



Avalanche LLC

AVAXAI White Paper

(Article 6 of [Regulation \(EU\) 2023/1114](#))

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No.	Field	Content
Compliance with duties of information		
01	Date of notification	14.02.2025
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 offeror 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	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.
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.

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SUMMARY		
07	Warning in accordance with Article 6(7), second subparagraph of Regulation (EU) 2023/1114	<p>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.</p> <p>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</p>

08	Characteristics of the crypto asset	<p>The crypto-asset AVAXAI serves as a fundamental component of the “DeFAI” ecosystem, conferring specific rights and obligations upon its holders (DeFAI is the combination of DeFi and AI, and is a new claim that AI can make DeFi more accessible by removing certain technical barriers for users who do not have such skills).</p> <p>AVAXAI facilitates transactions within the Aivalanche DeFAI Agents marketplace, allowing users to acquire AI-powered agents using AVAXAI. A transaction fee of 1% is applied, ensuring sustained demand for the token. Additionally, holders may engage in staking, which enables them to earn rewards and gain early access to newly developed AI and DeFAI agents.</p> <p>Beyond its financial utility, AVAXAI grants governance rights to its holders, allowing them to influence the strategic direction of the project. Token holders are entitled to vote on key decisions, including protocol upgrades and the introduction of new agent categories. The exercise of these governance rights is conducted through a decentralised voting mechanism, ensuring that modifications to the ecosystem are subject to collective approval.</p> <p>The token is further structured to support liquidity and market stability. It is integrated into bonding curves designed to facilitate the launch of new agents, ensuring an adequate supply of liquidity while simultaneously generating trading fees. Moreover, the ecosystem incorporates deflationary mechanisms, whereby fees accrued from marketplace transactions and bonding pools are periodically burned. This process reduces the total token supply, thereby enhancing its long-term value proposition.</p> <p>The rights and obligations associated with AVAXAI may be subject to modification in accordance with the governance framework established within the DeFAI ecosystem. Any alterations to the staking conditions, transaction fees, or governance mechanisms require approval through the token-holder voting process. This ensures that the tokenomics and regulatory framework governing</p>
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		AVAXAI remain adaptable to evolving market conditions and the strategic objectives of the ecosystem.
09	Information about the quality and quantity of good or services to which the utility token give access and restrictions on the transferability	Not applicable.

10	Key information about the offer to the public or admission to trading	<p>AVAXAI is offered by Aivalanche LLC. This offer is not an initial offer by which users can subscribe to the AVAXAI before its issuance (this occurred in January 2025). This offer enables CASP to provide crypto-asset services on AVAXAI to their European customers and, for any potential EU holder, provides all sufficient information on the AVAXAI crypto-asset to enable them to decide whether or not to buy it.</p> <p>AVAXAI is also admitted for trading on non-EU CASP Gate.io and MexC.</p>
Part I – Information on risks		
I.1	Offer-Related Risks	<ul style="list-style-type: none"> - Regulatory risk that may lead to a restriction on the offer: The public offer of AVAX tokens may be subject to restrictions in certain jurisdictions, which may limit certain investors from holding AVAXAI. - Delisting risk: As part of the offer, the AVAXAI token may be withdrawn from trading platforms on which it is admitted due to regulatory or commercial considerations. This delisting could have an unforeseen impact on the liquidity of AVAXAI.
I.2	Issuer-Related Risks	<p>There are risks associated with Aivalanche LTD, the company that issued the AVAXAI tokens. The list below provides the main risks associated with the issuer (without being exhaustive):</p> <ul style="list-style-type: none"> - Governance and management risk: Although the AVAXAI token is a governance token intended to bring a certain level of decentralisation to the project, Aivalanche LLC is today strongly involved in the management of the AVAXAI token. Consequently, ineffective management and

		<p>strategic decisions by Aivalanche LLC could affect the development and stability of the project.</p> <ul style="list-style-type: none"> - Risk of non-compliance with legal obligations: Aivalanche LLC could, depending on regulatory developments applicable to the crypto-asset market or artificial intelligence, fail to comply with the regulations in force, which could lead to sanctions or restrictions on the use of the token. - Risk of dependence on partners and providers: Aivalanche LLC relies on third-party providers for liquidity, technology and regulatory compliance, creating exposure to external failures on the part of these third parties. - Cessation of activities: there is a risk that if Aivalanche LLC ceases to operate, the sustainability of the project and the value of the token could be compromised. This cessation could be voluntary (and you will be notified within a reasonable time via a public announcement), for economic reasons (liquidation of the company) or for regulatory reasons (administrative decision by a regulator).
I.3	Crypto-Assets-related Risks	<p>There are risks associated with the AVAXAI tokens. The list below provides the main risks associated with the crypto-asset (without being exhaustive):</p> <ul style="list-style-type: none"> - Market volatility risks: The price of the AVAXAI token is dependent on changes in the crypto-asset market and financial markets in general. Crypto-asset markets are characterized by high volatility that can be influenced by various factors, including global market fluctuations, macroeconomic trends, regulatory decisions, investor speculation, supply and demand. Consequently, AVAXAI holders could suffer significant financial losses due to sudden price changes, which can be exacerbated by weak market regulation and variable liquidity. Unlike traditional assets, crypto-assets do not benefit from stabilization mechanisms, such as circuit breakers, which amplifies risk exposure. - Tax and legal risks: The legal and tax environment surrounding crypto assets is constantly changing and varies from jurisdiction to jurisdiction. While MiCA provides for harmonised regulation, there are still particularities at the national level on property law, taxation, accounting rules and other essential branches of the law applicable to crypto-assets. Governments and regulatory authorities may adopt new laws, regulations or directives that may affect the legality, circulation, exchange or use of the AVAXAI token. These changes may affect your rights and we recommend that you review the specifics of your national law before considering purchasing AVAXAI. - Secondary market liquidity risk: The liquidity of the AVAXAI token depends on the presence of sufficient buyers

