White paper drafted under the European Markets in Crypto-Assets Regulation (EU) 2023/1114 for FFG 6JQ3HB7DH

Preamble

00. Table of Contents

01. Date of notification

2025-11-25

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

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

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

This crypto-asset white paper complies with Title II of Regulation (EU) 2023/1114 of the European Parliament and of the Council 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 crypto-asset 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

Since the token has multiple functions (hybrid token), these are already conceptually not utility tokens within the meaning of the MiCAR within the definition of Article 3, 1. (9), due to the necessity “exclusively” being intended to provide access to a good or a service supplied by its issuer only.

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 or the deposit guarantee schemes under Directive 2014/49/EU of the European Parliament and of the Council.

Summary

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

Warning: This summary should be read as an introduction to the crypto-asset white paper. The prospective holder should base any decision to purchase this crypto–asset on the content of the crypto-asset white paper as a whole and not on the summary alone. The offer to the public of this crypto-asset does not constitute an offer or solicitation to purchase financial instruments and any such offer or solicitation can be made only by means of a prospectus or other offer documents pursuant to the applicable national law. This crypto-asset white paper does not constitute a prospectus as referred to in Regulation (EU) 2017/1129 of the European Parliament and of the Council or any other offer document pursuant to union or national law.

08. Characteristics of the crypto-asset

The POLYX tokens referred to in this white paper are crypto-assets other than EMTs and ARTs, and are issued on the Polymesh blockchain (2025-10-20 and according to DTI FFG shown in F.14). The first activity on Polymesh can be viewed on 2021-10-28 17:26:12 (see https://polymesh.subscan.io/block/1). POLYX does not have a fixed maximum total supply.

The crypto-asset does not grant any legally enforceable or contractual rights or obligations to its holders or purchasers.

Any functionalities accessible through the underlying technology are of a purely technical or operational nature and do not constitute rights comparable to ownership, profit participation, governance, or similar entitlements known from traditional financial instruments.

09. Information about the quality and quantity of goods or services to which the utility tokens give access and restrictions on the transferability

Not applicable.

10. Key information about the offer to the public or admission to trading

This white paper concerns the admission to trading of the crypto-asset "POLYX" by "Polymesh Labs Ltd." in accordance to Article 5 of REGULATION (EU) 2023/1114 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 31 May 2023 on markets in crypto-assets, and amending Regulations (EU) No 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937.

The following platforms are in scope for this while drafting up this white paper: Payward Global Solutions Limited. Further platforms are also being sought for this purpose in the future.

Part A – Information about the offeror or the person seeking admission to trading

A.1 Name

Polymesh Labs Ltd.

A.2 Legal form

OSBR

A.3 Registered address

KY - 190 Elgin Avenue, George Town, Grand Cayman, KY1-9008

A.4 Head office

KY - 190 Elgin Avenue, George Town, Grand Cayman, KY1-9008

A.5 Registration date

2025-05-07

A.6 Legal entity identifier

Not applicable

A.7 Another identifier required pursuant to applicable national law

Cayman registry number: 421326

A.8 Contact telephone number

Not applicable.

A.9 E-mail address

info@polymesh.network

A.10 Response time (Days)

030

A.11 Parent company

Polymath Research Inc.

A.12 Members of the management body

Name	Position	Address
Aaron Unterman	Director	KY - 190 Elgin Avenue, George Town, Grand Cayman, KY1-9008

Lauren Hulvey	Director	KY - 190 Elgin Avenue, George Town, Grand Cayman, KY1-9008
Bojan Radokovic	Director	KY - 190 Elgin Avenue, George Town, Grand Cayman, KY1-9008

A.13 Business activity

The entity is engaged in the maintenance and ongoing development of the source code underlying the Polymesh blockchain and its associated ecosystem. Its activities include software engineering, protocol design, technical support, and continuous improvement of network functionalities to ensure the reliability, security, and scalability of the blockchain infrastructure.

A.14 Parent company business activity

Polymath Research Inc. operates as a software-as-a-service (SaaS) provider offering software development and related technical and consulting services. The company's activities primarily focus on the design, implementation, and maintenance of software and technological solutions, including those supporting blockchain-based systems and digital asset infrastructure.

A.15 Newly established

Yes

A.16 Financial condition for the past three years

Not applicable.

A.17 Financial condition since registration

The Polymesh Association has maintained audited financial statements for the past two financial years, with independently prepared accountant statements for the preceding year. The organization, now domiciled in the Cayman Islands, operates through Polymesh Labs, which reports assets exceeding liabilities and holds sufficient capital to sustain its business operations for the foreseeable future. In addition, the parent entity is currently engaged in a capital raise of approximately USD 18.75 million in connection with a planned public listing transaction.

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

No

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.

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

Not applicable.

C.7 Another identifier required pursuant to applicable national law

Not applicable.

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

D.1 Crypto-asset project name

Long Name: "Polymesh", Short Name: "POLYX" according to the Digital Token Identifier Foundation (www.dtif.org, DTI see F.13, FFG DTI see F.14 as of 2025-10-19).

D.2 Crypto-assets name

Long Name: "Polymesh" according to the Digital Token Identifier Foundation (www.dtif.org, DTI see F.13, FFG DTI see F.14 as of 2025-10-19).

