Coq Inu (COQ)
White paper

In accordance with Title II of Regulation (EU) 2023/1114 (MiCA)

N	Field	Content
0	Table of content	

01	Date of notification	2025-07-14
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 operator of the trading platform of the crypto-asset is solely responsible for the content of this crypto-asset white paper.
03	Compliance statement in accordance with Article 6(6) of Regulation (EU) 2023/1114	This crypto-asset white paper complies with Title II of Regulation (EU) 2023/1114 and, to the best of the knowledge of the management body, the information presented in the crypto-asset white paper is fair, clear and not misleading and the crypto-asset white paper makes no omission likely to affect its import.
04	Statement in accordance with Article 6(5), points (a), (b), (c) of Regulation (EU) 2023/1114	The crypto-asset referred to in this white paper may lose its value in part or in full, may not always be transferable and may not be liquid.
05	Statement in accordance with Article 6(5), point (d) of Regulation (EU) 2023/1114	false
06	Statement in accordance with Article 6(5), points (e) and (f) of Regulation (EU) 2023/1114	The crypto-asset referred to in this white paper is not covered by the investor compensation schemes under Directive 97/9/EC of the European Parliament and of the Council. 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 in accordance with Article 6(7), second subparagraph of Regulation (EU) 2023/1114	**Warning** This summary should be read as an introduction to the crypto-asset white paper. The prospective holder should base any decision to purchase this crypto-asset on the content of the crypto-asset white paper as a whole and not on the summary alone. The admission to trading 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	Coq Inu (COQ) is a community-founded meme coin on the Avalanche C-Chain (EVM). It has a fixed total supply of 69,420,000,000,000 COQ and operates as a standard Avalanche ERC-20 token. The project was launched 7 December 2023 by anonymous Avalanche community members with no presale, no team allocation, and no token taxes, ensuring an open, fair launch. All liquidity was initially supplied by the community and the liquidity pool tokens were burned, and the contract ownership was renounced, meaning no central authority can alter the token contract.
09	Information about the quality and quantity of goods or services to which the utility tokens give access and restrictions on the transferability	N/A
10	Key information about the offer to the public or admission to trading	Kraken seeks admission to trading of the COQ token so as to be compliant with MiCA and in keeping with its mission to make available for trading to its clients a wide range of assets.
Part I – Information on risks		

I.1	Offer-Related Risks	**General Risk Factors Associated with Crypto-Asset Offerings** The admission to trading of crypto-assets, including COQ, is subject to general risks inherent to the broader cryptocurrency market. **Market Volatility** The value of COQ may experience substantial fluctuations driven by investor sentiment, macroeconomic developments, and market conditions. **Regulatory Risks** Changes in legislation, applicable laws, compliance requirements or the implementation of new regulatory frameworks could affect the availability, trading, or use of such assets. **Security Risks** The risk of exploitation, hacking or security vulnerabilities of the underlying protocol and/or contracts of the token leading to a loss. **Reputational Risks** The potential for damage to an organization's credibility or public trust, which can negatively impact stakeholder confidence and overall business viability**.**
I.2	Issuer-Related Risks	**Absence of an incorporated issuer** Coq Inu was launched by anonymous community members; no company or legal entity is responsible for COQ, limiting recourse in the event of disputes or insolvency. The project describes itself as a "#1 meme coin on AVAX" with "no distribution to founders" and a contract that is "fully renounced and liquidity burned," underscoring that there is no central issuer or controlling organisation **No ongoing obligations or treasury** With zero team allocation and no formal treasury wallet, there is no contractual duty to fund development, marketing, customer support, or security efforts; any future work depends entirely on voluntary community action
I.3	Crypto-Assets-related Risks	**Market Volatility** The crypto-asset market is subject to significant price volatility, which may affect the value of COQ. Prices can fluctuate rapidly and unpredictably due to various factors, including market sentiment, economic indicators, technological developments, regulatory news, and macroeconomic trends. This high level of volatility may lead to sudden gains or losses and can impact the liquidity and tradability of the crypto-asset. **Liquidity** Liquidity refers to the ability to buy or sell a crypto-asset without causing significant price impact. COQ may experience periods of low liquidity, meaning that it could be difficult to enter or exit positions at desired prices or volumes.

