NERO Token – Whitepaper under Regulation (EU) 2023/1114 (MiCA) - 22/08/2025

Version 1.1, last revision: 30/09/2025

GENERAL INFORMATION

00. Table of contents

01. Date of notification

2025-08-22

02. Statement in accordance with Article 6(3)

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

03. Compliance statement in accordance with Article 6(6)

This white paper complies with Title II of Regulation (EU) 2023/1114 (MiCA). To the best of the knowledge of the management body of Infiniverse Ltd (the issuer), the information presented is fair, clear, and not misleading, and this white paper makes no omissions likely to affect its import. Infiniverse Ltd is solely responsible for the content of this white paper.

04. Statement in accordance with Article 6(5)(a)-(c)

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

05. Statement in accordance with Article 6(5)(d)

NERO is a utility token designed solely to provide access to services and features within the NeroChain ecosystem. Acquisition for speculative investment purposes is discouraged and contrary to its designed purpose.

06. Statement in accordance with Article 6(5)(e)-(f)

The crypto-asset is not covered by the investor-compensation schemes under Directive 97/9/EC or the deposit-guarantee schemes under Directive 2014/49/EU, and this document does not constitute a prospectus under Regulation (EU) 2017/1129.

SUMMARY

07. Warning in accordance with Article 6(7)

Warning (Art. 6(7), second subparagraph, MiCA)

Important notice: This overview is provided solely as an introduction to the NERO crypto-asset white paper. Any decision to acquire NERO should be based on the white paper in its entirety, not on this summary alone. Acquiring or holding NERO carries significant risks, including the possibility of losing the full value of your investment, and future regulatory changes could restrict its use, transfer, or trading. Prospective purchasers are strongly advised to review the risk disclosures contained in this white paper and to obtain independent professional advice. The public availability of this crypto-asset should not be interpreted as an offer or invitation to acquire financial instruments; such offers can only be made through a prospectus or other offering materials as required under applicable national law. This document is not, and should not be regarded as, a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council, nor any equivalent offering document under European Union or national law.

08. Characteristics of the crypto-asset

Token Name: NERO – native utility token of the NeroChain Layer-1 blockchain (EVM-compatible).

Classification: Utility token under Regulation (EU) 2023/1114 (MiCA), Article 3(1)(9). NERO is not a MiFID II financial instrument, asset-referenced token (ART), or e-money token (EMT).

Core Functions:

- **Network Security (Staking):** Validators are required to stake NERO to participate in block production and transaction validation under the Delegated Proof-of-Staked Authority (DPoSA) / Nominated Proof-of-Stake (NPoS) consensus mechanism. Nominators (delegators) can also stake NERO to support validators, contributing to network security and sharing in protocol-distributed rewards.
- **Governance (Non-financial):** Enables holders to propose and vote on protocol upgrades, parameter adjustments, and other non-financial governance matters, with voting power proportional to staked NERO.

- **Fee Payments:** May be used directly as the gas token for transactions. Through the Paymaster system, users may also pay transaction fees in supported alternative tokens, with all fees ultimately settled in NERO.
- **Ecosystem Access:** Required for dApp developers to configure custom Paymasters, access advanced platform features, and interact with certain restricted services within the NeroChain ecosystem.
- **Protocol Rewards:** Distributed to validators and nominators as staking rewards, incentivising continued participation in network operations.

Primary Role and Intended Use:

NERO's primary purpose is to enable access to, and participation in, the NeroChain protocol. It is designed for utility within the ecosystem, not as a speculative or investment product. Core utilities include securing the network, participating in non-financial governance, paying transaction fees, and accessing advanced protocol features.

Technical Design:

- **Blockchain:** NeroChain mainnet (modular, EVM-compatible Layer-1).
- **Token Standard:** Native Layer-1 asset, ERC-20 compatible when wrapped.
- **Consensus Mechanism:** DPoSA/NPoS hybrid.
- **Total Supply:** Fixed at 10,000,000,000 NERO.

Rights and Limitations:

Holders do not receive equity, dividends, profit-sharing, redemption rights, or any guaranteed value. Rights are limited to those necessary to utilise NERO within the NeroChain ecosystem.