D.3 Abbreviation

Short Name: "POLYX" according to the Digital Token Identifier Foundation (www.dtif.org, DTI see F.13, FFG DTI see F.14 as of 2025-10-19).

D.4 Crypto-asset project description

Polymesh is a permissioned Layer-1 blockchain designed specifically for the issuance, transfer, and lifecycle management of regulated digital assets. The project originated from the need to address regulatory, identity, and compliance requirements that are not fully supported by general-purpose public blockchains. As a purpose-built network, Polymesh integrates mechanisms for identity verification, governance participation, and transaction compliance directly into the protocol, enabling participants to transact in a controlled environment aligned with regulatory expectations.

The network is built using the Substrate framework and provides a modular architecture that supports on-chain identity (via customer due diligence checks), rule-based asset controls, and event-driven settlement processes. These features are intended to facilitate the creation and management of tokenized financial instruments, including securities and other regulated instruments, while maintaining auditability and traceability. All participants must be verified through the network’s compliance framework before accessing core functionality, ensuring that transactions are carried out between authorized parties.

The POLYX token serves as the native token of the network and is required for various protocol operations such as transaction fee payments, staking in the consensus mechanism, and participation in governance processes. Network operations are conducted by approved validators, who are supported by token holders through a nominated proof-of-stake structure that contributes to maintaining the integrity and continuity of the blockchain.

The broader Polymesh ecosystem includes software providers, custodians, regulated institutions, and infrastructure partners that integrate with the network to support tokenized asset issuance and lifecycle services. The project continues to evolve through protocol upgrades, new functional modules, and expanded integration with traditional and digital asset service providers. All developments are subject to technical feasibility, governance decisions, and regulatory considerations.

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

Name	Position	Address
Aaron Unterman	Director	KY - 190 Elgin Avenue, George Town, Grand Cayman, KY1-9008
Lauren Hulvey	Director	KY - 190 Elgin Avenue, George Town, Grand Cayman, KY1-9008
Bojan Radokovic	Director	KY - 190 Elgin Avenue, George Town, Grand Cayman, KY1-9008
Polymesh Labs Ltd.	Issuer	KY - 190 Elgin Avenue, George Town, Grand Cayman, KY1-9008
Polymath Research Inc.	Parent company of issuer	CA - 100 King Street West, Suite 5700 Toronto, ON M5X 1C7

D.6 Utility Token Classification

The token does not classify as a utility token.

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

Not applicable.

D.8 Plans for the token

Polymesh was launched in 2021 as a permissioned Layer-1 blockchain purpose-built for regulated assets, originating from the Polymath ecosystem. Its development marked a transition from the earlier Polymath ERC-1400 standard on Ethereum to a specialized Substrate-based network designed to meet compliance, identity, and governance requirements specific to security tokens. Since its inception, the network has implemented core functionalities for on-chain identity verification, governance participation, and restricted asset issuance.

Over time, Polymesh introduced several network upgrades and integrations intended to improve operational efficiency, security, and interoperability. These include enhancements to staking and governance mechanisms, the introduction of new token standards for regulated assets, and the expansion of ecosystem partnerships with custody providers and financial infrastructure platforms.

Looking ahead, the project roadmap foresees additional technical and ecosystem developments. Among these are the upgrade of the Polymesh Core Runtime to a newer version of Substrate, the introduction of Confidential Assets (initially expected to launch on a testnet in alpha form, with a mainnet rollout anticipated in 2026), and further ecosystem integrations with custodial and infrastructure partners.

It should be noted that these items represent intended milestones and do not constitute a binding commitment. Their implementation, timing, and final scope remain subject to technical feasibility, regulatory developments, and the governance decisions of the Polymesh community.

D.9 Resource allocation

All tokens associated with the project have been fully issued and are freely transferable on the market. There are no predefined or ongoing allocation categories, as no token pools remain under structured distribution frameworks. Following full distribution, the circulating supply is held by diverse market participants, and the composition of holders may change over time due to secondary market trading.

The only identifiable concentration of tokens that can be attributed to a specific entity relates to Polymesh Labs Ltd. As of the time of drafting this white paper, Polymesh Labs Ltd. holds approximately 220 million tokens.

The temporary token distribution can be traced on-chain On Polymesh:

https://polymesh.subscan.io/account

Investors must be aware that a public blockchain address cannot necessarily be attributed to a single natural or legal person, which limits the ability to determine exact economic influence or future actions. Changes in escrow releases or market-level redistributions may affect the circulating supply and could have an impact on the token's market value.

D.10 Planned use of Collected funds or crypto-Assets

Not applicable, as this white paper was drawn up for the admission to trading and not for collecting funds for the crypto-asset-project.

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 white paper concerns the admission to trading (i. e. ATTR).

E.2 Reasons for public offer or admission to trading

The crypto asset is to be listed on the platforms: Payward Global Solutions Limited. Additional platforms aren't excluded in the future.

E.3 Fundraising target

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

E.4 Minimum subscription goals

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

E.5 Maximum subscription goals

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

E.6 Oversubscription acceptance

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

E.7 Oversubscription allocation

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

E.8 Issue price

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

E.9 Official currency or any other crypto-assets determining the issue price

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

E.10 Subscription fee

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

E.11 Offer price determination method

Once the token is admitted to trading its price will be determined by demand (buyers) and supply (sellers).

