/

**TokenFi Developers portal**:https://docs.tokenfi.com/untitled/launchpad-guides/getting-started

## H.2 Protocols and Technical Standards

- Token Standards (ERC-20 & BEP-20):TOKEN adheres to the ERC-20 standard on Ethereum and the equivalent BEP-20 on BNB Chain. These standards define the interface for fungible tokens, including functions like totalSupply(), balanceOf(address), and transfer(address, uint256). Compliance ensures interoperability with wallets, exchanges, and smart contracts across both ecosystems. Additional functionalities like Multisend (for batch transfers) or Permit (ERC-2612, for gasless approvals) may be optionally supported. The token contracts likely include standard events such as Transfer and Approval to support integrations with block explorers and dApps.
- Smart Contract Protocols:TokenFi deploys various smart contracts beyond the core token contract, including Token Launcher contracts (to deploy new tokens), Launchpad contracts (to manage token sale rounds), Staking contracts (for locking and rewarding tokens), and NFT minting contracts for its generative NFT features. These are typically implemented in Solidity using standardized patterns and security best practices, such as OpenZeppelin libraries for arithmetic safety and access control. The AI Smart Contract Auditor component suggests the integration of an off-chain AI service that analyzes contract code, potentially outputting verifiable reports.
- Cross-Chain Bridge Protocol:To facilitate TOKEN transactions across multiple chains, TokenFi either uses a trusted bridge or decentralized protocols like PolyNetwork, Multichain, or Chainlink CCIP. These bridges lock tokens on one chain and mint representations on another to maintain a consistent total supply. Chainlink oracles may also be used to verify asset backing in real-world asset (RWA) modules via Proof of Reserve mechanisms. Whether decentralized or trusted, these bridging solutions follow standard technical models for secure interoperability.
- Protocol for Asset Tokenization:The RWA tokenization features likely leverage ERC-721 or ERC-1155 standards to represent non-fungible or fractionalized real-world assets. To ensure the authenticity of these assets, the platform may use oracles to pull off-chain data and link it to on-chain tokens. This supports compliance with non-security asset classifications and aligns with general best practices for tokenizing real-world assets.
- AI and dApp Integration:TokenFi incorporates AI for features like generative art (linked to NFT minting) and smart contract auditing. The generative models likely operate off-chain, with outputs minted on-chain using NFT standards. The AI Auditor may perform contract analysis and surface results within the dApp interface. In addition, ongoing monitoring tools such as CertiK Skynet may be integrated for enhanced transparency and risk detection.
- Web Protocols and Standards:The front-end of TokenFi functions as a Web3 application, likely using HTML/JavaScript with libraries like Web3.js or Ethers.js to interface with smart contracts.

Wallet connectivity is enabled through tools like WalletConnect, and content such as token logos or NFT assets may be stored on decentralized file systems like IPFS.

- Security Standards:The project follows robust security protocols. It likely uses OpenZeppelin's contract libraries for secure Solidity development and implements Gnosis Safe multi-signature wallets for treasury management. External auditing firms, such as CertiK, contribute to the platform's overall security assurance. Listing on LCX also necessitates compliance with exchange-level security and audit protocols.
- Standards for Identity/Compliance:While not directly part of TOKEN's technical implementation, TokenFi may integrate identity and compliance tools, particularly for RWA tokenization. This could include KYC providers and on-chain identity frameworks. As a listed asset on a regulated exchange, the token has undergone a level of compliance vetting aligned with MiCA expectations.

TokenFi's infrastructure is built on proven blockchain standards—ERC-20/BEP-20 for fungible tokens and ERC-721/1155 for NFTs. It incorporates trusted protocols for cross-chain functionality, off-chain data verification, and real-world asset representation. With a foundation based on industry-leading development tools and security frameworks, the platform benefits from extensive ecosystem compatibility and minimizes technical risk. Users can interact with TOKEN using standard wallets and tools, reinforcing accessibility and trust.

### H.3 Technology Used

TokenFi's technology uses a hybrid on-chain/off-chain model: critical token operations are on decentralized ledgers (ensuring trustlessness and transparency), while supportive features (AI, UI, data aggregation) use off-chain computation for efficiency, with results anchored or delivered on-chain when needed (like minted NFTs or audit certifications). This architecture is common in advanced dApps and leverages the best of both worlds (blockchain security and off-chain computational power). By building on Ethereum and BSC, TokenFi stands on the shoulders of mature blockchain infrastructure, accelerating development and adoption, but it also inherits the limitations of those networks (like BSC's semi-centralization or Ethereum's fees). The project's success will depend on smooth integration of these technologies to deliver a seamless user experience where the complexity of multi-chain operations and blockchain interactions is abstracted away for the user.

- Smart Contract Layer:TokenFi operates a suite of smart contracts across Ethereum and BNB Smart Chain to manage its core functions. These include the TOKEN contract, based on the ERC-20 standard with possible extensions like tax and burn mechanisms, as well as token generation factory contracts that allow users to create new tokens through predefined templates. The platform also deploys launchpad contracts for handling fundraising rounds, staking contracts for managing deposits and calculating rewards, and NFT minting contracts for its generative AI features. Where applicable, contracts may be chain-specific—for example, separate staking pools on Ethereum and BSC. These contracts are developed in Solidity and published with transparent addresses and ABIs for public verification.

- Off-Chain Backend Infrastructure:TokenFi's off-chain infrastructure supports services such as AI-generated artwork and contract auditing. These processes are executed on centralized servers or cloud-based platforms. For example, when a user requests a generative NFT, an AI model processes the input off-chain, and the resulting image is uploaded to IPFS before being minted as an NFT on-chain. Similarly, the contract audit tool analyzes smart contract code using AI and returns results via the user interface. The platform's main website and application front end are hosted on standard web infrastructure, with back-end services likely managing user engagement features such as referrals, analytics, and cached data storage.

- APIs and External Integrations:TokenFi is integrated with a number of trusted third-party services. These include blockchain RPC providers for Ethereum and BSC, which allow the platform to read and broadcast transactions, as well as Chainlink oracles for external data validation and Proof of Reserve functionality. CertiK's Skynet is used for real-time security analysis, and the platform supports seamless wallet connectivity using integrations such as

MetaMask, WalletConnect, and other Web3 tools. These integrations enhance the platform's responsiveness, transparency, and compatibility with the wider crypto ecosystem.

- Scalability and Performance Optimization:To ensure scalability and user-friendly performance, TokenFi employs a multi-chain approach. BNB Smart Chain is used for its low transaction fees and fast block times, making it suitable for frequent and high-volume interactions. Ethereum, while offering broader reach and greater decentralization, is used for actions where security and compatibility with DeFi protocols are prioritized. This strategic use of both chains allows TokenFi to optimize cost and performance depending on the task.