09. Further information about utility tokens

Access to Goods and Services

NERO is the native utility token of the NeroChain protocol and serves as the access key to specific on-chain functions and platform services, including:

- Configuration and deployment of Paymaster services for alternative gas payment methods and sponsored transactions.
- Use of advanced platform features reserved for token-holding developers, such as enhanced API endpoints, governance participation tools, and premium integration options.
- Participation in protocol governance processes limited to non-financial matters, including technical upgrades, consensus parameters, and feature rollouts.
- Payment for transaction fees directly in NERO or indirectly via the Paymaster system (with ultimate settlement in NERO).

Quality and Quantity of Goods/Services

Access to these services is ongoing for the life of the operational NeroChain mainnet and is maintained by the issuer and authorised operators. The scope, performance, and availability of services may evolve over time as determined by governance decisions and scheduled protocol upgrades (see Part D – Project Description). All core utilities are delivered directly by the issuer without reliance on third-party operators for essential functions.

Transferability

NERO is freely transferable on the NeroChain network and on all external trading venues that support it, including centralised exchanges (CEXs) and decentralised exchanges (DEXs). Transfers are subject to:

- Any restrictions imposed by applicable laws or regulations in the holder's jurisdiction.
- Rules and technical limitations of the exchange, marketplace, or service provider facilitating the transaction.
- Lock-up, vesting, or phased-release conditions for specific allocations as described in Part F.8 (Token Allocation & Release Schedule).

The issuer does not impose any additional transfer restrictions beyond those described in this whitepaper and relevant law.

Exchangeability Risk

If the NeroChain project were to fail, be discontinued, or materially alter its scope, the ability to use NERO in exchange for goods or services within the ecosystem may cease in whole or in part. In such circumstances, the issuer would have no obligation to redeem or replace NERO tokens, and their exchangeability for services could be permanently lost.

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

Nature of Submission

This whitepaper relates solely to the admission to trading (relisting) of the NERO utility token on the Kraken exchange, operated in the European Union by Payward Europe Solutions Limited (Ireland). There is no public offer of NERO tokens by the issuer in connection with this submission.

Token Status

The NERO token has already been created, is in circulation, and is actively tradable on multiple centralised exchanges (CEXs) and decentralised exchanges (DEXs). The NeroChain mainnet is operational, and NERO is fully functional in all roles described in this whitepaper.

Expected Kraken Listing Parameters

- **Allocation:** It is anticipated that no more than 1% of the total NERO token supply will be allocated for the initial Kraken market.
- **Pricing:** The listing price will be determined in accordance with Kraken's internal listing procedure, using a market price snapshot taken shortly before the listing date.
- **Trading Pairs and Start Date:** Specific trading pairs and the exact listing date will be confirmed and publicly announced by Kraken prior to listing to ensure full transparency and compliance.

Competent Authority and Notification

- **Competent Authority:** Central Bank of Ireland (CBI)

- **Notification Timeline:** Notification will be submitted at least 20 working days before the intended publication date of this whitepaper.
- **Home and Host Member States:** Ireland is the home Member State for the purposes of MiCA notification.

Language

This whitepaper has been prepared in English, which is the only official and legally binding version. Any translations provided are for convenience only and have no legal effect.

Part A - Offeror / Person Seeking Admission

A.1 Name

Infiniverse Ltd.

A.2 Legal form

BVI Business Company limited by shares

A.3 Registered address

Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands

A.4 Head office

6F, Cocoro Kanda BLDG., 2-2-5 Kandasudacho, Chiyoda-ku, Tokyo 101-0041, Japan

A.5 Registration date

2024-01-10

A.6 Legal entity identifier

984500E6B0DU373E7870

A.7 Other national identifier

BVI Company Number: 2139988

A.8 Contact telephone number

+886 976 156 485

A.9 E-mail address

legal@nerochain.io

A.10 Response time (days)

30 days

A.11 Parent company

NeroChain Pte. Ltd., 15 Beach Road, #05-08, Beach Centre, Singapore 189677

A.12 Management body members

Lei, Chia-Ching – Sole Director
6F, Cocoro Kanda BLDG., 2-2-5 Kandasudacho, Chiyoda-ku, Tokyo 101-0041, Japan

A.13 Business activity

Issuance and administration of the NERO utility token and management of the admission to trading (relisting) application for Kraken.

A.14 Parent company activity

Blockchain infrastructure development and operation, including issuance, technical management, and ecosystem support for the NERO utility token.