E.12 Total number of offered/traded crypto-assets

The POLYX token does not have a fixed total supply. While the protocol does not include automated mechanisms to increase or decrease supply in response to market demand, the network supports an annual minting process through which new tokens may be created. This annual issuance is subject to a predefined upper limit, which currently allows for the minting of up to 140,000,000 POLYX per year. As a result, the total supply can increase over time, and no final maximum supply has been reached or fixed as of the date referenced.

Investors and market participants should note that the circulating supply - that is, the effective amount of tokens available on the market at a given time - may differ from the total supply.

E.13 Targeted holders

ALL

E.14 Holder restrictions

The Holder restrictions are subject to the rules applicable to the Crypto Asset Service Provider as well as additional restrictions the Crypto Asset Service Providers might set in force.

E.15 Reimbursement notice

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

E.16 Refund mechanism

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

E.17 Refund timeline

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

E.18 Offer phases

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

E.19 Early purchase discount

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

E.20 Time-limited offer

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

E.21 Subscription period beginning

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

E.22 Subscription period end

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

E.23 Safeguarding arrangements for offered funds/crypto- Assets

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

E.24 Payment methods for crypto-asset purchase

The payment methods are subject to the respective capabilities of the Crypto Asset Service Provider listing the crypto-asset.

E.25 Value transfer methods for reimbursement

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

E.26 Right of withdrawal

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

E.27 Transfer of purchased crypto-assets

The transfer of purchased crypto-assets are subject to the respective capabilities of the Crypto Asset Service Provider listing the crypto-asset.

E.28 Transfer time schedule

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

E.29 Purchaser's technical requirements

The technical requirements that the purchaser is required to fulfil to hold the crypto-assets of purchased crypto-assets are subject to the respective capabilities of the Crypto Asset Service Provider listing the crypto-asset.

E.30 Crypto-asset service provider (CASP) name

Not applicable.

E.31 CASP identifier

Not applicable.

E.32 Placement form

Not applicable.

E.33 Trading platforms name

Payward Global Solutions Limited. Other platforms are also planned for future listing.

E.34 Trading platforms Market identifier code (MIC)

Payward Global Solutions Limited: PGSL

E.35 Trading platforms access

This depends on the trading platform listing the asset.

E.36 Involved costs

This depends on the trading platform listing the asset. Furthermore, costs may occur for making transfers out of the platform (i. e. "gas costs" for blockchain network use that may exceed the value of the crypto-asset itself).

E.37 Offer expenses

Not applicable, as this crypto-asset white paper concerns the admission to trading and not the offer of the token to the public.

E.38 Conflicts of interest

MiCAR-compliant Crypto Asset Service Providers shall have strong measurements in place in order to manage conflicts of interests. Due to the broad audience this white-paper is adressing, potential investors should always check the conflicts of Interest policy of their respective counterparty.

E.39 Applicable law

Not applicable, as it is referred to on "offer to the public" and in this white-paper, the admission to trading is sought.

E.40 Competent court

Not applicable, as it is referred to on "offer to the public" and in this white-paper, the admission to trading is sought.

Part F – Information about the crypto-assets

F.1 Crypto-asset type

The crypto-asset described in the white paper is classified as a crypto-asset under the Markets in Crypto-Assets Regulation (MiCAR) but does not qualify as an electronic money token (EMT) or an asset-referenced token (ART). It is a digital representation of value that can be stored and transferred using distributed ledger technology (DLT) or similar technology, without embodying or conferring any rights to its holder.

The asset does not aim to maintain a stable value by referencing an official currency, a basket of assets, or any other underlying rights. Instead, its valuation is entirely market-driven, based on supply and demand dynamics, and not supported by a stabilization mechanism. It is neither pegged to any fiat currency nor backed by any external assets, distinguishing it clearly from EMTs and ARTs.

Furthermore, the crypto-asset is not categorized as a financial instrument, deposit, insurance product, pension product, or any other regulated financial product under EU law. It does not grant financial rights, voting rights, or any contractual claims to its holders, ensuring that it remains outside the scope of regulatory frameworks applicable to traditional financial instruments.

F.2 Crypto-asset functionality

The POLYX token functions as the native token of the Polymesh network. It is used to facilitate network operations and maintain the security and integrity of the blockchain. Token holders use POLYX to pay transaction fees, stake tokens to participate in network consensus, and engage in governance processes according to the network's rules. In addition, POLYX is required for certain on-chain actions such as the creation, transfer, and management of regulated digital assets on the Polymesh blockchain. The token does not represent ownership rights, profit participation, or claims against any legal entity. Its functionality is limited to the technical and operational purposes defined within the Polymesh protocol.

F.3 Planned application of functionalities

Looking ahead, the project roadmap foresees additional technical and ecosystem developments. Among these are the upgrade of the Polymesh Core Runtime to a newer version of Substrate, the introduction of Confidential Assets (initially expected to launch on a testnet in alpha form, with a mainnet rollout anticipated in 2026), and further ecosystem integrations with custodial and infrastructure partners.

It should be noted that these items represent intended milestones and do not constitute a binding commitment. Their implementation, timing, and final scope remain subject to technical feasibility, regulatory developments, and the governance decisions of the Polymesh community.

