



# FINANCIAL SERVICES COMMISSION MAURITIUS

## White Paper

Kula — Financial Services Commission - Kula White Paper v1.0 — May 2025

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## Contents

INTRODUCTION .....	4
VISION .....	6
MISSION .....	7
ORIGINS .....	9
• BACKGROUND .....	9
• HISTORY .....	9
MAURITIUS FSC - SECTION B: ACTIVITY.....	11
(A) BRIEF DESCRIPTION OF THE DIRECTORS, SENIOR MANAGEMENT, KEY PERSONNEL AND ADVISERS OF THE ISSUER OF INITIAL TOKEN OFFERINGS.....	13
• TEAM AND PARTNERSHIPS .....	13
• FOUNDING TEAM — KULA GROUP LIMITED DIRECTORS.....	13
• COMPANY DIRECTORS — KULA VASP LIMITED .....	14
• EXECUTIVE TEAM — KULA VASP LIMITED .....	14
• OUTSOURCE PARTNERS.....	15
• KEY INFORMATION .....	16
(B) THE OBJECTIVE OR PURPOSE OF THE INITIAL TOKEN OFFERINGS .....	18
• EXECUTIVE SUMMARY .....	18
(C) THE KEY CHARACTERISTICS OF THE VIRTUAL TOKEN.....	20
(D) DETAILED DESCRIPTION OF THE SUSTAINABILITY AND SCALABILITY OF THE ITO PROJECT.....	21
• FIRST PRINCIPLES.....	21
• DECENTRALISATION.....	21
• TRANSPARENCY .....	21
• SCALABILITY.....	22
• WIN-WIN-WIN .....	22
(E) THE BUSINESS PLAN OF THE ISSUER OF INITIAL TOKEN OFFERINGS.....	24
• \$KULA TOKEN ISSUANCE .....	26



(F) THE TARGETED AMOUNT TO BE RAISED THROUGH THE ITO PROJECT .....	28
• FINANCIAL PROJECTIONS AND VALUE PROPOSITION .....	28
• FINANCIAL PROJECTIONS .....	29
(G) ANY RIGHTS, CONDITIONS, OR FUNCTIONS ATTACHED TO THE VIRTUAL TOKEN .....	33
(H) DISCUSSION ON THE DETERMINATION OF THE ACCOUNTING AND VALUATION TREATMENTS FOR THE VIRTUAL TOKEN .....	36
• TOKENOMICS .....	36
• \$KULA TOKEN .....	36
• ACCOUNTING METHODOLOGY .....	37
(I) ASSOCIATED CHALLENGES AND RISKS .....	38
• MANAGED DEVELOPMENT .....	38
• SAFEGUARDS AGAINST RISK OF PONZI SCHEMES .....	38
• WHALING .....	38
• AML/CFT .....	39
(J) INFORMATION IN RESPECT TO THE DISTRIBUTION OF THE VIRTUAL TOKENS .....	40
(K) A TECHNICAL DESCRIPTION OF THE PROTOCOL, PLATFORM, OR APPLICATION OF THE VIRTUAL TOKEN .....	41
• KULA ARCHITECTURE SUMMARY .....	41
• INFRASTRUCTURE OVERVIEW .....	42
• KULA TECHNICAL DOCUMENTATION .....	42
• TOKEN .....	43
• GOVERNOR .....	43
• TIMELOCK .....	43
• REGISTRY .....	44
• MULTISIGWALLET .....	44
(L) DETAILS OF THE CONSENSUS ALGORITHM .....	45
(M) ANY APPLICABLE TAXES AND SOFT/HARD CAP FOR THE OFFERINGS .....	46
(N) INFORMATION ABOUT ANY PERSON(S) UNDERWRITING OR GUARANTEEING THE OFFER .....	47
(O) ANY RESTRICTIONS ON THE FREE TRANSFERABILITY OF THE VIRTUAL TOKENS BEING OFFERED .....	48
(P) METHODS OF PAYMENT .....	49



(Q) DETAILS OF REFUND MECHANISM IF THE SOFT CAP FOR THE OFFERINGS IS NOT REACHED ..... 51

(R) DETAILS OF SMART CONTRACT(S) ..... 52

(S) DESCRIPTION OF THE ANTI-MONEY LAUNDERING PROCEDURES ..... 54

(T) INTELLECTUAL PROPERTY RIGHTS ASSOCIATED WITH THE OFFERINGS AND PROTECTION THEREOF  
..... 55

(U) AUDITED FINANCIAL STATEMENTS OF THE ISSUER OF INITIAL TOKEN OFFERINGS ..... 56

(V) STATEMENT OF DISCLAIMER ..... 57

(W) ADDITIONAL STATEMENT ..... 58



## Introduction

The following Vision and Mission relate to the wider Kula group of entities and is provided to give the Mauritius Financial Services Commission (“FSC” or “Commission”) context for what the group is trying to ultimately achieve.

The \$KULA Token and the smart contract governance protocols that they contain are at the core of the group's business model. It is critical to understand through this application process that the issuance of the \$KULA Token is a gateway to global stakeholder participation and governance that will drive the wider Kula purpose. The Token is not the destination; it is a doorway to investment in global projects that have a direct community impact, benefiting tens of thousands of people.

The license applicant, Kula VASP Limited (Mauritius—FSC), its 100% parent Kula Group Limited (Cayman Islands) and fellow subsidiary Kula PCC (Mauritius—FSC) will hereafter be referred to as “Kula”.



## Vision

Kula is working towards a future with greater equity in the development and distribution of wealth through shared real-world asset ownership with governance.



## Mission

Kula aligns the interests of different people groups to create shared value.

Kula incentivises the equitable realisation of assets using blockchain technology.

Can the value of assets be realised by incentivising all stakeholders to meaningfully participate in the process?  
Can we also lower the risk that investors must bear?

Kula believes that a solution has been found.

Utilising a new form of structure, a Decentralised Autonomous Organisational ecosystem (“DAO”), allows access for all stakeholders to work with each other, align interests, and release the value that sits in shared opportunities and assets.

DAO’s function on blockchain technology, which can be accessed through the issuance of Tokens containing smart governance contracts. It is for this reason that Kula seeks to secure an “Issuers of Initial Token Offerings – VT1.1” license from the FSC.

By creating the \$KULA Token, it provides members smart contract access to the governance protocols that they contain, incentivising them as stakeholders in the participation of the group's Vision and Mission. Stakeholders who are engaged participate in the proposals and decisions that will shape their shared outcomes. As a new level of trust is built between ALL stakeholders, latent value is unlocked.

This creates a foundation where positive outcomes can thrive, and destructive practices are minimised, returning greater prosperity and financial return for all stakeholders. This is then reflected in the positive price of the token held by each person.

Kula focuses on applying this model and structure to real-world assets. To start, Kula utilises its relationship with physical mining companies in Africa. Later, Kula will expand its focus into other real-world assets, such as water, timber, agriculture, and real estate.

Today, the misalignment of interests costs industry across the globe billions of dollars annually.

As an example, in agriculture, competing interests along supply chains can result in the use of harmful pesticides or unfair pricing. In the management of mineral resources, non-participatory power structures can leave local communities without a voice or agency. Whatever the sector, where stakeholders fight for their preferred outcomes, there are winners and losers.

Where one group loses, ultimately to the detriment of all, Kula sees an opportunity to turn these moments into a win-win-win outcome for all stakeholders.



Kula solves such problems by using DAO technology to incentivise participation, build trust, and create value across the realisation of the particular asset. The cryptographic structure of a DAO and the smart contract governance Token allows an immutable, transparent, and accountable engagement of all stakeholders in the development of their shared assets.

This is new, unique, and embraces an opportunity presented by the inception and utility of emerging technology to solve the issues that lie at the foundation of misaligned interests and create shared value for every group in any given industry.

Kula's structure, however, goes further to create wealth for both investors and clients.



## Origins

### BACKGROUND

The Kula project is grounded in over 20+ years of watching failed commercial and philanthropic endeavors in Africa, Asia, and the Middle East, where local communities are often excluded and disempowered.

Kula is working to correct the misaligned interests and priorities that sit beneath such outcomes by providing incentivisation to all stakeholders through tokenisation. These tokens reflect real financial return potential alongside the opportunity to decide and direct the direction of their project's asset development.

Furthermore, the project is also inspired by a belief that the distance between an investor and project outcomes need not be layered behind opaque decision-making hierarchies that control governance and financial management choices. Kula is a project that is daring to hope that the traditional ways in which investment opportunities currently operate can be reimaged, creating alternative pathways that enable genuine transparency and participation for all its stakeholders.

Kula, as a concept, is drawn from the anthropological studies of Marcel Mauss in Oceania - the human proclivity for barter and exchange and the accompanying social framework as a structure in which community and generosity are expressed through economic discourse.

### HISTORY

Kula (or the Kula ring) is the ceremonial backbone of customary barter exchange in the Massim archipelago of the Trobriand Islands in the East Pacific Ocean.

Across 18 islands, red-shell necklaces are traded in a clockwise direction, and white-shell armbands circulate in an anti-clockwise direction. Kula shells are symbols that define prestige, position, and reciprocated relationships.

Kula 'ring' trips traverse hundreds of miles of ocean, often still by canoe. The sophisticated rules that accompany this set of fascinating cultural and social traditions provide the foundation for economic commodity exchange.

Kula is the customary framework and governance structure that enables commodity trading between the island communities.

# K

As an anthropologically studied phenomenon that speaks to the first principles of exchange in human social behaviour, Kula is the cryptographic mirror of the Kula ring.





## Mauritius FSC - Section B: Activity

As part of the FSC Licensing Criteria for “Issuers of Initial Token Offerings — VT-1.1.”