A.15 Newly established

true

A.16 Financial condition (past 3 years)

Not applicable – please see A.15. The company was established on 10 January 2024.

A.17 Financial condition since registration

Accounting standard: BVI GAAP or IFRS, if applicable. Currency: USD. Since incorporation on 10 January 2024, the company has not engaged in any financial activity. As a result, there have been no changes to its financial condition since registration. All figures since incorporation are unaudited.

Part B - Issuer (if different)

B.1 Is issuer different?

false

Part B is not applicable as the issuer is the same as the offeror.

B.2 Name

Not applicable

B.3 Legal form

Not applicable

B.4 Registered address

Not applicable

B.5 Head office

Not applicable

B.6 Registration date

Not applicable

B.7 Legal entity identifier

Not applicable

B.8 Other national identifier

Not applicable

B.9 Parent company

Not applicable

B.10 Management body members

Not applicable

B.11 Business activity

Not applicable

B.12 Parent company activity

Not applicable

Part C - Trading Platform Operator / Other Drafter

Part C is not applicable as no trading platform operator or other drafter is involved.

C.1 Name

Not applicable

C.2 Legal form

Not applicable

C.3 Registered address

Not applicable

C.4 Head office

Not applicable

C.5 Registration date

Not applicable

C.6 Legal entity identifier

Not applicable

C.7 Other national identifier

Not applicable

C.8 Parent company

Not applicable

C.9 Reason for white paper preparation

Not applicable

C.10 Management body members

Not applicable

C.11 Operator business activity

Not applicable

C.12 Parent company activity

Not applicable

C.13 Other persons drawing up

Not applicable

C.14 Reason for drawing up

Not applicable

Part D - Crypto-Asset Project

D.1 Project name

NeroChain – modular, EVM-compatible Layer-1 blockchain.

D.2 Asset name

NERO (see Part F for technical specifications and token metrics).

D.3 Abbreviation

NERO.

D.4 Project description

NeroChain is a next-generation modular Layer-1 blockchain, fully EVM-compatible, launched on mainnet in July 2025 to address persistent challenges in blockchain usability, scalability, and developer incentives. Its architecture integrates native account abstraction (ERC-4337), a Paymaster system enabling multi-token gas payments, and a fee-sharing model to align developer incentives with network growth.

Core Technology Architecture

- **Access Layer (ERC-4337 Account Abstraction):** Supports social logins, programmable smart wallets, recovery mechanisms, and decoupled upgrades.
- **Settlement Layer (EVM):** High-performance chain compatible with Solidity, Remix, Truffle, and Hardhat.
- **Data Availability Layer:** Stores rollup data on-chain with sharding, random sampling verification, and 2D Reed–Solomon encoding for high resilience and recovery probability.

Consensus, Governance, and Performance

- **Consensus:** Hybrid Delegated Proof of Staked Authority (DPoSA) with Byzantine Fault Tolerance (BFT); 21 active validators; fault tolerance $f = 6$; 2/3 voting threshold; deterministic validator selection, with MPC/PVSS-based randomisation planned.
- **Pipelined Processing:** Sequencing separated from execution to improve throughput and reduce finality times.
- **On-Chain Governance:** Governance covers protocol upgrades, parameter changes, and treasury allocation for ecosystem development, grants, and operational support (excluding any distributions of revenues, profits, or other economic value to token holders); voting power is proportional to NERO staked.
- **Upgrade Process:** Approved proposals executed through coordinated network upgrades and on-chain governance contracts for transparency and immutability.

Key Technical Features

- **Native Account Abstraction (ERC-4337):** Enables social login, multi-signature accounts, spending limits, and recovery. Components include UserOp mempool, Bundler, and EntryPoint contract.

- **Blockspace 2.0 & Paymaster:** Allows gas payments in stablecoins or dApp tokens; supports developer-sponsored ("gasless") transactions; all fees ultimately settled in NERO.
- **Fee-Sharing Model:** Allocates a share of transaction fees to dApps generating the activity.
- **MPC-TSS Security:** Uses multi-party computation with threshold secret sharing for externally-owned account (EOA) key management.