A description of the characteristics of the crypto asset, including the data necessary for classification of the crypto-asset white paper in the register referred to in Article 109 of Regulation (EU) 2023/1114, as specified in accordance with paragraph 8 of that Article

F.4 Type of crypto-asset white paper

The white paper type is "other crypto-assets" (i. e. "OTHR").

F.5 The type of submission

The white paper submission type is "NEWT", which stands for new token.

F.6 Crypto-asset characteristics

The tokens are crypto-assets other than EMTs and ARTs, which are available on the Polymesh blockchain. The tokens are fungible. The tokens are a digital representation of value, and have no inherent rights attached as well as no intrinsic utility.

F.7 Commercial name or trading name

Polymesh

F.8 Website of the issuer

https://polymesh.network/

F.9 Starting date of offer to the public or admission to trading

2025-12-24

F.10 Publication date

2025-12-24

F.11 Any other services provided by the issuer

It is not possible to exclude a possibility that the issuer of the token provides or will provide other services not covered by Regulation (EU) 2023/1114 (i.e. MiCAR).

F.12 Language or languages of the crypto-asset white paper

EN

F.13 Digital token identifier code used to uniquely identify the crypto-asset or each of the several crypto assets to which the white paper relates, where available

NSL9TJN10

F.14 Functionally fungible group digital token identifier, where available

6JQ3HB7DH

F.15 Voluntary data flag

Mandatory.

F.16 Personal data flag

The white paper does contain personal data.

F.17 LEI eligibility

The issuer should be eligible for a Legal Entity Identifier.

F.18 Home Member State

Ireland

F.19 Host Member States

Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden

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

G.1 Purchaser rights and obligations

The crypto-asset does not grant any legally enforceable or contractual rights or obligations to its holders or purchasers.

Any functionalities accessible through the underlying technology are of a purely technical or operational nature and do not constitute rights comparable to ownership, profit participation, governance, or similar entitlements known from traditional financial instruments.

Accordingly, holders do not acquire any claim capable of legal enforcement against the issuer or any third party.

G.2 Exercise of rights and obligations

As the crypto-asset does not establish any legally enforceable rights or obligations, there are no applicable procedures or conditions for their exercise.

Any interaction or functionality that may be available within the technical infrastructure of the project - such as participation mechanisms or protocol-level features - serves an operational purpose only and does not create or evidence a contractual or statutory entitlement.

G.3 Conditions for modifications of rights and obligations

Because the crypto-asset does not confer legally enforceable rights or obligations, there are no conditions or mechanisms under which such rights could be modified.

Adjustments to the technical protocol, smart contract logic, or related systems may occur in the ordinary course of development or maintenance.

Such changes do not alter any legal position of holders, as no contractual or regulatory rights exist. Holders should not interpret technical updates or governance-related changes as amendments to legally binding entitlements.

G.4 Future public offers

This white paper refers to admission to trading. The issuer reserves the right to make further offers in the future. This means that future public offers cannot be ruled out, although there are no current plans to do so.

G.5 Issuer retained crypto-assets

All tokens associated with the project have been fully issued and are freely transferable on the market. There are no predefined or ongoing allocation categories, as no token pools remain under structured distribution frameworks. Following full distribution, the circulating supply is held by diverse market participants, and the composition of holders may change over time due to secondary market trading.

The only identifiable concentration of tokens that can be attributed to a specific entity relates to Polymesh Labs Ltd. As of the time of drafting this white paper, Polymesh Labs Ltd. holds approximately 220 million tokens.

The temporary token distribution can be traced on-chain On Polymesh:

https://polymesh.subscan.io/account

Investors must be aware that a public blockchain address cannot necessarily be attributed to a single natural or legal person, which limits the ability to determine exact economic influence or future actions. Changes in escrow releases or market-level redistributions may affect the circulating supply and could have an impact on the token's market value.

G.6 Utility token classification

No

G.7 Key features of goods/services of utility tokens

Not applicable.

G.8 Utility tokens redemption

Not applicable.

G.9 Non-trading request

The admission to trading is sought.

G.10 Crypto-assets purchase or sale modalities

Not applicable, as this white paper is written to support admission to trading and not for the initial offer to the public.

G.11 Crypto-assets transfer restrictions

The crypto-assets as such do not have any transfer restrictions and are generally freely transferable. The Crypto Asset Service Providers can impose their own restrictions in agreements they enter with their clients. The Crypto Asset Service Providers may impose restrictions to buyers and sellers in accordance with applicable laws and internal policies and terms.

G.12 Supply adjustment protocols

The POLYX token does not have a fixed total supply. While the protocol does not include automated mechanisms to increase or decrease supply in response to market demand, the network supports an annual minting process through which new tokens may be created. This annual issuance is subject to a predefined upper limit, which currently allows for the minting of up to 140,000,000 POLYX per year. As a result, the total supply can increase over time, and no final maximum supply has been reached or fixed as of the date referenced.

G.13 Supply adjustment mechanisms

The POLYX token does not operate under a fixed total supply. Instead, the protocol provides for an annual adjustment mechanism through which new tokens may be minted to support network operations, including staking rewards. The amount of newly issued POLYX is subject to an annual cap, currently set at up to 140,000,000 tokens per year.

This mechanism results in a progressively expanding token supply until the protocol-defined upper boundary of cumulative issuance is reached. The total supply therefore increases over time.

G.14 Token value protection schemes

No, the token does not have value protection schemes.