- Development Tools and Frameworks:The development of TokenFi is supported by standard blockchain tooling and frameworks. The team likely utilizes the Solidity compiler, Hardhat for testing and deployment, and OpenZeppelin libraries for secure and reusable contract code. On the front end, technologies such as React and Web3.js or Ethers.js are used to connect users with on-chain contracts. Although not explicitly mentioned, indexing services like The Graph may be used to provide real-time data feeds and user interface efficiency.

- Security and Redundancy Measures: Security is a central aspect of TokenFi's infrastructure. The platform employs multi-signature wallets—such as Gnosis Safe—for safeguarding treasury assets and likely undergoes regular penetration testing to secure its web application against common exploits. On the blockchain side, the reliance on audited code, industry-standard libraries, and third-party monitoring from CertiK helps ensure robustness and quick response to potential threats.

- Architectural Approach:TokenFi uses a hybrid on-chain/off-chain architecture to balance decentralization with efficiency. Core functionalities such as token creation, transfers, and staking are executed on public blockchains, ensuring transparency and auditability. Meanwhile, off-chain services handle tasks that are computationally intensive or user-facing, such as AI rendering or data caching. This hybrid model leverages the strengths of decentralized infrastructure while maintaining the performance and usability expected in modern applications.

### H.4 Consensus Mechanism

The consensus mechanisms securing the blockchains on which TOKEN operates are critical to the token's integrity: Ethereum – Proof of Stake (PoS) Consensus: Ethereum transitioned to PoS in September 2022 (the Merge). Under PoS, validators stake ETH to earn the right to propose and validate blocks. Consensus is achieved through a combination of protocols: the Beacon Chain's Casper FFG (Finality Gadget) and LMD-GHOST for fork choice. In practice, Ethereum's consensus proceeds as follows:

- Epochs and Slots: Time is divided into slots (~12 seconds each). In each slot, a validator is pseudo-randomly selected as a block proposer. An epoch is 32 slots (~6.4 minutes). At least one block can be proposed per slot (if the proposer is online and does so).

- Block Proposal: The chosen validator creates a block (including pending transactions and previous state) and broadcasts it.

- Attestation (Voting): All other validators assigned to that slot's committee examine the proposed block and, if valid, issue an attestation vote for it. They basically vote on the block's hash and the chain head they see (LMD-GHOST ensures they vote for the heaviest chain of attestations).

- Aggregation: These votes are aggregated and included in subsequent blocks as attestations. They weigh into the fork-choice rule (the chain with more attestation weight is preferred).

- Finality: Every epoch, Ethereum uses Casper FFG to finalize blocks. Validators vote not just on the head but also on checkpoint blocks (boundary of epochs). If a supermajority (2/3 of

stake) votes for a checkpoint, it becomes justified, and the previous justified checkpoint becomes finalized. Finalized blocks are immutable barring an unlikely massive attack where >2/3 of validators are slashed.

- Slashing: If validators behave maliciously (double propose, surround votes, etc.), the protocol slashes (penalizes) their staked ETH and ejects them. This economic penalty (which can be large, up to their full stake in extreme cases) deters attacks.

- For TOKEN holders, Ethereum's PoS means their transactions (on the Ethereum network) are processed reliably so long as >50% of staked ETH is honest (for liveness) and >2/3 honest for finality. The network has proven robust since the Merge, with finality typically achieved within 2 epochs (≈13 minutes) and often much quicker to an economic finality.

BNB Smart Chain – Proof of Staked Authority (PoSA): BSC's consensus is a hybrid of Delegated Proof of Stake and Proof of Authority:

- Validator Selection: BNB Chain maintains a set of validators (21 active validators at any time). These are selected daily through a staking-based governance: BNB holders can delegate BNB to candidates, and the top ones by stake (including self-delegation) become validators for the next 24-hour period. It's semi-permissioned in that Binance has influence over who becomes a validator initially, but in theory it's open to any who gather enough stake.
- Block Production: Validators take turns producing blocks in a fixed rotation (each validator likely produces a sequence of blocks then passes to next). Block time is ~3 seconds, and typically one block per turn. This is akin to a round-robin scheduling.
- Consensus Votes: Because the validator set is small, BSC uses a variant of Byzantine Fault Tolerant consensus (likely Tendermint-style or Istanbul BFT) where validators sign off on blocks. In PoSA, if >2/3 of validators sign a block, it's considered final (practically instant finality).
- Authority and Slashing: BSC historically did not slash misbehaving validators (it relied on governance to replace them for poor performance). However, it uses a Proof of Authority element – validators are known and expected to follow rules, and if they double-sign or otherwise attack, they can be removed by governance and their reputation (and delegated stake) suffers. In recent updates, some light slashing (loss of rewards) for downtime was introduced.
- Checkpointing: BSC is also compatible with Ethereum's tooling, using a parity-like engine. It commits periodically to the Beacon Chain of Binance (if using Beacon for governance) but not important for TOKEN users.

For TOKEN transactions on BSC, finality is very quick (usually within a single block or a couple of seconds after, given the small validator set). The trade-off is a less decentralized trust model: users rely on the top validators (which currently have ties to Binance and community) not colluding. So far, BSC has functioned without major consensus issues, aside from one incident in Oct 2022 where a cross-chain bridge exploit led to a temporary chain halt – validators coordinated to pause the chain to mitigate damage. This shows validators can act in concert under Binance's guidance if needed, which is a form of centralized emergency handling. Consensus Impact on TOKEN: Both networks' consensus ensure that TOKEN transactions are processed and finalized. Double-spend risk is negligible on Ethereum post-finality (would require >1/3 stake to prevent finality or >2/3 to revert final blocks) and on BSC would require control of >1/2 of validators signing power (practically collusion of maybe 11+ of 21 validators). These scenarios are extremely difficult without huge economic or organizational power. Thus, TOKEN transfers are secure. However, users should be aware that on BSC, in an extreme scenario, validators (if compromised) could reorganize the chain's recent history more easily than on Ethereum – though even that is non-trivial and would be noticed immediately. Interaction between Chains: Since TOKEN spans chains, consistency relies on the bridge. Consensus on each chain is independent – a final transaction on Ethereum locking tokens for bridging is considered secure once finalized on Ethereum; the bridge then instructs BSC to mint tokens on BSC side. The bridge assumes both chains' consensus are reliable. If either chain had a consensus failure (e.g., a deep rollback), the bridge would have to handle that (which might be complex). For instance, if

Ethereum somehow reorged after a token lock was considered final, it could result in an erroneous mint on BSC. This is extremely unlikely given Ethereum's finality. Similarly, if BSC had a consensus failure or attack, TOKEN on BSC could be subject to double-spend or arbitrary transactions, but that would not affect TOKEN on Ethereum. The project presumably trusts both networks to maintain integrity. Conclusion on Consensus: Ethereum's PoS and BSC's PoSA provide the backbone trust for TOKEN transactions. Avalanche of transactions are processed quickly (3s on BSC, 12s on Ethereum per block) and fairly. Finality on Ethereum (~6-12 min) is slower than BSC's near-instant, but Ethereum offers higher decentralization.