Development Status & Indicative Roadmap
As of this whitepaper, the NeroChain mainnet is operational with core features live: DPoSA consensus, account abstraction, Paymaster services, full EVM compatibility, and staking. Planned developments in the next 6–24 months (subject to change) include:

- Randomised validator selection
- Automated on-chain fee-sharing
- Cross-chain bridges
- Application-controlled encrypted mempools

D.5 Persons Involved in Implementation

Type	Name	Business Address	Domicile
https://www.esma.europa.eu/taxonomy/2025-03-31/mica/#OtherPersonInvolvedInImplementation	Infiniverse Ltd	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	https://xbrl.org/2024/iso3166#VG
https://www.esma.europa.eu/taxonomy/2025-03-31/mica/#OtherPersonInvolvedInImplementation	NeroChain Pte. Ltd	15 Beach Road, #05-08 Beach Centre, Singapore 189677	https://xbrl.org/2024/iso3166#SG

D.6 Utility token classification

true

D.7 Goods/services features (if utility)

Holding NERO provides access to:

- Configuration and deployment of Paymaster services for alternative gas payment methods and sponsored transactions.
- Advanced developer features such as enhanced API endpoints, governance participation tools, and premium integration options.
- Participation in non-financial protocol governance on technical upgrades, consensus parameters, and feature rollouts.
- Payment of transaction fees directly in NERO or indirectly via the Paymaster system (with settlement in NERO).

Access is ongoing for the operational life of the NeroChain mainnet. Service scope, performance, and availability may evolve through governance decisions and protocol upgrades.

D.8 Plans for the token

The issuer has no plans to create additional NERO beyond the fixed total supply of 10 billion tokens. Development plans focus on expanding ecosystem adoption through partnerships, dApp onboarding, and enhancements to Paymaster and governance modules. NERO's role in network security, governance, and utility will remain central to the protocol.

D.9 Resource allocation

Resources are allocated primarily to:

- Core protocol development and maintenance,
- Security audits and network monitoring,
- Ecosystem growth initiatives (developer grants, partnerships),
- Infrastructure and validator support,
- Governance and community engagement.

Funding for these allocations derives from the Treasury & Partnerships pool and other ecosystem-designated allocations as per the Token Allocation & Release Schedule (Part F.8).

D.10 Planned use of collected funds/assets

No public offering is associated with this admission to trading; therefore, no funds will be collected from investors in connection with this submission. Any NERO tokens allocated for liquidity or market operations on Kraken are drawn from existing allocations and are not the result of a fundraising event.

Part E - Offer / Admission Details

E.1 Public offering or admission to trading

https://www.esma.europa.eu/taxonomy/2025-03-31/mica/#AdmissionToTrading

E.2 Reasons for offer/admission

To enable NERO trading on Kraken for EU-based market participants and expand liquidity access within regulated EU trading venues. This admission to trading is not an investment solicitation and does not change NERO's intended purpose as a utility token used solely within the NeroChain ecosystem.

E.3 Fundraising target

0 EUR

E.4 Minimum subscription goals

0 EUR

E.5 Maximum subscription goals

0 EUR

E.6 Oversubscription acceptance

No oversubscription accepted

E.7 Oversubscription allocation

Not applicable.

E.8 Issue price

0.00 EUR

E.9 Issue price currency/crypto

Not applicable

E.10 Subscription fee

0.00 EUR

E.11 Price determination method

The Kraken listing price will be set in accordance with Kraken's internal listing procedure, based on a snapshot of prevailing market prices shortly before the listing date.

E.12 Total offered/traded assets

10000000 tokens allocated for initial Kraken market (approximately 1% of total supply)

E.13 Targeted holders

No specific targeted holder group; access to trading will be available to eligible Kraken account holders in permitted jurisdictions.

E.14 Holder restrictions

Trading will be restricted in jurisdictions where such activity would be unlawful. NERO is not offered or sold in such jurisdictions.

E.15 Reimbursement notice

Not applicable – no fundraising.

E.16 Refund mechanism

Not applicable.

E.17 Refund timeline

Not applicable.

E.18 Offer phases

Not applicable – this is a single-phase admission to trading.

E.19 Early purchase discount

0 EUR (not applicable)

E.20 Time-limited offer

false

E.21 Subscription start date

2025-08-22

E.22 Subscription end date

2025-08-22

E.23 Safeguarding arrangements

Not applicable – no funds are collected; NERO tokens allocated to Kraken are sourced from existing allocations and transferred directly.

