# Great AI Foundation MiCAR White Paper

IN ACCORDANCE WITH

TITLE II OF REGULATION (EU) 2023/1114

# Table of Contents

- C.5 Registration Date
- C.6 Legal entity identifier of the operator of the trading platform
- C.7 Another identifier required pursuant to applicable national law
- C.8 Parent Company
- C.9 Reason for Crypto-Asset White Paper Preparation
- C.10 Members of the Management body
- C.11 Operator Business Activity
- C.12 Parent Company Business Activity
- C.13 Other persons drawing up the crypto- asset white paper according to Article 6(1), second subparagraph, of Regulation (EU) 2023/1114
- C.14 Reason for drawing the white paper by persons referred to in Article 6(1), second subparagraph, of Regulation (EU) 2023/1114

D. Information about the Crypto-Asset Project
- D.1 Crypto-asset project name
- D.2 Crypto-assets name
- D.3 Abbreviation
- D.4 Crypto-asset project description
- D.5 Details of all natural or legal persons involved in the implementation of the crypto-asset project
- D.6 Utility Token Classification
- D.7 Key Features of Goods/Services for Utility Token Projects
- D.8 Plans for the token
- D.9 Resource Allocation
- D.10 Planned Use of Collected Funds or Crypto-Assets

E. Information about the Admission to Trading
- E.1 Public Offering or Admission to trading
- E.2 Reasons for Public Offer or Admission to trading
- E.3 Fundraising Target
- E.4 Minimum Subscription Goals
- E.5 Maximum Subscription Goal
- E.6 Oversubscription Acceptance
- E.7 Oversubscription Allocation
- E.8 Issue Price
- E.9 Official currency or any other crypto- assets determining the issue price
- E.10 Subscription fee
- E.11 Offer Price Determination Method
- E.12 Total Number of Offered/Traded Crypto- Assets
- E.13 Targeted Holders
- E.14 Holder restrictions
- E.16 Refund Mechanism

E.17 Refund Timeline
E.18 Offer Phases
E.19 Early Purchase Discount
E.20 Time-limited offer
E.21 Subscription period beginning
E.22 Subscription period end
E.23 Safeguarding Arrangements for Offered Funds/Crypto-Assets
E.24 Payment Methods for Crypto-Asset Purchase
E.25 Value Transfer Methods for Reimbursement
E.26 Right of Withdrawal
E.27 Transfer of Purchased Crypto-Assets
E.28 Transfer Time Schedule
E.29 Purchaser's Technical Requirements
E.30 Crypto-asset service provider (CASP) name
E.31 CASP identifier
E.32 Placement form
E.33 Trading Platforms name
E.34 Trading Platforms Market Identifier Code (MIC)
E.35 Trading Platforms Access
E.36 Involved costs
E.37 Offer Expenses
E.38 Conflicts of Interest
E.39 Applicable law
E.40 Competent court

F. Information about the Crypto-Assets
F.1 Crypto-Asset Type
F.2 Crypto-Asset Functionality
F.3 Planned Application of Functionalities
F.4 Type of white paper
F.5 The type of submission
F.6 Crypto-Asset Characteristics
F.7 Commercial name or trading name
F.8 Website of the issuer
F.9 Starting date of offer to the public or admission to trading
F.10 Publication date
F.11 Any other services provided by the issuer
F.12 Language or languages of the white paper
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

- F.14 Functionally Fungible Group Digital Token Identifier, where available
- F.15 Voluntary data flag
- F.16 Personal data flag
- F.17 LEI eligibility
- F.18 Home Member State
- F.19 Host Member States

G. Information on the rights and obligations attached to the crypto-assets
- G.1 Purchaser Rights and Obligations
- G.2 Exercise of Rights and obligations
- G.3 Conditions for modifications of rights and obligations
- G.4 Future Public Offers
- G.5 Issuer Retained Crypto-Assets
- G.6 Utility Token Classification
- G.7 Key Features of Goods/Services of Utility Tokens
- G.8 Utility Tokens Redemption
- G.9 Non-Trading request
- G.10 Crypto-Assets purchase or sale modalities
- G.11 Crypto-Assets Transfer Restrictions
- G.12 Supply Adjustment Protocols
- G.13 Supply Adjustment Mechanisms
- G.14 Token Value Protection Schemes
- G.15 Token Value Protection Schemes Description
- G.16 Compensation Schemes
- G.17 Compensation Schemes Description
- G.18 Applicable law
- G.19 Competent court

H. Information on the Underlying Technology
- H.1 Distributed ledger technology
- H.2 Protocols and technical standards
- H.3 Technology Used
- H.4 Consensus Mechanism
- H.5 Incentive Mechanisms and Applicable Fees
- H.6 Use of Distributed Ledger Technology
- H.7 DLT Functionality Description
- H.8 Audit
- H.9 Audit outcome

I. Information on Risks
- I.1 Offer-Related Risks
- I.2 Issuer-Related Risks
- I.3 Crypto-Assets-related Risks

I.4 Project Implementation-Related Risks
I.5 Technology-Related Risks
I.6 Mitigation measures

J. Information on the sustainability indicators in relation to adverse impact on the climate and other environment-related adverse impacts
S.1 Name
S.2 Relevant legal entity identifier
S.3 Name of the crypto-asset
S.4 Consensus Mechanism
S.5 Incentive Mechanisms and Applicable Fees
S.6 Beginning of the period to which the disclosure relates
S.7 End of the period to which the disclosure relates
S.8 Energy consumption
S.9 Energy consumption sources and methodologies

01. Date of Notification: 2025-10-21

## Regulatory Disclosures

**02. Statement in accordance with Article 6(3) of Regulation (EU) 2023/1114:**

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

**03. Compliance statement in accordance with Article 6(6) of Regulation (EU) 2023/1114**

This crypto-asset white paper complies with Title II of Regulation (EU) 2023/1114 and, to the best of the knowledge of the management body of Great AI Foundation, the information presented in the crypto-asset white paper is fair, clear and not misleading and the crypto-asset white paper makes no omission likely to affect its import.

**04. Statement in accordance with Article 6(5), points (a), (b), (c):**

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

**05. Statement in accordance with Article 6(5), point (d):**

The utility token referred to in this white paper may not be exchangeable against the good or service promised in the crypto-asset white paper, especially in the case of a failure or discontinuation of the crypto-asset project.

**06. Statement in accordance with Article 6(5), points (e) and (f):**

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** The $GAIB token is a native digital asset of the GAIB protocol, issued on public blockchain networks using ERC-20 standards. $GAIB tokens are to be classified as crypto-assets other than asset-referenced tokens or e-money tokens under MiCA. In particular, $GAIB tokens are utility tokens intended to provide access to and coordinate participation within the GAIB ecosystem. Holders of $GAIB tokens obtain rights to participate in the ecosystem's governance and security but do not gain any ownership, profit-sharing, or equity rights in the GAIB project. A holder's obligations include securing their own wallet and complying with applicable laws. Rights, such as staking tokens for network validation or voting on protocol decisions, are exercised on-chain by interacting with smart contracts; for instance, voting requires locking tokens into a vote-escrow contract. The rights and obligations attached to the token can only be modified through on-chain governance proposals that are approved by a majority vote of eligible token holders. $GAIB tokens are conceived as transferable digital value within the GAIB ecosystem and do not confer redemption, repayment, or dividend rights.

