

PAYWARD LTD

CRYPTO ASSET RISK DISCLOSURE

GUN (Off the Grid) (GUN)

Last updated on March 27, 2025

Disclaimer

Please note that this risk disclosure is not exhaustive of all risks associated with trading GUN. Investors should perform their own assessment to determine the appropriate level of risk for their personal circumstances. Be sure to do your own research and due diligence while taking into account your own financial situation and risk tolerance. Please review the [Risk Summary](#) for additional discussion of general risks associated with the assets made available in the platform. These materials are for general information purposes only and are not investment advice or a recommendation or solicitation to buy, sell or hold any crypto asset or to engage in any specific trading strategy. The information contained in this risk disclosure is based on publicly available information that may be inaccurate, incomplete, or change at any time.

What is GUN and how does it work?

GUNZ is a Layer-1 blockchain ecosystem designed for AAA (class triple-A) gaming and community-driven digital economies. Built on a private, permissioned subnet of the Avalanche network, it seeks to support fast, secure, and scalable infrastructure tailored to high-performance game environments. GUNZ enables players and developers to interact with blockchain-based features such as item ownership, NFT trading, and gameplay-integrated economies. Its ecosystem includes tools like a peer-to-peer NFT marketplace, an NFT minting engine, and an on-chain explorer called the GUNZ Scanner. The platform is actively used in Off The Grid, a free-to-play battle royale shooter that fully integrates GUNZ's capabilities.

GUN serves as the core currency for the GUNZ ecosystem, facilitating payments for network fees, digital asset trading, and in-game purchases. It is integrated across all GUNZ-based products, including features within Off The Grid and the platform's NFT marketplace.

Who is behind the project?

GUNZ is developed by Gunzilla Games, a game development studio founded in 2020 and based in Frankfurt, Germany. The company was co-founded by Vlad Korolev and Alexander Zoll.

Tokenomics of GUN

The GUN token has a fixed total supply of 10 billion tokens, with a circulating supply model that includes burning and token buybacks. Gunzilla allocates 50% of Off The Grid's revenue to repurchasing GUN from the open market, which are then burned, gradually reducing the overall supply over time. The total supply is distributed as follows:

GUN Allocation	GUN tokens	% of Total supply
Private A	1,250,000,000	12.50%
Private B	2,000,000,000	20%
Strategic	500,000,000	5%
KOL (Key Opinion Leaders) Round	30,000,000	0.30%
Treasury	1,300,000,000	13%
Community incentives	400,000,000	4%
Liquidity Pool	300,000,000	3%
NFT Validator staking	510,500,000	5.105%
GUNZ FOUNDATION	900,000,000	9%
Founders & Team	1,280,500,000	12.805%
Advisors	529,000,000	5.29%
Platform rewards	1,000,000,000	10%
Total	10,000,000,000	100%

General Risks

Like all other digital assets, there are some general risks to investing in GUN. These include Smart Contract risks, volatility risk, liquidity risk, demand risk, forking risk, code defects, cryptography risk, regulatory risk, concentration risk, electronic trading risk and cyber security risk. For more information on general risks associated with smart contracts and digital assets, see Kraken's Risk Statement.

Risks specific to GUN

Competition

The GUNZ network faces competition from other gaming-related cryptocurrencies such as Ultra, Myria, and Gala Games. GUN's value derives from its broader adoption in the market. If the GUNZ ecosystem fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of GUN.

Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on GUN and determined it was permitted to make GUN available for trading to UK users. This process generally consists of reviewing publicly available information on the following:

- The creation, governance, usage and design of GUN, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created GUN;

- The supply, demand, maturity, utility and liquidity of GUN;
- Material technical risks associated with GUN, including any code defects, security breaches and other threats concerning GUN and its supporting blockchain (such as the susceptibility to hacking and impact of forking), or the practices and protocols that apply to them; and
- Legal and regulatory risks associated with GUN, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of GUN, and (ii) consideration of statements made by any regulators or securities regulatory authorities in the UK, other regulators of the International Organization of Securities Commissions, or the regulator with the most significant connection to GUN about whether GUN, or generally about whether the type of crypto asset, is a security and/or derivative.

Don't invest unless you're prepared to lose all the money you invest. This is a high-risk investment and you should not expect to be protected if something goes wrong. [Take 2 mins to learn more.](#)

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