E.24 Payment methods

Not applicable – no primary sale.

E.25 Reimbursement transfer methods

Not applicable.

E.26 Right of withdrawal

Not applicable.

E.27 Transfer of purchased assets

For tokens allocated to the Kraken market, transfers to Kraken wallets will occur prior to the listing date, in line with Kraken operational requirements.

E.28 Transfer time schedule

Transfers to Kraken wallets are expected to be completed in advance of market opening. Thereafter, transfers between Kraken and external wallets will follow Kraken's withdrawal/deposit schedules.

E.29 Purchaser technical requirements

To hold or withdraw NERO, purchasers require a compatible wallet supporting the NeroChain mainnet or an ERC-20 wrapped version (where applicable), and access to the NeroChain network via RPC endpoints or supported exchange integrations.

E.30 CASP name

Payward Europe Solutions Limited (Kraken).

E.31 CASP identifier

254900641D8KNHUZYX24(Company Number 671942, Ireland).

E.32 Placement form

Not applicable – secondary market admission to trading.

E.33 Trading platform name

Kraken.

E.34 Trading platform MIC

XKRA (Kraken Europe).

E.35 Trading platform access

Via Kraken's web interface, mobile applications, and API, subject to Kraken account verification and compliance checks.

E.36 Involved costs

Trading fees will apply as per Kraken's standard fee schedule.

E.37 Offer expenses

Issuer costs are limited to regulatory compliance, legal fees, and technical integration for Kraken listing. No costs are passed to token purchasers.

E.38 Conflicts of interest

No known conflicts of interest between the issuer and Kraken.

E.39 Applicable law

Irish law applies for the purposes of the admission to trading process; British Virgin Islands' law applies to issuer-holder relationships, subject to mandatory law.

E.40 Competent court

Courts of British Virgin Islands, subject to mandatory law.

Part F - Crypto-Asset Information

F.1 Type

NERO is classified as a utility token under Article 3(1)(9) of Regulation (EU) 2023/1114 (MiCA). It is a digital representation of value that can be stored and transferred using distributed ledger technology (DLT), providing access to goods, services, and functionalities within the NeroChain protocol. It does not qualify as an asset-referenced token (ART) or an e-money token (EMT), and is not a financial instrument under MiFID II.

F.2 Functionality

NERO serves multiple roles within the NeroChain ecosystem:

- **Network Security (Staking)** – Validators must stake NERO to produce blocks and validate transactions under the Delegated Proof-of-Staked Authority (DPoSA) / Nominated Proof-of-Stake (NPoS) consensus. Nominators (delegators) can stake NERO to support validators and receive protocol-distributed rewards.
- **Governance (Non-financial)** – Enables proposals and voting on non-financial protocol matters such as upgrades, parameter adjustments, and allocation of resources for ecosystem development, grants, and operational support (excluding any distributions of revenues, profits, or other economic value to token holders). Voting power is proportional to staked NERO.
- **Fee Payments** – May be used directly as gas for transactions. Through the Paymaster system, users can pay in supported alternative tokens, with all fees ultimately settled in NERO.
- **Ecosystem Access** – Required for dApp developers to configure Paymasters, access advanced services, and interact with restricted functions.
- **Protocol Rewards** – Distributed to validators and nominators as staking incentives.

F.3 Planned application of functionalities

The current scope is to maintain and expand NERO's role in network security, governance, and utility. Planned enhancements include expanded Paymaster functionality, broader governance modules, and integrations to support ecosystem adoption. No change to the fixed total supply is planned.

F.4 White paper type

Utility token (MiCA Article 3(1)(9)).

F.5 Submission type

https://www.esma.europa.eu/taxonomy/2025-03-31/mica/#NewTypeOfSubmission

F.6 Characteristics

NERO operates on the NeroChain mainnet, an EVM-compatible modular Layer-1 blockchain. It is issued as a native Layer-1 asset and is ERC-20 compatible when wrapped. The network uses a hybrid DPoSA/NPoS consensus mechanism. The total supply is fixed at ten billion (10,000,000,000) NERO tokens. The token is fully fungible, with the smallest divisible unit being 10^{-18} NERO. NERO tokens do not confer equity, dividends, redemption rights, or any guaranteed value. References to trading on centralised or decentralised exchanges are solely descriptive of secondary market availability and do not constitute an investment offer or solicitation.