		<p>and sellers in secondary markets. If the demand for the token is low or a limited number of exchange platforms support its listing, holders may have difficulty selling their tokens without negatively impacting its price. Low liquidity can lead to increased volatility, a large spread between buy and sell prices (spreads), as well as risk of market manipulation. In addition, in the event of a liquidity crisis in the global crypto asset market or a withdrawal by some institutional investors, the value of the token could fall suddenly and drastically, preventing holders from monetizing it at a fair price.</p> <ul style="list-style-type: none"> ○ <u>Market manipulation risks</u>: The lack of strict regulation on many crypto-asset exchange platforms exposes the market to various fraudulent practices and manipulations (although MiCA now provides for a specific regime applicable to market abuse). This includes: <ul style="list-style-type: none"> ○ <u>Wash trading</u>: Artificial transactions created by a single actor or group of actors to give an illusion of liquidity or high demand. ○ <u>Pump and dump</u>: Artificial inflation of the price of the token through media campaigns or concerted mass purchases, followed by a sudden sale by the initiators of the maneuver, causing a collapse of the price. ○ <u>Spoofing</u>: Placing large buy or sell orders with no real intention to execute them, in order to artificially influence the behaviour of other traders. <p>These market manipulations can distort the perception of the real value of the AVAXAI token and result in significant losses for uninformed investors. The lack of effective control on certain platforms thus exposes holders to increased risks of fraudulent exploitation.</p> <p>- Risk of fraud and scams: The crypto-asset market is subject to a high risk of fraud and scams, due to the anonymity and decentralized nature of many transactions. Several forms of fraud can affect the holders of the AVAXAI token:</p> <ul style="list-style-type: none"> ○ <u>Phishing and targeted attacks</u>: Attempts to steal credentials and private keys via fake websites, fraudulent emails or malicious applications who would pretend to be affiliated with the AVAXAI token. ○ <u>Smart contract fraud</u>: Deployment of smart contracts containing intentional breaches that allow developers or attackers to drain users' funds. ○ <u>Fake airdrops and giveaways</u>: Scams promising rewards in exchange for personal information or an upfront payment. <p>Vigilance and the use of trusted platforms are essential to minimize these risks. However, in case of fraud, legal remedies may be limited or non-existent, especially if the</p>
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		perpetrators operate from jurisdictions where enforcement of applicable laws for crypto-assets is weak or non-existent.
I.4	Project Implementation -Related Risks	<p>Although limited, there are risks associated with the implementation of the AVAXAI project:</p> <ul style="list-style-type: none"> - Risk of development delay or failure: The success of AVAXAI is based on the development and deployment of a functional and innovative marketplace for tokenized AI agents, as well as the integration of essential functionalities of the AVAXAI token. The project aims to evolve by continuously offering new agents with new functionalities. However, the project may face various technical and financial obstacles that could delay its implementation or even compromise its success. <ul style="list-style-type: none"> o <u>From a technical point of view</u>, challenges such as interoperability problems, security holes in smart contracts or insufficient scalability could slow down the development process. Updates to the Avalanche blockchain and BNB Chain that support the project, changes in security standards and the need to adapt AI algorithms to technological advances are also potential sources of delay. o <u>From a financial point of view</u>, the development of the project depends on the effective management of the funds raised during the IDO and sufficient funding to ensure the maintenance and evolution of the protocol. Misallocation of resources or funding shortfalls could limit AValanche's ability to achieve its objectives on time. <p>Finally, external factors such as economic crises, loss of strategic partners, or unforeseen regulatory changes could also affect the project's success. These factors could lead to a drop in user interest, affecting the value of the token and the overall viability of AValanche.</p> - Risk of insufficient adoption: The usefulness and value of the AVAXAI token as well as the AValanche marketplace is based on their adoption by a community of active users. An insufficient adoption rate could lead to a loss of interest in the platform and limit the development of its ecosystem and the AVAXAI token. <p>This risk can be attributed to several factors such as a lack of information and education of potential users on the benefits and functionalities of AI agents, usage complexities related to crypto-assets and AI agents, if financial incentives (staking, yield farming, AI agent monetization models) are not sufficiently attractive, increased competition, etc.</p> <p>In the absence of sufficient adoption, the marketplace may not reach the critical mass necessary to guarantee its sustainability and ensure the proper development of the AVAXAI token, resulting in a devaluation of the token and a decrease in activity on the platform.</p> - Competition risk: AValanche operates in a highly competitive environment, where many projects seek to