By operating on both, TokenFi gives users a choice: a highly secure chain vs a high-performance chain. The consensus mechanisms in use are state-of-the-art for their networks, with Ethereum's being rigorously studied and BSC's being a pragmatic performance-oriented variant. Both avoid the energy waste of Proof of Work, which also aligns with sustainability goals (see Part J). In terms of governance: Ethereum's consensus parameters can only be changed via community hard fork (very decentralized), whereas BSC's can be tweaked by its more centralized governance. But none of those potential changes would directly alter TOKEN balances or contract logic – they'd more likely affect block time or validator count. TOKEN holders primarily need to trust that these consensus mechanisms will continue functioning as designed, which, given past performance and community support, is a reasonable expectation.

### H.5 Incentive Mechanisms and Applicable Fees

- Transaction Tax Implementation:TokenFi implements a 0.3% transaction tax on TOKEN transfers, hardcoded into its smart contract. When a transfer occurs, the contract automatically calculates and deducts 0.3% of the transaction amount. Of this, 80% is routed to a treasury wallet and 20% to a liquidity pool wallet. The recipient effectively receives 99.7% of the intended transfer. Exceptions, such as treasury or burn addresses, are likely programmed to be exempt. This tax design discourages short-term trading and supports project funding.

- Staking Rewards Mechanism:TokenFi uses staking contracts to distribute TOKEN rewards. For instance, a FLOKI staking pool may distribute TOKEN proportionally based on a user's stake and duration. The contract likely tracks user stakes and reward entitlements using a standard mechanism involving reward debt and global reward indexes. The TOKEN used in rewards is likely pre-allocated from the total supply. Similarly, TOKEN staking contracts reward TOKEN holders and help reduce the circulating supply by incentivizing long-term holding.

- Launchpad Funds Flow:TokenFi's launchpad smart contracts facilitate fundraising for new projects, accepting various tokens including BNB, ETH, stablecoins, or FLOKI. Users contribute during a sale window and later claim tokens. Some sales may require holding TOKEN to gain access or receive bonus allocations, incentivizing its usage and holding. These dynamics enhance TOKEN utility across the launch ecosystem.

- Fee for Services:TokenFi may charge platform usage fees for services like token launching, AI auditing, or referral systems. These fees could be collected in TOKEN and may be required for premium features or to unlock additional platform functionalities. The smart contract or off-chain backend would enforce the transfer of these tokens to specific fee-collection addresses. These collected tokens might be sent to the treasury or burned, contributing to token scarcity.

- Burn Mechanism Details:The platform incorporates a "buy and burn" model, where it purchases TOKEN from the open market using platform-generated revenue and then sends the purchased tokens to a burn address. This could be executed via automated contracts or scheduled manual processes. The goal is to reduce circulating supply in correlation with

platform usage, potentially supporting price appreciation if demand remains steady.

- Validator/Network Fees:Using TokenFi on Ethereum or BSC requires users to pay blockchain-native gas fees to validators. Deploying or interacting with contracts can be expensive on Ethereum due to high gas prices, while BSC offers a more cost-effective alternative. This difference may drive more casual or frequent usage to BSC, with Ethereum primarily used for broader compatibility and listing purposes.

- Technology Governance:Smart contracts deployed by TokenFi are likely controlled through admin roles assigned to a multi-signature wallet operated by the core team. These roles may enable functions such as toggling trading, adjusting reward rates, or managing exemptions. While this introduces an element of centralization, it is common practice during early-stage operations and allows for emergency intervention if needed. Future governance might gradually shift to a DAO structure or include role locks.

- Auditing & Testing:TokenFi's contracts have undergone third-party security audits, including one by CertiK. Ongoing monitoring is enabled through security platforms to detect and respond to vulnerabilities in real time. Initial audits may have flagged concerns related to centralization or logic controls, which the team has acknowledged and balanced against platform management needs. Audits performed after mainnet deployment show a continued commitment to transparency and improvement.

- Infrastructure Redundancy:TokenFi's off-chain systems, including its web front-end and AI services, are likely hosted on cloud infrastructure with redundancy measures in place. While any downtime on these services does not impact core token trading on-chain, it may temporarily disrupt token launches or staking if users cannot interact with the interface. The team likely ensures high uptime for these services to maintain user trust and seamless operations.

### H.6 Use of Distributed Ledger Technology

True

### H.7 DLT Functionality Description

TokenFi's TOKEN operates on two widely used public distributed ledger networks: Ethereum and BNB Smart Chain (BSC). These permissionless blockchains serve as the foundation for recording and validating all TOKEN transactions, offering transparency, immutability, and decentralization. Ethereum provides a high level of security and decentralization through its extensive validator network, while BSC offers faster transactions and lower fees with a more streamlined validator model. TokenFi utilizes the standard ERC-20 and BEP-20 token formats, enabling compatibility with wallets, exchanges, and decentralized applications across both ecosystems. Through smart contracts deployed on each network, TOKEN supports token transfers, staking, and other functions. The project also employs cross-chain bridging mechanisms to maintain a unified token supply across Ethereum and BSC, ensuring consistent and accurate tracking of ownership. This multi-chain infrastructure allows TokenFi to balance reach, cost efficiency, and user experience while leveraging the reliability of established blockchain networks.

### H.8 Audit

True

### H.9 Audit Outcome

TokenFi's smart contracts underwent a comprehensive security audit by CertiK, a leading blockchain security firm. The audit encompassed various aspects of TokenFi's ecosystem, including its token contracts and platform functionalities. CertiK's evaluation focused on identifying potential vulnerabilities, assessing the code's robustness, and ensuring adherence to best practices in smart contract development. The successful completion of this audit signifies TokenFi's commitment to security and provides users with increased confidence in the platform's reliability.

Audit link: https://docs.tokenfi.com/untitled/security-and-audit

# I. PART I – INFORMATION ON RISKS

## I.1 Offer-Related Risks

Since TOKEN's current context is an admission to trading rather than a new offering, the primary risks in this category relate to market and trading conditions:

- Market Volatility: TOKEN's price on the secondary market can be highly volatile. As a relatively new and small-cap token, it is subject to intense price swings. Early trading history shows that its price can fluctuate significantly within short time frames, influenced by market sentiment, project news, broader crypto trends, or even social media buzz (being linked to the memecoin sphere via Floki). Investors should be prepared for the possibility of large gains or losses independent of TokenFi's fundamental progress. Low liquidity exacerbates volatility – although TOKEN is listed on multiple exchanges, order book depth may be thin, so modest buy or sell volumes can move the price substantially. Slippage (the difference between expected price and executed price for a trade) can be high, especially on decentralized exchanges or smaller centralized ones. This volatility means TOKEN may not be suitable for risk-averse investors. One could see, for example, 20-30% daily swings or more in extreme cases.