Section B: Activity specifies:

Detailed white paper including but not limited to the following:

- (a) brief description of the directors, senior management, key personnel and advisers of the issuer of initial token offerings, including name, designation, nationality, address, professional qualifications and related experience;
- (b) the objective or purpose of the initial token offerings (“ITO”), including detailed information on the ITO project to be managed and operated by the issuer of initial token offerings;
- (c) the key characteristics of the virtual token;
- (d) detailed description of the sustainability and scalability of the ITO project;
- (e) the business plan of the issuer of initial token offerings;
- (f) the targeted amount to be raised through the ITO project, and subsequent use and application of the proceeds thereafter illustrated in a scheduled timeline for drawdown and utilisation of proceeds (schedule of proceeds);
- (g) any rights, conditions, or functions attached to the virtual token, including any specific rights attributed to a token holder;
- (h) discussion on the determination of the accounting and the valuation treatments for the virtual token, including all valuation methodology and reasonable presumptions adopted in such calculation;
- (i) associated challenges and risks as well as mitigating measures thereof;
- (j) information in respect to the distribution of the virtual tokens and where applicable, the distribution policy of the issuer of initial token offerings;
- (k) a technical description of the protocol, platform or application of the virtual token, as the case may be, and the associated benefits of the technology;
- (l) details of the consensus algorithm, where applicable;



- (m) any applicable taxes and soft/hard cap for the offerings;
- (n) information about any person(s) underwriting or guaranteeing the offer;
- (o) any restrictions on the free transferability of the virtual tokens being offered;
- (p) methods of payment;
- (q) details of refund mechanism if the soft cap for the offerings is not reached;
- (r) details of smart contract(s), if any, deployed by the issuer of initial token offerings and the auditor who performed an audit on it/them;
- (s) description of the anti-money laundering procedures of the issuer of initial token offerings;
- (t) intellectual property rights associated with the offerings and protection thereof;
- (u) audited financial statements of the issuer of initial token offerings;
- (v) a statement of disclaimer as follows — the furnishing on this white paper to the Commission should not be taken to indicate that the Commission assumes responsibility for the correctness of any statement made in this white paper; and
- (w) shall also contain the following statement — investors are reminded that the Bank of Mauritius (the central bank) does not recognise virtual tokens as a legal tender nor as a form of payment instrument that is regulated by the central bank and that the central bank will not provide any avenues of redress for aggrieved token holders.

The white paper must be submitted together with a written legal opinion obtained from a law practitioner, legal consultant, or law firm.

These will be addressed one section at a time throughout the remainder of this document.



## (A) Brief Description of the Directors, Senior Management, Key Personnel and Advisers of the Issuer of Initial Token Offerings

Key Personnel and Advisers of the Issuer of Initial Token Offerings, Including Name, Designation, Nationality, Address, and Professional Qualifications and Related Experience

### TEAM AND PARTNERSHIPS

The following section comprises the founding team who represent the company directors of the parent company, the license applicant company directors and executive and then third-party entities that have supported the group during the design, development and implementation of the \$KULA Token to the issuance phase.

### FOUNDING TEAM — KULA GROUP LIMITED DIRECTORS

#### Samuel Chen

Samuel is deeply involved in bringing emerging technologies into the business world. He has experience applying AI and data science in hedge fund trading, both derivatives and cryptocurrencies. He is interested in using blockchain, among other emerging technologies, for the greater good. Samuel has a background in physics and economics. Samuel holds a B.S. in Physics and a B.A. in Business Economics from UCLA, as well as a M.Eng. in Applied Physics from Cornell University.

#### Christopher Turner

Chris has worked in the developing world for over 20 years, consulting with most of the multilateral aid agencies in Asia, Africa, and the Middle East. Chris is committed to the integration of emerging technologies as solutions to solve some of the world's most pressing issues. Chris obtained his B.A in Anthropology from SOAS, London, and M.A in Public Health from the University of London. He also has his Ph.D. in Organisational Development.

#### Micah Yeackley

Micah has been immersed in blockchain research for the past several years. In 2019 after helping friends and family invest in cryptographic assets, he formally founded the Veteran Broker, one of the first cryptographic brokerages in North America. The business now manages over \$750 million USD of custodian assets for over 200 clients all over the globe. Before his work in cryptographic investments Micah completed a career in the US military.



## **COMPANY DIRECTORS — KULA VASP LIMITED**

### **Christopher Turner**

Please refer to the narrative above.

### **Steven Robert Flynn**

Steven is a financial services professional with more than 40 years' experience in the sector and a network of international partners and clients. Former Director of Fidelity Investments, Steven has held senior positions in blue-chip financial services companies, including CEO of the biggest offshore financial services provider in Mauritius. He is a recognised industry expert in all kinds of funds, investment-based insurance, corporate finance work, and third-party administration.

A native English and fluent French speaker, Steven also retains skills in Spanish and German. He has lived and worked in the United Kingdom, Bermuda, Canada, Luxembourg, India, South Africa, and Mauritius.

### **Jeet Rai Prakash Sharma Foolessur**

As a qualified chartered accountant, Jeet has been working in the financial sector for 20 years now. His dedication and enthusiasm has helped him carve his path in this professional world, making him an expert in the field.

As a former Financial Controller in a Multinational company and a member of ACCA, he has gained expertise in managing several audits and finalising financial statements for different entities simultaneously during the last 7 years, ensuring they are all in line with the global accounting standards as well as the local legislations. Jeet has studied for his Bachelor's degree and worked in the United Kingdom, before flying to the Maldives Island to work for a renowned hotel group. He is also a member of the Mauritius Institute of Directors.

## **EXECUTIVE TEAM — KULA VASP LIMITED**

### **Christopher Turner — Chief Executive Officer**

Please refer to the narrative above.

### **Paul Alan Jackson — Chief Compliance & Risk Officer**

Paul has held C-Suite and Board Level positions for the past fifteen years within regulated entities across Africa and the Middle East. A qualified chartered accountant with a BA (Hons) in Financial Economics, he is an accomplished senior executive with unmatched experience in pioneering innovative business structures to address complex challenges in the financial services sector. Design solutions and structures to create and scale



businesses and implement risk mitigation strategies and control systems. Conceptualises financial reports and models to transform business operations, enhancing efficiency and productivity.

Steer organisations to surpass objectives, blending creativity and a strategic vision to find effective solutions and solve intricate challenges. Forecast future trends and capitalise on market demands to maintain a competitive advantage. Implement transformational leadership, foster a collaborative environment, and enhance team cohesion. Drive operational excellence and ensure long-term organisational success.

## **OUTSOURCE PARTNERS**

*THE FOLLOWING ENTITIES HAVE PROVIDED TECHNICAL INPUT TO THE GROUP — THEY ARE OUTSOURCE PARTNERS AND HAVE NO DIRECT CONTROL OR INPUT INTO THE COMPANY*

### **University of Illinois' Disruption Lab**

Kula contracted with the University of Illinois' Disruption Lab for 18 months to develop its early POC smart contracts and code base for Kula's double-DAO conceptual build (RockShare) in 2022. This process has been instrumental to the project's development with three separate academic terms' worth of attention from 10- 12 computer engineering and computer science students. Outputs included the conceptual technological structure of Kula's governance and RegionalDAO interaction, token development and market fluctuation, and development of tokenomics project technicalities.

### **The Office Web**

Kula contracted with The Office Web to develop its smart contract code for its tokenomics and governance protocols. This team have built upon the work done by Kula in its first phase with the University of Illinois - but as professional blockchain and smart contract developers this team have worked from the ground up to develop the code base for Kula's operations - which includes integration of the governance protocols baked into our DAO management and decision-making design. This work includes smart contract development, back-end management, and indexing smart contract interactions.

### **Wachsman/4Labs**

Kula has contracted with Wachsman as one of the global lead marketing organisations for the strategic marketing of digital assets. Wachsman has worked with Kula's internal marketing team to develop its online presence across social media platforms (X/LinkedIn) and community-building platforms (Telegram/Discord) as well as develop targeting campaigns to grow organic community and retain brand allegiance.

### **North American Eco-System Institute (NAEI) - IMPACT Division**

Like Wachsman, NAIE-IMPACT is a (more recently) contracted entity for the marketing of the \$KULA token in the Asia Pacific region. As we near the project launch and \$KULA token issuance, Impact in the Asia Pacific is



handling PR in the People’s Republic of China and engaging tier 1 and tier 2 cryptographic virtual asset projects for interviews with Kula.

## Fireblocks

Trusted by over 1800 of the world’s leading Web3 companies, Fireblocks provides a suite of applications to securely manage digital asset operations. Fireblocks will manage the custody and transfer of \$KULA virtual assets for investors. Custody management, securitisation of the protocol, wallet management, shared keys are among the following compliance standards associated with our agreement with Fireblocks:

- Enterprise risk management framework SOC 2 Type 2.
- Key and wallet management Key Ceremony Security Practices.
- Information security policy sets in ISO 27001.
- Penetration testing with PenTen securitisation.

## Verichains

Verichains has conducted a full audit on the smart contract code base of the Kula protocol (all contracts for all phases of the roadmap). Verichains discovers and resolves any potential security vulnerabilities in blockchain implementation, consensus protocol, smart contracts, and DApps using industry best practices. To date, they have audited 200+ projects with over \$47B USD of assets. Verichains has worked with TOW to ensure the smart contracts are fully compliant, secure, and that all errors have been identified and resolved.

## Aegis

Aegis will provide custody of tokenised assets for Kula in the later phases of its project development road map. Aegis provides a fully licenced and insured digital asset custodial service that provides secure, institutional grade, proprietary, and integrated custodial blockchain solution for the digitisation of real-world assets. Kula have engaged with Aegis to secure and hold the digital form of Kula’s tokenised real world assets.