		<p>combine artificial intelligence and blockchain technology. Competing platforms offering similar Agent IA solutions could limit AValanche's ability to capture a significant market share.</p>
I.5	Technology-Related Risks	<p>The AVAXAI project is exposed to several technological risks. The list below provides the main technological risks associated with the project (without being exhaustive):</p> <ul style="list-style-type: none"> - Blockchain risk: The AVAX AI project is based on two main blockchains, Avalanche and BNB Chain, while using LayerZero's Omnichain Fungible Token (OFT) technology to facilitate cross-chain bridging. This model exposes the project to several risks specific to the blockchain infrastructures used. The effectiveness and security of the AVAXAI token depend directly on the integrity and performance of the Avalanche and BNB Chain blockchains. Any major outage, network congestion, increased transaction fees (gas fees), or targeted attack (such as a 51% attack) could seriously affect users' ability to interact with the token. <ul style="list-style-type: none"> o <u>Avalanche</u>: While designed to be highly scalable, Avalanche has experienced periods of congestion and transaction slowdowns due to excessive demand on its network. o <u>BNB Chain</u>: Although it is widely adopted, it is historically more centralized, which could pose a risk in case of regulatory actions or security breach on its main validators. - Bridge risks: Cross-chain bridging is a crucial part of the project, as it allows users to transfer their tokens between Avalanche and BNB Chain via the LayerZero Omnichain Fungible Token (OFT) protocol. However, bridges are one of the most vulnerable points in the crypto ecosystem. <p>Several critical risks exist for the bridging of AVAXAI such as a risk of security breach (i.e., a breach in the LayerZero protocol could allow an attacker to exploit a vulnerability and steal funds locked in the bridge) or a de-synchronization or interruption of the bridge (making AVAXAI tokens temporarily or permanently inaccessible to users).</p> <ul style="list-style-type: none"> - Smart contract risks: The AValanche project relies on the use of smart contracts and decentralized protocols to ensure the smooth operation of its marketplace and AVAXAI token. However, any vulnerability not detected or exploited by malicious actors could lead to loss of funds, manipulation of transactions or major network disruptions. Smart contracts are immutable once deployed, which means that any coding errors or security breaches cannot be corrected without a full contract update.

		<ul style="list-style-type: none"> - Immutability and Irrevocability of Blockchain Transactions: Once a transaction is recorded on the blockchain, it cannot be reversed. This poses several risks: <ul style="list-style-type: none"> o An erroneous AVAXAI transaction cannot be recovered. o If a AVAXAI holder is the victim of fraud, no one, not even AIVALANCHE LLC, will be able to recover their funds. - Front-end risks: The user interface (UI) and the front-end of the Aivalanche project play a central role in the user experience, allowing interaction with smart contracts in an intuitive way. However, this interface is also a prime target for hackers, who could exploit various vulnerabilities to compromise the security of users. - AI Agent Risks: Aivalanche AI agents offer advanced tools to analyze markets, optimize returns and generate content, but they pose several risks. They can make mistakes, lead to bad financial decisions or be influenced by bias in the data. Malicious actors could also exploit these agents to manipulate trends or spread false information. In addition, users may rely too much on these tools without checking their recommendations, which could result in significant losses. Finally, future regulations could impose restrictions on their use, affecting their availability and effectiveness..
I.6	Mitigation measures	Aivalanche LLC has not implemented any risk mitigation measures for the above risks.
Part A - Information about the offeror or the person seeking admission to trading		
A.1	Name	Aivalanche LLC
A.2	Legal form	Limited Liability Company (LLC)
A.3	Registered address	Euro House, Richmond Hill Road, Kingstown, St Vincent and the Grenadines (P.O Box 2897)
A.4	Head office	Not applicable.

A.5	Registration Date	20th January 2025
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A.6	Legal entity identifier	<p>Aivalanche LLC does not have a LEI. However, the company has a unique registration number with the Financial Service Authority of St Vincent & The Grenadines: 3999.</p> <p>The register of companies registered with the Authority can be accessed here: https://svgfsa.com/company-name-search/</p>
A.7	Another identifier required pursuant to applicable national law	Not applicable.
A.8	Contact telephone number	+44 7593 896769
A.9	E-mail address	contact@avaxai.org
A.10	Response Time (Days)	5 business days
A.11	Parent Company	Not applicable.
A.12	Members of the Management body	Jeff Lam
A.13	Business Activity	Token issuer and AI architecture, Web3 and software development.
A.14	Parent Company Business Activity	Not applicable.
A.15	Newly Established	Not applicable.

A.16	Financial condition for the past three years	Not applicable.
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A.17	Financial condition since registration	The company was recently registered with a share capital of \$5.000 and in addition has the following financial resources: USD 200,000.00
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	Not applicable.
B.2	Name	Not applicable.
B.3	Legal form	Not applicable.
B.4	Registered address	Not applicable.
B.5	Head office	Not applicable.
B.6	Registration Date	Not applicable.
B.7	Legal entity identifier	Not applicable.
B.8	Another identifier required pursuant to applicable national law	Not applicable.

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B.9	Parent Company	Not applicable.
B.10	Members of the Management body	Not applicable.

B.11	Business Activity	Not applicable.
B.12	Parent Company Business Activity	Not applicable.
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	Not applicable.
C.2	Legal form	Not applicable.
C.3	Registered address	Not applicable.
C.4	Head office	Not applicable.
C.5	Registration Date	Not applicable.
C.6	Legal entity identifier of the operator of the trading platform	Not applicable.
C.7	Another identifier required pursuant to	Not applicable.

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	applicable national law	
C.8	Parent Company	Not applicable.

C.9	Reason for Crypto-Asset White Paper Preparation	Not applicable.
C.10	Members of the Management body	Not applicable.
C.11	Operator Business Activity	Not applicable.
C.12	Parent Company Business Activity	Not applicable.
C.13	Other persons drawing up the crypto-asset white paper according to Article 6(1), second subparagraph, of Regulation (EU) 2023/1114	Not applicable.
C.14	Reason for drawing the white paper by persons referred to in Article 6(1), second subparagraph, of Regulation (EU) 2023/1114	Not applicable.
Part D – Information about the crypto-asset project		

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D.1	Crypto-asset project name	Aivalanche DeFAI Agents (" A Ivalanche")
D.2	Crypto-assets name	AVAXAI