- Liquidity and Market Access: While TOKEN is trading on several platforms, including LCX (with a EUR pair) and others like KuCoin, Gate, etc., there is no guarantee of ample liquidity at all times. During periods of market stress or low interest, one might find it hard to execute large trades without significantly impacting the price. Some exchanges offering TOKEN could have low volume; if one of the larger exchanges (e.g., a top-tier exchange) decides to delist TOKEN or faces technical issues, liquidity could quickly dry up on that venue. Furthermore, liquidity is fragmented across different exchanges and chains (some on Ethereum DEX, some on BSC PancakeSwap, etc.), which can lead to price differences (arbitrage usually closes gaps, but it's not instant with cross-chain). If the token's perceived prospects diminish, market makers might withdraw, leaving sparse order books.

- Exchange/Custodial Risk: Trading TOKEN on any exchange (including LCX) introduces reliance on that exchange's operational security. There is a risk of exchange downtime or outages. For instance, if LCX has technical maintenance or is overwhelmed by trading volume, users might be temporarily unable to execute trades or withdrawals. In a fast-moving market, this could result in losses if one cannot act quickly. There's also the risk of custodial losses: when holding TOKEN on an exchange, the user is trusting the exchange's security. Although LCX is regulated and employs robust security, no exchange is immune to hacks or insolvency. Notably, the crypto industry has seen exchanges fail or get hacked, leading to customers losing funds. While LCX being regulated in Liechtenstein adds some confidence, customers should be aware that investor protection schemes (as noted in Compliance Statements) do not cover crypto holdings, so if an exchange incident occurs, there is a risk of partial or total loss of assets held there.

- Regulatory Risk (Trading & Distribution): The regulatory environment for crypto asset trading is evolving. MiCA will harmonize rules across the EU, but until it fully applies, national rules and uncertainties remain. There is a risk that certain jurisdictions might restrict trading of tokens like TOKEN. For example, regulatory actions could classify certain tokens as unregistered securities or otherwise problematic – if any authority were to question TOKEN's status, exchanges in that jurisdiction might be forced to delist or block it. The Floki project has historically been known in the "memecoin" category, which drew attention from regulators regarding aggressive marketing in some countries (e.g., the UK ASA issued notices about Floki Inu ads in 2021). If TOKEN were caught in a similar scrutiny (e.g., being marketed as an investment to the public), it could face restrictions. New regulations beyond MiCA, or enforcement of existing laws (securities law, consumer protection) could impact TOKEN's free

trade. This may limit market access in certain regions or impose compliance costs that indirectly affect liquidity (for instance, exchanges might require more stringent KYC or ban retail in some areas from trading it).

- Taxation and Reporting: Though not directly a trading risk, offer-related context includes the fact that trading gains may be taxable. Changes in tax law or classification of tokens like TOKEN by tax authorities could affect net returns for investors. For instance, some countries might start to treat frequent crypto trading as professional income, or impose transaction taxes. Complexities in cross-border trading (like moving TOKEN from a DEX to LCX) might raise reporting obligations. These could indirectly deter some trading activity if burdensome.

- Operational Risk on Decentralized Exchanges: Many will trade TOKEN on DEXs like PancakeSwap. Such trading carries its own risks: impermanent loss if one provides liquidity, front-running by arbitrage bots, or interacting with malicious clone tokens (scammers might issue fake tokens named “TokenFi” on other chains). Users must ensure they use the correct contract address when trading on DEXs. There have been instances of fake tokens causing confusion or loss; this is a risk in open markets.

- Lock-up Expiry and Selling Pressure: Although not an “offer” in progress, large portions of TOKEN will vest for the team and treasury. When those tokens unlock, there is a risk of significant selling pressure if those entities decide to liquidate some holdings for expenses or profit. These events can create sudden supply increases in the market. While the team is presumably aligned with project success and won’t act against tokenholders’ interest, market participants often anticipate such unlocks and the price may drop in advance (the risk is somewhat known). Nonetheless, if handled non-transparently, it could be seen as insider selling which could harm market confidence. TokenFi/Floki team has an implicit trust duty here; any misstep could be considered a conflict (though again, not a formal legal one, a reputational one).

- Concentration Risk: The initial distribution means some addresses (like the treasury, team, maybe a few early holders from Floki community) hold large amounts of TOKEN. These holders could, at their discretion, sell large quantities. The market float is currently around 1 billion, but if one entity holds a big chunk (say the treasury eventually controlling billions of tokens), a decision by that entity to liquidate could flood the market. This risk often materializes unexpectedly (e.g., a treasury might sell to fund a major initiative). The presence of large holders means the trading market has to absorb potentially uneven sell flows. It also opens risk of price manipulation: a large holder could, in theory, move the price by placing large orders (though doing so might conflict with their interests, it’s a possibility if not aligned or if their account is compromised).

## I.2 Issuer-Related Risks

While TOKEN doesn't have a traditional corporate issuer, its fate is tightly linked to the Floki Core Team and DAO driving the TokenFi project. There are several risks stemming from this:

- Project Continuity and Dependence on Key Persons: TokenFi is led by a small group of core contributors (pseudonymous individuals "B", "Sabre", etc., and developer Jackie Xu). The success and ongoing development of the platform rely on their expertise, effort, and integrity. If one or more key team members become unable to contribute (due to personal issues, loss of motivation, competing projects, illness, etc.) or if internal conflicts arise among them, the project could lose momentum or direction. For example, if the lead developer were to depart without a qualified replacement, technical progress might stall, leaving promised features (like expansions to new chains or the full roll-out of the RWA module) unimplemented. Because the team members are pseudonymous, accountability is more difficult; if they chose to abandon the project (worst-case, execute a "rug pull" by draining treasury funds), legal recourse for token holders is unclear. The Floki DAO governance is supposed to oversee these decisions, but in practice the core team holds significant sway over the DAO proposals and execution. A fracture in the community or core team – say, disagreements on future direction or allocation of funds – could hinder decision-making or lead to splits (in extreme cases, a fork of the project). Since no formal company is behind TokenFi, continuity depends on the collective will of the DAO and core contributors; this structure, while decentralized in principle, can in reality be fragile if personalities clash or if the broader Floki community loses confidence.