**09. Utility Token Summary** The $GAIB token functions as a utility and governance asset within the GAIB ecosystem, which provides a blockchain-based economic layer for tokenizing real-world AI infrastructure like GPUs and robotics. The total supply is 1 billion $GAIB tokens. Key utilities include: (i) Governance Participation: Holders can lock tokens to vote on protocol decisions, such as approving new asset classes and adjusting network parameters. (ii) Network Security and Validation: The token is staked by validators to secure the network's attestation of real-world assets and cross-chain transactions, with stakers earning rewards and facing slashing risks for misconduct. (iii) Ecosystem Access: Stakers gain priority access to tokenized infrastructure, such as GPU tranches and robotics vaults. (iv) Economic Incentives: A portion of protocol fees is distributed as rewards to active participants and validators. While the token is freely transferable, transfers are subject to compliance with local laws and regulations. The token is not available to persons or entities on international sanctions lists or in jurisdictions where acquiring or trading such assets is prohibited. Trading platforms may also impose their own KYC/AML requirements.

**10. Key Information About the Admission to Trading** No public offer of GAIB tokens is being made for fundraising purposes. This disclosure pertains to the admission of the GAIB token to trading, which aims to enhance liquidity, increase accessibility for users, and support the decentralized governance of the protocol. As there is no fundraising activity, details such as a subscription period, issue price, or subscription fees are not applicable. No crypto-asset service provider has been appointed to place the token. Admission to trading is sought on one or more regulated trading platforms, which are yet to be determined.

## A. Information about the Person Seeking Admission to Trading

**A.1 Name:** Great AI Foundation

**A.2 Legal Form:** UNCO

**A.3 Registered address:** Via España, Banco Delta Building, 6th Floor, Suite 604D, Panama City, 0801, PA

**A.4 Head office:** N/A

**A.5 Registration Date:** 2025-02-12

**A.6 Legal entity identifier:** N/A

**A.7 Another identifier required pursuant to applicable national law:** 25060259

**A.8 Contact telephone number:** +507 263 1042

**A.9 E-mail address:** info@gaib.ai

**A.10 Response Time (Days):** 003

**A.11 Parent Company:** N/A

**A.12 Members of the Management body:**

| Name | Business Function | Business Address |
|---|---|---|
| Carlos Alberto Weand Ortiz | Council Member | Via España, Banco Delta Building, 6th Floor, Suite 604D, Panama City, Republic of Panama |
| Gracieili Mariana Morales | Council Member | Via España, Banco Delta Building, 6th Floor, Suite 604D, Panama City, Republic of Panama |
| Cristino Guevara Salazar | Council Member | Via España, Banco Delta Building, 6th Floor, Suite 604D, Panama City, Republic of Panama |

**A.13 Business Activity:** The Foundation had been set up to develop, promote and advocate for a decentralized open-source protocol for tokenization of assets, in particular AI infrastructure like compute and robotic assets. It would act as the overall governing body for the project under a robust framework that safeguards the interests of

all users. It does not carry on any business activities, and in particular it does not sell any cryptocurrencies.

**A.14 Parent Company Business Activity:** N/A

**A.15 Newly Established:** false

**A.17 Financial condition since registration:** The Great AI Foundation has not yet prepared standalone financial statements. Since its establishment, the Foundation has maintained adequate resources to support its activities related to the development, maintenance, and governance of the GAIB protocol. The Foundation has not been subject to any insolvency proceedings or other material events affecting its financial soundness.

## B. Information about the issuer, if different from the offeror or person seeking admission to trading

**B.1 Issuer Information:** false, the offeror and entity are the same, so this section is not applicable

**B.2 Name:** N/A

**B.3 Legal Form:** N/A

**B.4 Registered address:** N/A

**B.5 Head office:** N/A

**B.6 Registration Date:** N/A

**B.7 Legal entity identifier:** N/A

**B.8 Another identifier required pursuant to applicable national law:** N/A

**B.9 Parent Company:** N/A

**B.10 Members of the Management Body:** N/A

**B.11 Business Activity:** N/A

**B.12 Parent Company Business Activity:** N/A

## 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:** N/A, This section is not applicable, as neither the operator of a trading platform nor any other person, apart from the issuer, has drawn up or contributed to the preparation of the crypto-asset white paper.

**C.2 Legal Form:** N/A

**C.3 Registered address:** N/A

**C.4 Head office:** N/A

**C.5 Registration Date:** N/A

**C.6 Legal entity identifier of the operator of the trading platform:** N/A

**C.7 Another identifier required pursuant to applicable national law:** N/A

**C.8 Parent Company:** N/A

**C.9 Reason for Crypto-Asset White Paper Preparation:** N/A

**C.10 Members of the Management body:** N/A

**C.11 Operator Business Activity:** N/A

**C.12 Parent Company Business Activity:** N/A

**C.13 Other persons drawing up the crypto- asset white paper according to Article 6(1), second subparagraph, of Regulation (EU) 2023/1114:** N/A

**C.14 Reason for drawing the white paper by persons referred to in Article 6(1), second subparagraph, of Regulation (EU) 2023/1114:** N/A

## D. Information about the Crypto-Asset Project

**D.1 Crypto-asset project name:** GAIB

**D.2 Crypto-assets name:** GAIB

**D.3 Abbreviation:** GAIB

**D.4 Crypto-asset project description:** GAIB establishes a blockchain-agnostic economic layer designed to connect decentralized liquidity with real-world artificial intelligence (AI) infrastructure such as GPU data centers, robotics, and energy systems. Its objective is to create a transparent, programmable framework that channels on-chain capital into productive, off-chain assets, transforming the way AI infrastructure is financed, owned, and monetized. By merging Decentralized Finance (DeFi) with AI infrastructure financing, GAIB introduces a new class of real-world digital assets, verifiable, income-generating AI infrastructure components, bringing sustainable, externally anchored value into the crypto economy.

**D.5 Details of all natural or legal persons involved in the implementation of the crypto-asset project:**

| Name | Business Function | Business Address |
|---|---|---|
| Good AI Pte. Ltd. | Responsible for software engineering, protocol development, and smart-contract implementation for the GAIB ecosystem. | 3 Phillip Street, #10-04 ROYAL GROUP BUILDING, Singapore 048693 |
| Kony Kwong | CEO | N/A |
| Jun Liu | CTO | N/A |
| Alex Yeh | Co-Founder | N/A |

**D.6 Utility Token Classification:** true

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

GAIB develops a blockchain-based infrastructure that connects decentralized liquidity with real-world artificial intelligence (AI) assets, including compute, robotics, and energy systems. The protocol provides a transparent and programmable framework that enables the tokenization, validation, and coordination of such assets through standardized on-chain representations. Its objective is to support the development of a sustainable digital economy backed by verifiable real-world activity.