The allocation of the total supply is as follows:

- **Early Support:** Round 1 represents 3.13% of the total supply (313 million NERO), released over seventy-eight weeks with a thirty-nine-week hold period and five percent available at launch. Round 2 represents 1.00% of the total supply (100 million NERO), released over fifty-two weeks with a twenty-four-week hold period and five percent available at launch. Round 3 represents 3.00% of the total supply (300 million NERO), released over thirty-nine weeks starting nine weeks after launch, with no initial availability.
- **Ecosystem Growth:** Treasury & Partnerships represents 40.87% of the total supply (4.087 billion NERO), released over two hundred and eight weeks (approximately four years) starting immediately after launch, with five percent available at launch. Participation Rewards represent 30.00% of the total supply (3.0 billion NERO), released over two hundred and eight weeks (approximately four years), with ten percent available at launch. Liquidity Operations represent 3.00% of the total supply (300 million NERO), released over fifty-two weeks, with twenty-five percent available at launch.
- **Core Contributors:** The Core Development Team allocation represents 17.00% of the total supply (1.7 billion NERO), released over one hundred and thirty weeks (approximately two and a half years) with a sixty-five-week hold period before any availability. Specialist Advisors represent 2.00% of the total supply (200 million NERO), released over one hundred and thirty weeks (approximately two and a half years) with a sixty-five-week hold period before any availability.

All locked or vested allocations follow the above timelines and may only be released according to the specified schedules. No accelerated vesting is planned except in the event of governance-approved changes or force majeure events.

F.7 Commercial/trading name

NERO.

F.8 Issuer website

https://nerochain.io — Official documentation: https://docs.nerochain.io

F.9 Offer/admission start date

2025-09-21 (estimated - admission to trading on Kraken will follow CBI notification, minimum twenty working days prior)

F.10 Publication date

2025-08-22 (publication date to be finalized upon notification)

F.11 Other issuer services

In addition to maintaining the NERO token utilities, the issuer develops and operates the NeroChain protocol, provides infrastructure support, conducts security audits, and coordinates ecosystem growth programmes (grants, partnerships, developer onboarding).

F.12 Language(s)

English (only official and binding version).

F.13 Digital Token Identifier (DTI)

Not applicable.

F.14 Functionally Fungible Group DTI (FFG DTI)

Not applicable.

F.15 Voluntary data flag

false

F.16 Personal data flag

true

F.17 LEI eligibility

true

F.18 Home Member State

Home Member State: Ireland

F.19 Host Member States

All 27 EU Member States plus the 3 EEA countries (Norway, Iceland, Liechtenstein)

Part G - Rights and Obligations

G.1 Purchaser rights and obligations

Holders of NERO tokens have the following rights within the NeroChain ecosystem:

- **Access Rights** – Use NERO to access and utilise features, services, and applications within the NeroChain ecosystem, including Paymaster configuration and advanced platform services.
- **Governance Participation** – Propose and vote on non-financial protocol governance matters (technical upgrades, parameter adjustments, and allocation of resources for ecosystem development, grants, and operational support, excluding any distributions of revenues, profits, or other economic value to token holders) in accordance with on-chain governance procedures.
- **Fee Payment** – Pay transaction fees directly in NERO or indirectly via the Paymaster system.
- **Staking Rewards** – Participate in network staking as a validator or nominator and receive protocol rewards for securing the network, subject to staking rules. NERO tokens do not grant ownership rights, dividends, profit-sharing, redemption rights, or guaranteed value.

G.2 Exercise of rights and obligations

Rights are exercised on-chain via the NeroChain protocol. Governance rights require holding and staking NERO in a compatible wallet and interacting with governance smart contracts. Access to services is obtained by holding NERO in an account or smart contract that interacts with the relevant service modules. Staking participation requires meeting validator or nominator technical and staking requirements.

G.3 Modification conditions

Modifications to rights and obligations may occur only through protocol governance, in which proposals are submitted, voted upon, and implemented via on-chain governance contracts. Any such changes will be recorded immutably on the NeroChain blockchain.

G.4 Future offers

Not applicable – no public offers are planned. The issuer may make future admissions to trading, but no fundraising events are currently planned.