## KEY INFORMATION

### SAMUEL CHEN

- Designation: Founder and Group Director
- Nationality: American
- Address: 3633 Pinot Ct., Las Vegas, Nevada, United States, 89129
- Professional Qualifications & Experience: See Above



## CHRISTOPHER TURNER

- Designation: Founder, Group Director, and Company Director
- Nationality: British
- Address: 224 Stourbridge Road, Halesowen, United Kingdom, B63 3QP
- Professional Qualifications & Experience: See Above

## MICAH YEACKLEY

- Designation: Founder and Group Director
- Nationality: American
- Address: 2312 Firethorn Lane, Champaign, Illinois, United States, 61822
- Professional Qualifications & Experience: See Above

## STEVEN ROBERT FLYNN

- Designation: Director
- Nationality: British citizen
- Address: NO. 47, Les Multipliants, Petite Riviere Noire, Mauritius, Republic of Mauritius
- Professional Qualifications & Experience: See Above

## JEET RAI PRAKASH SHARMA FOOLESSUR

- Designation: Director
- Nationality: Mauritian
- Address: Karbala Road, Camp De Masque Pave
- Professional Qualifications & Experience: See Above

## PAUL JACKSON

- Designation: Chief Compliance & Risk Officer
- Nationality: British
- Address: Villa C58-1, Wadi Al Safa 3, Dubai, United Arab Emirates
- Professional Qualifications & Experience: See Above



## (B) The Objective or Purpose of the Initial Token Offerings

*The Objective or Purpose of the Initial Token Offerings ("ITO"), Including Detailed Information on the ITO Project to be Managed and Operated by the Issuer of Initial Token Offerings.*

### EXECUTIVE SUMMARY

The Promoters of the Kula group will use blockchain technology to build, manage and invest in real world asset backed DAOs. Kula want to ensure that these DAOs will have the infrastructure necessary to allow the alignment of interests of different stakeholders to create shared value of projects.

Kula was founded by a team of first movers in the blockchain regulatory environment, and it is uniquely positioned to deliver a groundbreaking project that will create the first global community-developed, real-world asset blockchain project that is not determined by algorithm but rather by assets of real-world value.

The heart and intent of this project is to return equitable value to all stakeholders by creating structures that enable each stakeholder group, from grassroots community members to retail investors to transnational corporations and national government entities, to realise shared wealth and prosperity by leveraging the opportunities DAOs create.

Kula will operate a 'double DAO' system. The first DAO will be at the \$KULA Token level, which will be made available to the public through a Centralised Exchange. The second level is at the regional project level (RegionalDAO), which Kula has invested in. These will consist of:

1. the issuing of a "\$KULA" Token through an initial token offering on at least one approved centralised exchange. The \$KULA Token represents a capital investment opportunity for the external market. The \$KULA Token will provide token holders governance rights, serving locally defined assets. When investors buy \$KULA Tokens, they are not just investing in a digital asset, they are buying into a visionary platform that bridges blockchain with real-world impact; and
2. minting "RegionalDAOs" which will have a 40%/40%/20% split between Kula, a corresponding project development entity, and a locally defined beneficiary. The \$KULA Token provides the liquidity needed by RegionalDAOs to develop their projects. The RegionalDAO tokens will allow token holders to secure an equity stake for the governance protocol, investment and/or support for DAOs that manage real-world assets, from natural resources to agricultural developments. A dedicated set of RegionalDAO tokens will be produced for each standalone regional investment project, allowing legal segregation of stakeholders.

RegionalDAO tokens are unique in that they are a subset of the \$KULA Token. While they utilise the same governance smart contracts and technology that the \$KULA Token is built upon, they are self-contained and only available to individual regional project participants. They ARE NOT publicly available, NOT available to be



traded through a CEX, and the value in them is realised by selling them back to the DAO at an agreed price before those tokens are cancelled On-Chain.

To fully capitalise the project's existing and additional Contracts and Memorandum of Understandings with new RegionalDAO partners, we anticipate \$15M USD will be raised from the ITO of the \$KULA Token. These funds will be used to complete the project's architecture and fully capitalise the first vetted RegionalDAO projects.

Currently, in the blockchain industry, there is no direct competitor to this business model. In the first five years of operation, Kula expects a revenue of \$43.73M USD based on the current agreements signed in MOU and Contract with the project.

In addition to generating revenue from investments into the RegionalDAO projects, Kula plans to generate some residual income by leveraging its blockchain technology and expertise in providing infrastructure solutions to clients. Kula will provide a white label token issuance service and DAO wrapper to support clients in aligning stakeholder interests (for a service fee) and smart contract management (for a transaction fee).



## (C) The Key Characteristics of the Virtual Token

The Kula token is governance-oriented, empowering holders to actively participate in shaping the strategic and operational decisions within the Kula ecosystem. Beyond governance, it functions as a store of value, maintaining stability and reflecting the economic activities within the DAO. Additionally, it facilitates the seamless transfer of value, enabling efficient and transparent transactions that align with Kula’s mission of fostering decentralised collaboration and real-world impact. These attributes underscore the token’s pivotal role in driving Kula’s sustainable and scalable ecosystem.

Built on the Ethereum Virtual Machine (“EVM”) code base, the Kula token leverages smart contracts to ensure transparency, security, and efficiency. These programmable contracts automate key functions such as governance, value transfer, and operational rules, minimising human error and eliminating the need for intermediaries. By utilising the widely trusted EVM infrastructure, Kula ensures interoperability with other blockchain ecosystems, enabling scalability while maintaining alignment with its mission of sustainable impact and decentralised collaboration. Please see the technical documentation to cover these aspects in greater detail.



## (D) Detailed Description of the Sustainability and Scalability of the ITO Project

### FIRST PRINCIPLES

Kula's first principles provide the boundaries of where and how Kula will be structured and governed. These first principles are programmed into the constitution and codebase.

### DECENTRALISATION

Kula is committed to the ongoing development and evolution of a decentralised autonomous organisation that provides tokens to stakeholders who are empowered by holding those tokens to make decisions executed by smart contract.

Deploying a double-DAO eco-system to provide the liquidity and tools for all levels of the Kula ecosystem retains both voice and participation in the development of projects.

The journey to full decentralisation will be a managed process during which Kula will develop its regional projects and create stability within the eco-system. Reaching stability in its value proposition, both in terms of community consensus regarding operational and administrative behaviours, and a sustainably appreciating floor price for the \$KULA Token, is an indicator for locked tokens to be released to the market. This is how sustainability will be achieved.

By its governmental and corresponding technological structure, Kula cannot be controlled by any one individual or group. Protocols in the design of the \$KULA token's governance structure provide safeguards against reverting to an alternative centralised system around a single set of vested interests.

### TRANSPARENCY

Kula will provide an immutable consensus framework for decision-making in asset development. The assets are the capital investments made into real-world regional projects. This reframes the current structure of developing projects where processes are often opaque, and provenance of funds and data can be obscured.

All stakeholders, from grassroots community members and retail investors to transnational corporations and national government entities, will have an opportunity within the KulaDAO ecosystem to equitably collaborate within the boundaries established by the smart contract protocols.

Kula will ensure that in each regional project invested in with the proceeds of selling \$KULA Tokens that a percentage of the governance tokens are provided to the local beneficiary/stakeholders in which a project



occurs. This means that members of local communities are stakeholders in the projects/assets being developed. Correspondingly, a financial return accrues to this pool for locally defined stakeholders, which is expressed in the value of the regional token. This provides an incentivisation to individuals/groups to participate whilst exercising governance. It also offers the same groups/ individuals a transparent share of profits that are encapsulated in the value of the token.

By structuring the system around distributed ledger technology, stakeholder participation is not only made possible but significantly reduces the need for organisational overhead and administrative expenses. Effectively, this process is transparent, immutable, and provides Kula stakeholders the opportunity to openly track what is happening as their investments are at work.

## **SCALABILITY**

The \$KULA Token is designed with scalability as a foundational principle to support the growth of the projects real-world applications. By leveraging EVM-compatible smart contracts, the token benefits from a robust and widely accepted blockchain ecosystem. This allows seamless integration with Layer 2 solutions. Such a solution enhances transaction throughput and reduces costs, ensuring the token remains efficient and accessible even as activity scales.

Moreover, the governance framework of the \$KULA token is designed to evolve alongside the ecosystem. As adoption grows, smart contracts and consensus mechanisms can be upgraded to accommodate new decisions made by the community without compromising either decentralisation or regulatory oversight/accountability. This forward-looking approach ensures that the token can support increased user participation and expanded utility in a sustainable way.

A final level of scalability occurs in the sub-DAO projects in the Kula ecosystem, where the \$KULA token is utilised to capitalise real-world assets. This modular and interoperable design allows for each sub-DAO to operate independently whilst benefiting from shared governance and infrastructural principles. This approach ensures that as the ecosystem grows, sub-DAOs can also scale their activities, whether in microeconomic development, clean energy, or eco-forestry, all without the constraints of a monolithic structure. By utilising the \$KULA token as a unifying mechanism for governance and value transfer, the double-DAO structure of Kula allows for alignment with the overarching mission whilst customising operations to meet local needs, culture, and operational parameters. This balance of autonomy and cohesion ensures that sub-DAO projects can expand efficiently, driving sustainable and scalable impact across diverse sectors and geography.

## **WIN-WIN-WIN**

Kula will work to correcting the misalignment of interests to create shared value by ensuring all stakeholders can potentially benefit from their engagement with the management and development of their particular asset.



Kula does not replace existing investment opportunities but does provide an alternative pathway that utilises blockchain technology to equitably rebalance capital flow. Kula and all who invest in or draw upon the ecosystem can theoretically benefit.

Investors in the \$KULA token may receive a return on their investment, either as traditional investors expecting financial returns or as impact investors seeking to steward financial resources in an efficient and innovative way towards specific change.

RegionalDAO executive and management teams will receive liquidity to develop projects and benefit from the financial return of their project development. Furthermore, RegionalDAOs will receive support in several administrative functions as the governance mechanism of Kula provides tools for effective digital management (as well as effective bargaining support at the macro level in negotiating exit positions on asset evolution).

Local beneficiaries/stakeholders will be given the opportunity to realise the potential value of their Kula tokens and the capacity to shape the decisions that impact their livelihoods and communities.



## (E) The Business Plan of the Issuer of Initial Token Offerings

### UNIQUE SELLING POINT

Kula leverages DAO technology to ensure a degree of stakeholder participation can influence the development of an asset. This leads to greater stewardship and promotes alignment among the project's stakeholders to positive outcomes and eventual impact. Kula is not concerned with fractionalisation of real-world assets but the governance of those real-world assets in a win-win-win paradigm.

Where Kula focuses on real-world assets, real-world issues exist. It would be simpler to avoid utilising blockchain technology and remain in a private equity structure that avoids greater technological complexity. However, the power of smart contracts is singularly effective in providing a compelling solution to the far greater complexities that exist in the real world. Private equity structures alone do not address the dysfunctionalities DAO DAO-enabled technology has powerful potential to unlock.