Key features include:

- Modular Architecture: GAIB is structured as a modular economic layer comprising five interoperable components - Settlement, Validation, Tokenization,

Financialization, and Liquidity. Each layer performs a specific function, from anchoring validated data on-chain to coordinating liquidity between tokenized infrastructure and decentralized markets. This modular approach enhances scalability, interoperability, and system security across multiple blockchain networks.

- Decentralized Validation Network: The system verifies the existence and performance of real-world AI assets through a validator network supported by restaking mechanisms. Validators and domain experts attest to operational data, creating an auditable bridge between physical and digital economies.
- Programmable Tokenization: Real-world AI infrastructure is represented on-chain through standardized On-Chain Asset Representations (OARs). These digital primitives encapsulate asset identity, operational data, and ownership attributes, updating dynamically based on validated performance metrics. By standardizing asset tokenization, GAIB supports transparent asset tracking and composability across decentralized applications.
- Cross-Chain Interoperability: Built on an Ethereum-equivalent Layer-2 roll-up (GAIB L2), the protocol supports seamless interaction with multiple blockchains, enabling liquidity and composability across DeFi ecosystems.
- Governance and Participation: $GAIB token holders can participate in governance decisions, stake tokens to secure validation processes, and access network features that align users, validators, and infrastructure providers under a transparent incentive system.

### D.8 Plans for the token:

The $GAIB token serves as the native coordination and governance asset of the GAIB ecosystem. It is not designed for speculative or investment purposes but to align participants within the protocol and enable decentralized operation of the GAIB Economic Layer for AI Infrastructure. The token does not represent an investment instrument and is intended solely to support protocol governance, network participation, and ecosystem coordination.

Planned uses and developments for the token include:

- Governance Participation: $GAIB holders can lock their tokens into vote-escrowed form (veGAIB) to propose and vote on protocol decisions such as new asset listings, network parameters, and treasury allocations.
- Network Security and Validation: The token will be staked by validators in the GAIB Actively Validated Service (AVS) to secure attestations of real-world assets and cross-chain operations. Misbehavior or fraudulent validation results in automatic slashing of staked tokens, ensuring economic integrity.

- Ecosystem Coordination: Governance-approved $GAIB distributions will be used to fund validator rewards, community incentives, and ecosystem grants that encourage long-term participation and growth.
- Protocol Access: Staked or active participants may gain access to GAIB-powered infrastructure programs and other platform-level services as the network expands.
- Cross-Chain Expansion: The token will continue to be deployed on Ethereum and GAIB's own Layer-2 roll-up (GAIB L2), with bridges and interoperability solutions enabling seamless use across multiple chains.

**D.9 Resource Allocation:** GAIB has adequate financial, human, and technical resources to support the development and maintenance of its blockchain-based economic layer for AI infrastructure. Funding from affiliated entities and ecosystem collaborations covers ongoing engineering, operations, and compliance costs.

The organization consists of a multidisciplinary team of approximately 21 professionals in engineering, product, research, business, marketing, legal, and finance. External legal, accounting, and cybersecurity advisors provide additional assurance and operational oversight.

GAIB also cooperates with established partners in compute, robotics, and decentralized-finance infrastructure to ensure network reliability and integration. These resources collectively enable the sustainable and secure operation of the GAIB protocol.

**D.10 Planned Use of Collected Funds or Crypto-Assets:** This section is not applicable because there will be no raising of funds or crypto-assets. The purpose of this whitepaper is solely to support the admission of the $GAIB token to trading, not to conduct a public offering or fundraising activity.

## E. Information about the Admission to Trading

**E.1 Public Offering or Admission to trading:** ATTR

**E.2 Reasons for Public Offer or Admission to trading:**

The GAIB Foundation is not planning a public offering of its native cryptocurrency, the $GAIB token, as its primary focus is on ecosystem development rather than public fundraising.

Instead, the Foundation is seeking admission to trading, which involves listing $GAIB tokens on regulated trading platforms to enhance their accessibility and ensure compliance with applicable laws and regulations.

This strategic decision is driven by several key reasons that align with the Foundation's mission to build a transparent, programmable economic layer connecting decentralized capital with real-world artificial-intelligence (AI) infrastructure.

**1. Increasing Accessibility to $GAIB Tokens**

A primary reason for pursuing admission to trading is to make $GAIB tokens more accessible both within the European Union (EU) and globally.

**a. Reaching a Broader Audience:** Admission to trading enables users, validators, AI infrastructure providers, and DeFi participants to acquire and use $GAIB tokens easily, expanding participation across the GAIB network.

**b. Driving Ecosystem Engagement:** Broader accessibility facilitates interaction with GAIB's compute and robotics infrastructure programs, governance mechanisms, and staking frameworks, allowing a wider range of participants to contribute to the protocol's growth.

**2. Ensuring Compliance with Laws and Regulations**

The GAIB Foundation is committed to operating within clear legal and regulatory frameworks, particularly under the EU's Markets in Crypto-Assets Regulation (MiCA).

**a. Adhering to Regulatory Standards:** Listing $GAIB on compliant trading venues ensures that both the issuer and trading platforms operate within well-defined regulatory environments, enhancing transparency, user protection, and market integrity.

**b. Reinforcing Credibility and Trust:** Operating under regulated conditions strengthens the Foundation's reputation as a responsible, non-profit steward of the GAIB protocol and promotes confidence among users, institutional partners, and AI ecosystem collaborators.

**3. Supporting Ecosystem Growth and Real-World Integration**

Admission to trading is a strategic step to facilitate the expansion of GAIB's real-world AI infrastructure network and decentralized-finance ecosystem.

**a. Enabling Protocol Utility:** $GAIB serves as the coordination token of the GAIB Economic Layer, powering governance, validator operations, and cross-chain settlement. Public trading ensures sufficient liquidity to sustain these core network functions.

**b. Attracting Strategic Partnerships:** Greater token availability and transparency encourage collaboration with compute networks, robotics firms, and DeFi protocols, supporting the onboarding of tokenized AI assets and the growth of GAIB's broader ecosystem.

**4. Enhancing Community Engagement and Decentralized Governance**

The GAIB Foundation places strong emphasis on transparency, participation, and community-driven governance.

**a. Empowering Token Holders:** Admission to trading allows community members and partners to acquire $GAIB through regulated exchanges, enabling them to participate in governance via the vote-escrowed (veGAIB) mechanism.

**b. Strengthening Participation:** Increased accessibility promotes active contribution from validators, developers, and users to GAIB's governance and infrastructure networks, ensuring decentralized decision-making and inclusive ecosystem development.

In summary, the GAIB Foundation's pursuit of admission to trading for $GAIB tokens is guided by the objectives of enhancing accessibility, ensuring compliance, fostering ecosystem growth, and promoting community governance.

By listing $GAIB on regulated trading platforms, the Foundation aims to expand participation in the decentralized AI-infrastructure economy while maintaining its commitment to transparency, security, and long-term sustainability.