G.15 Token value protection schemes description

Not applicable.

G.16 Compensation schemes

No, the token does not have compensation schemes.

G.17 Compensation schemes description

Not applicable.

G.18 Applicable law

Applicable law likely depends on the location of any particular transaction with the token.

G.19 Competent court

Competent court likely depends on the location of any particular transaction with the token.

Part H – information on the underlying technology

H.1 Distributed ledger technology (DTL)

The crypto asset in scope will be implemented on the DLT network Polymesh as native token, following the standards described below.

H.2 Protocols and technical standards

Polymesh operates on a dedicated Layer-1 blockchain built using the Substrate framework developed by Parity Technologies. The network applies established cryptographic and networking standards used in Substrate-based architectures, including public-key infrastructure (PKI) for identity verification and standard encryption protocols for data integrity. Transaction formats and node communication follow the conventions defined by the Substrate protocol and associated runtime modules.

H.3 Technology used

The network is based on Substrate's modular architecture, which enables configurable runtime components, governance mechanisms, and upgrade processes without requiring hard forks. Polymesh implements an identity and compliance layer to ensure that all network participants are verified before transacting. The network supports interoperability within the Polymesh ecosystem and integrates with off-chain systems through standardized APIs.

H.4 Consensus mechanism

Polymesh employs a Nominated Proof-of-Stake (NPoS) consensus mechanism, in which validators produce blocks and nominators stake tokens to support them. This model aims to maintain network security through economic participation and decentralized selection of validators. The consensus process ensures finality and chain integrity through deterministic block validation and regular audits of validator performance.

H.5 Incentive mechanisms and applicable fees

Network participants are incentivized through staking rewards distributed to validators and nominators who contribute to block production and transaction validation. Transaction fees are denominated and paid in the native token (POLYX) and are used to prevent network spam and compensate validators for computational resources. Fee structures are determined by protocol parameters and may be adjusted through on-chain governance.

H.6 Use of distributed ledger technology

Yes, DLT operated by the issuer or a third-party acting on the issuer's behalf.

H.7 DLT functionality description

The Polymesh blockchain operates as a permissioned distributed ledger technology designed for the issuance and management of regulated digital assets. Transactions are validated and recorded by authorized network participants through a consensus mechanism based on nominated proof-of-stake. Each block contains a cryptographically secured record of transactions, ensuring data integrity and immutability. The ledger maintains a transparent, verifiable record of activity, while participant access and permissions are managed through an integrated identity and compliance framework.

H.8 Audit

Since the question of "technology" is understood in a broad sense, the answer to the question of whether an examination of the "technology used" has been carried out is "no, we cannot guarantee that all parts of the technology used have been examined." This is because this report focuses on risks and we cannot guarantee that every part of the technology used has been examined.

H.9 Audit outcome

With reference to the information in H.8, results can be found under: https://hacken.io/audits/polymesh/l1-polymesh-blockchain-audit-sep2024/.

Part I – Information on risks

I.1 Offer-related risks

1. Regulatory and Compliance

This white paper has been prepared with utmost caution; however, uncertainties in the regulatory requirements and future changes in regulatory frameworks could potentially impact the token's legal status and its tradability. There is also a high probability that other laws will come into force, changing the rules for the trading of the token. Therefore, such developments shall be monitored and acted upon accordingly.

2. Operational and Technical

Blockchain Dependency: The token is entirely dependent on the blockchain the crypto-asset is issued upon. Any issues, such as downtime, congestion, or security vulnerabilities within the blockchain, could adversely affect the token's functionality.

Smart Contract Risks: Smart contracts governing the token may contain hidden vulnerabilities or bugs that could disrupt the token offering or distribution processes.

Connection Dependency: As the trading of the token also involves other trading venues, technical risks such as downtime of the connection or faulty code are also possible.

Human errors: Due to the irrevocability of blockchain-transactions, approving wrong transactions or using incorrect networks/addresses will most likely result in funds not being accessibly anymore.

Custodial risk: When admitting the token to trading, the risk of losing clients assets due to hacks or other malicious acts is given. This is due to the fact the token is hold in custodial wallets for the customers.

3. Market and Liquidity

Volatility: The token will most likely be subject to high volatility and market speculation. Price fluctuations could be significant, posing a risk of substantial losses to holders.

Liquidity Risk: Liquidity is contingent upon trading activity levels on decentralized exchanges (DEXs) and potentially on centralized exchanges (CEXs), should they be involved. Low trading volumes may restrict the buying and selling capabilities of the tokens.

4. Counterparty

As the admission to trading involves the connection to other trading venues, counterparty risks arise. These include, but are not limited to, the following risks:

General Trading Platform Risk: The risk of trading platforms not operating to the highest standards is given. Examples like FTX show that especially in nascent industries, compliance and oversight-frameworks might not be fully established and/or enforced.

Listing or Delisting Risks: The listing or delisting of the token is subject to the trading partners internal processes. Delisting of the token at the connected trading partners could harm or completely halt the ability to trade the token.

5. Liquidity

Liquidity of the token can vary, especially when trading activity is limited. This could result in high slippage when trading a token.

6. Failure of one or more Counterparties

Another risk stems from the internal operational processes of the counterparties used. As there is no specific oversight other than the typical due diligence check, it cannot be guaranteed that all counterparties adhere to the best market standards.

