

// ICO TOKEN TRANSPARENCY FILING
--- DIGITAL ASSETS
--- INITIAL DISCLOSURE

Blockworks

12 MAY 2026

B1

Sport.fun

ICO Token Transparency Filing

FILING -- B1 // STATUS -- NEW // FRAMEWORK -- TTF



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Total Disclosed: 100%

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Project & Team

1. Description of Project

Instructions: Provide a concise narrative that clearly states:

- (a) **Problem the project solves** — the problem the project is solving,
- (b) **Operational priorities** — Provide a high-level description of how the project expects to support ongoing development and operations over time
- (c) **High-level project overview** — how the project works at a high level,
- (d) **Primary token functions** — the primary functions of the token (e.g. gov participation),
- (e) **Control surface reliance** — if any, briefly describe the anticipated or possible evolution of the protocol's governance/control model

Answer:

(a) Problem the project solves

Existing fantasy sports platforms fail to combine real monetary stakes with persistent, skill-based competition. Season-long games like Fantasy Premier League offer engagement but no real financial rewards for skill. Daily fantasy platforms like DraftKings offer money but no long-term portfolio building. Prediction markets like Polymarket lack sports fandom and community. Sport.Fun solves this by creating the first onchain competitive sports market game where users buy, sell, and hold fractional shares of real-world athletes, with share values driven by market demand and real sporting performance. Users with genuine sports knowledge and analytical skill are rewarded over time through a dynamic, player-owned marketplace.

(b) Operational priorities

Sport.Fun generates recurring revenue through transaction fees on marketplace activity (base 3% fee on buy/sell transactions). Revenue is allocated across functions: supporting player market liquidity, returning value to players via FUN staking, and operational expenses including development, marketing, and platform growth. The platform achieved profitability prior to the \$FUN token generation event and expects to sustain ongoing development through transaction fee revenue as the user base and trading volume grow across multiple sports verticals (football/soccer, NFL, with NBA and additional sports planned). The team raised via two private rounds, led by 6MV; as well as conducting a successful ICO. The team has enough runway to develop the project through the end of 2030.

(c) High-level project overview

Sport.Fun is a competitive fantasy sports market game built on the Base blockchain (Ethereum L2). Each real-world athlete is tokenized into tradable shares with a maximum supply of 25 million per athlete. Users deposit USDC, which they use to buy and sell athlete shares on the platform's proprietary AMM. Athlete share prices move based on user trading activity and market demand. Users compete in recurring tournaments where their squad's real-world match performance determines Tournament Point (TP) rewards, which are used to acquire randomized player packs. The platform operates across multiple sports with shared accounts and shared token economy. All game logic — asset ownership, trading, and reward allocation — is managed by smart contracts on Base.

(d) **Primary token functions**

Current utility of \$FUN: (i) Trading fee rebates — users who hold \$FUN in their in-game wallet receive tiered discounts on platform trading fees. Planned utility: (ii) Scouting & Player Discovery — \$FUN staking will be required to participate in the Scouting system, where users propose and back new athletes to be added to the platform; (iii) Governance — \$FUN holders will progressively gain voting rights over ecosystem decisions, including player additions, feature prioritization, and rule parameters; (iv) Premium features & access — advanced analytics, enhanced data tools, and premium gameplay features gated by \$FUN holdings or spend. Value accrual is additionally driven by programmatic buybacks: 40% of platform revenue is allocated to open-market \$FUN buybacks, 40% to athlete-market liquidity, and 20% to growth and product development.

(e) **Control surface reliance**

Governance is centralized at launch, with the core team retaining decision-making authority to ensure coherent execution during early growth. The governance roadmap envisions a progressive transition toward token-based participation as the ecosystem matures. Planned milestones include a Scouting system giving \$FUN holders direct influence over platform expansion (athlete curation), and potential community input on fee parameters and new sport launches. The pace and scope of decentralization will gradually increase over time.

2. Known Project Team & Investors

Instructions: For each existing entity: Labs/DevCo (e.g., Founder, CEO, CTO, COO), Foundation (e.g., President, Executive Director, CFO, COO), and DAO / onchain governance leadership (if applicable) list the:

- (a) full names,
- (b) official titles,
- (c) and prior experience of key team members.

For any non-existent entity, explicitly mention it does not exist. External links may be included but they will not factor into the score.