D.3	Abbreviation	AVAXAI
D.4	Crypto-asset project description	The AVAXAI crypto-asset is the native token of Aivalanche's DeFAI Agents Marketplace. Aivalanche is the ultimate hub for buying, selling and deploying customized AI agents. These agents are tokenized assets, meaning that users can trade and monetize them while benefiting from their utility in DeFi, games or even meme creation.
D.5	Details of all natural or legal persons involved in the implementation of the crypto-asset project	The AVAXAI token and Aivalanche project is implemented by Jeff Lam.
D.6	Utility Token Classification	Yes
D.7	Key Features of Goods/Services for Utility Token Projects	The AVAXAI Token provides access to an AI agent marketplace (see part F.11.).
D.8	Plans for the token	<p>Phase 1: AVAXAI IDO and CEX Listings</p> <p>Phase 2: AVAXAI Staking Campaign</p> <p>Phase 3: Launch of Aivalanche DeFAI Agents platform using AVAXAI as fee payment and liquidity</p> <ul style="list-style-type: none"> • Ability to create AI Agents • Ability to launch and manage AI Agent tokens with configurations • Ability to chat with AI Agents using Aivalanche DeFAI Agents platform • Ability to trade Upcoming and Live AI Agents tokens through Aivalanche DeFAI Agents and DEX

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		Phase 4 and Beyond: Additional configuration and enhancement of AI Agents with AVAXAI as fee payment
D.9	Resource Allocation	<ul style="list-style-type: none"> • CEX & DEX Listings: USD 600,000.00 • Marketing: USD 100,000.00 • Engineering: USD 200,000.00 • Operations: USD 100,000.00

D.1 0	Planned Use of Collected Funds or Crypto-Assets	<p>The AVAXAI token has been issued through an Initial DEX Offering ("IDO"), which has structured the allocation of the total token supply in a manner that strategically directs its use within the DeFAI ecosystem. The allocation framework ensures both liquidity and long-term sustainability, while also facilitating ecosystem growth and incentivising participation.</p> <p>As part of this structured distribution, 21.7% of the total supply has been allocated to the Strategic Round, providing early backers with the opportunity to contribute to the project's development. Furthermore, 2.5% of the total supply has been allocated to project partners, ensuring strategic collaborations that strengthen the ecosystem.</p> <p>To ensure adequate liquidity and support exchange listings, 30% of the total supply has been allocated for liquidity provision and centralised exchange (CEX) listings, thereby facilitating the token's accessibility and market efficiency. Additionally, 23.3% of the total supply has been allocated within the framework of the Public Round, ensuring broad participation and decentralisation among retail investors.</p> <p>A portion of the total supply has been reserved for key stakeholders contributing to the ecosystem's development and operational sustainability. Specifically, 5% has been allocated to the project team, recognising their role in building and maintaining the protocol. In order to encourage user engagement and drive adoption, 8.5% of the total supply has been designated for various incentive programs.</p> <p>Furthermore, 4.5% of the total supply has been allocated to development and marketing, ensuring continued technological advancements and ecosystem promotion. Lastly, 4.5% has been allocated to support the broader ecosystem, fostering initiatives that enhance network effects and long-term value creation.</p> <p>This allocation structure has been designed to balance strategic growth, liquidity, governance participation, and sustainable incentives, ensuring that AVAXAI remains a robust and dynamic asset within the DeFAI ecosystem.</p>
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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	The AVAXAI token will be offered to the public by Aivalanche LLC.
E.2	Reasons for Public Offer or Admission to trading	The purpose of this public offering is to facilitate access to the AVAXAI token on the European market by enabling users in the European Union to hold AVAXAI on various CASP.

E.3	Fundraising Target	Not applicable.
E.4	Minimum Subscription Goals	Not applicable.
E.5	Maximum Subscription Goal	Not applicable.
E.6	Oversubscription Acceptance	Not applicable.
E.7	Oversubscription Allocation	Not applicable.
E.8	Issue Price	0,0026\$
E.9	Official currency or any other crypto-assets determining the issue price	Not applicable.
E.10	Subscription fee	Not applicable.

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E.11	Offer Price Determination Method	Not applicable.
E.12	Total Number of Offered/Traded Crypto-Assets	1,000,000,000
E.13	Targeted Holders	ALL
E.14	Holder restrictions	Not applicable.

E.15	Reimbursement Notice	Not applicable.
E.16	Refund Mechanism	Not applicable.
E.17	Refund Timeline	Not applicable.
E.18	Offer Phases	<p>The initial offering of AVAXAI was conducted in two phases:</p> <ul style="list-style-type: none"> - Private round: exclusive to a limited number of investors who had contributed to the project since its launch. - Public Round: which took place from January 25 & 26, 2025, and where users were able to access the AVAXAI token at a fixed price of \$0.0026.
E.19	Early Purchase Discount	Yes. During the private round, AVAXAI tokens were sold at a price of \$0.0023 per token.
E.20	Time-limited offer	False
E.21	Subscription period beginning	January 25, 2025

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E.22	Subscription period end	January 26, 2025
E.23	Safeguarding Arrangements for Offered Funds/Crypto-Assets	Not applicable.
E.24	Payment Methods for Crypto-Asset Purchase	Exchange with other crypto-assets.
E.25	Value Transfer Methods for Reimbursement	Not applicable.

E.26	Right of Withdrawal	Not applicable.
E.27	Transfer of Purchased Crypto-Assets	Not applicable.
E.28	Transfer Time Schedule	Not applicable.
E.29	Purchaser's Technical Requirements	<p>To hold the AVAXAI token, the user has several options:</p> <ul style="list-style-type: none"> • The user can use a platform licensed as a CASP in the UE accepting the buying and selling of AVAXAI • The user can buy AVAXAI on the decentralized exchange platform LFJ, enter the token's name or address and hold them on Avalanche-compatible self-hosted. We only recommend using this method for users experienced in crypto-asset markets.
E.30	Crypto-asset service provider (CASP) name	Not applicable.