Where opaque investment opportunities are the norm, Kula is a best-case use for blockchain technology in the market for impact investment. Investors in the \$KULA Token can directly see where their investments are being placed and participate in the decision-making that determines potential future return. All investments, contracts, financial reports, and environmental and community studies are written to the blockchain to promote fiscal and programmatic transparency. At the RegionalDAO level, Kula locks local stakeholder engagement with smart contract-backed rights to participate and share in the equity of the real-world assets they have lived on or around. This catalyses local economic opportunity and innovative micro-business regeneration.

Kula's governance protocol is unique. Kula leverages the upside of DAO-based innovation and pushes the technology with a triangulated decision-making system, which allows for stakeholder participation alongside corporate governance, where ultimate oversight and accountability can be achieved. The governor's smart contracts can be centralised or decentralised incrementally and according to client need. Kula anticipates broader global adoption of these principles across new projects, businesses, and ventures.

Kula is not another meme, NFT, exchange, payments, RWA, or DeFi platform that seeks to secure greater financial share within an explosive market. Rather, Kula strives for the equitable distribution of wealth through our business practice and model, whilst making significant returns for our investors, business partners, and their stakeholders. Kula is one of the first community-backed, real-world asset projects that has the potential to build a significant treasury basis that redirects a flow of value to benefit each stakeholder with a gently appreciating token floor price. While comparably smaller than the larger players in the Web3 universe, in time, the project has potential to transform the future of financial impact investment.

The Kula ecosystem engages investors and their projects with multiple strategies to maximise profit that is returned and then reflected in the value of the \$KULA Token. Kula's business model has two clear channels of income generation:

1. engaging in a business to customer ("B > C") process; and,
2. engaging in a business to business to customer ("B > B > C") process.



Figure 1 below illustrates the business model and income generation processes of Kula.

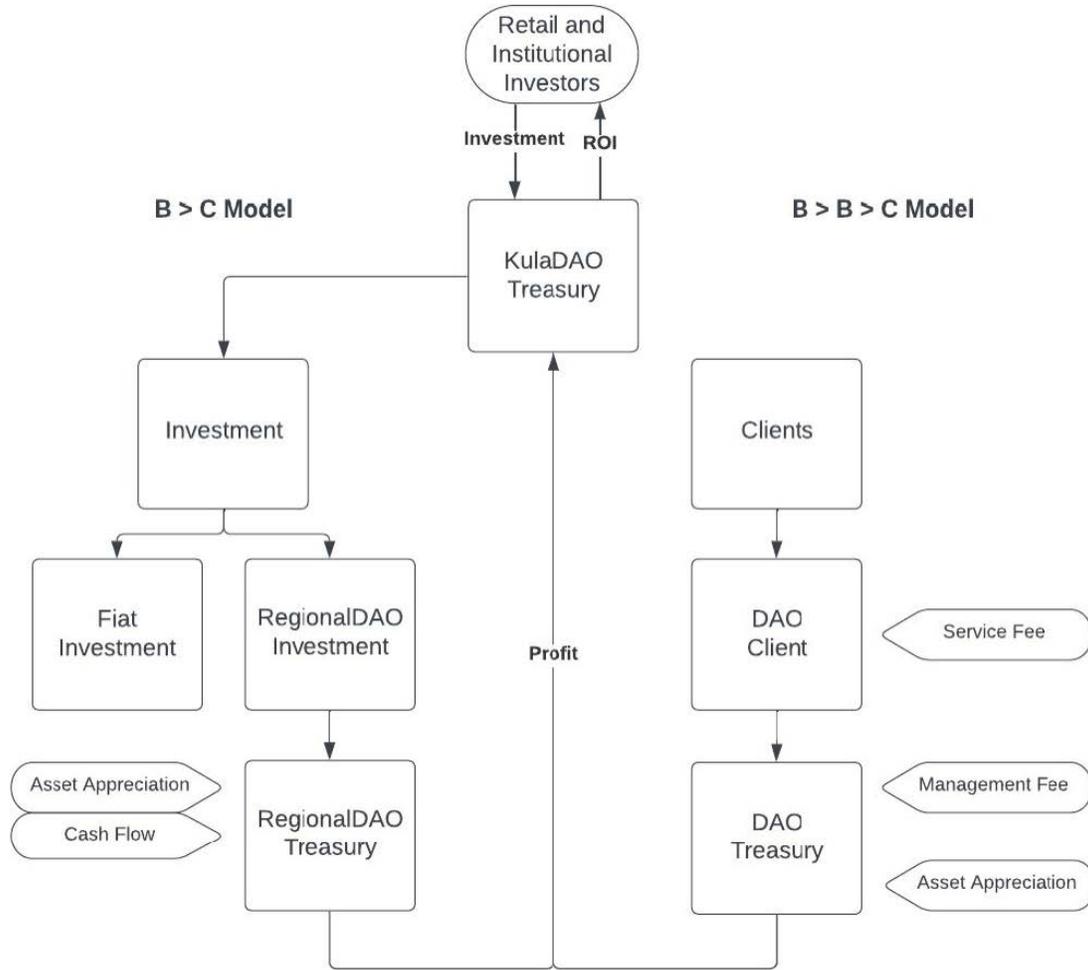


Figure 1: Kula Business Model

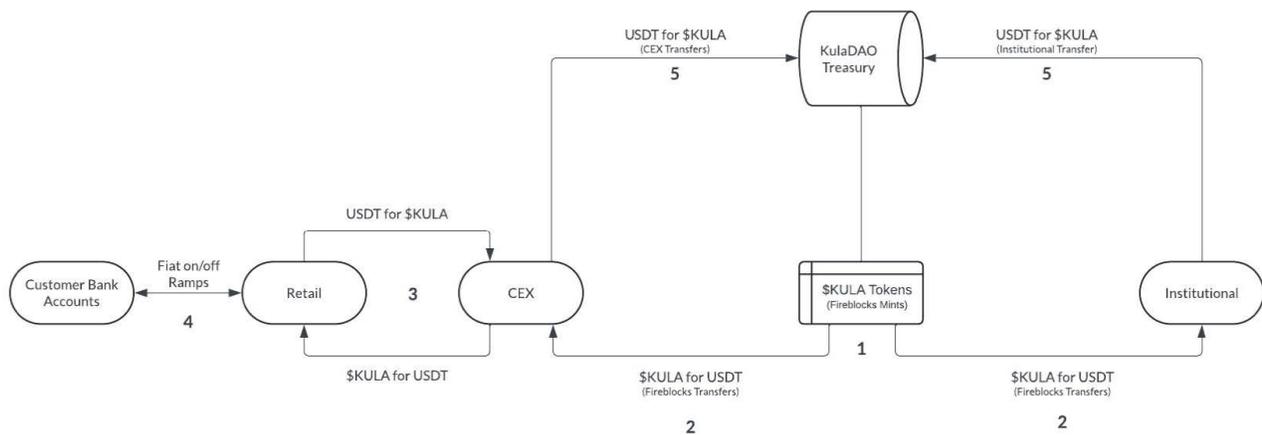


## \$KULA TOKEN ISSUANCE

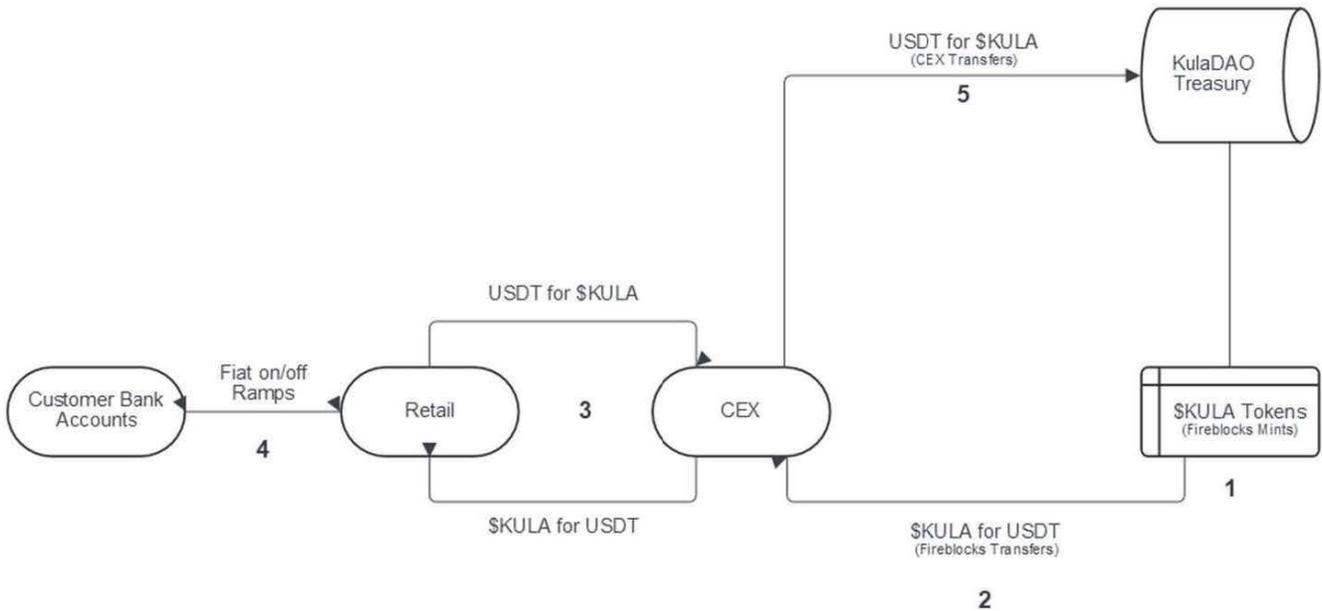
The left side of the diagram demonstrates the B>C process.

On this side of the business, Kula will raise funds from retail and institutional investors through the issuance of the \$KULA Token on a licensed centralised exchange as an investment opportunity.

Individuals and/or institutions can purchase the \$KULA Token with USDT through a licensed centralised exchange, and the funds raised through the sale of \$KULA Tokens will be invested into regional projects (i.e., RegionalDAOs and/or RegionalDAO projects).