		Reduced liquidity may result from limited market participation, exchange restrictions, or broader market conditions. This can lead to increased price volatility, slippage, and difficulty in executing transactions. **Cybersecurity & Technology Risks** Risks arising from vulnerabilities in the blockchain technology used by the project or platforms. Example risks include smart contract exploits, compromise of platforms, forking scenarios, compromise of cryptographic algorithms. **Adoption Risks** If the project fails to achieve its goals, adoption and usage may be lower than expected. This could reduce the token's utility and overall value proposition. **Custody & Ownership Risk** The risk related to the inadequate safekeeping and control of crypto-assets e.g. loss of private keys, custodian insolvency leading to a loss.
I.4	Project Implementation-Related Risks	**Sustainability of community initiatives** Ecosystem projects (CoqCards NFTs, CoqBook betting, CoqNet subnet, etc.) are independently run; lack of funding or coordination could cause them to fail, eroding token visibility and use.
I.5	Technology-Related Risks	**Smart contract risks** COQ uses smart contracts to facilitate automated transactions and processes. While these contracts enhance efficiency and decentralization, they also introduce specific technical risks. Vulnerabilities such as coding errors, design flaws, or security loopholes within the smart contract code may be exploited by malicious actors. Such exploits could result in the loss of assets, unauthorized access to sensitive information, or unintended and irreversible execution of transactions. **Blockchain Network Risks** COQ operates on a public blockchain infrastructure, which is maintained by a decentralized network of participants. The functionality and reliability of the crypto-asset are dependent on the performance and security of the underlying blockchain. Risks may include network congestion, high transaction fees, delayed processing times, or, in extreme cases, outages and disruptions. Additionally, vulnerabilities or failures in the consensus mechanism, attacks on the network (e.g., 51% attacks), or protocol-level bugs could impact the operation and availability of COQ. **Risk of Cryptographic Vulnerabilities** Technological advancements, such as quantum computing, could pose potential risks to cryptocurrencies.

		Privacy Transactions involving COQ are recorded on a public blockchain, where transaction data is transparent and permanently accessible. While public addresses do not directly reveal personal identities, transaction histories can be analyzed and, in some cases, linked to individuals through data aggregation or external information sources. This transparency may pose privacy concerns for users seeking confidentiality in their financial activity. Transaction data on public blockchains is not inherently private and could be subject to scrutiny by third parties, including regulators, analytics firms, or malicious actors.
I.6	Mitigation measures	**Immutable contract & renounced ownership** The deployer renounced the COQ smart-contract ownership at launch, so no account can pause, mint, or upgrade the token, eliminating key-holder abuse risk. **Immutable contract & renounced ownership** The deployer renounced the COQ smart-contract ownership at launch, so no account can pause, mint, or upgrade the token, eliminating key-holder abuse risk
Part A - Information about the offeror or the person seeking admission to trading		
A.1	Name	N/A
A.2	Legal form	N/A
A.3	Registered address	N/A
A.4	Head office	N/A
A.5	Registration Date	N/A
A.6	Legal entity identifier	N/A

A.7	Another identifier required pursuant to applicable national law	N/A
A.8	Contact telephone number	N/A
A.9	E-mail address	N/A
A.10	Response Time (Days)	N/A
A.11	Parent Company	N/A
A.12	Members of the Management body	N/A
A.13	Business Activity	N/A
A.14	Parent Company Business Activity	N/A
A.15	Newly Established	N/A
A.16	Financial condition for the past three years	N/A
A.17	Financial condition since registration	N/A

Part B - Information about the issuer, if different from the offeror or person seeking admission to trading		
B.1	Issuer different from offeror or person seeking admission to trading	true
B.2	Name	Not available
B.3	Legal form	Not available
B.4	Registered address	Not available
B.5	Head office	Not available
B.6	Registration Date	Not available
B.7	Legal entity identifier	Not available
B.8	Another identifier required pursuant to applicable national law	Not available
B.9	Parent Company	Not available
B.10	Members of the Management body	Not available
B.11	Business Activity	Not available

B.12	Parent Company Business Activity	Not available
Part C- Information about the operator of the trading platform in cases where it draws up the crypto-asset white paper and information about other persons drawing the crypto-asset white paper pursuant to Article 6(1), second subparagraph, of Regulation (EU) 2023/1114		
C.1	Name	Payward Global Solutions LTD
C.2	Legal form	N/A
C.3	Registered address	N/A
C.4	Head office	N/A
C.5	Registration Date	2023-07-11
C.6	Legal entity identifier of the operator of the trading platform	9845003D98SCC2851458
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	Kraken seeks admission to trading of the COQ token so as to be compliant with MiCA and in keeping with its mission to make available for trading to its clients a wide range of assets.