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E.31	CASP identifier	Not applicable.
E.32	Placement form	NTAV
E.33	Trading Platforms name	Mexc and Gate.io
E.34	Trading Platforms Market Identifier Code (MIC)	Not applicable.

E.35	Trading Platforms Access	<p>The platforms that have admitted AVAXAI to trading are listed below:</p> <ul style="list-style-type: none"> - Gate.io: through its website (https://www.gate.io/) or its mobile application. - MexC: through its website (https://www.mexc.co/) or its mobile application. <p>AVAXAI is also available on the PancakeSwap (https://pancakeswap.finance) and LFJ (https://lfj.gg/) decentralized exchange platforms.</p> <p><u>Important:</u> MexC and Gate.io are non-EU CASPs not yet approved in accordance with Regulation (EU) 2023/1114.</p>
E.36	Involved costs	Not applicable.
E.37	Offer Expenses	Not applicable.
E.38	Conflicts of Interest	No
E.39	Applicable law	St Vincent and the Grenadines
E.40	Competent court	St Vincent and the Grenadines
Part F – Information about the crypto-assets		

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F.1	Crypto-Asset Type	Utility token
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F.2	Crypto-Asset Functionality	<p>The AVAXAI crypto-asset provides access to the following functionalities:</p> <p>Agent Marketplace Transactions: users can buy AI and DeFAI Agents using AVAXAI and stables. Transactions of new and upcoming AI and DeFAI Agents incur a 1% fee.</p> <p>Staking: Users can stake AVAXAI to earn rewards and earlier access to upcoming AI and DeFAI Agents.</p> <p>Governance and Voting: AVAXAI holders can actively contribute to the future of the AValanche project. Each AVAXAI crypto asset enables its holder to vote on key decisions, from protocol updates to new agent categories.</p>
F.3	Planned Application of Functionalities	Not applicable.
F.4	Type of white paper	OTHR
F.5	The type of submission	NEW
F.6	Crypto-Asset Characteristics	See Part F.2.
F.7	Commercial name or trading name	AValanche LLC
F.8	Website of the issuer	https://www.avaxai.org/
F.9	Starting date of offer to the public or admission to trading	January 25, 2025

F.10	Publication date	February 14, 2025
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F.11	Any other services provided by the issuer	<p>Aivalanche, in addition to issuing the AVAXAI token, has developed a marketplace for tokenised AI agents, offering a sophisticated platform for the acquisition, deployment, and exchange of AI-driven crypto-assets. This marketplace enables users to access a diverse range of AI agents tailored for various applications, including decentralised finance, digital content creation, gaming, and broader blockchain-based ecosystems (such as memecoin creation).</p> <p>Each AI agent is structured as a tokenised digital asset, allowing for its seamless transfer, trade, and monetisation within the Aivalanche ecosystem. By acquiring these agents, users gain access to advanced analytical and execution capabilities that enhance decision-making processes across multiple sectors. Whether for market trend analysis, liquidity management, risk mitigation, or community engagement, these AI agents serve as valuable tools designed to optimise user experiences and financial strategies.</p> <p>The Aivalanche marketplace is designed to ensure seamless interoperability, allowing AI agents to be deployed across various platforms, including blockchain networks, decentralised applications (dApps), and social media channels such as Telegram. This integration enhances their functionality, making them easily accessible and operational in real-time.</p> <p>The AI agents offered within this marketplace cater to a wide range of use cases:</p> <ul style="list-style-type: none"> i. DeFi Quant Agents assist in optimising staking strategies, liquidity tracking, and risk management by leveraging real-time on-chain data analysis. ii. Meme Lord Agents provide data-driven content creation capabilities, enabling users to generate viral trends and enhance online engagement. iii. Gamer Agents offer insights into in-game economies, reward optimisation, and player retention strategies, particularly in play-to-earn environments. <p>This list is not exhaustive and other AI agents will be revealed shortly.</p> <p>A key feature of the marketplace is its ability to facilitate the tokenisation of AI agents, transforming them into tradable digital assets. This structure enables users to buy, sell, and deploy AI agents instantly, thereby unlocking new opportunities for innovation, investment, and revenue generation. By bridging the gap between artificial intelligence and blockchain technology, Aivalanche's DeFAI Agent Marketplace establishes itself as a pioneering hub for AI-driven automation, financial optimisation, and digital asset trading.</p>
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F.12	Identifier of operator of the trading platform	Not applicable.
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F.13	Language or languages of the white paper	EN
F.14	Digital Token Identifier Code used to uniquely identify the crypto-asset or each of the several crypto assets to which the white paper relates, where available	Not applicable.
F.15	Functionally Fungible Group Digital Token Identifier, where available	Not applicable.
F.16	Voluntary data flag	False
F.17	Personal data flag	True
F.18	LEI eligibility	Not applicable.
F.19	Home Member State	Malta
F.20	Host Member States	Not applicable.