Option 1 — Includes Direct to Institution



Option 2 — Excludes Direct to Institution

Figure 2: \$KULA Token

Figure 2 shows that the \$KULA Token will be minted by Fireblocks (see line item 1) and distributed to Kula’s centralised exchange for both retail and institutional clients (see line item 2). After obtaining regulatory approval, Kula can issue tokens directly to institutional clients through Fireblocks (however, we will continue to use the centralised exchange initially until we have sufficient compliant onboarding and monitoring processes in place). The pairing we assume will be USDT/\$KULA Token at first.



## (F) The Targeted Amount to be Raised Through the ITO Project

The Targeted Amount to be Raised Through the ITO Project, and Subsequent Use and Application of the Proceeds Thereafter Illustrated in a Scheduled Timeline for Drawdown and Utilisation of Proceeds (Schedule of Proceeds)

### FINANCIAL PROJECTIONS AND VALUE PROPOSITION

Once Kula obtains the Issuers of Initial Token Offerings License from the FSC, allowing it to issue \$KULA Tokens on an approved centralised exchange, Kula intends to sell up to 6.75% of the \$KULA Tokens approved in the registration process with the FSC.

Kula will mint 10 billion \$KULA Tokens at issuance and intends to launch its \$KULA Token at \$0.07 USD (7 cents) with an anticipated maximum fundraising target of \$15M USD.

The primary allocation of funds raised through \$KULA Token issuance will be placed into the investment opportunities against pre-vetted RegionalDAO projects in Kula's ecosystem. Raised funds will also be allocated to ongoing administrative costs (payroll, professional services, and contracts) as detailed in our five-year financial forecasts.

To provide a structured approach for the investment into RegionalDAO projects, each equity stake will be held in a dedicated Cell of "Kula PCC", a Protected Cell Global Business Company incorporated in Mauritius under the oversight of the FSC. This entity is being established under the guidance of Open Skies Management Services Limited.

Kula currently has signed contracts and MOUs with three regional projects in Zambia, Nepal and Malaysia. Additionally, Kula has prospective projects with several other opportunities for future development with the following potential projects in Panama, Nepal, Panama, Kenya, Indonesia, Malaysia, Ghana and Rwanda. These include:

1. Nepal — investment pathway — tokenising the carbon offset on National Park timber.
2. Nepal — investment pathway — tokenising the carbon offset on hydroelectric power.
3. Indonesia — investment pathway — investment into a gold mining concession.
4. Malaysia — investment pathway — investment into a timber asset project
5. Panama — investment pathway — agricultural and carbon offset project
6. Ghana — investment pathway — investment into a gold mining concession



The launch price of \$0.07 USD (7 cents) per token is based on the value of:

- a) the DAO based SaaS platform that Kula developed.
- b) the equity investment Kula as a business holds in its special purpose vehicle corporate contracts in three Regional DAO projects.
- c) BaaS client opportunities in B > B > C pathway.
- d) the potential value of current MOUs Kula can translate into profitable projects when sufficient funds are raised through \$KULA Token issuance to capitalise these opportunities.

## **FINANCIAL PROJECTIONS**

The five-year financial projects for the group are detailed over the next three pages, incorporating:

- Profit and Loss Account
- Balance Sheet
- Cash Flow Forecast

The timelines for drawdown and utilisation of the proceeds from the ITO will be split between an immediate access for operational expenses, with a phased approach to regional project investments. A complete investment due diligence process must be undertaken and signed off on before any money is invested.



## PROFIT AND LOSS ACCOUNT

### KULA FZCO — Profit and Loss Account

	2025	2026	2027	2028	2029
<b>Regional DAO Profit Sharing Model</b>					
Total Income	1,421,629	4,416,254	8,166,577	12,940,673	16,788,664
Cost of Sales	1,429,000	1,536,080	2,340,480	2,518,240	3,203,840
RegionalDAO Direct Cost	41,000	106,080	208,000	313,760	423,360
Technological Product Development	1,388,000	1,430,000	2,132,480	2,204,480	2,780,480
Gross Profit	(7,371)	2,880,174	5,826,097	10,422,433	13,584,824
<b>Operating Expenses</b>					
Marketing and Sales	166,200	193,200	217,200	241,200	265,200
Regulatory and Compliance	740,000	740,000	740,000	740,000	740,000
Wages and Salaries	1,965,600	2,562,200	3,069,768	3,107,208	3,111,888
Admin Expenses	425,930	653,930	823,727	881,930	941,930
Total Operating Expenses	3,297,730	4,149,330	4,850,695	4,970,338	5,059,018
EBITDA	(3,305,101)	(1,269,156)	975,402	5,452,094	8,525,806
Depreciation and Amortisation	23,901	32,125	35,125	35,718	11,911
EBIT	(3,329,002)	(1,301,281)	940,278	5,416,376	8,513,895
Loan Interest	-	-	-	-	-
EBT	(3,329,002)	(1,301,281)	940,278	5,416,376	8,513,895
Corporation Tax	-	-	-	166,791	767,323
Profit After Tax	(3,329,002)	(1,301,281)	940,278	5,249,585	7,746,572



## BALANCE SHEET

### KULA Balance Sheet Forecast

	2025	2026	2027	2028	2029
Total Investments	5,230,827	8,230,827	12,230,827	16,230,827	20,230,827
Total Fixed Assets	83,348	75,223	50,598	16,380	4,469
Total Intangible Assets	3,933,747	3,933,747	3,933,747	3,933,747	3,933,747
Total Non-Current Assets	9,247,922	12,239,797	16,215,172	20,180,954	24,169,043
Current Assets	8,187,650	4,144,494	1,109,396	2,559,990	7,169,005
Total Assets	17,435,572	16,384,291	17,324,568	22,740,944	31,338,048
Non-Current Liabilities	-	-	-	-	-
Current Liabilities	-	-	-	166,971	767,323
Total Liabilities	-	-	-	166,971	767,323
NET ASSETS	17,435,572	16,384,291	17,324,568	22,574,153	30,570,725
Shareholders Equity	17,435,572	16,384,291	17,324,568	22,574,153	30,570,725
TOTAL EQUITY	17,435,572	16,384,291	17,324,568	22,574,153	30,570,725



## CASHFLOW FORECAST

KULA FZCO — Cash Flow Forecast					
Monthly Cash Flow Forecast	2025	2026	2027	2028	2029
Income					
RegionalDAO Profit Sharing Model	1,421,629	4,416,254	8,166,577	12,940,673	16,788,664
Cost of Sales	1,429,000	1,536,080	2,340,480	2,518,240	3,203,840
Operating Expenses	3,297,730	4,149,330	4,850,695	4,970,338	5,059,018
Interest Paid	-	-	-	-	-
Taxes Paid	-	-	-	-	166,791
<b>Total Cash Flow from Operating Activities</b>	<b>(3,305,101)</b>	<b>(1,269,156)</b>	<b>975,402</b>	<b>5,452,094</b>	<b>8,359,015</b>
Proceeds from Initial Exchange Offering	15,000,000	-	-	-	-
Purchase of Fixed Assets	(107,248)	(24,000)	(10,500)	(1,500)	-
Purchase of Treasury Assets	-	-	-	-	-
Investment in RegionalDAO's	(4,200,000)	(3,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
<b>Total Cash Flow from Investing Activities</b>	<b>10,692,752</b>	<b>(3,024,000)</b>	<b>(4,010,500)</b>	<b>(4,001,500)</b>	<b>(4,000,000)</b>
Initial Share Capital	500,000	250,000	-	-	250,000
Initial Working Capital	300,000	-	-	-	-
<b>Total Cash Flow from Financing Activities</b>	<b>800,000</b>	<b>250,000</b>	<b>-</b>	<b>-</b>	<b>250,000</b>
Increase/ (Decrease) in Current Liabilities	-	-	-	141,920	767,323
<b>Net Monthly Cash Flow</b>	<b>8,187,650</b>	<b>(4,043,156)</b>	<b>(3,035,098)</b>	<b>1,450,594</b>	<b>4,609,015</b>
Cash and Cash Equivalent, Beginning of the Month	-	8,187,650	4,144,494	1,109,396	2,559,990
<b>Cash and Cash Equivalent, End of the Month</b>	<b>8,187,650</b>	<b>4,144,494</b>	<b>1,109,396</b>	<b>2,559,990</b>	<b>7,169,005</b>



## (G) Any Rights, Conditions, or Functions Attached to the Virtual Token

*Any Rights, Conditions, or Functions Attached to the Virtual Token, Including Any Specific Rights Attributed to a Token Holder.*

IT IS IMPORTANT TO RECOGNISE THAT THE FOLLOWING DESCRIBES “ON-CHAIN” PROTOCOLS ACCESSED THROUGH THE \$KULA TOKEN. IT DOES IMPACT THE GOVERNANCE OR DAY-TO-DAY OPERATIONS OF THE APPLICANT, KULA VASP LIMITED.

The governance of the Kula DAO is divided into three entities: the Guilds, the Executive Team, and the Court, each with specific roles and influence.

This structure ensures accountability to the business model, assurance to regulators, and compliance requirements, and prevents dominance by any single individual or group. The protocol’s design allows for ongoing responsible evolution and development through proposed protocol changes within a clear Constitutional framework.

Furthermore, the protocol utilises two different mechanisms, namely Protocol Improvement Proposals (“PIPs”) and KulaDAO Improvement Plans (“KIPs”). These two protocols and their related processes seek to ensure participant engagement while maintaining efficiency and respecting business timelines. Their intent is to foster positive development rather than impede it.

### THE COURT

The Court interprets the Constitution and other related policies and procedures in accordance with the original founding intent as established by the Constitution. The Court can rule on the Constitutionality of all proposals. It is the highest level of independence and governance for the DAO and smart contract.