- Execution & Operational Risk: The issuer (Floki DAO/Core Team) might fail to execute the project roadmap effectively. Delivering a complex platform like TokenFi involves technical challenges (ensuring AI features work reliably, scaling to many users, maintaining security) and business challenges (attracting users in a competitive landscape). If the team mismanages resources – for instance, spends treasury tokens on ineffective marketing or overly ambitious expansions – the project might run low on funds without achieving self-sustaining usage. Being a DAO, there is also a risk of inefficient governance: decentralized decision-making can be slow or lead to populist choices that aren't strategically sound. For example, token holders might vote for overly high rewards that inflate the token supply given out (though supply is fixed, they could accelerate distribution) or push for exchange listings with treasury funds when it's not cost-effective. Conversely, because the core team largely controls the treasury multi-sig, there's risk of centralized misuse of funds – while transparent on chain, funds might be used in ways not fully aligned with community interest (like excessive team compensation, or risky investments). There have been instances in the crypto space of project treasuries being mishandled or even stolen due to multi-sig compromise – for instance, if one signer's keys are hacked, funds could be taken. Floki's treasury security is crucial; if it were compromised or drained, the project would be financially crippled.

- Reputation Risk from the Floki Association: TokenFi is closely associated with Floki, a memecoin that had both a strong community and a somewhat controversial reputation (aggressive marketing including London bus ads that drew regulatory attention). The project's credibility in more serious tokenization circles might be questioned due to these origins. If Floki (the parent project) encounters a major scandal (e.g., allegations of market manipulation, or regulatory sanctions on Floki DAO or its key members), it could spill over to TokenFi. For instance, if an authority decided Floki itself was problematic, they might scrutinize all related endeavors including TokenFi, tarnishing its image or subjecting it to legal scrutiny by association. Additionally, reliance on the Floki community means if that community's sentiment sours (say Floki token price crashes or their DAO makes a decision that upsets members), support for TokenFi could wane.

- Legal Status of the Issuer and Accountability: The issuer being an unincorporated DAO means no legal entity is contractually accountable to token holders. This presents risk if something goes wrong – e.g., if the project fails to deliver or funds are misused, token holders cannot easily pursue legal claims. The DAO itself is not a legal person that can be sued, and core team members are pseudonymous, likely outside the reach of any warranties or liabilities. This lack of formal accountability might embolden riskier behavior by insiders (though we have no evidence of ill intent; it's a structural risk). It also complicates scenarios like regulatory compliance – e.g., if regulators needed someone to respond to inquiries or enforce consumer protection rules, it's unclear who that would be (potentially LCX as the listing exchange or individuals if identified). This uncertainty can indirectly pose risk to the project's viability if regulators become uncomfortable with a non-traditional structure.

- Competition and Ecosystem Support: The value of TOKEN and success of TokenFi are partly dependent on ecosystem acceptance. If major players (like other projects that might want to launch tokens) don't trust or use TokenFi, the project could flop. The Floki team must leverage partnerships (as they have, e.g., possibly integrating Chainlink – a good sign) to succeed. If the issuer fails to foster these or burns bridges in the crypto space, the project could become isolated. Also, consider if the Floki core team gets heavily involved in another venture, they might neglect TokenFi (opportunity cost risk – many crypto teams juggle multiple projects; if one seems more profitable or urgent, they might pivot focus).

- Dependency on FLOKI Token Dynamics: Though TOKEN is separate, the Floki DAO governance is done via FLOKI tokens. If, for instance, FLOKI's price or community collapses (due to reasons outside TokenFi, like market changes or a competing meme coin taking spotlight), the support for Floki DAO decisions might dwindle, and with it the oversight of TokenFi. It could create a vacuum in governance or resource support. Floki treasury presumably provides initial support (besides the allocated TOKEN, maybe development expenses could be subsidized by Floki treasury if needed). If FLOKI's value tanks, the overall ecosystem's finances shrink, possibly affecting TokenFi's runway.

- Transparency and Information Risk: As a DAO-led project, one expects transparency, but practically, information is disseminated by the core team. There's a risk that not all project issues or decisions are fully transparent. For example, if a vulnerability is found and quietly patched, holders might not know. Or if treasury tokens are sold OTC to a private investor, the community might only see tokens moving on-chain without context. In absence of formal reporting, holders rely on trust in communications from the team on social channels. Miscommunications or lack of clarity can lead to rumors and loss of confidence (as often seen in crypto if teams go silent or provide vague updates).

### I.3 Crypto-Assets-Related Risks

These are inherent risks to TOKEN itself, regardless of who issues or operates it:

- Lack of Intrinsic Value & Backing: TOKEN has no intrinsic value or guaranteed backing. It is not pegged to any asset, not backed by reserves, and represents no claim on tangible assets or cash flows. Its value is purely determined by market demand and speculative belief in the TokenFi project. If the market loses confidence – for example, if users find they don't need TOKEN to use the platform or if the platform fails to gain traction – TOKEN could theoretically drop to near-zero value. Unlike asset-backed tokens or equity, there is no floor based on redeemable value or book value. Investors must recognize they are essentially betting on adoption and network effect, which are intangible and can evaporate.

- High Volatility (reiterating extreme swings): We addressed volatility under trading risks, but to emphasize: historically, tokens of this nature (platform utility tokens) can see enormous volatility especially in early years. Swings of ±50% in a week or even a day can happen. For instance, if a rumor spreads that the project's AI doesn't work well, speculators might dump tokens quickly. Conversely, a sudden hype wave (perhaps news of a partnership) could double the price rapidly. This unpredictability means holding TOKEN is risky; one might incur

large losses if needing to sell at an inopportune time.

- Unlimited Downside, Limited Utility: The downside risk is 100% (complete loss) if TOKEN fails. Many crypto tokens have become effectively worthless after initial hype (there are numerous examples of platform tokens that didn't catch on). While TokenFi is active now, it's still possible usage doesn't grow enough to sustain a token economy – in which case TOKEN could languish with low demand and gradually decline. The real utility of TOKEN – paying fees, staking – is only valuable if the platform has compelling features and users. If better platforms emerge or if tokenization doesn't grow as expected, demand for TOKEN's utility may remain niche, and speculation will fade, causing price deterioration.

- Concentration and Whale Actions: A relatively small number of addresses may hold a large supply portion (treasury, team, possibly early Floki stakers). These "whales" can significantly influence the token's market price by their trading actions. If one or more decide to sell a large batch, it can crash the price abruptly. They might also coordinate to pump the price (though that veers into market manipulation territory). The community might not know the identities behind large addresses, adding uncertainty; for instance, a vesting contract releasing tokens might be known, but who ultimately receives and what they do is not. This asymmetry (whales having more info on their intentions than small holders do) is a risk – small holders could be caught off guard by big moves.