Part G – Information on the rights and obligations attached to the crypto-assets

G.1	Purchaser Rights and Obligations	<p>Holders of AVAXAI tokens have a proprietary right over their tokens, which grants them participation in the governance of the Aivalanche project. This means they can:</p> <ul style="list-style-type: none"> - Vote on protocol changes: Participate in decentralized governance by voting on proposals related to the Aivalanche project's development, fees, smart contract updates, and treasury allocation. - Propose new initiatives: Token holders may have the ability to submit governance proposals, depending on governance thresholds (e.g., a minimum amount of tokens required to create a proposal). - Influence ecosystem development: Decisions regarding AI agent functionalities, tokenomics, and ecosystem expansions may be subject to governance votes. <p>Beyond governance, holders of AVAXAI may benefit from: -</p> <ul style="list-style-type: none"> - Participation in ecosystem rewards: Staking AVAXAI tokens to receive rewards from transaction fees or AI agent interactions. - Transaction facilitation: AVAXAI is used for creating, buying, and selling AI agents within the platform. - Access to exclusive features: Certain premium functionalities within AVAXAI's ecosystem may require holding or staking tokens.
G.2	Exercise of Rights and obligations	See Part. 6.1.
G.3	Conditions for modifications of rights and obligations	<p>At this stage, there are no predefined conditions for modifying the governance rights and obligations of AVAXAI token holders. However:</p> <ul style="list-style-type: none"> - Governance rules themselves may be subject to modification via voting mechanisms, if a majority of holders agree to change aspects such as voting power distribution or decision-making thresholds. - Any unexpected regulatory intervention could impose additional obligations on token holders, such as KYC/AML compliance for governance participation. <p>By structuring governance and ownership rights effectively, AVAXAI provides token holders with direct influence over protocol evolution, ensuring decentralization and fair decision-making in the AVAXAI ecosystem.</p>
G.4	Future Public Offers	No

G.5	Issuer Retained Crypto-Assets	<p>The issuer holds a total of 550,000,000 AVAXAI distributed as follows:</p> <ul style="list-style-type: none"> - Team: at the time of issue, 5.00% of the offering was allocated to TEAM, representing 50,000,000 AVAXAI, - Incentives: at the time of issue, 8.50% of the offering was allocated to various incentives to encourage the growth of the AVAXAI token through marketing campaigns, representing 85,000,000 AVAXAI, which the team will retain and use for these incentives over time, - Dev & marketing: at the time of issue, 4.50% of the offering was allocated to development and marketing purposes, representing 45,000,000 AVAXAI, which the team will retain and use over time, - Ecosystem: at the time of issue, 4.50% of the offering was allocated to support the development of the Aivalanche ecosystem, representing 45,000,000 AVAXAI. - Partners: at the time of issue, 2.50% of the offering was allocated to potential partners to encourage the growth of the AVAXAI token through partnerships, representing 25,000,000 AVAXAI. - Liquidity: at the time of issue, 30.00% of the offering was allocated for liquidity provision and market making purposes of the AVAXAI token on centralized and decentralized exchanges, representing 300,000,000 AVAXAI.
G.6	Utility Token Classification	true
G.7	Key Features of Goods/Services of Utility Tokens	
G.8	Utility Tokens Redemption	Not applicable.
G.9	Non-Trading request	false
G.10	Crypto-Assets purchase or sale modalities	Not applicable.

G.1 1	Crypto-Assets Transfer Restrictions	No
G.1 2	Supply Adjustment Protocols	Yes
G.1 3	Supply Adjustment Mechanisms	AVAXAI can be burned to reduce supply, but cannot be minted to increase supply.
G.1 4	Token Value Protection Schemes	Yes
G.1 5	Token Value Protection Schemes Description	<p>To protect the value of the AVAXAI token after the IDO, Aivalanche has set up lock and vesting systems on AVAXAI as detailed below.</p> <p>Strategic round 21,70% 35% at TGE, 1 month cliff, 3 months linear vesting</p> <p>Public Sale Round 23,30% 35% at TGE, 1 month cliff, 3 months linear vesting</p> <p>Team 5,00% 0% 12 months cliff, 12 months linear vesting</p> <p>Incentives 8,50% 0% TGE, remaining during week 1 Dev &</p> <p>marketing 4,50% 35% at TGE, remaining during week 1 Ecosystem</p> <p>4,50% 30% at TGE, remaining during week 1 Liquidity & CEXs</p> <p>30,00% As per demand</p> <p>Partners 2,50% 20% TGE, remaining during week 1</p>

		<p>The lock system corresponds to a blocking period for AVAXAI tokens.</p> <p>The vesting system corresponds to a gradual release of tokens during the specified period.</p> <p>These two mechanisms avoid a sudden liquidation (dumping) of AVAXAI tokens by certain investors and protect the token's value over time.</p>
G.1 6	Compensation Schemes	False
G.1 7	Compensation Schemes Description	Not applicable.
G.1 8	Applicable Law	St Vincent and the Grenadines
G.1 9	Competent Court	St Vincent and the Grenadines
Part H – Information on the underlying technology		
H.1	Distributed ledger technology	<p>The AValanche DeFai Agents project and its AVAXAI token use blockchain technology to operate. The project operates on both the Avalanche blockchain and the BNB Chain (although the token claim at the IDO was made on BSC).</p> <p>Why Avalanche?</p> <p>AValanche DeFAI Agents is built on the Avalanche blockchain, and that's no coincidence. Here's why this matters:</p> <ul style="list-style-type: none"> • Speed: Avalanche processes up to 4,500 transactions per second, ensuring smooth and fast interactions. • Low Transaction Fees: Gas fees are consistently low, so you can deploy and trade agents without breaking the bank. • Scalability: Avalanche's architecture can handle millions of transactions, making it perfect for AI-driven applications.