<table>
<tr><td>C.10</td><td>Members of the Management body</td><td>
<table>
<tr><th>Full Name</th><th>Business Address</th><th>Function</th></tr>
<tr><td>Shannon Kurtas</td><td>70 Sir John Rogerson's Quay, Dublin 2, Ireland</td><td>Board Member</td></tr>
<tr><td>Andrew Mulvenny</td><td>70 Sir John Rogerson's Quay, Dublin 2, Ireland</td><td>Board Member</td></tr>
<tr><td>Shane O'Brien</td><td>70 Sir John Rogerson's Quay, Dublin 2, Ireland</td><td>Board Member</td></tr>
<tr><td>Laura Walsh</td><td>70 Sir John Rogerson's Quay, Dublin 2, Ireland</td><td>Board Member</td></tr>
<tr><td>Michael Walsh</td><td>70 Sir John Rogerson's Quay, Dublin 2, Ireland</td><td>Board Member</td></tr>
</table>
</td></tr>
<tr><td>C.11</td><td>Operator Business Activity</td><td>PGSL is the operator of a Trading Platform for Crypto Assets, in accordance with Article 3(1)(18) of Regulation (EU) 2023/1114 (MiCA).</td></tr>
<tr><td>C.12</td><td>Parent Company Business Activity</td><td>Payward, Inc., a Delaware, USA corporation, is the parent company of a worldwide group of subsidiaries (the following paragraphs use the term "Payward" or “Payward Group” to refer to the group) collectively doing business as “Kraken.” Payward’s primary business is the operation of an online virtual asset platform that enables clients to buy and sell virtual assets on a spot basis, including the transfer of crypto-assets to and from external wallets.

Payward, through its various affiliates, offers a number of other services and products, including:</td></tr>
</table>

		* A trading platform for futures contracts on virtual assets (“Kraken Derivatives”); * A platform for buying and selling NFTs; * An over-the-counter (“OTC”) desk; * Extensions of margin to support spot trading of virtual assets; * A benchmark administrator; and * Staking services.
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
Part D- Information about the crypto-asset project		
D.1	Crypto-asset project name	Coq Inu
D.2	Crypto-assets name	N/A
D.3	Abbreviation	N/A
D.4	Crypto-asset project description	Coq Inu (COQ) is a meme coin issued as an ERC-20 token on the Avalanche C-Chain. It was fair-launched on 7 December 2023, with the entire 69.42 trillion COQ supply paired with 150 AVAX in a DEX pool; the LP tokens were burned and contract ownership renounced, no presale, taxes, or team/insider

		allocations. COQ has no roadmap or inherent utility and functions solely as a community-driven, culture-based token.
D.5	Details of all natural or legal persons involved in the implementation of the crypto-asset project	No specific individuals or legal entities have been officially disclosed as core team members.
D.6	Utility Token Classification	false
D.7	Key Features of Goods/Services for Utility Token Projects	N/A
D.8	Plans for the token	Past milestones **Dec 2023 Fair launch:** 69.42 T COQ paired with 150 AVAX in a DEX pool; LP tokens burned and contract ownership renounced, completing a 100 % community distribution. **Mar 2024 CoqCards NFT collection released**: ERC-1155 cards airdropped/minted for early COQ traders. **Apr 2024 CoqNet subnet QA (testnet) live:** subnet running on Fuji; work toward main-net launch in progress. **Jul 2024 CoqBook betting dApp launched:** on-chain sportsbook accepts wagers in COQ and burns part of profits. **Jul 2024 Avalanche Foundation airdrop:** As part of the “Culture Catalyst – Memecoin Rush,” the Avalanche Foundation distributed ≈ USD 5 million in COQ and AVAX to ≈ 8 000 wallets, broadening the holder base and liquidity. Future milestones Please refer to the project team website for any further information regarding future milestones.