- Smart Contract Risks: TOKEN's smart contract and related ecosystem contracts carry technical risk. Although audited, no smart contract is 100% free of bugs. A vulnerability in the token contract could be catastrophic – e.g., if someone found a way to exploit the tax mechanism to steal tokens or an overflow allowing minting (unlikely given audit and known standard, but not impossible if something was overlooked). Similarly, other contracts like the bridge or staking contracts pose risk to TOKEN indirectly:

- Network/Technical Dependencies: As TOKEN relies on Ethereum and BSC, any technical issues on those chains affect TOKEN. If Ethereum were to experience a serious bug or attack (e.g., a consensus failure or major chain split), TOKEN on Ethereum could be subject to double-spend or stuck transactions. BSC has experienced network halts (the chain was halted by validators in emergency once); during a halt, TOKEN transactions on BSC cannot be processed – this could freeze usage or arbitrage, potentially affecting price on other networks. Both networks also face scalability issues at times: Ethereum can become very expensive in gas; if gas fees spike, it might become impractical to use TOKEN on Ethereum (reducing one avenue of demand). BSC, when congested, can have delayed transactions or requires higher gas fees (still cheaper than Ethereum, but could impact real-time trading or usage if severe).

- Competition and Relevance: From an asset perspective, TOKEN competes with other platform tokens for investor attention. If another project in the tokenization space (say a similar launchpad or a DeFi platform focusing on asset tokenization) gains more traction or has a better token model, TOKEN could become comparatively less attractive. For instance, if a major exchange launched its own tokenization service with a well-integrated token, demand for TOKEN might dwindle. In crypto, narratives shift quickly; TOKEN is partly riding the narrative of "tokenization is a $16 trillion opportunity" but if that narrative doesn't materialize or another project capitalizes on it better, TOKEN might languish.

- Lack of Governance Voice for Holders: TOKEN holders themselves don't have a direct on-chain governance role yet (FLOKI holders govern the project). This means TOKEN holders, unlike say holders of a governance token, can't influence project decisions through their holdings. This could be considered a risk in that if the project's direction harms TOKEN's value, the holders have limited say in correcting course. It could also limit the community's engagement (because voting often drives community involvement). Without strong holder influence, there's a risk of misalignment between what benefits the token versus what decisions are made. For example, the DAO (mostly FLOKI holders) could make a decision

that inadvertently hurts TOKEN (perhaps benefiting FLOKI or the ecosystem but not TOKEN price). TOKEN holders would have to hope their interests are sufficiently aligned or vocalize informally.

- Security and Custody of Personal Tokens: On an individual level, holding TOKEN requires good security practices (like any crypto). If a holder fails to secure their private keys or uses an unsafe wallet, they could lose their tokens to theft (phishing, malware). Especially since TOKEN is on BSC and Ethereum, which are common targets for scammers (fake airdrops, etc.), holders need to be cautious. Loss or theft of tokens from individual wallets is irreversible. While this is not a risk specific to TOKEN (it's general to all crypto), inexperienced users drawn in by TokenFi's ease-of-use proposition might not realize the self-custody responsibilities fully.

## I.4 Project Implementation-Related Risks

- Technical Development Challenges: TokenFi's roadmap includes complex initiatives such as multi-chain deployment, AI integration, and tokenization of real-world assets (RWAs). These features are ambitious and carry a risk of delays or technical issues. For example, AI integration may struggle with generating inappropriate content or failing to detect subtle bugs in contract auditing, while deploying across multiple blockchains might introduce performance or security challenges that slow down implementation or force feature scaling.

- Scaling and Performance Constraints:As the platform scales and user numbers grow, infrastructure must keep pace. TokenFi could face performance bottlenecks if there's high concurrent usage, such as multiple token launches or crowded launchpad events. Blockchains like BSC and Ethereum also experience congestion; if network fees rise or transactions fail, the user experience could suffer, undermining the platform's goal of affordable tokenization.

- Adoption and Ecosystem Risk:TokenFi depends on achieving network effects by onboarding both token creators and investors. If adoption is slow or projects and communities prefer competing platforms, TokenFi's utility could stagnate. Competition from established launchpads and token generators poses a serious threat, as does skepticism from traditional businesses wary of the platform's meme-coin origins. Additionally, the trust barrier for RWAs remains high, especially if users doubt the real-world backing of tokenized assets.

- Regulatory and Compliance Challenges:Expanding into RWAs and launchpad fundraising introduces potential legal risks. Token sales might be viewed as unregistered securities offerings if not properly structured, requiring KYC/AML procedures and jurisdictional restrictions. The RWA module might unintentionally cross regulatory lines if not supported by proper legal frameworks. Also, misuse of TokenFi's tools by bad actors to launch scam tokens could trigger reputational damage or regulatory scrutiny.

- Dependency on External Technology:TokenFi relies on third-party infrastructure like Chainlink for oracles and AI providers for generative tools. If these services fail, change terms, or are restricted due to regulation, key platform features could become unstable or unavailable. Cross-chain bridging protocols also present dependency risks; any failure there could disrupt token movement and undermine user trust in the multi-chain framework.

- Team Bandwidth and Parallel Projects:The core team behind TokenFi is also responsible for other major initiatives, including the FLOKI ecosystem. This divided attention increases the risk of delayed updates, limited resources, or reduced strategic focus on TokenFi, especially during crises or high-priority needs elsewhere in the ecosystem.

- Community Management and Governance Risks:As a DAO-driven platform, TokenFi must manage the unpredictability of decentralized governance. Contentious proposals or delays in voting can stall critical decisions. Additionally, if the platform is misused by users launching low-quality or misleading tokens, TokenFi may need to introduce moderation mechanisms, which complicate its open-access promise and require additional oversight.

- Economic Sustainability:TokenFi's incentive model must balance rewarding early users and maintaining token value. Misaligned emissions—such as overly generous staking rewards without proportional adoption—could cause sell pressure and devalue TOKEN. On the other hand, under-rewarding users might reduce participation. Designing sustainable token economics is vital to maintaining long-term platform engagement and utility.

## I.5 Technology-Related Risks

- Smart Contract Vulnerabilities:TokenFi's smart contracts, including those for its token, staking, and launchpad, are central to its platform. Despite being audited, there remains a risk of

undiscovered bugs that could be exploited. Issues could range from unauthorized minting of tokens, stolen funds, to staking exploits. If any core contract is found vulnerable, it could lead to immediate token loss and destroy user trust, potentially requiring a complex migration process.

- Bridge and Multichain Risk:Cross-chain bridges introduce significant security challenges. A compromised bridge could allow counterfeit tokens to be minted or funds to be stranded between chains. Historical incidents with similar protocols have shown that bridge-related vulnerabilities can cause serious financial and reputational damage. Any failure in the bridge mechanism could disrupt the token's unified supply and lead to confusion or arbitrage issues.

- Oracle Risk:If TokenFi relies on oracles for real-world asset verification or pricing feeds, any malfunction or manipulation could disrupt services. An oracle outage might require halting RWA token activity, while manipulated data could lead to exploitative pricing or misrepresented reserves, impacting user confidence and platform reliability.