G.5 Issuer retained assets

The issuer retains allocations as per the Token Allocation & Release Schedule (Part F.6)

G.6 Utility token classification

true

G.7 Goods/services features (utility)

Access to Paymaster configuration, advanced platform APIs, governance participation (non-financial), payment of gas fees, and participation in staking.

G.8 Redemption

Not applicable – NERO is not redeemable against any guarantee or fixed-value asset.

G.9 Non-trading request

false

G.10 Purchase/sale modalities

Not applicable – no primary sale; secondary market trades occur via exchanges such as Kraken, subject to their rules.

G.11 Transfer restrictions

NERO is freely transferable, subject only to legal restrictions in the holder's jurisdiction, exchange rules, and vesting/lock-up conditions described in Part F.8.

G.12 Supply adjustment protocols

false

G.13 Supply adjustment mechanisms

No on-chain mechanisms exist to increase supply; burning of NERO is technically possible via token contract functions.

G.14 Value protection schemes

false

G.15 Value protection schemes description

Not applicable.

G.16 Compensation schemes

false

G.17 Compensation schemes description

Not applicable.

G.18 Applicable law

British Virgin Islands law applies to issuer–holder relationships, subject to mandatory law. Irish law applies to the admission-to-trading process.

G.19 Competent court

Courts of the British Virgin Islands, subject to mandatory law.

Part H - Underlying Technology

H.1 DLT type

NeroChain mainnet – modular, EVM-compatible Layer-1 blockchain operating its own distributed ledger. Ledger records are immutable, decentralized, and verifiable by any participant using a NeroChain-compatible node.

H.2 Protocols and technical standards

Native Layer-1 implementation supporting Ethereum Virtual Machine (EVM) standards and ERC-20 compatibility for wrapped assets. Implements ERC-4337 account abstraction at the protocol level. Uses a hybrid Delegated Proof-of-Staked Authority (DPoSA) and Nominated Proof-of-Stake (NPoS) consensus.

H.3 Technology used

Core architecture divided into:

- Access Layer with ERC-4337 account abstraction
- Settlement Layer (EVM-compatible)
- Data Availability Layer with sharding and 2D Reed–Solomon encoding

Native modules:

- Paymaster system
- Fee-sharing mechanism
- Governance smart contracts

H.4 Consensus mechanism

Hybrid DPoSA/NPoS with Byzantine Fault Tolerance (BFT):

- Validator set: 21 active validators
- Fault tolerance: f = 6
- 2/3+1 voting threshold
- Deterministic validator selection (MPC/PVSS randomisation planned)
- Finality achieved via BFT consensus after block validation

H.5 Incentive mechanisms and fees

Validators and nominators may receive variable protocol-distributed compensation in NERO for block production and validation. Such compensation is designed to offset operational costs and incentivise continued participation in network security, is not fixed or guaranteed, and depends on network activity and protocol parameters. Transaction fees can be paid directly in NERO or in supported alternative tokens via Paymaster, with all fees ultimately settled in NERO. dApps generating network activity receive a share of transaction fees under the fee-sharing model, which does not distribute any revenues to token holders unless they are acting as service providers.

H.6 Use of DLT

true

H.7 DLT functionality description

Ledger functions include transaction settlement, account abstraction operations, staking and validator election, governance proposals and voting, and Paymaster-mediated fee payments. Smart contracts deployed on NeroChain are EVM-compatible.

H.8 Audit

true

H.9 Audit outcome

The NeroChain core protocol, Paymaster system, governance modules, and related smart contracts were independently audited by Blockapex, with the review completed on 31 October 2024 under report ID PEN-DOC-202410310749. The full audit report is publicly accessible at: https://reports.blockapex.io/report?id=PEN-DOC-202410310749. No critical vulnerabilities were identified; all medium- and low-severity findings were remediated before mainnet deployment. A public notice confirming the audit's completion was issued on the NeroChain official X (Twitter) account on 1 November 2024, available at: https://x.com/Nerochain_io/status/1906959538848399849.

Part I - Risks

I.1 Offer-related risks

- Regulatory and compliance uncertainty (changes to laws or frameworks that could impact NERO's legal status, trading, or usage).
- Market listing dependency (admission to trading is subject to third-party exchange decisions).
- Liquidity at launch (possible low initial trading volumes).