**E.3 Fundraising Target:** N/A

**E.4 Minimum Subscription Goals:** N/A

**E.5 Maximum Subscription Goal:** N/A

**E.6 Oversubscription Acceptance:** N/A

**E.7 Oversubscription Allocation:** N/A

**E.8 Issue Price:** N/A

**E.9 Official currency or any other crypto- assets determining the issue price:** N/A

**E.10 Subscription fee:** N/A

**E.11 Offer Price Determination Method:** N/A

**E.12 Total Number of Offered/Traded Crypto- Assets:** 1,000,000,000

**E.13 Targeted Holders:** ALL

**E.14 Holder restrictions:** There are no specific restrictions on who may hold or transfer the $GAIB token, provided that such activity complies with the applicable laws and regulations in the holder's jurisdiction. Participation is open to natural and legal persons who meet all relevant legal, regulatory, and exchange-level requirements.

The following general conditions apply to ensure regulatory compliance and market integrity:

Regulatory Compliance: Persons or entities located in jurisdictions that prohibit or restrict the acquisition or trading of crypto-assets may not participate in the purchase or holding of $GAIB.

Sanctioned and Restricted Persons: $GAIB may not be offered, sold, or transferred to individuals or organizations appearing on international sanctions lists or otherwise restricted by applicable financial regulations.

Institutional and Exchange Policies: Exchanges or regulated trading venues that list $GAIB may apply their own eligibility, KYC, and AML requirements for participants.

Governance Participation: Only verified holders who lock tokens through on-chain governance contracts (veGAIB) may exercise voting rights, subject to smart-contract and compliance conditions.

**E.16 Refund Mechanism:** N/A

**E.17 Refund Timeline:** N/A

**E.18 Offer Phases:** N/A

**E.19 Early Purchase Discount:** N/A

**E.20 Time-limited offer:** N/A

**E.21 Subscription period beginning:** N/A

**E.22 Subscription period end:** N/A

**E.23 Safeguarding Arrangements for Offered Funds/Crypto-Assets:** N/A

**E.24 Payment Methods for Crypto-Asset Purchase:** The $GAIB token will be made available through regulated exchange platforms and authorized trading venues. Purchases of $GAIB may be made using fiat currency or major cryptocurrencies, depending on the policies of the listing venue. Accepted payment methods generally include:

Fiat Currencies: U.S. Dollar (USD), Euro (EUR), or other supported national currencies

through exchange partners or fiat on-ramps compliant with AML and KYC standards.

Cryptocurrencies: Common trading pairs such as BTC, ETH, BNB, or USDT/USDC stablecoins, depending on exchange liquidity and market configuration.

**E.25 Value Transfer Methods for Reimbursement:** GAIB token holders are not entitled to be reimbursed by the issuer.

**E.26 Right of Withdrawal:** This whitepaper does not relate to a public offer of crypto-assets, but to their admission to trading. Pursuant to Article 13 (4) of MiCAR, the withdrawal period does not apply to tokens admitted to trading.

**E.27 Transfer of Purchased Crypto-Assets:** This whitepaper does not relate to a public offer of crypto-assets, but to their admission to trading.

**E.28 Transfer Time Schedule:** N/A

**E.29 Purchaser's Technical Requirements:** Purchasers of $GAIB tokens must have a blockchain wallet compatible with the token standard (e.g., ERC-20 for Ethereum-based GAIB). They should have internet access and a basic understanding of on-chain transactions to securely store and transfer tokens. Depending on the purchase venue, KYC/AML verification may be required to meet regulatory compliance standards. Purchasers must also ensure they hold sufficient network tokens (e.g., ETH) to cover transaction or gas fees when trading, staking, or interacting with GAIB smart contracts.

**E.30 Crypto-asset service provider (CASP) name:** N/A

**E.31 CASP identifier:** N/A

**E.32 Placement form:** N/A

**E.33 Trading Platforms name:** Kraken, Bitvavo B.V., Bybit EU

**E.34 Trading Platforms Market Identifier Code (MIC):** PGSL, VAVO, N/A

**E.35 Trading Platforms Access:** Trading platforms where the GAIB tokens are sought to be admitted to trading have their own web addresses where users can register to benefit from their services. In respect of EU-regulated trading platforms, prior identification of users is required according to applicable AML / CFT regulation.

**E.36 Involved costs:** The costs associated with trading $GAIB apply solely to the trading platforms on which admission to trading is sought under MiCAR.

Investors will be subject to the standard transaction fees and commissions determined by the respective MiCA-regulated trading venues where $GAIB is listed. These typically include:

**Trading fees:** A small percentage of each executed transaction, charged by the regulated exchange.

**Deposit and withdrawal fees:** Where applicable, certain venues may impose nominal charges for fiat or crypto transfers to and from the trading account.

**Custody fees:** For users who choose custodial accounts or regulated wallet providers, periodic custody or account-maintenance fees may apply as disclosed by the service provider.

GAIB Foundation and its affiliates do not impose any additional costs for trading beyond those levied by the approved trading platforms themselves. All applicable fees and charges are transparently disclosed by each venue prior to order execution.

**E.37 Offer Expenses:** N/A

**E.38 Conflicts of Interest:** There are no known conflicts of interest between GAIB, its management team, or affiliated entities that would materially affect the issuance or trading of the $GAIB token. All team members, advisors, and investors are subject to internal governance and disclosure policies designed to ensure transparency and fair treatment of all participants. Any potential future conflicts will be managed through clear disclosure and adherence to regulatory requirements.

**E.39 Applicable law:** Laws of the Republic of Panama.

**E.40 Competent court:** Courts of the Republic of Panama.

## F. Information about the Crypto-Assets

**F.1 Crypto-Asset Type:** GAIB tokens are considered as crypto-assets other than EMTs and ARTs under Regulation (EU) 2023/1114. GAIB tokens are fungible utility tokens.

**F.2 Crypto-Asset Functionality:**

The $GAIB token powers governance, network security, and capital coordination across the GAIB ecosystem. It aligns validators, users, and partners through integrated utility mechanisms.

- **Governance and Participation:** Users can lock $GAIB into ve-tokens (vote-escrowed tokens) to gain governance rights and voting power. Votes can be cast on critical decisions such as approving new real-world asset classes (e.g., GPUs, robotics, energy), deciding on new chain deployments, and adjusting protocol fee structures.
- **Network Security** & Validation: $GAIB token forms the economic security backbone of the GAIB Actively Validated Service (AVS) through staking and restaking. Staked tokens back the GAIB Validator/ Orchestration Network, securing cross-chain transactions and asset attestations (proof-of-location, proof-of-custody, proof-of-workload). Misconduct triggers automatic slashing, maintaining cryptoeconomic integrity.
- **Ecosystem Access:** Stakers gain priority access and allocations in tokenized GPU tranches, robotics vaults, and AID/sAID. Active participants and veGAIB voters may receive community and ecosystem rewards.
- **Economic Incentives/Rewards:** A portion of protocol fees funds validator rewards, treasury reserves, and ecosystem incentives. $GAIB will be distributed to encourage users to exert efforts towards contribution and participation in the ecosystem on GAIB, thereby creating a mutually beneficial system where active participants are fairly compensated for their efforts. $GAIB is an integral and indispensable part of GAIB, because without $GAIB, there would be no incentive for users to expend resources to participate in activities or provide services for the benefit of the ecosystem. Given that additional $GAIB will be awarded to a user based only on its actual usage, activity and efforts made on GAIB and/or proportionate to the frequency and volume of transactions, users of GAIB and/or holders of $GAIB which did not actively participate will not receive any $GAIB incentives.