- Underlying Blockchain Attacks:While Ethereum and BSC are robust, each comes with risks. Ethereum's PoS system is secure but not immune to theoretical attacks. BSC's validator set is smaller and more centralized, making it more susceptible to collusion. Network outages or forks could cause disruption, and conflicting chain versions could confuse token holders or lead to fragmented liquidity.

- Quantum Computing and Cryptography:Although a distant threat, a quantum breakthrough could compromise the cryptographic underpinnings of blockchain networks, including TokenFi. This would jeopardize all wallets and contracts relying on existing encryption. Mitigating this would require migrating to quantum-resistant algorithms, which would be a massive industry-wide shift.

- Data and Infrastructure Security:Off-chain infrastructure, like the TokenFi website and backend services, could be attacked. A compromised website might mislead users or facilitate wallet exploits. Multi-sig treasury wallets could also be vulnerable to key theft or insider threats. These risks necessitate strong cybersecurity measures and trusted operational practices.

- Compatibility and Maintenance:As Ethereum and BSC evolve, software and contract upgrades may affect TokenFi's smart contracts. Failing to adapt to changes in gas mechanics, opcode deprecations, or other protocol upgrades could cause functional issues. Ongoing technical maintenance is required to ensure compatibility.

- User Error and Platform Misuse:Users may accidentally send tokens to inaccessible addresses or interact with malicious tokens created using TokenFi's launcher. These issues, while not platform flaws per se, can still reflect poorly on TokenFi. Misuse of the platform for scams or phishing could result in reputational damage or calls for more centralized moderation, contradicting its open-access philosophy.

## I.6 Mitigation Measures

The Floki/TokenFi team and community have proactively implemented or planned several measures to mitigate the above risks and enhance the project's resilience:

- Security Audits & Ongoing Monitoring:TokenFi's smart contracts have been professionally audited, with no critical issues reported. Any major vulnerabilities identified were resolved prior to launch. The platform is also enrolled in continuous monitoring for real-time alerts about potential threats or anomalies, helping ensure prompt responses to emerging risks. The transparency and proactive engagement with the security community further enhance resilience.

- Multi-Signature Wallets & Decentralized Control:Treasury operations are secured using multi-signature wallets, requiring multiple team members to authorize transactions. This setup minimizes risks of single points of failure or internal abuse, while also enabling secure recovery mechanisms if a key is compromised. The public nature of these wallets also supports community oversight.

- Operational Security and Best Practices:The team likely uses strong operational security protocols, such as hardware wallets, offline backups, multi-factor authentication, and geographically distributed key holders. These practices help protect infrastructure and critical access points from phishing, social engineering, and insider threats.

- Network Redundancy and Multi-Chain Strategy:By deploying on multiple blockchains like Ethereum and BNB Chain, TokenFi maintains operational flexibility and resilience. If one chain experiences downtime, users can rely on the other. This redundancy also acts as a safeguard against compliance or technical issues on any single network.

- Insurance and Fund Safeguards:While not explicitly detailed, TokenFi's reserves or treasury may serve as an informal insurance mechanism for minor incidents. Listing on a regulated exchange also adds a level of scrutiny and trust, reducing platform-related risks for users.

- Regulatory Compliance Measures:TokenFi is voluntarily aligning with regulatory standards like MiCA. This includes transparency about token classification and willingness to consult legal experts for high-risk features. In areas such as RWA tokenization, the team appears prepared to introduce geofencing or KYC where needed, further reducing compliance-related exposure.

- Community Transparency and Governance:TokenFi operates under a DAO structure, allowing holders to participate in major decisions. Token allocations, vesting schedules, and platform changes are openly disclosed. This transparent governance mitigates unilateral decision-making and allows the community to respond to or correct missteps.

- Incentive Alignment:Long vesting schedules for the team and treasury ensure commitment to long-term project success. Mechanisms like transaction taxes and deflationary token burns align user behavior with project sustainability by discouraging short-term speculation and promoting holding.

- Technical Contingency Plans:The team is likely prepared for emergency scenarios, such as halting contracts or pausing bridges if vulnerabilities arise. Their experience from launching and scaling previous projects provides the know-how to manage high-stakes situations effectively, including coordinated migrations or platform updates.

- Partnerships and Ecosystem Support:Collaborations with established security and infrastructure partners strengthen TokenFi's reliability. These partnerships support secure oracles, auditing, exchange access, and platform adoption, mitigating multiple external and technical risks.
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- Market Risk Mitigation:"TokenFi has avoided overpromising and focused on sustainable market growth. Efforts like early liquidity provisioning, wide token distribution, and factual

communications have helped avoid legal pitfalls and reduced risk from excessive centralization or speculative hype.

- Community Insurance via DAO Decisions:The DAO structure enables responsive support for users in case of unforeseen incidents, such as hacks or fraudulent projects. Community-driven compensations or recovery proposals can help maintain trust and user retention during crises.

# 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

TokenFi operates on Ethereum and BNB Smart Chain, both using energy-efficient consensus mechanisms—Proof-of-Stake and Proof-of-Staked-Authority, respectively. These networks consume significantly less energy than traditional Proof-of-Work systems. As a result, TokenFi transactions have a minimal environmental footprint, comparable to powering an LED bulb for seconds, supporting sustainable blockchain practices. TokenFi annual energy consumption estimate of 0.73994 kWh.

| General information | |
|---|---|
| **S.1 Name**<br>*Name reported in field A.1* | LCX |
| **S.2 Relevant legal entity identifier**<br>Identifier referred to in field A.2 | 529900SN07Z6RTX8R418 |
| **S.3 Name of the crypto-asset**<br>Name of the crypto-asset, as reported in field D.2 | Token |
| **S.4 Consensus Mechanism**<br>The consensus mechanism, as reported in field H.4 | Binance Smart Chain (BSC) uses a hybrid consensus mechanism called Proof of Staked Authority (PoSA), which combines elements of Delegated Proof of Stake (DPoS) and Proof of Authority (PoA). This method ensures fast block times and low fees while maintaining a level of decentralization and security. Core Components 1. Validators (so-called “Cabinet Members”): Validators on BSC are responsible for producing new blocks, validating transactions, and maintaining the network’s security. To become a validator, an entity must stake a significant amount of BNB (Binance Coin). Validators are selected through staking and voting by token holders. There are 21 active validators at any given time, rotating to ensure decentralization and security. 2. Delegators: Token holders who do not wish to run validator nodes can delegate their BNB tokens to validators. This delegation helps validators increase their stake and improves their chances of being selected to produce blocks. Delegators earn a share of the rewards that validators receive, incentivizing broad participation in network security. 3. Candidates: Candidates are nodes that have staked the required amount of BNB and are in the pool waiting to become validators. They are essentially potential validators who are not |