D.9	Resource Allocation	The Coq Inu project has not publicly detailed any specific financial resources allocated to the project. There was no traditional fundraising round (ICO, IEO, or presale) for COQ, and no treasury or budget disclosures have been made. All 69.42 T COQ tokens were paired with 150 AVAX as initial liquidity and the LP tokens were permanently burned, meaning the project itself retained no spendable reserves.
D.10	Planned Use of Collected Funds or Crypto-Assets	N/A
Part E - Information about the offer to the public of crypto-assets or their admission to trading		
E.1	Public Offering or Admission to trading	ATTR
E.2	Reasons for Public Offer or Admission to trading	Making secondary trading available to the consumers on the Kraken Trading platform in compliance with the MiCA regulatory framework
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 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	69 420 000 000 000 maximum supply
E.13	Targeted Holders	ALL
E.14	Holder restrictions	N/A
E.15	Reimbursement Notice	N/A
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	N/A
E.25	Value Transfer Methods for Reimbursement	N/A
E.26	Right of Withdrawal	N/A
E.27	Transfer of Purchased crypto-assets	N/A
E.28	Transfer Time Schedule	N/A

E.29	Purchaser's Technical Requirements	N/A
E.30	Crypto-asset service provider (CASP) name	N/A
E.31	CASP identifier	N/A
E.32	Placement form	NTAV
E.33	Trading Platforms name	Payward Global Solutions Ltd t/a Kraken.com
E.34	Trading Platforms Market Identifier Code (MIC)	PGSL
E.35	Trading Platforms Access	Kraken.com
E.36	Involved costs	N/A
E.37	Offer Expenses	N/A
E.38	Conflicts of Interest	All listings decisions made by Payward Global Solution Ltd are made independently by staff of the entity in line with internal policies. PGSL publishes a conflicts of interest disclosure on its website advising of potential conflicts that may arise.
E.39	Applicable law	Any dispute relating to this white paper shall be governed by and construed and enforced in accordance with the laws of Ireland without regard to conflict of law rules or principles (whether of Ireland or any other jurisdiction) that would cause the application of the laws of any other jurisdiction, irrespective of whether COQ

		tokens qualify as right or property under the applicable law.
E.40	Competent court	Any disputes or claims arising out of this white paper will be subject to the exclusive jurisdiction of the Irish courts.
Part F - Information about the crypto-assets		
F.1	Crypto-Asset Type	COQ is classified as a crypto-asset other than an asset referenced token or e-money token under MiCA, (EU) 2023/1114.
F.2	Crypto-Asset Functionality	COQ is a standard ERC-20 token on the Avalanche C-Chain (EVM), which means its core functionality is to serve as a fully transferable and tradable digital asset. Holders of COQ can send and receive the token using any Avalanche-compatible/EVM wallet (e.g., Core, MetaMask) and use COQ in transactions, DeFi protocols, or smart contracts that accept ERC-20 tokens. At present, its primary role is as a community-driven meme coin for trading, holding, and social engagement within the Avalanche ecosystem.
F.3	Planned Application of Functionalities	There are currently no known additional token functionalities pending activation or launch for COQ.
A description of the characteristics of the crypto-asset, including the data necessary for classification of the crypto-asset white paper in the register referred to in Article 109 of Regulation (EU) 2023/1114, as specified in accordance with paragraph 8 of that Article		
F.4	Type of white paper	OTHR
F.5	The type of submission	NEWT
F.6	Crypto-Asset Characteristics	COQ is a standard ERC-20 token on the Avalanche C-Chain (EVM-compatible). It is fungible, fully transferable, and freely tradable. Holders can send and receive COQ using any Avalanche/EVM wallet (e.g., Core, MetaMask) and interact with DEXs, DeFi protocols, or smart contracts that support ERC-20 tokens. COQ currently functions purely as a community-driven meme coin for trading and holding, with no embedded governance, staking, or utility features beyond transferability.

F.7	Commercial name or trading name	N/A
F.8	Website of the issuer	https://www.coqinu.com/
F.9	Starting date of offer to the public or admission to trading	2023-12-07
F.10	Publication date	2025-08-12
F.11	Any other services provided by the issuer	N/A
F.12	Identifier of operator of the trading platform	PGSL
F.13	Language or languages of the white paper	English
F.14	Digital Token Identifier	6KJB18HSF
F.15	Functionally Fungible Group Digital Token Identifier	N/A
F.16	Voluntary data flag	False