Bankruptcy Risk: Counterparties could go bankrupt, possibly resulting in a total loss for the clients assets hold at that counterparty.

7. Information asymmetry

Different groups of participants may not have the same access to technical details or governance information, leading to uneven decision-making and potential disadvantages for less informed investors.

I.2 Issuer-related risks

1. Insolvency

As with every other commercial endeavor, the risk of insolvency of entities involved in the project is given. This could be caused by but is not limited to lack of interest from the public, lack of funding, incapacitation of key developers and project members, force majeure (including pandemics and wars) or lack of commercial success or prospects.

2. Counterparty

In order to operate, entities involved in the project have most likely engaged in different business relationships with one or more third parties on which they and the network strongly depend on. Loss or changes in the leadership or key partners of entities involved in the project and/or the respective counterparties can lead to disruptions, loss of trust, or project failure. This could result in a total loss of economic value for the crypto-asset holders.

3. Legal and Regulatory Compliance

Cryptocurrencies and blockchain-based technologies are subject to evolving regulatory landscapes worldwide. Regulations vary across jurisdictions and may be subject to significant changes. Non-compliance can result in investigations, enforcement actions, penalties, fines, sanctions, or the prohibition of the trading of the crypto-asset impacting its viability and market acceptance. This could also result in entities involved in the project to be subject to private litigation. The aforeementioned would most likely also lead to changes with respect to trading of the crypto-asset that may negatively impact the value, legality, or functionality of the crypto-asset.

4. Operational

Failure to develop or maintain effective internal control, or any difficulties encountered in the implementation of such controls, or their improvement could harm the business, causing disruptions, financial losses, or reputational damage of entities involved in the project.

5. Industry

The network and all entities involved in the project are and will be subject to all of the risks and uncertainties associated with a crypto-project, where the token issued has zero intrinsic value. History has shown that most of this projects resulted in financial losses for the investors and were only set-up to enrich a few insiders with the money from retail investors.

6. Reputational

The network and all entities involved in the project face the risk of negative publicity, whether due to, without limitation, operational failures, security breaches, or association with illicit activities, which can damage the reputation of the network and all entities involved in the project and, by extension, the value and acceptance of the crypto-asset.

7. Competition

There are numerous other crypto-asset projects in the same realm, which could have an effect on the crypto-asset in question.

8. Unanticipated Risk

In addition to the risks included in this section, there might be other risks that cannot be foreseen. Additional risks may also materialize as unanticipated variations or combinations of the risks discussed.

I.3 Crypto-assets-related risks

1. Valuation

As the crypto-asset does not have any intrinsic value, and grants neither rights nor obligations, the only mechanism to determine the price is supply and demand. Historically, most crypto-assets have dramatically lost value and were not a beneficial investment for the investors. Therefore, investing in these crypto-assets poses a high risk, and the loss of funds can occur.

2. Market Volatility

Crypto-asset prices are highly susceptible to dramatic fluctuations influence by various factors, including market sentiment, regulatory changes, technological advancements, and macroeconomic conditions. These fluctuations can result in significant financial losses within short periods, making the market highly unpredictable and challenging for investors. This is especially true for crypto-assets without any intrinsic value, and investors should be prepared to lose the complete amount of money invested in the respective crypto-assets.

3. Liquidity Challenges

Some crypto-assets suffer from limited liquidity, which can present difficulties when executing large trades without significantly impacting market prices. This lack of liquidity can lead to substantial financial losses, particularly during periods of rapid market movements, when selling assets may become challenging or require accepting unfavorable prices.

4. Asset Security

Crypto-assets face unique security threats, including the risk of theft from exchanges or digital wallets, loss of private keys, and potential failures of custodial services. Since crypto transactions are generally irreversible, a security breach or mismanagement can result in the permanent loss of assets, emphasizing the importance of strong security measures and practices.

5. Scams

The irrevocability of transactions executed using blockchain infrastructure, as well as the pseudonymous nature of blockchain ecosystems, attracts scammers. Therefore, investors in crypto-assets must proceed with a high degree of caution when investing in if they invest in crypto-assets. Typical scams include – but are not limited to – the creation of fake crypto-assets with the same name, phishing on social networks or by email, fake giveaways/airdrops, identity theft, among others.

6. Blockchain Dependency

Any issues with the blockchain used, such as network downtime, congestion, or security vulnerabilities, could disrupt the transfer, trading, or functionality of the crypto-asset.

7. Smart Contract Vulnerabilities

The smart contract used to issue the crypto-asset could include bugs, coding errors, or vulnerabilities which could be exploited by malicious actors, potentially leading to asset loss, unauthorized data access, or unintended operational consequences.

8. Privacy Concerns

All transactions on the blockchain are permanently recorded and publicly accessible, which can potentially expose user activities. Although addresses are pseudonoymous, the transparent and immutable nature of blockchain allows for advanced forensic analysis and intelligence gathering. This level of transparency can make it possible to link blockchain addresses to real-world identities over time, compromising user privacy.