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| | currently active but can be elected to the validator set through community voting. Candidates play a crucial role in ensuring there is always a sufficient pool of nodes ready to take on validation tasks, thus maintaining network resilience and decentralization. Consensus Process 4. Validator Selection: Validators are chosen based on the amount of BNB staked and votes received from delegators. The more BNB staked and votes received, the higher the chance of being selected to validate transactions and produce new blocks. The selection process involves both the current validators and the pool of candidates, ensuring a dynamic and secure rotation of nodes. 5. Block Production: The selected validators take turns producing blocks in a PoA-like manner, ensuring that blocks are generated quickly and efficiently. Validators validate transactions, add them to new blocks, and broadcast these blocks to the network. 6. Transaction Finality: BSC achieves fast block times of around 3 seconds and quick transaction finality. This is achieved through the efficient PoSA mechanism that allows validators to rapidly reach consensus. Security and Economic Incentives 7. Staking: Validators are required to stake a substantial amount of BNB, which acts as collateral to ensure their honest behavior. This staked amount can be slashed if validators act maliciously. Staking incentivizes validators to act in the network's best interest to avoid losing their staked BNB. 8. Delegation and Rewards: Delegators earn rewards proportional to their stake in validators. This incentivizes them to choose reliable validators and participate in the network’s security. Validators and delegators share transaction fees as rewards, which provides continuous economic incentives to maintain network security and performance. 9. Transaction Fees: BSC employs low transaction fees, paid in BNB, making it cost-effective for users. These fees are collected by validators as part of their rewards, further incentivizing them to validate transactions accurately and efficiently. |
| **S.5 Incentive Mechanisms and Applicable Fees**<br>Incentive mechanisms to secure transactions and any fees applicable, as reported in field H.5 | Binance Smart Chain (BSC) uses the Proof of Staked Authority (PoSA) consensus mechanism to ensure network security and incentivize participation from validators and delegators. Incentive Mechanisms 1. Validators: Staking Rewards: Validators must stake a significant amount of BNB to participate in the consensus process. They earn rewards in the form of transaction fees and block rewards. Selection Process: Validators are selected based on the amount of BNB staked and the votes received |

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| | from delegators. The more BNB staked and votes received, the higher the chances of being selected to validate transactions and produce new blocks. 2. Delegators: Delegated Staking: Token holders can delegate their BNB to validators. This delegation increases the validator's total stake and improves their chances of being selected to produce blocks. Shared Rewards: Delegators earn a portion of the rewards that validators receive. This incentivizes token holders to participate in the network's security and decentralization by choosing reliable validators. 3. Candidates: Pool of Potential Validators: Candidates are nodes that have staked the required amount of BNB and are waiting to become active validators. They ensure that there is always a sufficient pool of nodes ready to take on validation tasks, maintaining network resilience. 4. Economic Security: Slashing: Validators can be penalized for malicious behavior or failure to perform their duties. Penalties include slashing a portion of their staked tokens, ensuring that validators act in the best interest of the network. Opportunity Cost: Staking requires validators and delegators to lock up their BNB tokens, providing an economic incentive to act honestly to avoid losing their staked assets. Fees on the Binance Smart Chain 5. Transaction Fees: Low Fees: BSC is known for its low transaction fees compared to other blockchain networks. These fees are paid in BNB and are essential for maintaining network operations and compensating validators. Dynamic Fee Structure: Transaction fees can vary based on network congestion and the complexity of the transactions. However, BSC ensures that fees remain significantly lower than those on the Ethereum mainnet. 6. Block Rewards: Incentivizing Validators: Validators earn block rewards in addition to transaction fees. These rewards are distributed to validators for their role in maintaining the network and processing transactions. 7. Cross-Chain Fees: Interoperability Costs: BSC supports cross-chain compatibility, allowing assets to be transferred between Binance Chain and Binance Smart Chain. These cross-chain operations incur minimal fees, facilitating seamless asset transfers and improving user experience. 8. Smart Contract Fees: Deployment and Execution Costs: Deploying and interacting with smart contracts on BSC involves paying fees based on the computational resources required. These fees are also paid in BNB and are |

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| | designed to be cost-effective, encouraging developers to build on the BSC platform. |
| **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**<br>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 | 0.73994 kWh per year |
| **Sources and methodologies** | |
| **S.9 Energy consumption sources and Methodologies**<br>Sources and methodologies used in relation to the information reported in field S.8 | The energy consumption of this asset is aggregated across multiple components: To determine the energy consumption of a token, the energy consumption of the network(s) ethereum is calculated first. Based on the crypto asset's gas consumption per network, the share of the total consumption of the respective network that is assigned to this asset is defined. 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 regulary, 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

| **Supplementary key indicators on energy and GHG emissions** | |
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| **S.10 Renewable energy consumption**<br>Share of energy used generated from renewable sources, expressed as a percentage of the total amount of energy used per calendar year, for the validation of transactions and the maintenance of the integrity of the distributed ledger of transactions. | 14.770208242% |
| **S.11 Energy intensity**<br>Average amount of energy used per validated transaction | 0.00000 kWh |
| **S.12 Scope 1 DLT GHG emissions – Controlled** | 0.00 tCO2e per year |

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| Scope 1 GHG emissions per calendar year for the validation of transactions and the maintenance of the integrity of the distributed ledger of transactions | |
| **S.13 Scope 2 DLT GHG emissions – Purchased**<br>Scope 2 GHG emissions, expressed in tCO2e per calendar year for the validation of transactions and the maintenance of the integrity of the distributed ledger of transactions | 1873.14310 tCO2e/a |
| **S.14 GHG intensity**<br>Average GHG emissions (scope 1 and scope 2) per validated transaction | 0.00000 kgCO2e per transaction |
| **Sources and methodologies** | |
| **S.15 Key energy sources and methodologies**<br>Sources and methodologies used in relation to the information reported in fields S.10 and S.11 | To determine the proportion of renewable energy usage, the locations of the nodes are to be determined using public information sites, open-source crawlers and crawlers developed in-house. If no information is available on the geographic distribution of the nodes, reference networks are used which are comparable in terms of their incentivization structure and consensus mechanism. This geo-information is merged with public information from the European Environment Agency (EEA) and thus determined. |
| **S.16 Key GHG sources and methodologies**<br>Sources and methodologies used in relation to the information reported in fields S.12, S.13 and S.14 | To determine the GHG Emissions, the locations of the nodes are to be determined using public information sites, open-source crawlers and crawlers developed in-house. If no information is available on the geographic distribution of the nodes, reference networks are used which are comparable in terms of their incentivization structure and consensus mechanism. This geo-information is merged with public information from the European Environment Agency (EEA) and thus determined. |