### THE EXECUTIVE TEAM

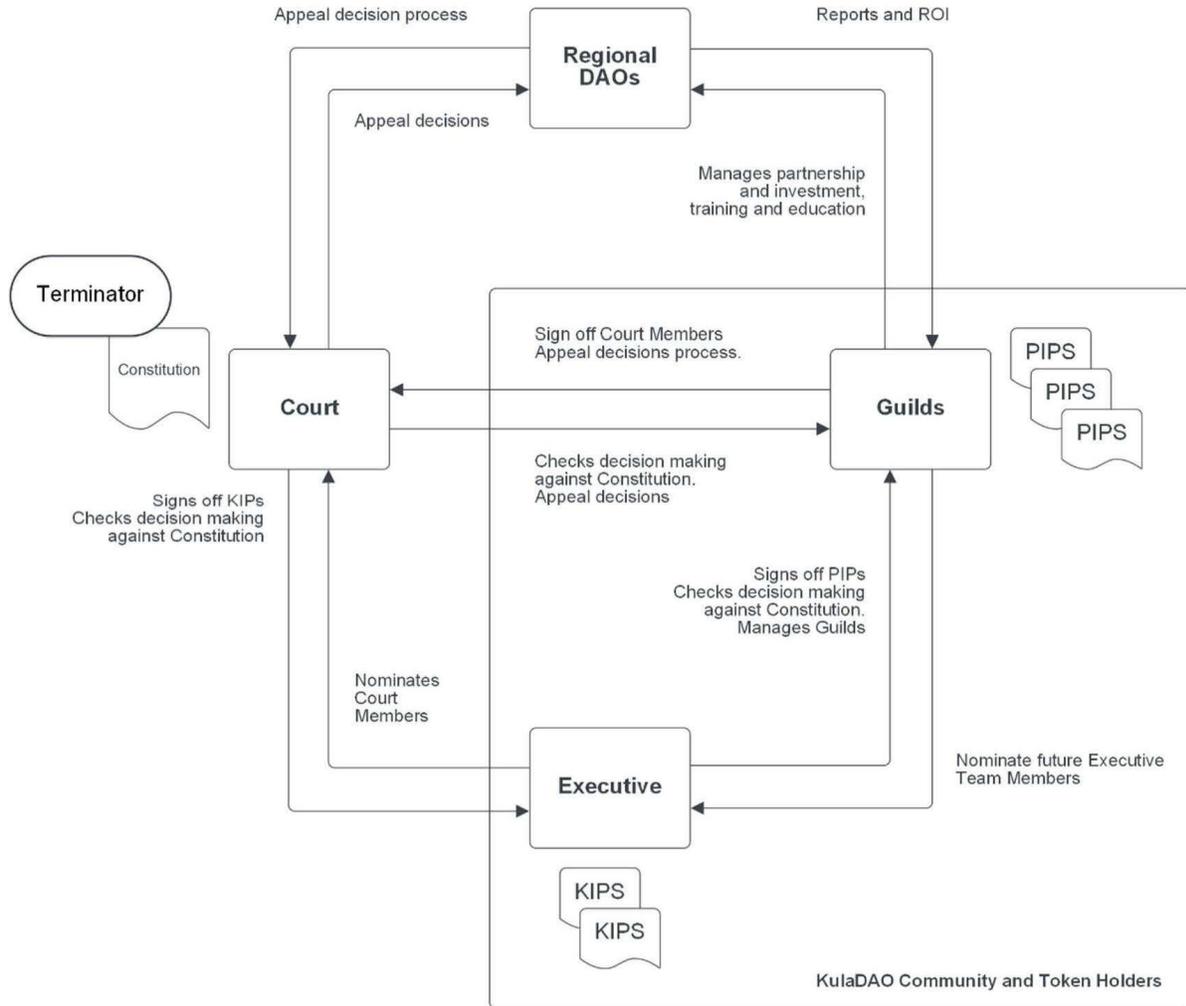
It is the purpose of the Executive Team to lead Kula by writing, proposing, and passing all KIPs. They provide operational oversight and accountability.

### THE GUILD

Operational and administrative authority for the development of Kula is wholly granted to and vested in the Guilds. Membership of a Guild is granted through ownership of a \$KULA Token.



The following flowchart demonstrates the interaction between the three decision-making entities in Kula (and RegionalDAOs):



Wallet management enables each party to access the specific contracts that underlie the protocol, allowing the roles and functions to operate correctly. For example, an Executive Wallet will give access to PIP proposal, PIP sign off, and KIP proposal processes. A Guild wallet will only give access to PIP proposal processes. A Court wallet will only give access to KIP sign-off processes.



The two protocol levels are as follows:

A. Protocol Improvement Proposals (“PIPs”)

PIPs are designed for Guilds to implement decisions against the strategic objectives of Kula’s development plan. Proposals will be focused on what makes Kula operational and functional, for example, quarterly budgets and development plans, or leveraging unbudgeted funding for a new opportunity. Only the Executive (Senior Executive Team or Executive Team in the Kula Operational and Staffing Model) can sign off PIPs.

B. Kula Improvement Plans (“KIPs”)

KIPs are designed for the Executive to develop or change the Constitution. Only the Executive team can propose KIPs. Proposals will be focused on what makes Kula more effective, for example, changing the quorum level on PIPs, or reconfiguring contract code for the protocol. Only the Court can sign off KIPs.

PIPs and KIPs are safeguarded in the following ways:

1. Leveraging vesting periods for proposals (3 days), vesting periods for voting (3 days), and for sign off by the relevant authority (1 day). Any substantive decision in Kula at the governance level takes seven days.
2. Utilising quadratic voting and quorums to ensure more powerful wallets are mitigated from pushing a decision in a particular direction, and for adequate thresholds to be met for a proposal to pass.
3. Timelock is the technological function Kula uses to ensure automatic execution of proposals is only possible when signed off by a two-thirds majority of Executives on PIP, and the majority of the Court on KIP. Timelock also functions to assess any nefarious wallet manipulations in the UNIX timestamps across blockchain records (i.e. flash loans etc.).
4. Kula smart contracts are non-executable. Contracts will be executed as financial transactions that are signed off manually against proposals as an Executive using multi-sig, until the protocol can demonstrate effective decision-making governance results in reliable financial allocation of treasury funds. Follow through is imperative as it is reflected on the chain in decision and manual verification of wallet transfer.



## (H) Discussion on the Determination of the Accounting and Valuation Treatments for the Virtual Token

*Discussion on the Determination of the Accounting and the Valuation Treatments for the Virtual Token, Including All Valuation Methodology and Reasonable Presumptions Adopted in Such Calculation.*

### **TOKENOMICS**

The tokenomics of the \$KULA token and how price/supply is determined.

### **\$KULA TOKEN**

Kula takes a very conservative approach to designing its tokenomics. Since the \$KULA tokens' value depends on the Kula's treasury value and the number of circulating tokens, Kula utilises such a relationship to provide a price floor for its tokens.

$P_{\text{Floor}}$  = the total treasury value divided by the total number of tokens.

The transaction price of the token might deviate significantly from this theoretical price floor due to factors external to Kula's control, such as market speculation, fluctuation in the price of the assets, potential investors' appetites, etc.

Kula's total treasury is a sum of profit distribution from regional projects (as reflected in real-life dividends), Kula's ownership of related tokenised assets, and other income generated from client support (SaaS, BPaaS). In our standard approach, when a regional project makes a profit, fiat gets onramped to stable coin and the relevant amount is placed in Kula's treasury according to the equity position Kula holds in the underlying real-world asset.

As Kula invests in regional projects, profits from these projects will be distributed to the Kula treasury over time. Since these regional projects are underpinned with real-world assets, Kula can tokenise such assets and place Kula's percentage ownership of the tokenised assets into Kula's treasury.

Kula's treasury value will, therefore, be a combination of profit distribution from multiple regional DAOs and Kula's rightful ownership of tokenised assets.



## ACCOUNTING METHODOLOGY

The Kula group of companies will apply International GAAP and produce financial statements which comply with International Financial Reporting Standards (“IFRS”).

In line with these principles, any asset which is a constituent part of the Kula Treasury will be valued subject to the accounting standard within which it the asset class sits. A daily revaluation, including the incorporation of any foreign exchange impact, will be undertaken to reflect the total value of all assets held with the Treasury.



## (I) Associated Challenges and Risks

*Associated Challenges and Risks, As Well As Mitigating Measures Thereof.*

There are several features embedded into the Kula ecosystem to ensure that token holders of \$KULA are safe. A secondary set of controls are designed to ensure that there are no unwanted bots or schemes violating the smart contract rules.

### **MANAGED DEVELOPMENT**

Kula will systematically follow a predetermined and managed drip of new regional projects into the Kula ecosystem for its initial three-year development following the issuance of tokens. The purpose of this approach will be to ensure a gradual increase in the number of assets that are added to the system so that the value of the \$KULA token gently but consistently increases. This approach is designed to mitigate any potential profiteering from so-called pump and dump practices that have been prevalent in crypto-asset ICO history.

### **SAFEGUARDS AGAINST RISK OF PONZI SCHEMES**

Where the \$KULA token reflects a value based on a basket of investments of regional projects, the treasury management of Kula retains the autonomy of each project on the distributed ledger. This ensures that the system will not borrow from one regional project to supplement the potential failings of another - i.e. operate as a Ponzi scheme. Each project will be firewalled and wrapped to protect the entire eco-system from one failed enterprise (which we anticipate can happen). This approach mitigates the risk for investors whilst maximising the upside for the entire eco-system.

### **WHALING**

Whaling is the term given to large holders of any token or cryptographic asset. A whale has the capacity to move a market by either buying or selling large amounts of the asset. In the case of a DAO, a whale could potentially move a majority of the \$KULA token and control the pricing of an asset in their favour. This would inherently and fundamentally undermine the premise of Kula in protecting the rights of its retail and institutional investors in the value proposition and development of their assets.

This risk is mitigated by the technological protocols developed on the back of Kula's governance philosophy and structure. Kula utilises quadratic voting operation on proposals, triangulated and dispersed decision making, with Timelock features in the security of proposal execution (this also utilises Unix time stamp checks on wallet manipulations).



The key long term security feature for Kula as it progresses into is the double DAO structure that provides layered protection for asset stakeholders and communities from the governance activated at the Kula level by the project team.

## **AML/CFT**

Kula has developed robust systems to mitigate the financing of terrorism and manage anti-money laundering practices through its protocol. These systems are globally focused and internationally compliant to ensure KYC/KYB/KYV, transaction monitoring for suspicious behaviours, and travel rule compliance is managed through daily operations. AML/CFT is baked into Kula's contracts and wallet management to ensure compliance.