9. Regulatory Uncertainty

The regulatory environment surrounding crypto-assets is constantly evolving, which can directly impact their usage, valuation, and legal status. Changes in regulatory frameworks may introduce new requirements related to consumer protection, taxation, and anti-money laundering compliance, creating uncertainty and potential challenges for investors and businesses operating in the crypto space. Although the crypto-asset do not create or confer any contractual or other obligations on any party, certain regulators may nevertheless qualify the crypto-asset as a security or other financial instrument under their applicable law, which in turn would have drastic consequences for the crypto-asset, including the potential loss of the invested capital in the asset. Furthermore, this could lead to the sellers and its affiliates, directors, and officers being obliged to pay fines, including federal civil and criminal penalties, or make the crypto-asset illegal or impossible to use, buy, or sell in certain jurisdictions. On top of that, regulators could take action against the network and all entities involved in the project as well as the trading platforms if the the regulators view the token as an unregistered offering of securities or the operations otherwise as a violation of existing law. Any of these outcomes would negatively affect the value and/or functionality of the crypot-asset and/or could cause a complete loss of funds of the invested money in the crypto-asset for the investor.

10. Counterparty risk

Engaging in agreements or storing crypto-assets on exchanges introduces counterparty risks, including the failure of the other party to fulfill their obligations. Investors may face potential losses due to factors such as insolvency, regulatory non-compliance, or fraudulent activities by counterparties, highlighting the need for careful due diligence when engaging with third parties.

11. Reputational concerns

Crypto-assets are often subject to reputational risks stemming from associations with illegal activities, high-profile security breaches, and technological failures. Such incidents can undermine trust in the broader ecosystem, negatively affecting investor confidence and market value, thereby hindering widespread adoption and acceptance.

12. Technological Innovation

New technologies or platforms could render the network's design less competitive or even break fundamental parts (i.e., quantum computing might break cryptographic algorithms used to secure the network), impacting adoption and value. Participants should approach the crypto-asset with a clear understanding of its speculative and volatile nature and be prepared to accept these risks and bear potential losses, which could include the complete loss of the asset's value.

13. Community and Narrative

As the crypto-asset has no intrinsic value, all trading activity is based on the intended market value is heavily dependent on its community.

14. Interest Rate Change

Historically, changes in interest, foreign exchange rates, and increases in volatility have increased credit and market risks and may also affect the value of the crypto-asset. Although historic data does not predict the future, potential investors should be aware that general movements in local and other factors may affect the market, and this could also affect market sentiment and, therefore most likely also the price of the crypto-asset.

15. Taxation

The taxation regime that applies to the trading of the crypto-asset by individual holders or legal entities will depend on the holder's jurisdiction. It is the holder's sole responsibility to comply with all applicable tax laws, including, but not limited to, the reporting and payment of income tax, wealth tax, or similar taxes arising in connection with the appreciation and depreciation of the crypto-asset.

16. Anti-Money Laundering/Counter-Terrorism Financing

It cannot be ruled out that crypto-asset wallet addresses interacting with the crypto-asset have been, or will be used for money laundering or terrorist financing purposes, or are identified with a person known to have committed such offenses.

17. Market Abuse

It is noteworthy that crypto-assets are potentially prone to increased market abuse risks, as the underlying infrastructure could be used to exploit arbitrage opportunities through schemes such as front-running, spoofing, pump-and-dump, and fraud across different systems, platforms, or geographic locations. This is especially true for crypto-assets with a low market capitalization and few trading venues, and potential investors should be aware that this could lead to a total loss of the funds invested in the crypto-asset.

18. Timeline and Milestones

Critical project milestones could be delayed by technical, operational, or market challenges.

19. Legal ownership: Depending on jurisdiction, token holders may not have enforceable legal rights over their holdings, limiting avenues for recourse in disputes or cases of fraud.

20. Jurisdictional blocking: Access to exchanges, wallets, or interfaces may be restricted based on user location or regulatory measures, even if the token remains transferable on-chain.

21. Token concentration: A large proportion of tokens held by a few actors could allow price manipulation, governance dominance, or sudden sell-offs impacting market stability.

22. Ecosystem incentive misalignment: If validator, developer, or user rewards become unattractive or distorted, network security and participation could decline.

23. Governance deadlock: Poorly structured or fragmented governance processes may prevent timely decisions, creating delays or strategic paralysis.

24. Compliance misalignment: Features or delivery mechanisms may unintentionally conflict with evolving regulations, particularly regarding consumer protection or data privacy.

I.4 Project implementation-related risks

As this white paper relates to the "Admission to trading" of the crypto-asset, the implementation risk is referring to the risks on the Crypto Asset Service Providers side. These can be, but are not limited to, typical project management risks, such as key-personal-risks, timeline-risks, and technical implementation-risks.

I.5 Technology-related risks

As this white paper relates to the "Admission to trading" of the crypto-asset, the technology-related risks mainly involve the DLT networks where the crypto asset is issued in.

1. Blockchain Dependency Risks

Network Downtime: Potential outages or congestion on the involved blockchains could interrupt on-chain token transfers, trading, and other functions.

2. Smart Contract Risks

Vulnerabilities: The smart contract governing the token could contain bugs or vulnerabilities that may be exploited, affecting token distribution or vesting schedules.

3. Wallet and Storage Risks

Private Key Management: Token holders must securely manage their private keys and recovery phrases to prevent permanent loss of access to their tokens, which includes Trading-Venues, who are a prominent target for dedicated hacks.

Compatibility Issues: The tokens require compatible wallets for storage and transfer. Any incompatibility or technical issues with these wallets could impact token accessibility.