**F.3 Planned Application of Functionalities:**

After the token is listed on exchanges.

**F.4 Type of white paper:** OTHR

**F.5 The type of submission:** NEWT

## F.6 Crypto-Asset Characteristics:

### 1. General Overview

The $GAIB token is the native crypto-asset of the GAIB ecosystem, which establishes the *Economic Layer for AI Infrastructure*. It functions as a governance, coordination, and security token within a modular framework that connects decentralized liquidity with verifiable real-world assets such as GPU compute, robotics, and data-center infrastructure.

The token is issued as a fungible ERC-20-compatible asset and operates primarily on GAIB L2, an Ethereum-compatible Layer-2 roll-up built using the OP Stack. The architecture supports cross-chain interoperability with major ecosystems including Ethereum, Base, and Optimism.

### 2. Functional Characteristics

The $GAIB token performs multiple interrelated roles within the GAIB protocol:

- Governance and Participation
  Holders may lock their tokens into vote-escrowed form (*veGAIB*) to gain governance rights and voting power. These votes determine protocol decisions such as the approval of new real-world asset classes (e.g., GPUs, robotics, energy), network upgrades, and fee-parameter adjustments.

- Network Security and Validation
  $GAIB is staked by validators within the GAIB Actively Validated Service (AVS), which secures the on-chain attestation of real-world infrastructure data. Validators restake $GAIB or ETH-derived assets to confirm asset states, cross-chain transactions, and proof-of-workload attestations. Misconduct results in automatic slashing of the validator's stake, ensuring economic integrity.

- Ecosystem Access and Incentives
  Active participants who stake or restake $GAIB may receive access to infrastructure vaults, community programs, and network-based rewards funded from protocol fees. These incentives encourage long-term alignment between capital providers, infrastructure operators, and the GAIB network.

- Economic Coordination
  A portion of transaction and service fees collected across the protocol contributes to validator rewards, treasury reserves, and ecosystem development. $GAIB thus serves as the primary accounting unit for internal economic alignment across the modular layers of the protocol.

### 3. Technical Specifications

- Token Type: Utility and governance token

- Standard: ERC-20

- Blockchain Environment: Ethereum mainnet & GAIB L2
- Total Supply: 1,000,000,000 tokens (fixed cap)
- Smart-Contract Transparency: All issuance and vesting are managed through publicly auditable smart contracts.
- Cross-Chain Functionality: Tokens are interoperable across supported EVM chains via standardized bridges validated by the GAIB Validation Network.

## 4. Economic Characteristics

The $GAIB token has no algorithmic issuance or burn mechanism and does not represent equity, debt, or a claim on profits of GAIB. It derives utility exclusively from its use within the protocol and governance framework. Value realization occurs through active participation, staking, validation, or governance voting, rather than from passive holding or speculative guarantees.

| Attribute | Description |
|---|---|
| Purpose | Governance, validation, coordination of AI infrastructure finance |
| Supply Limit | 1 billion tokens (fixed) |
| Yield Mechanism | None guaranteed; validator rewards tied to work performed |
| Transferability | Fully transferable across compatible EVM networks |
| Underlying Value | Utility within GAIB protocol; not asset-backed |
| Rights Granted | Governance participation and protocol access only |

## 5. Governance and Control

Governance is executed through veGAIB, the vote-escrowed form of the token. Holders lock $GAIB for a defined period to obtain voting power, with longer lock durations resulting in greater weight. All proposals, quorum thresholds, and treasury actions are processed transparently via on-chain smart contracts and time-locked upgrades. No

centralized party can unilaterally alter token balances or protocol parameters without governance consensus.

### 6. Technology and Interoperability

The token is used within the GAIB modular architecture, interacting seamlessly with the following layers:

- Validation Layer – verifies off-chain data and asset attestations secured through restaking mechanisms;
- Financialization Layer – manages verified performance reflection and capital coordination;
- Liquidity Layer – enables listing and trading across decentralized exchanges and lending protocols.

This composability ensures that $GAIB can function as the coordination and settlement asset across all protocol activities, while maintaining compatibility with the broader DeFi ecosystem.

### 7. Rights and Obligations Summary

- $GAIB holders possess no ownership or profit-sharing rights in GAIB or any affiliated entity.
- Governance rights are limited to protocol-level decisions as defined in the smart-contract governance framework.
- Tokens are freely transferable but subject to market conditions; no redemption or guaranteed return mechanism exists.
- Participation in validation or staking carries both reward and slashing risks depending on validator performance and integrity.

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

**F.8 Website of the issuer:** https://gaib.ai/

**F.9 Starting date of offer to the public or admission to trading:** 2025-11-18

**F.10 Publication date:** 2025-11-18

**F.11 Any other services provided by the issuer:**

N/A

**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:** N/A

**F.14 Functionally Fungible Group Digital Token Identifier, where available:** N/A

**F.15 Voluntary data flag:** false

**F.16 Personal data flag:** false

**F.17 LEI eligibility:** true

**F.18 Home Member State:** NL

**F.19 Host Member States:** AT, BE, BG, HR, CY, CZ, DK, EE, FI, FR, DE, EL, HU, IE, IS, IT, LI, LV, LT, LU, MT, NO, PL, PT, RO, SK, SI, ES, SE

## G. Information on the rights and obligations attached to the crypto-assets

**G.1 Purchaser Rights and Obligations:** Purchasers of $GAIB tokens hold governance and participation rights within the GAIB ecosystem but no ownership, profit-sharing, or equity rights in GAIB or its affiliates. Token holders may: Participate in on-chain governance by locking tokens into vote-escrowed contracts (veGAIB). Stake tokens to support network validation and security. Access eligible ecosystem features and community programs. Holders are responsible for maintaining control of their wallets and private keys, ensuring compliance with applicable laws, and bearing any risks associated with market volatility or technical issues.

**G.2 Exercise of Rights and obligations:** Governance and staking rights are exercised on-chain through smart contracts deployed on GAIB L2 and other supported networks. Governance participation requires locking $GAIB into a vote-escrow (veGAIB) contract for a defined period to obtain voting power. Staking and validator participation occur via verified protocol contracts and require adherence to the validator rules, including potential slashing for misconduct. All actions are executed transparently on-chain, and results are verifiable through public blockchain explorers.

**G.3 Conditions for modifications of rights and obligations:** Rights and obligations related to the $GAIB token may be modified only through governance-approved proposals executed via smart contracts. Any modification requires approval by a qualified majority of veGAIB holders, followed by on-chain implementation through time-locked governance mechanisms. No central authority or team member can unilaterally alter tokenholder rights, economic parameters, or distribution rules.

**G.4 Future Public Offers:** GAIB currently focuses on the admission to trading of its existing token supply to expand market accessibility and liquidity. There are no immediate plans for additional public offerings or new token issuances beyond the existing fixed supply of 1,000,000,000 $GAIB tokens. Any future public offer or strategic allocation would be subject to governance approval, regulatory compliance, and full public disclosure in accordance with applicable laws and MiCA requirements.