Answer:

Labs/DevCo

Full Name	Official Title	Prior Experience
Adam McIntee	Founder & CEO	Crypto founder with multiple startups, including Spark (acquired by Portal Coin, 2024). Built Sorare Academy with FantasyFootballScout.co.uk. Previously led production for a fantasy mobile game and delivered digital programs for UK HM Government. LinkedIn: linkedin.com/in/adam-mcintee-31459a209 X: @AdamFDF_
AJ Romero	CFO	Former Portfolio Manager at Sfermion (liquid crypto and venture). Early Carvana hire (scaled through IPO); FP&A at Dell; data science at Amazon; co-founder of Blackpool DAO, one of the earliest onchain gaming guilds. LinkedIn: linkedin.com/in/ajromero3 X: @adotjdott

Foundation

Full Name	Official Title	Prior Experience
n/a		

DAO/Onchain Governance

Full Name	Official Title	Prior Experience
n/a		

3. DAO Structure

Instructions: Provide a structured description of the DAO's governance, powers, and economic rights. If a DAO does not exist, state so. Address the lettered items below. Even if there is no DAO, there must be an answer to (d).

- (a) **IP ownership & control** — State what IP the DAO owns or controls (e.g., codebases/repos, trademarks/brands). Note any license if relevant.
- (b) **Contract/admin powers** — List on-chain or administrative authorities and limits: pause/upgrade roles (e.g., multisig pause), governance-executor authorities, and the method of authority for each (e.g., veto, majority, super-majority).
- (c) **Locked-token rights (conditional)** — If locking/staking for additional rights exists, explain the additional rights and what tokenholders can and cannot decide. If no locking mechanism exists, leave absent.

- (d) **Value accrual & holder rights** — If any, describe the current rights of tokenholders over revenue distribution and the treasury.
- (e) **Dissolution authority** — State who can dissolve/wind up the DAO and by what mechanism (e.g., on-chain vote threshold, board resolution of a legal wrapper).

Answer:

No DAO currently exists. Sport.Fun is not governed by an on-chain DAO at TGE. The items below address the required disclosures.

(a) IP ownership & control: No DAO. Protocol IP (smart contracts, trademarks/brand, product code) is held by Sport.Fun Ltd (BVI) as the operating DevCo, ultimately owned by Sport.Fun Panama Foundation.

(b) Contract/admin powers: No DAO-executor authority. Upgrade, pause, and parameter-change authorities are held by a 3-of-5 Safe multisig at base:0x5b2a3d19bbc6dd2f1666352a0b95d47780a8a576 administered by DevCo personnel.

(c) Locked-token rights: No locking/staking mechanism confers additional governance rights at launch. “Soft staking” of \$FUN in the in-game wallet provides tiered trading-fee rebates only; it does not confer voting rights or additional protocol rights.

(d) Value accrual & holder rights: Tokenholders do not have direct claims on treasury or revenue. Value accrual is programmatic: 40% of platform revenue is used to conduct open-market \$FUN buybacks, 40% is used to deepen athlete-market USDC liquidity, and 20% funds growth and product development. Buybacks are executed on an ongoing, price-agnostic basis.

(e) Dissolution authority: No DAO exists to be dissolved. Wind-up of the legal wrappers (Sport.Fun Panama Foundation and Sport.Fun Ltd BVI) would proceed under their respective constitutional documents and the applicable Panama and BVI corporate statutes.

4. Primary Foundation and Dev Co

Instructions: For each entity Primary Foundation and Primary DevCo do the following independently. If an entity does not exist, state that explicitly. Items (a)–(f) apply only if that entity exists; state explicitly that the entity doesn’t exist.

- (a) **Entity** — type and jurisdiction.
- (b) **IP ownership & control** — what IP the entity owns/controls (repos/code, trademarks/brand; license optional) and an explanation of any subsidiary entities.

- (c) **Powers over DAO, treasury, protocol-controlled resources, and token administration** — If any, describe the current powers over DAO governance, treasury actions, protocol-controlled resources (e.g. revenue), token administration, or reward parameters, and the method/threshold for each.
- (d) **Powers over DevCo/Foundation** — explain whether the DevCo can exert direct or indirect influence over decision-making of the foundation and vice versa.
- (e) **Contract/admin powers** — pause/upgrade/governance-executor authorities and the method/threshold for each (e.g., veto/majority/super-majority; “3/5 multisig”).
- (f) **Current economic arrangements and distribution policies** — Describe any current governance-approved, contractual, or programmatic mechanisms, if any, by which protocol-controlled resources, treasury assets, fees, revenue, rewards, or token distributions may be directed to this entity, its equityholders, contributors, or other participants. If no such mechanism currently exists, state that explicitly. Do not discuss hypothetical future dividends, repurchases, or distributions unless formally adopted.

Definitions: The primary Foundation and DevCo can be explained as those entities which are directly involved in the issuance of the native token at launch.

Answer:

Primary Foundation: Sport.Fun Panama Foundation

(a) Entity: Fundación de Interés Privado (private-interest foundation), organized in the Republic of Panama. Incorporated 16 June 2025. Public Registry No. 25061744.