The Compliance Manual for Kula, which includes all policies relating to KYC/KYB/KYV and AML/CFT, has been provided in Section 13 of the license application.



## (J) Information In Respect to the Distribution of the Virtual Tokens

*Information In Respect to the Distribution of the Virtual Tokens and Where Applicable, the Distribution Policy of the Issuer of Initial Token Offerings.*

The distribution model for issuance of the \$KULA Token is extremely transparent whilst being robust in terms of regulation and oversight. If you can please refer to Figure 2: \$KULA Token detailed under question P: Methods of Payment, you will see clearly that the \$KULA Token can be purchased by either Retail or Institutional Investors through their account based on the specific regulatory framework under which the Centralised Exchange (“CEX”) sits.

Kula VASP Limited’s preferred CEX partner (Coins Digital Markets Limited), is regulated by the FSC, and so a degree of comfort can be placed in the alignment of KYC, AML/CFT processes between the Token Issuer (Kula VASP Limited) and the CEX.

Retail and/or institutional investors will be able to buy \$KULA Token with USDT through a licensed central exchange where KYC/AML/CFT compliance regulations will be satisfied.

When retail or institutional investors want to sell their \$KULA Tokens, they can request a sale from the licensed central exchange in return for USDT to their wallet, with the option to off-ramp fiat into their personal/corporate bank account by the centralised exchange.

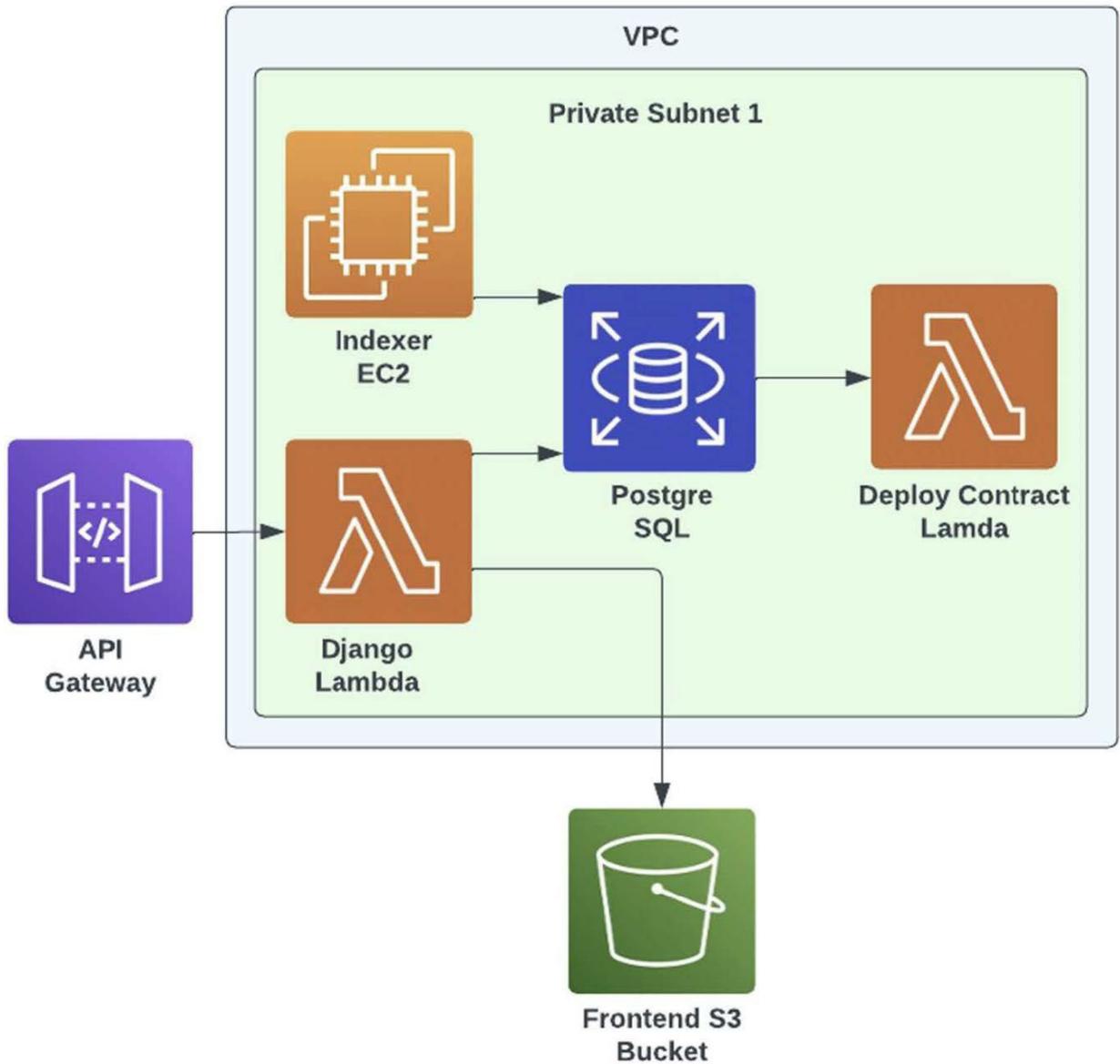
The use of an approved CEX in the distributions strategy is an additional regulatory oversight.



## (K) A Technical Description of the Protocol, Platform, or Application of the Virtual Token

*A Technical Description of the Protocol, Platform, or Application of the Virtual Token, as the Case May Be, and the Associated Benefits of the Technology.*

### KULA ARCHITECTURE SUMMARY





## INFRASTRUCTURE OVERVIEW

**AWS:** The cloud platform that hosts and manages all components of our infrastructure. **Indexer EC2 Instance:** A virtual server tasked with organising and indexing data for efficient access.

**API Gateway:** The entry point for all API requests, directing traffic and enforcing security. **Django Lambda Function:** A serverless function that processes requests, interfacing between the API Gateway and our services. **PostgreSQL Database:** Our central data storage system maintains structured data for reliability and quick retrieval.

**Frontend S3 Bucket:** A storage service for our application's frontend assets, serving content with high availability and performance.

## KULA TECHNICAL DOCUMENTATION

The KulaGovernorContract is a smart contract designed for decentralised governance within the Kula ecosystem. This contract runs the Kula PIP process. Token holders can propose and cast votes on various changes, including protocol upgrades, adjustments to Kula tokenomics, and potential new partnerships. This contract is built upon the OpenZeppelin Governor framework, enhanced with features tailored to the Kula Organisation's specific requirements. The Kula contract is deployed once to production. RegionalDAO contracts use the same contract to manage their governance, but can be deployed multiple times using the project's backend.

Upon creation of the Kula contract, there will be a prompt to configure the following parameters:

### Period Threshold

Set the duration or conditions for the vesting period. The duration for vesting will be three days.

### Proposal Voting Period

Define the timeframe within which token holders can cast their votes for a proposal. The duration for voting will be three days.

### Timelock Period

Specify the duration for the Timelock, which dictates how long before certain actions can be executed after approval. The duration for Executive sign off of proposals from Timelock will be a period of no more than three days.



## Quorum

Determine the minimum number of votes required for a proposal to be approved. The quorum will be set at 40%. Quadratic Voting is the voting structure in Kula.

## MultiSigAdmins

Assign the administrators (Executives) who will have multi-signature control over the final decision on a proposal passed by the community from Timelock.

## Total Token Amount

Set the total number of tokens that will exist within the Kula ecosystem. The maximum total supply of Kula will only ever be 10 Billion tokens.

Key Components of the technical deployment include the following elements:

- Token
- Governor
- Timelock
- Registry
- MultiSigWallet

## TOKEN

The Kula Token contract is an ERC20 token that is used for governance in the Kula. It is a capped token with a maximum supply of 10 billion tokens. Kula Token is an extension of the ERC20.

## GOVERNOR

The Governor module within the Kula handles the governance process as defined by the PIP. It manages the creation of proposals, oversees the voting process, and, if approved, ensures the execution of these proposals.

## TIMELOCK

The Timelock is a crucial safety mechanism within the Kula governance structure. Its primary function is to introduce a mandatory waiting period (or delay) before any approved proposal is executed. This allows for potential reviews, interventions, or reversals if necessary, ensuring that decisions aren't made rashly and can be double-checked or reconsidered.



## **REGISTRY**

The Registry contract serves as a record-keeper for the actions of each RegionalDAO in the Kula ecosystem. It maintains a list of registered Regional DAOs and tracks the actions taken by them. Only the owner (typically the creator or an assigned entity) can add to this registry.

## **MULTISIGWALLET**

The MultiSigWallet contract allows multiple owners (or entities) to govern and approve transactions using a consensus mechanism. This means that for certain actions to be taken, two-thirds of the wallet holders assigned to the multi-sig wallet must approve the transaction.

The multi-sig contract is only utilised in the KIP process.



## (L) Details of the Consensus Algorithm

*Details of the Consensus Algorithm, Where Applicable.*

The \$KULA Token will be launched on Avalanche as its preferred L1 blockchain solution. Avalanche’s consensus algorithm is designed for scalability, speed, and energy efficiency, making it well-suited for decentralised finance, enterprise applications, and other use cases requiring high performance. It achieves consensus through a unique probabilistic sampling mechanism that allows for rapid transaction finality and supports thousands of transactions per second. The system avoids centralisation by not relying on a single leader or a small group of validators, enhancing resilience and decentralisation. With its ability to support a large number of validators and its energy-efficient design, Avalanche provides a robust and scalable solution for diverse blockchain applications.



## (M) Any Applicable Taxes and Soft/Hard Cap for the Offerings

The Initial Token Offering made by Kula VASP Limited for the \$KULA Token will not have any Hard or Soft Cap.



## (N) Information About Any Person(s) Underwriting or Guaranteeing the Offer

The Initial Token Offering made by Kula VASP Limited for the \$KULA Token will not be Underwritten or Guaranteed.



## (O) Any Restrictions on the Free Transferability of the Virtual Tokens Being Offered

There will be no restrictions on the free transferability of the virtual tokens offered.