F.17	Personal data flag	false
F.18	LEI eligibility	N/A
F.19	Home Member State	Ireland
F.20	Host Member States	Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden
Part G - Information on the rights and obligations attached to the crypto-assets		
G.1	Purchaser Rights and Obligations	**Right of Transfer** Holders may freely transfer COQ to third parties, on-chain or through any exchange that supports ERC-20 tokens. All rights and obligations attached to the token move automatically with the transfer. **Trading** COQ is freely tradable on decentralised exchanges (DEXs) on Avalanche and on any centralised exchanges that list the asset; holders may buy or sell at market prices subject to each venue's rules and liquidity. **Obligations of Holders** There are no mandatory obligations imposed on COQ purchasers.
G.2	Exercise of Rights and obligations	The primary right associated with COQ, the ability to transfer or trade the token, is exercised through standard blockchain transactions.
G.3	Conditions for modifications of rights and obligations	The rights and obligations attached to COQ as described in this white paper reflect information available at the time of issuance. This white paper is issued by Kraken and does not constitute a commitment or guarantee by Coq Inu or any other party regarding future modifications. No promises, warranties, or assurances are made herein regarding future token functionality, and this section is provided solely for informational purposes.
G.4	Future Public Offers	No future public offers of COQ have been announced

G.5	Issuer Retained Crypto-Assets	No asset retained.
G.6	Utility Token Classification	false
G.7	Key Features of Goods/Services of Utility Tokens	false
G.8	Utility Tokens Redemption	N/A
G.9	Non-Trading request	This white paper reflects a request to admit the token to trading.
G.10	Crypto-Assets purchase or sale modalities	N/A
G.11	Crypto-Assets Transfer Restrictions	Kraken may, in accordance with applicable laws and internal policies and terms, impose restrictions on buyers and sellers of these tokens.
G.12	Supply Adjustment Protocols	false
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	Any dispute relating to this white paper shall be governed by and construed and enforced in accordance with the laws of Ireland without regard to conflict of law rules or principles (whether of Ireland or any other jurisdiction) that would cause the application of the laws of any other jurisdiction, irrespective of whether COQ tokens qualify as right or property under the applicable law.
G.19	Competent court	Any disputes or claims arising out of this white paper will be subject to the exclusive jurisdiction of the Irish courts.
Part H – information on the underlying technology		
H.1	Distributed ledger technology	N/A
H.2	Protocols and technical standards	Avalanche C-Chain Protocol: The COQ token is issued on the Avalanche C-Chain, an EVM-compatible blockchain that uses Avalanche's Snowman Proof-of-Stake consensus to deliver a decentralized ledger with the goal of rapid finality, high throughput, and full smart-contract functionality. ERC-20 Token Standard: COQ conforms to the ERC-20 fungible-token interface, the widely adopted standard for issuing and managing tokens, ensuring compatibility with most EVM wallets, Avalanche-based exchanges, DeFi protocols, and other decentralized applications.
H.3	Technology Used	The COQ token uses the existing ERC-20 fungible token standard on the Avalanche C-Chain.
H.4	Consensus Mechanism	Avalanche C-Chain employs Snowman, a Proof-of-Stake implementation of Avalanche consensus. Validators stake AVAX and repeatedly sample peers to reach probabilistic agreement, giving blocks sub-second confirmation and immutable finality in around 2 seconds. COQ transfers therefore finalise directly

		on-chain without relying on external roll-ups or sequencers, inheriting Avalanche's PoS security and high-throughput performance.
H.5	Incentive Mechanisms and Applicable Fees	COQ relies on the existing incentive mechanisms and fee structures of the Avalanche C-Chain. Validators on Avalanche earn AVAX staking rewards and receive network gas fees; COQ transactions pay the same variable gas fee (in AVAX) as any other ERC-20 transfer. The token itself offers no additional staking rewards, burn mechanisms, or protocol-specific fees.
H.6	Use of Distributed Ledger Technology	false
H.7	DLT Functionality Description	N/A
H.8	Audit	false
H.9	Audit outcome	N/A
Part J - Information on the suitability indicators in relation to adverse impact on the climate and other environment-related adverse impacts		
S.1	Name	Payward Global Solutions Limited
S.2	Relevant legal entity identifier	9845003D98SCC2851458
S.3	Name of the crypto-asset	Coq Inu
S.4	Consensus Mechanism	The Avalanche blockchain network employs a unique Proof-of-Stake consensus mechanism called Avalanche Consensus, which involves three interconnected protocols: Snowball, Snowflake, and Avalanche. Avalanche Consensus Process: 1. Snowball Protocol: - Random Sampling: Each validator randomly samples a small, constant-sized subset of other validators.