		<ul style="list-style-type: none"> ● Eco-Friendly: Avalanche's Proof-of-Stake model consumes less energy, aligning with sustainable Web3 practices. <p>Why BNB Chain?</p> <p>The AValanche ecosystem also operates on BNB Chain (Binance Smart Chain - BSC), expanding its accessibility and interoperability. BNB Chain provides:</p> <ul style="list-style-type: none"> ● Widespread Adoption: As one of the most widely used blockchains, BNB Chain ensures easy access to a broad user base. ● Low Transaction Fees: BNB Chain offers cost-effective transactions, making it an attractive option for users interacting with AI agents and DeFi applications. ● Fast Processing: BNB Chain maintains high throughput, enabling efficient execution of smart contracts. ● Robust DeFi Ecosystem: With deep liquidity and a well-established DeFi infrastructure, BNB Chain enhances AValanche's market presence and usability. <p>By leveraging both Avalanche and BNB Chain, AValanche combines high-speed execution, cost efficiency, and cross-chain flexibility, ensuring an optimal experience for users.</p>
H.2	Protocols and technical standards	<p>1. Regarding Avalanche:</p> <p>Avalanche is a multichain network, some of which perform essential functions, while others are more application-specific. All so-called "non-essential" Avalanche chains (known as sub-networks) must rely on validators that stake their AVAX - the avalanche network's native protocol token - on one of Avalanche's central platforms.</p> <p>Indeed, Avalanche's multi-chain framework extends to its central design, which consists of three networks that combine to provide the same capabilities as a single network. These three networks are :</p> <ul style="list-style-type: none"> ● The C network (referring to "Contract"): this network is used to deploy smart contracts on the Avalanche network, and thus serves as the application layer for the ecosystem. Decentralized finance protocols ("DeFi") are deployed on this network. AValanche is deployed on this network. ● The X network (referring to "Exchange"): this network is used to send and receive crypto-assets. Although it is also possible to send crypto-assets on the C chain (notably via decentralized exchanges), the C chain generally has higher fees than the X chain, where transaction fees are a fixed 0.001 AVAX. It's also worth noting that this network is not

		<p>a blockchain, but an acyclic directed graph, which offers significant opportunities in terms of scalability.</p> <ul style="list-style-type: none"> • The P network (in reference to "Platform"): this network enables users holding more than 2,000 AVAX Tokens to "stake" their tokens in order to validate transactions on the network (hereinafter referred to as "Validators"). Validators obtain their rewards directly on this chain. These validators can then divide into smaller groups of validators and manage one or more "sub-networks". While sub-networks are loosely linked to the central network via a set of overlapping validators, each sub-network can customize certain network parameters and features to best suit its intended use case. <p>In addition, the P network also enables users who do not have the technical skills or the number of tokens required to validate transactions to delegate their tokens to delegates (hereinafter referred to as "Delegators").</p> <p>By separating these basic layers, Avalanche developers can update each chain independently without adversely affecting the others, and dissociate the essential functions of the Avalanche ecosystem to make it more efficient.</p> <p>2. Regarding BNB Chain:</p> <p>BNB Chain (formerly Binance Smart Chain - BSC) is a dual-chain architecture designed to provide high-speed, low-cost transactions while maintaining compatibility with Ethereum Virtual Machine (EVM). The AValanche project and its AVAXAI token leverage BNB Chain for enhanced accessibility and interoperability.</p> <p>BNB Chain consists of two key components:</p> <ul style="list-style-type: none"> • BNB Beacon Chain: Handles governance and staking functionalities, ensuring the security and decentralisation of the network. • BNB Smart Chain (BSC): Supports smart contracts and dApps, offering a scalable and efficient environment for DeFi protocols, including AValanche. <p>3. Regarding LayerZero (protocol used to bridge AVAXAI between Avalanche and BNB chain):</p> <p>AValanche utilises LayerZero's Omnichain Fungible Token ("OFT") standard to facilitate the seamless transfer of AVAXAI tokens between Avalanche and BNB Chain. LayerZero is a decentralised interoperability protocol that enables direct cross-chain communication without relying on traditional wrapped asset mechanisms. Unlike conventional bridging solutions that fragment liquidity and introduce intermediary risks, LayerZero ensures that</p>
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		<p>AVAXAI maintains a single, unified liquidity pool across both blockchains.</p> <p>This protocol operates through a trust-minimised framework, where transactions are validated by independent oracles and relayers, reducing the risk of centralised failure or manipulation. By eliminating unnecessary intermediaries, LayerZero enhances the efficiency and security of cross-chain transfers, while also minimising transaction costs for users. Through this integration, AValanche guarantees that AVAXAI holders can seamlessly interact with the ecosystem on multiple chains without compromising liquidity, security, or usability.</p>
H.3	Technology Used	Blockchain and Artificial Intelligence.
H.4	Consensus Mechanism	<ul style="list-style-type: none"> • Avalanche relies on proof-of-stake as a consensus mechanism. • BNB Chain relies on a Proof of Staked Authority (PoSA) consensus mechanism, which combines elements of Proof of Stake (PoS) and Proof of Authority (PoA).
H.5	Incentive Mechanisms and Applicable Fees	<ul style="list-style-type: none"> • For Avalanche: Staking rewards for validators. • For BNB Chain: validators are rewarded with transaction fees rather than newly minted tokens. Unlike traditional PoS consensus, BNB Chain does not have a block subsidy or inflationary rewards.
H.6	Use of Distributed Ledger Technology	Yes
H.7	DLT Functionality Description	See part H.2
H.8	Audit	The protocol is not audited.
H.9	Audit outcome	Not applicable.

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

The environmental impact of the AVAXAI token is assessed based on its operation on two distinct Proof-of-Stake (PoS) blockchains:

- Avalanche
- BNB Chain

Both networks operate with low energy consumption compared to Proof-of-Work (PoW) blockchains such as Bitcoin or Ethereum before The Merge. However, like any blockchain network, they still require energy for validation and transaction processing, leading to some level of carbon emissions.