## (P) Methods of Payment

Last Updated: 5/31/25 at 1:34 am

The \$KULA Token will be made available through an approved CEX.

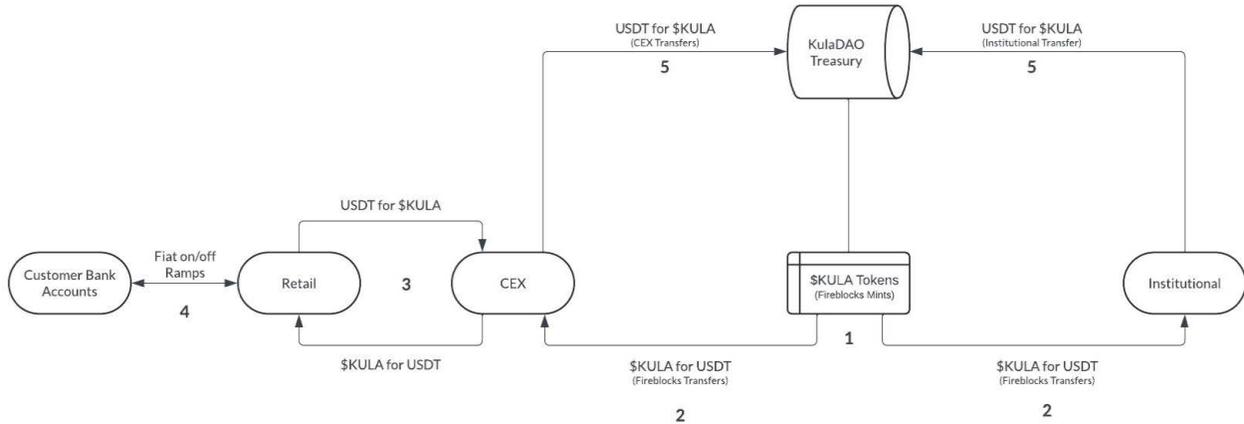


Figure 2: \$KULA Token

Based on the above diagram, you will see that the \$KULA Token can be purchased by either Retail or Institutional Investors through their account, based on the specific regulatory framework under which the CEX sits.

Kula VASP Limited's preferred CEX partner (Coins Digital Markets Limited), is regulated by the FSC, and so a degree of comfort can be placed in the alignment of KYC, AML/CFT processes between the Token Issuer (Kula VASP Limited) and the CEX.

Figure 2 shows that the \$KULA Token will be minted by Fireblocks (see line item 1) and distributed to Kula's centralised exchange for both retail and institutional clients (see line item 2). After obtaining regulatory approval, Kula could issue tokens directly to institutional clients through Fireblocks (however, Kula continues to use the centralised exchange initially until Kula VASP Limited has sufficient compliant onboarding and monitoring processes in place). Kula assumes the pairing will be USDT/\$KULA Token at first.

Retail and/or institutional investors will be able to buy \$KULA Token with USDT through a licensed central exchange where KYC/AML/CFT compliance regulations will be satisfied (see line item 3).

When retail or institutional investors want to sell their \$KULA Tokens, they can request a sale from the licensed central exchange in return for USDT to their wallet (see line item 3) with the option to offramp fiat into their personal/corporate bank account by the centralised exchange (see line item 4).



Kula will enter into an agreement with a licensed central exchange to provide \$KULA Tokens for retail and institutional clients in return for USDT (see line item 5).

Kula will then utilise accrued virtual assets in its treasury to implement the mission of the business and grow the value of the treasury, and increase the floor price of the \$KULA Token through vetted investment opportunities.



## **(Q) Details of Refund Mechanism if the Soft Cap for The Offerings Is Not Reached**

Last Updated: 5/31/25 at 1:35 am

No Soft Cap will be introduced with the issuance of the \$KULA Token.



## (R) Details of Smart Contract(s)

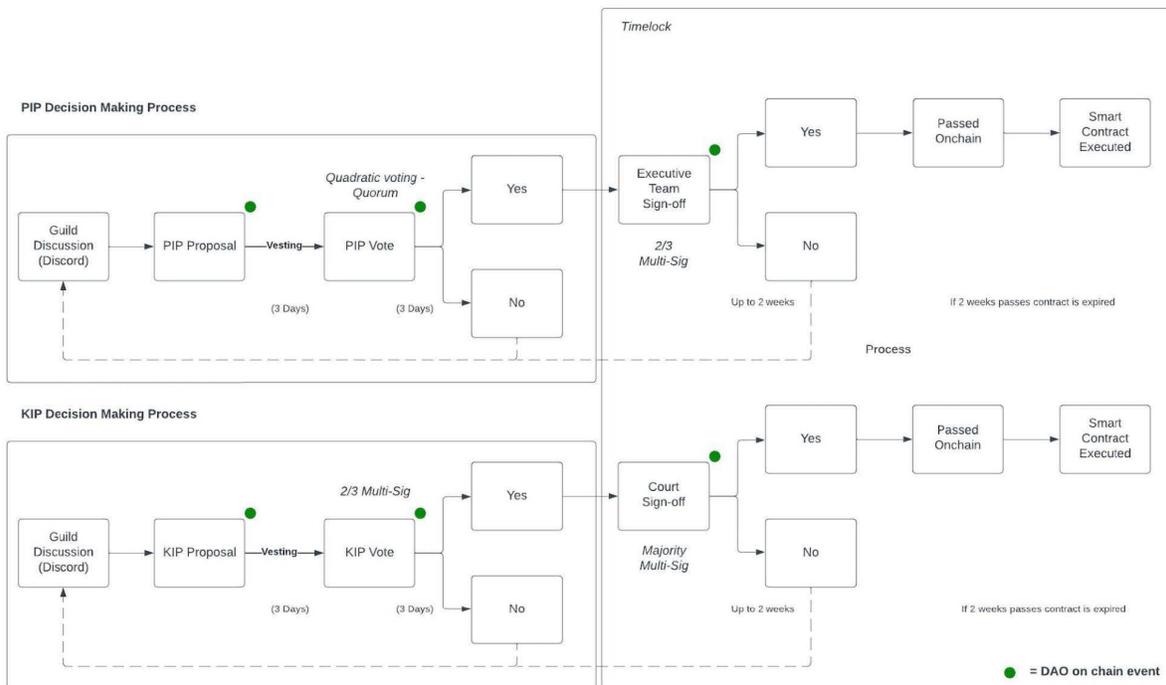
Last Updated: 5/31/25 at 1:39 am

Details of Smart Contract(s), If Any, Deployed by the Issuer of Initial Token Offerings and the Auditor Who Performed An Audit On It/Them.

Included in Section 14, there are the following reports available for review:

1. Kula Technical Architecture and Infrastructure Documentation; and
2. A public report entitled “Security Audit of Kula Smart Contracts” published on 18 March 2024 by Verichains Lab.

The KulaGovernorContract is a smart contract designed for decentralised governance within the Kula ecosystem. This contract runs the Kula PIP process. Token holders can propose and cast votes on various changes, including protocol upgrades, adjustments to Kula tokenomics, and potential new partnerships. This contract is built upon the OpenZeppelin Governor framework, enhanced with features tailored to the Kula Organisation's specific requirements. The Kula contract is deployed once to production. RegionalDAO contracts use the same contract to manage their governance, but can be deployed multiple times using the project’s backend.





Key Components of the technical deployment include the following elements can be seen in the above schematic:

- Token
- Governor
- Timelock
- Registry
- MultiSigWallet

The Verichains Lab Smart Contract Audit was conducted on 18 March 2024, with any findings having been addressed prior to the final report being issued or acknowledged for inclusion in subsequent code releases.



## (S) Description of the Anti-Money Laundering Procedures

*Description of the Anti-Money Laundering Procedures of the Issuer of Initial Token Offerings.*

To address the above question, it is critical to first understand Kula's proposed distribution model, that will naturally lead to the specifics of AML/CFT and KYC. Kula will be utilising an approved CEX for its initial token offering, which will be either directly licensed by the FSC or one that meets the necessary global standards for regulation and compliance.

Being the first approved Issuer of Initial Token Offerings that launches on a FSC licensed exchange will bring success that generates a Win/Win/Win for the FSC, the industry, and both Virtual Asset Service Providers ("VASP's").

With an FSC-approved exchange such as Coins Digital Markets Limited, a degree of comfort can be placed on their internal policies regarding AML/CFT, but Kula has its own duty of care to ensure regulatory compliance and has already created a framework to guarantee that. It is at this point that your attention is drawn to the above-mentioned Compliance Manual uploaded in Section 13 of this license application process, which covers all aspects of KYC, KYB, and KYV onboarding, AML/CFT processes, and wider compliance policies.

Kula already has in place listing acceptance from several CEX institutions (Coins Digital Markets Limited, Coins.xyz, MEXC) which have been transitioned into Material Outsourcing Agreements under the company's internal compliance policies.

To ensure that these VASP's are compliant with the FSC's framework, a detailed review process has been undertaken as part of the Material Outsourcing Agreement, cross-referencing Kula's internal requirements against those of the appointed CEX.



## (T) Intellectual Property Rights Associated with the Offerings and Protection Thereof

All Intellectual Property Rights associated with the technology and knowledge base are owned by Kula Group Limited. The Intellectual Property Rights will be licensed to Kula VASP Limited, allowing it to offer a Token Issuance service to clients globally through a fully regulated entity overseen by the FSC.



## (U) Audited Financial Statements of the Issuer of Initial Token Offerings

Kula VASP Limited, the issuer of the Initial Token Offering, will be incorporated subject to the approval of the FSC following this licence application. As such, the company has yet to undertake its first financial statements audit.

TGS Clark Robbins will be appointed as auditor once the company has been established.



## (V) Statement of Disclaimer

The furnishing of this White Paper to the Commission should not be taken to indicate that the Commission assumes responsibility for the correctness of any statement made in this White Paper.



## (W) Additional Statement

Investors are reminded that the Bank of Mauritius (“Central Bank”) does not recognise virtual tokens as legal tender, nor as a form of payment instrument, that is regulated by the Central Bank, and that the Central Bank will not provide any avenues of redress for aggrieved token holders.