		- Repeated Polling: Validators repeatedly poll the sampled validators to determine the preferred transaction. - Confidence Counters: Validators maintain confidence counters for each transaction, incrementing them each time a sampled validator supports their preferred transaction. - Decision Threshold: Once the confidence counter exceeds a pre-defined threshold, the transaction is considered accepted. 2. Snowflake Protocol: - Binary Decision: Enhances the Snowball protocol by incorporating a binary decision process. Validators decide between two conflicting transactions. - Binary Confidence: Confidence counters are used to track the preferred binary decision. - Finality: When a binary decision reaches a certain confidence level, it becomes final. 3. Avalanche Protocol: - DAG Structure: Uses a Directed Acyclic Graph (DAG) structure to organize transactions, allowing for parallel processing and higher throughput. - Transaction Ordering: Transactions are added to the DAG based on their dependencies, ensuring a consistent order. - Consensus on DAG: While most Proof-of-Stake Protocols use a Byzantine Fault Tolerant (BFT) consensus, Avalanche uses the Avalanche Consensus, Validators reach consensus on the structure and contents of the DAG through repeated Snowball and Snowflake.
S.5	Incentive Mechanisms and Applicable Fees	Avalanche uses a consensus mechanism known as Avalanche Consensus, which relies on a combination of validators, staking, and a novel approach to consensus to ensure the network's security and integrity.

		1. Validators: Staking: Validators on the Avalanche network are required to stake AVAX tokens. The amount staked influences their probability of being selected to propose or validate new blocks. Rewards: Validators earn rewards for their participation in the consensus process. These rewards are proportional to the amount of AVAX staked and their uptime and performance in validating transactions. Delegation: Validators can also accept delegations from other token holders. Delegators share in the rewards based on the amount they delegate, which incentivizes smaller holders to participate indirectly in securing the network. 2. Economic Incentives: Block Rewards: Validators receive block rewards for proposing and validating blocks. These rewards are distributed from the network's inflationary issuance of AVAX tokens. Transaction Fees: Validators also earn a portion of the transaction fees paid by users. This includes fees for simple transactions, smart contract interactions, and the creation of new assets on the network. 3. Penalties: - Slashing: Unlike some other PoS systems, Avalanche does not employ slashing (i.e., the confiscation of staked tokens) as a penalty for misbehavior.Instead, the network relies on the financial disincentive of lost future rewards for validators who are not consistently online or act maliciously. - Uptime Requirements: Validators must maintain a high level of uptime and correctly validate transactions to continue earning rewards. Poor performance or malicious actions result in missed rewards, providing a strong economic incentive to act honestly.

		Fees on the Avalanche Blockchain 1. Transaction Fees: - Dynamic Fees: Transaction fees on Avalanche are dynamic, varying based on network demand and the complexity of the transactions. This ensures that fees remain fair and proportional to the network's usage. - Fee Burning: A portion of the transaction fees is burned, permanently removing them from circulation. This deflationary mechanism helps to balance the inflation from block rewards and incentivizes token holders by potentially increasing the value of AVAX over time. 2. Smart Contract Fees: Execution Costs: Fees for deploying and interacting with smart contracts are determined by the computational resources required. These fees ensure that the network remains efficient and that resources are used responsibly. 3. Asset Creation Fees: New Asset Creation: There are fees associated with creating new assets (tokens) on the Avalanche network. These fees help to prevent spam and ensure that only serious projects use the network's resources.
S.6	Beginning of the period to which the disclosure relates	2024-06-24
S.7	End of the period to which the disclosure relates	2025-06-24
S.8	Energy consumption	4248.21459 kWh/a
S.9	Energy consumption sources and methodologies	The energy consumption of this asset is aggregated across multiple components: To determine the energy consumption of a token, the energy consumption of the network(s) avalanche is calculated first. For the energy consumption of the token, a fraction of the energy consumption of the network is attributed to the token, which is determined based on the activity of the crypto-asset within the

		network. When calculating the energy consumption, the Functionally Fungible Group Digital Token Identifier (FFG DTI) is used - if available - to determine all implementations of the asset in scope. The mappings are updated regularly, based on data of the Digital Token Identifier Foundation. The information regarding the hardware used and the number of participants in the network is based on assumptions that are verified with best effort using empirical data. In general, participants are assumed to be largely economically rational. As a precautionary principle, we make assumptions on the conservative side when in doubt, i.e. making higher estimates for the adverse impacts.