**G.5 Issuer Retained Crypto-Assets:** 520,000,000

**G.6 Utility Token Classification:** true

**G.7 Key Features of Goods/Services of Utility Tokens:** The $GAIB token is a utility and governance token within the GAIB protocol, enabling participants to interact with and coordinate activities across the GAIB ecosystem.

Its key functions include:

Governance: Voting on protocol parameters and proposals through the veGAIB mechanism.

Network Operations: Staking and validation within the GAIB Actively Validated Service (AVS) to support network security.

Ecosystem Access: Using $GAIB to access protocol-level services, validator programs, and community initiatives.

**G.8 Utility Tokens Redemption:** $GAIB tokens can be used directly within the GAIB protocol through on-chain smart contracts deployed on GAIB L2 and supported EVM networks. Holders may use $GAIB to participate in governance, staking, and ecosystem activities via official GAIB interfaces or partner platforms. No off-chain redemption or conversion into fiat goods or services is provided.

**G.9 Non-Trading request:** true

**G.10 Crypto-Assets purchase or sale modalities:** N/A

**G.11 Crypto-Assets Transfer Restrictions:**

There are no specific contractual or technical restrictions on the transfer of $GAIB tokens. Holders may freely transfer, trade, or use their tokens across supported EVM-compatible networks, including GAIB L2, Ethereum, and other interoperable chains.

However, transfers remain subject to:

- Applicable Laws and Regulations: Holders must comply with local legal requirements regarding crypto-asset ownership and transfer.
- Sanctions and AML Policies: Transfers to or from addresses linked to sanctioned or restricted entities are prohibited.
- Exchange Rules: Centralized or regulated trading venues may impose their own withdrawal or transfer conditions in line with KYC/AML obligations.

Apart from these standard compliance measures, $GAIB tokens are fully transferable on-chain without lock-up periods or protocol-imposed restrictions.

**G.12 Supply Adjustment Protocols:** true

**G.13 Supply Adjustment Mechanisms:** N/A

**G.14 Token Value Protection Schemes:** false

**G.15 Token Value Protection Schemes Description:** N/A

**G.16 Compensation Schemes:** false

**G.17 Compensation Schemes Description:** N/A

**G.18 Applicable law:** The laws of Republic of Panama.

**G.19 Competent court:** Courts of the Republic of Panama

## H. Information on the Underlying Technology

### H.1 Distributed ledger technology:

The $GAIB token operates on Ethereum-compatible distributed ledger technology, primarily utilizing GAIB Layer-2 (GAIB L2), an Optimistic Roll-up built with the OP Stack. This environment inherits Ethereum's security guarantees while offering faster transaction finality and lower costs. GAIB L2 is fully interoperable with major EVM networks, including Ethereum mainnet, Base, Optimism, and BNB Chain.

### H.2 Protocols and technical standards:

$GAIB follows established Ethereum Virtual Machine (EVM) standards:

- ERC-20 / Omnichain Fungible Token (OFT) for token issuance and cross-chain transfers.
- OP Stack framework for Layer-2 execution and settlement.
- LayerZero / IBC-style messaging for cross-chain synchronization.
  All smart contracts are deployed using open-source, auditable code and adhere to industry standards for security, composability, and interoperability.

### H.3 Technology Used:

Holders store and transfer $GAIB through standard blockchain wallets that support ERC-20 tokens, such as MetaMask, Rabby, Trust Wallet, or hardware wallets like Ledger and Trezor. Tokens can be managed via centralized exchanges, decentralized exchanges (DEXs), or GAIB's official web interfaces. Transfers and storage rely entirely on blockchain cryptography, users retain control of their private keys, and the issuer does not provide custodial services.

### H.4 Consensus Mechanism:

GAIB L2 inherits security from Ethereum's Proof-of-Stake (PoS) consensus.
Transactions are sequenced and aggregated by GAIB L2 operators, then submitted to Ethereum for final settlement and fraud-proof validation.
This model combines high throughput with Ethereum-level security, ensuring that on-chain data, validator attestations, and token transactions remain tamper-resistant and verifiable.

### H.5 Incentive Mechanisms and Applicable Fees:

- Validator Incentives: Participants staking $GAIB within the GAIB Actively Validated Service (AVS) earn rewards for providing accurate validations and attestations. Misconduct leads to automatic slashing of staked tokens.

- Network Fees: Users pay small transaction (gas) fees in ETH or the applicable native gas token on GAIB L2 when transferring tokens or interacting with smart contracts.
- Ecosystem Rewards: A portion of protocol fees funds validator rewards, liquidity incentives, and community programs that encourage long-term participation.

**H.6 Use of Distributed Ledger Technology:** false

**H.7 DLT Functionality Description:** N/A

**H.8 Audit:** true

**H.9 Audit outcome:**

Pass. https://docs.gaib.ai/audits

# I. Information on Risks

**I.1 Offer-Related Risks:** Great AI Foundation (Panama), the issuer of $GAIB tokens, is subject to several risks that could impact the stability and reliability of $GAIB tokens.

**1) Regulatory Compliance Risks:**
The GAIB Foundation and its affiliated entities must comply with applicable financial, AML/CFT, and data-protection regulations across multiple jurisdictions. Non-compliance may lead to sanctions or trading restrictions. Operating as a Panama foundation with cross-border activities increases regulatory complexity and requires ongoing legal adaptation.

**2) Operational Risks:**
These risks relate to the issuer's internal processes, personnel, and technologies that support the GAIB ecosystem. Failures in these areas may cause service disruptions, financial losses, or reputational damage. This includes operational errors in governance administration, treasury management, or smart-contract deployment. The issuer continually evaluates potential operational improvements, such as enhanced reporting and audit procedures, to strengthen oversight. Any significant process changes or upgrades will be communicated to the community and implemented according to an established governance timeline.

**3) Financial Risks:**
The issuer and its affiliates are exposed to liquidity, market, and funding risks that may affect operational stability and the long-term sustainability of the GAIB ecosystem. Although GAIB has secured early-stage funding through private rounds, fluctuations in digital-asset markets, increased operational costs, or adverse market conditions could affect the issuer's ability to maintain ongoing activities, fund development, or meet ecosystem obligations.

**4) Legal Risks:**
Legal uncertainties, potential litigation, or adverse judicial rulings in relevant jurisdictions may present material risks to the issuer. Evolving global regulations concerning crypto-assets, decentralized governance, and tokenized infrastructure could affect the legal status, usability, or transferability of $GAIB. In addition, as a Panama foundation with affiliated entities operating internationally, there is a risk that enforcement or recognition of legal rights may vary between jurisdictions.

**5) Reputational Risks:**
Negative publicity—arising from operational failures, technical vulnerabilities, regulatory scrutiny, or association with third parties involved in illicit activities—could harm the issuer's reputation and, by extension, the acceptance and market value of $GAIB. Maintaining trust in the GAIB brand is critical for user adoption and ecosystem growth, and reputational damage could significantly limit future partnerships and participation.