Since AVAXAI is a newly launched crypto-asset, its exact energy consumption and environmental impact are difficult to determine precisely. However, based on the publicly available sustainability data of Avalanche and BNB Chain, as well as the estimated transaction volume of AVAXAI, we can derive a reasonable estimation of its energy consumption and carbon footprint.

1. THE PRINCIPAL ADVERSE IMPACTS (PAI)

As part of the public offer and the issue of the AVAXAI token, three key environmental factors are relevant in assessing the sustainability of AVAXAI:

- ❖ **Energy needs. Energy consumption:** Blockchain networks require energy to function, and even though PoS mechanisms are energy-efficient, network validators still require electricity to process transactions.
- ❖ **Carbon emissions associated with energy needs** Energy consumption results in carbon emissions, depending on the source of electricity used by the network validators.
- ❖ **Electronic waste.** Unlike PoW networks, which rely on specialized mining hardware (ASICs), PoS blockchains use **standard computers** for validation, significantly reducing the amount of electronic waste.

Other factors, such as water consumption for cooling, resource extraction for hardware, and infrastructure maintenance, are considered negligible in the overall environmental footprint of the AVAXAI token.

2. KEY INDICATORS REGARDING THE ENVIRONMENTAL FOOTPRINT OF THE AVAXAI CRYPTO-ASSET

On the basis of the above-mentioned PAISs, the following environmental indicators are relevant to the study of the environmental footprint of the AVAXAI token.

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A. ENERGY CONSUMPTION OF AVALANCHE

- Total annual energy consumption: 469.8 MWh/year
- Total annual carbon emissions: 178.3 tCO₂e
- Marginal power demand per TPS per transaction: 0.1092 W

Nodes [# total]	Electrical power [W]	Electricity consumption [kWh/day]	consumption [kWh/year]
1,247	53,630.41	1,287.13	469,802.39

Source : CCRI, Indexes and report "PoS Benchmark Study (2023)"

Avalanche is a **high-performance PoS blockchain** that achieves efficiency through **its unique consensus mechanism**, which requires lower computational effort for validation compared to traditional PoS systems.

b) **ENERGY CONSUMPTION OF BNB CHAIN**

Based on CCRI's analysis (2022), BNB Chain has the following sustainability metrics:

- Total annual energy consumption (annualized) : 14,299.0 kWh
- Total annual carbon emissions: 5.0616 tonnes CO₂e
- Energy consumption per transaction: 0.008 Wh (0.000008 kWh) per transaction •
- Carbon emissions per transaction: ~0.000031 tonnes CO₂e

BNB Chain operates on a PoAS model, which reduces the number of validators required, making it one of the most energy-efficient Layer 1 PoS blockchains.

c) **CARBON EMISSIONS OF AVALANCHE AND BNB CHAIN**

- Avalanche's annual carbon emissions: 1,232,330.7 kg CO₂e
- BNB Chain's annual carbon emissions (annualized): 4,990.3 kg CO₂e

Source : CCRI, Indexes

3. ESTIMATING THE ENVIRONMENTAL FOOTPRINT OF AVAXAI

To estimate AVAXAI's environmental footprint, we follow this methodology:

1. Determine the total number of AVAXAI transactions per blockchain (Avalanche and BNB Chain)
2. Estimate the energy consumption per transaction using publicly available data
3. Calculate the total energy consumption for AVAXAI across both networks
4. Estimate the carbon emissions per transaction and total carbon footprint

A) TRANSACTION VOLUME ESTIMATION

Based on observed transactions over 9 days:

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- Avalanche transactions in 9 days: 4,574 transactions
- BNB Chain transactions in 9 days: 3,968 transactions

To estimate annual transactions, we apply the following formula: **Annual Transactions = (Observed Transactions / 9) × 365**

Applying this to each blockchain:

- **Avalanche estimated annual transactions: 185,501 transactions**
- **BNB Chain estimated annual transactions: 160,924 transactions**
- **Total AVAXAI transactions per year: 346,425 transactions**

4. DETAILED CALCULATIONS

Network	Annual Transactions	Annual Energy Consumption (kWh)	Annual Carbon Emissions (kg CO ₂ e)
Avalanche	185 501	1492.2675000000002	3914.361542916667
BNB Chain	160 924	1.5760675555555557	0.5500419555555555 7
Total for AVAXAI	346 426	1493.8435675555556"	3914.911584872222 6

Final estimates:

- Total annual transactions for AVAXAI: ~346,426
- Total annual energy consumption for AVAXAI: ~1,493.84 kWh
- Total annual carbon emissions for AVAXAI: ~3,914.91 kg CO₂e (or ~3.91 tonnes CO₂e)

These estimates are based on the average number of transactions over the first 9 days of circulation of the AVAXAI token on the Avalanche C-Chain and BNB Chain. It also takes into account the following observations:

- To estimate the energy consumption of the AVAXAI token, we use the publicly available energy consumption data for Avalanche and BNB Chain, along with the estimated transaction volumes. This concerns in particular CCRI data.
- To estimate the energy consumption and carbon footprint on the C-Chain we considered the average number of transactions on C-Chain in Q3 2024, which was 160,000 transactions per day according to OAK research.
- To estimate the energy consumption and carbon footprint on the BNB Chain we considered the average number of transactions on the BNB Chain in 2024, which varied between 3 and 4 million (source: BSC scan). We decided to base our calculations on a high range, considering a daily average of 4 million transactions.

These estimates may vary with different calculation approaches, taking into account (i) the recent issuance of the AVAXAI token and (ii) the fact that data on the energy consumption and carbon