I.2 Issuer-related risks

- Insolvency risk of the issuer or key partners.
- Dependence on key personnel and third-party providers.
- Reputational risks from negative publicity or association with illicit activity.

I.3 Asset-related risks

- Price volatility and potential total loss of value.
- Liquidity constraints in secondary markets.
- Competition and adoption risk.
- Classification changes by regulators.
- Jurisdictional restrictions affecting accessibility.
- Taxation uncertainty for holders.

I.4 Project implementation risks

- Delays or failures in delivering roadmap items (e.g., randomized validator selection, fee-sharing).
- Governance decisions may not align with all holders' interests.

I.5 Technology-related risks

- Smart contract or protocol vulnerabilities.
- Cybersecurity threats (hacks, DoS attacks, key theft).
- Blockchain performance issues affecting transaction speed or costs.
- Interoperability risks with cross-chain features.

I.6 Mitigation measures

- Independent smart contract security audits completed pre-mainnet.
- Ongoing infrastructure monitoring and validator performance checks.
- Periodic review of node efficiency and promotion of renewable energy use.
- Governance processes for protocol updates and emergency fixes.

Part J - Sustainability

J.1 Adverse impacts on climate and environment

NeroChain utilises a hybrid Delegated Proof-of-Staked Authority (DPoSA) and Nominated Proof-of-Stake (NPoS) consensus mechanism. Unlike Proof-of-Work (PoW) systems, this PoS-based approach does not require energy-intensive mining operations or specialised high-power hardware. Industry analyses of Proof-of-Stake models show a substantial reduction in electricity consumption compared to Proof-of-Work; for example, the Ethereum Foundation reports that Ethereum's transition from PoW to PoS reduced its total energy use by approximately 99.95 percent. In the case of NeroChain, validators are selected based on staked NERO and perform block production and validation on standard server-class infrastructure. This design results in significantly lower energy consumption per transaction compared to PoW networks, where studies have estimated that Bitcoin's proof-of-work mining can consume over 800 kilowatt-hours per transaction, while modern PoS networks consume only a fraction of a kilowatt-hour. The NeroChain team periodically reviews node infrastructure efficiency and encourages validators to operate on renewable energy sources where possible. Due to the low power requirements of PoS validator nodes (often in the range of 5–40 watts), many can be run entirely on renewable energy such as solar or wind. This approach aims to keep NeroChain's environmental footprint minimal while maintaining secure and efficient network operations.

S.1 Name

Infiniverse Ltd.

S.2 Relevant LEI

984500E6B0DU373E7870

S.3 Asset name

NERO

S.4 Consensus mechanism

Hybrid Delegated Proof-of-Staked Authority (DPoSA) / Nominated Proof-of-Stake (NPoS)

S.5 Incentives/fees

Validators and nominators earn protocol rewards in NERO for block production and validation. Transaction fees may be paid directly in NERO or in supported alternative tokens via the Paymaster system, with all fees ultimately settled in NERO. Slashing applies in cases of validator misbehaviour or downtime.

S.6 Period start date

2025-07-01

S.7 Period end date

S.8 Energy consumption

0 kWh (to be calculated - estimated few watts per node based on comparable PoS networks)

S.9 Energy consumption sources/methodologies

No mining is used; validators operate on standard server or cloud instances. Energy measurement will follow ESMA ITS Annex, using direct metering or validated estimates from hosting providers.

S.10 Renewable energy consumption

0% (not yet measured)

S.11 Energy intensity

0 kWh per transaction (to be calculated - will divide total network energy by transaction count per ESMA ITS Annex)

S.12 Scope 1 emissions (controlled)

0 kg CO_2e (not yet calculated)

S.13 Scope 2 emissions (purchased)

0 kg CO_2e (not yet calculated)

S.14 GHG intensity

0 kg CO_2e per transaction (to be calculated following ESMA ITS methodology)

S.15 Key energy sources/methodologies

Energy sources vary by validator location. The low power draw of validators allows many to operate entirely on renewable energy. Data will be gathered through validator surveys and hosting provider information.

S.16 Key GHG sources/methodologies

The main emissions source is electricity used by validator nodes. Measurement methodology will follow ESMA ITS Annex using validator-provided data and standardised emissions factors from authoritative sources.