**6) Dependency on Key Individuals and Conflicts of Interest:**
The success of the GAIB project depends heavily on the expertise and leadership of its founding and management teams. The departure or reduced involvement of key individuals could lead to disruptions, delayed milestones, or reduced strategic cohesion. Furthermore, conflicts of interest could arise if the issuer's or affiliates' commercial interests diverge from those of $GAIB token holders. Such misalignment may result in decisions that are not in the best interests of the token holders, adversely affecting the project's credibility and the value of $GAIB.

**7) Counterparty Risks:**
Risks associated with the issuer's partners, service providers, and collaborators—including compute and data-center partners, underwriters, validators, or liquidity providers—may lead to non-fulfilment of contractual obligations. Failures, insolvency, or changes in these counterparties' business conditions could impact operations, delay network deployments, or reduce the overall functionality and resilience of the GAIB ecosystem.

**I.2 Issuer-Related Risks:** N/A

**I.3 Crypto-Assets-related Risks:** The following risks are associated with the $GAIB token:

**1) Technology Management Risks:**
Inadequate management of technological updates or failure to keep pace with technological advancements may render $GAIB, or the GAIB protocol it is connected to, obsolete or vulnerable to security risks. If the protocol's smart contracts, Layer 2 integrations, or validator infrastructure are not maintained and upgraded in line with evolving standards, vulnerabilities could arise that may compromise security, functionality, or user confidence in $GAIB.

**2) Network Risks (Ethereum and GAIB L2):**
$GAIB tokens are transacted across Ethereum and GAIB's Layer 2 network (GAIB L2) via the LayerZero Omnichain Fungible Token (OFT) standard. Similar to other blockchain networks, these systems may be subject to technical vulnerabilities, consensus attacks (e.g., 51% attacks), or network forks that could disrupt transaction processing or alter historical transaction data. Congestion, downtime, or validator malfunctions on these networks may delay settlement, increase gas fees, or temporarily restrict access to $GAIB.

**3) Smart Contract Risks:**
$GAIB tokens operate in conjunction with various smart contracts, including those governing governance (veGAIB), staking, validator restaking, and cross-chain bridging. Smart contracts are inherently susceptible to bugs, logic errors, and zero-day vulnerabilities that may be exploited by malicious actors. Such exploits could lead to partial or total loss of tokens, disruption of core functions, or unauthorized transfers.

While audits are performed on all major contracts, residual risk remains due to the evolving nature of blockchain technology.

**4) Loss of Access to $GAIB Tokens:**
Access to $GAIB depends entirely on secure management of private keys. Loss, theft, or compromise of private keys or seed phrases may result in the permanent loss of $GAIB tokens, with no recovery mechanism. Holders are solely responsible for safeguarding their access credentials. To mitigate such risks, users should utilize reputable, well-audited wallets, implement multi-factor authentication or hardware-based key storage, and consider using regulated custody services where available.

**I.4 Project Implementation-Related Risks:** The success of new blockchain-based platforms and ecosystems depends heavily on the sustained engagement of participants. There can be no assurance or guarantee that there will be sufficient interest or participation in the GAIB protocol or in the use of $GAIB tokens. It is possible that the GAIB ecosystem, including its products such as AID, sAID, and governance (veGAIB), will not be widely used by data-center operators, institutional partners, DeFi users, or retail participants. Likewise, there may be limited public or enterprise interest in AI infrastructure tokenization, restaking, or decentralized compute financing more generally.

Such a lack of adoption or engagement could negatively impact the growth and long-term viability of the GAIB protocol, and consequently, the potential utility and value of $GAIB.

Other projects may share a similar vision or strategy to GAIB. Many of these competing protocols may be profit-oriented, significantly larger, and possess substantially greater financial, technical, or marketing resources than the Great AI Foundation or its affiliates. These competitors may attract more institutional partners, liquidity, or developers, which could limit GAIB's market share and reduce the demand for $GAIB tokens.

It is also possible that alternative networks could emerge that adopt similar tokenization or AI-asset financing frameworks and attempt to offer services comparable to those of the GAIB protocol. The existence of such alternative ecosystems could intensify competition, divert users and partners, and consequently hinder the adoption and utilization of GAIB products and services.

As a result of these implementation risks, the GAIB ecosystem could fail to achieve sustainable usage, and $GAIB tokens may lose part or all of their intended utility within the protocol.

In addition, the GAIB protocol faces security vulnerabilities inherent to smart-contract-based systems. Despite employing advanced cryptographic standards, third-party audits, and continuous monitoring, potential flaws in the implementation of smart contracts, bridges, or validator logic could expose the GAIB protocol to exploits or

hacks. In the event of such a security incident, holders may lose all or part of their $GAIB tokens or experience interruptions in access to protocol functions.

**I.5 Technology-Related Risks:** The following technology-related risks have been identified:

**1) Risk Related to Private Keys:**
The security of $GAIB depends entirely on private key management, which is essential for accessing and controlling tokens (e.g., initiating on-chain transactions). Inadequate management practices, loss, theft, or compromise of private keys or recovery credentials can result in the permanent loss of access to $GAIB tokens. The issuer cannot recover lost tokens or credentials, and users bear full responsibility for safeguarding their private keys through secure wallet and custody solutions.

**2) Cybersecurity Risks:**
The Ethereum network and GAIB's Layer 2 infrastructure (GAIB L2) may be exposed to various forms of cyber-attacks. These include 51% attacks, where a malicious entity gains majority control of network consensus; Sybil attacks, where an attacker creates multiple fake validator identities to disrupt consensus; and Distributed Denial-of-Service (DDoS) attacks, which flood nodes or sequencers with excessive traffic, making the network slow or unavailable to legitimate users. Such incidents could interrupt network operations, affect transaction settlement, and undermine data integrity, potentially influencing the security and reliability of $GAIB.

**3) Scalability Risks:**
As the number of users, validators, and transactions grows, Ethereum and GAIB L2 may encounter scalability challenges. High network activity may increase transaction fees (gas costs) and reduce throughput, resulting in slower transaction processing times. This may affect the user experience and increase the cost of interacting with GAIB's governance, staking, and tokenization contracts.

**4) Reliance on Underlying Technology:**
Blockchain operations depend on foundational infrastructure, including hardware (e.g., validator servers, sequencer nodes) and network connectivity (e.g., internet or cross-chain bridges). These systems may be subject to outages, maintenance failures, or coordinated attacks. A significant failure in these foundational layers could disrupt transaction processing, block validation, or cross-chain communication, thereby impacting token usability.

**5) Settlement and Transaction Finality:**
Blockchain transaction finality is probabilistic, meaning there is no absolute guarantee that a transaction cannot be reversed until a sufficient number of blocks have been confirmed. Network forks, consensus errors, or reorganizations ("reorgs") could result in temporary coexistence of multiple ledger states. Transactions sent to incorrect or invalid addresses cannot be reversed or retrieved, leading to permanent loss of $GAIB tokens.