4. Network Security Risks

Attack Risks: The blockchains may face threats such as denial-of-service (DoS) attacks or exploits targeting its consensus mechanism, which could compromise network integrity.

Centralization Concerns: Although claiming to be decentralized, the relatively smaller number of validators/concentration of stakes within the networks compared to other blockchains might pose centralization risks, potentially affecting network resilience.

5. Evolving Technology Risks: Technological Obsolescence: The fast pace of innovation in blockchain technology may make the used token standard appear less competitive or become outdated, potentially impacting the usability or adoption of the token.

6. Bridges: The dependency on multiple ecosystems can negatively impact investors. This asset bridge creates corresponding risks for investors, as this lock-in mechanism may not function properly for technical reasons or may be subject to attack. In that case, the supply may change immediately or the ownership rights to tokens may be changed.

7. Forking risk: Network upgrades may split the blockchain into separate versions, potentially creating duplicate tokens or incompatibility between different versions of the protocol.

8. Economic abstraction: Mechanisms such as gas relayers or wrapped tokens may allow users to bypass the native asset, reducing its direct demand and weakening its economic role.

9. Dust and spam attacks: Low-value transactions may flood the network, increasing ledger size, reducing efficiency, and exposing user addresses to tracking.

10. Frontend dependency: If users rely on centralised web interfaces or wallets, service outages or compromises could block access even if the blockchain itself continues to operate.

I.6 Mitigation measures

None.

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

J.1 Adverse impacts on climate and other environment-related adverse impacts

S.1 Name

Polymesh Labs Ltd.

S.2 Relevant legal entity identifier

Not applicable.

S.3 Name of the cryptoasset

Polymesh

S.4 Consensus Mechanism

Polymesh employs a Nominated Proof-of-Stake (NPoS) consensus mechanism, in which validators produce blocks and nominators stake tokens to support them. This model aims to maintain network security through economic participation and decentralized selection of validators. The consensus process ensures finality and chain integrity through deterministic block validation and regular audits of validator performance.

S.5 Incentive Mechanisms and Applicable Fees

Network participants are incentivized through staking rewards distributed to validators and nominators who contribute to block production and transaction validation. Transaction fees are denominated and paid in the native token (POLYX) and are used to prevent network spam and compensate validators for computational resources. Fee structures are determined by protocol parameters and may be adjusted through on-chain governance.

S.6 Beginning of the period to which the disclosure relates

2024-10-28

S.7 End of the period to which the disclosure relates

2025-10-28

S.8 Energy consumption

44544.60000 kWh/a

S.9 Energy consumption sources and methodologies

For the calculation of energy consumptions, the so called 'bottom-up' approach is being used. The nodes are considered to be the central factor for the energy consumption of the network. These assumptions are made on the basis of empirical findings through the use of public information sites, open-source crawlers and crawlers developed in-house. The main determinants for estimating the hardware used within the network are the requirements for operating the client software. The energy consumption of the hardware devices was measured in certified test laboratories.

The information regarding the hardware used and the number of participants in the network is based on assumptions that are verified with best effort using empirical data. In general, participants are assumed to be largely economically rational. As a precautionary principle, we make assumptions on the conservative side when in doubt, i.e. making higher estimates for the adverse impacts.

S.10 Renewable energy consumption

32.7956468965 %

S.11 Energy intensity

0.00019 kWh

S.12 Scope 1 DLT GHG emissions – Controlled

0.00000 tCO2e/a

S.13 Scope 2 DLT GHG emissions – Purchased

14.82502 tCO2e/a

S.14 GHG intensity

0.00007 kgCO2e

S.15 Key energy sources and methodologies

To determine the proportion of renewable energy usage, the locations of the nodes are to be determined using public information sites, open-source crawlers and crawlers developed in-house. If no information is available on the geographic distribution of the nodes, reference networks are used which are comparable in terms of their incentivization structure and consensus mechanism. This geo-information is merged with public information from Our World in Data, see citation. The intensity is calculated as the marginal energy cost wrt. one more transaction. Ember (2025); Energy Institute - Statistical Review of World Energy (2024) - with major processing by Our World in Data. “Share of electricity generated by renewables - Ember and Energy Institute” [dataset]. Ember, “Yearly Electricity Data Europe”; Ember, “Yearly Electricity Data”; Energy Institute, “Statistical Review of World Energy” [original data]. Retrieved from https://ourworldindata.org/grapher/share-electricity-renewables.

S.16 Key GHG sources and methodologies

To determine the GHG Emissions, the locations of the nodes are to be determined using public information sites, open-source crawlers and crawlers developed in-house. If no information is available on the geographic distribution of the nodes, reference networks are used which are comparable in terms of their incentivization structure and consensus mechanism. This geo-information is merged with public information from Our World in Data, see citation. The intensity is calculated as the marginal emission wrt. one more transaction. Ember (2025); Energy Institute - Statistical Review of World Energy (2024) - with major processing by Our World in Data. “Carbon intensity of electricity generation - Ember and Energy Institute” [dataset]. Ember, “Yearly Electricity Data Europe”; Ember, “Yearly Electricity Data”; Energy Institute, “Statistical Review of World Energy” [original data]. Retrieved from https://ourworldindata.org/grapher/carbon-intensity-electricity Licenced under CC BY 4.0.