**6) Economic Self-Sufficiency and Operational Parameters:**
For GAIB's protocol to remain secure and economically sustainable, it must maintain a sufficient level of validator activity, transaction volume, and staking participation. If network activity or liquidity fails to reach sustainable levels, the protocol may require adjustments to parameters such as transaction fees, validator rewards, or governance rules. Such changes could introduce uncertainty for participants and affect long-term network performance.

**7) Consensus Failures or Forks:**
Faults or disputes in the consensus mechanism—whether on Ethereum, GAIB L2, or connected restaking layers (e.g., EigenLayer, Symbiotic)—could result in forks or temporary halts. Multiple versions of the ledger may emerge, destabilizing the network and eroding user confidence. In extreme cases, consensus failure could temporarily or permanently impair the utility or transferability of $GAIB tokens.

**8) Protocol Vulnerabilities:**
Even with extensive testing and audits, there is always a possibility of undiscovered bugs or vulnerabilities within blockchain or smart-contract code. Exploitation of such vulnerabilities could disrupt network operations, manipulate token balances, or compromise validator or staking systems. Bugs or misconfigurations in GAIB's smart contracts—including governance (veGAIB), staking, restaking, or bridging mechanisms—could result in unintended outcomes, unauthorized access, or permanent loss of user assets.

**9) Technological Disruption Risks:**
Rapid advances in computing or cryptography could render current blockchain systems insecure or obsolete. For example, quantum computing may pose a threat to existing cryptographic algorithms used to secure wallets, digital signatures, and transaction histories. If cryptographic standards are compromised, it could lead to theft or loss of $GAIB tokens or damage the integrity of blockchain data.

**10) Governance Risks:**
Governance within blockchain systems—such as GAIB's vote-escrow (veGAIB) model—involves collective decision-making on network upgrades, parameters, and proposals. Ineffective governance processes could lead to poor decision-making, delayed responses to protocol issues, or concentration of influence by a small group of stakeholders. This centralization risk may result in decisions that do not reflect the interests of the wider community and could reduce trust in the ecosystem or impair the utility of $GAIB.

**11) Privacy Risks:**
The inherent transparency and immutability of blockchain technology may create privacy concerns. All $GAIB transactions are publicly recorded on-chain, making them

potentially traceable to specific wallet addresses. Sophisticated analysis tools may link transactions to identifiable individuals, exposing users to targeted phishing attacks, fraud, or other malicious activity.

**12) Data Corruption Risks:**
Corruption or tampering of blockchain data—whether caused by software bugs, configuration errors, or malicious interference—can undermine system reliability and accuracy. Data corruption affecting validator states, token ledgers, or attestation records could result in transaction errors, misallocations, or the loss of part or all of a user's $GAIB tokens.

**13) Third-Party Risks:**
The use of third-party exchanges, custodians, and wallet providers introduces additional operational and regulatory risks. Such platforms may suffer from security breaches, mismanagement, insolvency, or jurisdictional restrictions, potentially resulting in partial or total loss of $GAIB tokens held on those platforms. Holders should carefully review the terms, conditions, and security standards of any third-party service before engaging.

**I.6 Mitigation measures: Bug Bounty Program:**
GAIB's bug bounty initiative encourages ongoing protocol refinement by rewarding ethical hackers and security researchers who identify and responsibly disclose vulnerabilities within the GAIB ecosystem. The program incentivizes experts to uncover potential weaknesses in GAIB's smart contracts, cross-chain bridges, validator infrastructure, and governance mechanisms. Participants who successfully report verified vulnerabilities receive financial rewards based on severity, thereby fostering a proactive, community-driven security culture and continuous improvement of the protocol's technical robustness.

**Comprehensive Security Audits:**
GAIB conducts rigorous security audits for all core smart-contract systems—including governance (veGAIB), staking and restaking modules, cross-chain messaging, and validator orchestration—prior to deployment. These audits are performed by reputable third-party cybersecurity firms with proven expertise in blockchain and smart-contract analysis. The audit process includes code review, penetration testing, and vulnerability assessments, providing an additional layer of assurance regarding the security and reliability of the GAIB ecosystem.

**Restaking and Shared-Security Mechanisms:**
GAIB's Validation Network integrates with EigenLayer and Symbiotic restaking frameworks to inherit shared economic security from large, established validator pools. Validators are subject to cryptoeconomic penalties (slashing) for dishonest or malicious behavior, ensuring integrity in asset validation and cross-chain attestations.

**Cross-Chain Safety Measures:**
The protocol employs standardized, audited bridging frameworks (LayerZero OFT) with

built-in fraud-proof mechanisms, on-chain attestations, and emergency pause functions to mitigate risks associated with interoperability failures or malicious relays.

**Emergency Governance Controls:**
GAIB implements time-locked governance, multi-signature administrative approvals, and protocol-level "pause" functions to contain incidents if vulnerabilities are detected. This allows coordinated community response and remediation without jeopardizing the system's transparency or decentralization.

Through these combined measures—preventive auditing, incentivized vulnerability discovery, shared-security restaking, and controlled emergency mechanisms—GAIB aims to maintain high standards of security, transparency, and operational resilience across all network layers.

## J. Information on the sustainability indicators in relation to adverse impact on the climate and other environment-related adverse impacts

**S.1 Name:** Great AI Foundation

**S.2 Relevant legal entity identifier:** N/A

**S.3 Name of the crypto-asset:** GAIB

**S.4 Consensus Mechanism:**

GAIB L2 inherits security from Ethereum's Proof-of-Stake (PoS) consensus. Transactions are sequenced and aggregated by GAIB L2 operators, then submitted to Ethereum for final settlement and fraud-proof validation.
This model combines high throughput with Ethereum-level security, ensuring that on-chain data, validator attestations, and token transactions remain tamper-resistant and verifiable.

**S.5 Incentive Mechanisms and Applicable Fees:**

- Validator Incentives: Participants staking $GAIB within the GAIB Actively Validated Service (AVS) earn rewards for providing accurate validations and attestations. Misconduct leads to automatic slashing of staked tokens.
- Network Fees: Users pay small transaction (gas) fees in ETH or the applicable native gas token on GAIB L2 when transferring tokens or interacting with smart contracts.
- Ecosystem Rewards: A portion of protocol fees funds validator rewards, liquidity incentives, and community programs that encourage long-term participation.

**S.6 Beginning of the period to which the disclosure relates:** 2025-10-18

**S.7 End of the period to which the disclosure relates:** 2025-10-18

**S.8 Energy consumption:** 2,000 kWh/year

**S.9 Energy consumption sources and methodologies: Transaction energy benchmark**
Following Ethereum's transition to proof-of-stake (The Merge), independent research and Ethereum Foundation documentation estimate the average energy consumption per transaction at approximately 0.03 kWh.

**Transaction activity assumption**
For disclosure purposes, we assume an annual transaction volume of approximately 46,000 interactions (including issuance, redemption, transfers, and smart contract executions).

### Calculation
46,000 transactions × 0.03 kWh/transaction = 1,380 kWh/year

### Conservative disclosure
To allow for potential growth in transaction activity and to align with regulatory disclosure principles, we apply a conservative margin. The final disclosed figure is < 2,000 kWh/year.