(b) IP ownership & control: Ultimate parent entity. Majority owner of Sport.Fun Panama Corp (the primary DevCo / platform operator) and 100% owner of Sport.Fun Ltd (BVI) (the \$FUN token issuer, which handles TGE/ICO). Holds brand/trademark rights for Sport.Fun and Football.fun. Licenses code/IP operationally to Sport.Fun Panama Corp for platform operation.

(c) Powers over DAO, treasury, protocol resources, and token administration: No DAO. The Foundation is the ultimate steward of the ecosystem and can authorize strategic treasury actions by Foundation Council resolution. Day-to-day treasury execution is delegated to the 3-of-5 Safe multisig (base:0x5b2a3d19bbc6dd2f1666352a0b95d47780a8a576).

(d) Powers over DevCo/Foundation: Foundation is the majority owner of Sport.Fun Panama Corp and Sport.Fun Ltd (BVI), so has direct influence over strategic decisions at both subsidiaries. Neither subsidiary controls the Foundation; UBO and control person of the Foundation is Adam McIntee.

(e) Contract/admin powers: Same 3-of-5 Safe multisig as above. Majority threshold (3/5) required for any upgrade, pause, or treasury execution.

(f) Current economic arrangements: Receives 3% of total supply (30,000,000 \$FUN, unlocked at TGE) as the Foundation allocation. No other governance-approved distributions to

equityholders or members currently exist. No dividends, repurchases, or programmatic distributions to Foundation officers have been formally adopted.

Primary DevCo: Sport.Fun Panama Corp

(a) Entity: Panamanian sociedad anónima (corporation), organized in the Republic of Panama. Incorporated 16 June 2025. This entity develops and operates the Sport.Fun/Football.fun fantasy sports platform.

(b) IP ownership & control: Operates the Sport.Fun/Football.fun platform. Holds the platform source code and smart-contract code for in-game athlete markets, trading, and reward logic. Trademark/brand rights roll up to the Foundation (licensed to the Corp for operational use). Wholly-owned subsidiary of Sport.Fun Panama Foundation. Does NOT hold the \$FUN token contract — that is issued by Sport.Fun Ltd (BVI), the affiliated token issuer (see below).

(c) Powers over DAO, treasury, protocol resources, and token administration: No DAO. As the operating entity, the Corp executes day-to-day platform operations, commercial partnerships, employment, and product development. Protocol parameter changes, upgrades, and treasury execution flow through the 3-of-5 Safe multisig above. The Corp does not directly administer the \$FUN token contract (that authority sits with the BVI token issuer, acting under Foundation direction).

(d) Powers over DevCo/Foundation: Corp does not have direct governance influence over the Foundation; the Foundation is the Corp's sole equityholder and can direct or replace Corp leadership. Corp also has no control over the BVI token issuer (which is the Foundation's other subsidiary).

(e) Contract/admin powers: Same 3-of-5 Safe multisig. Signers:
base:0xde6498edf495bd317d9Cdbc2a89536ca256e2E0F,
base:0xae25F42Adc0390A3e3A4ba3d8e20E409A75558A1,
base:0x5aE1eAb9ccDe73B4Ef86d9cdcc47f8f1a0e50dF9 (and two additional signers).

(f) Current economic arrangements: Corp is funded by prior equity/token fundraising (see Section 9) and by platform revenue. No governance-approved programmatic distributions to equityholders currently exist. Buybacks using 40% of revenue accrue to \$FUN holders generally, not to Corp equityholders specifically.

Affiliated Token Issuer: Sport.Fun Ltd (BVI)

For completeness: the \$FUN token is issued by Sport.Fun Ltd (BVI) (BVI Business Company, British Virgin Islands; incorporated 1 July 2025; Registration No. 2180591). This BVI entity is scoped narrowly to \$FUN token-issuance activity — ICO, TGE, and token administration — and does NOT operate the platform. It is a wholly-owned subsidiary of Sport.Fun Panama Foundation (a sister entity to Sport.Fun Panama Corp, the primary DevCo). Token-contract administration (pause, upgrade, parameter change) flows through the same 3-of-5 Safe multisig as the Foundation and Corp.

Token Supply & Allocations

5. Initial Allocation

Instructions: Disclose launch and initial supply details in a single initial allocation schedule covering the token's launch. Include:

- (a) **Launch supply totals** — the total number of tokens issued at launch, the total number of tokens locked at launch or the total number of tokens unlocked at launch;
- (b) **Recipient categories & use of funds** — the recipient categories with brief explanations as to how the category will use the tokens so an auditor can distinguish each bucket;
- (c) **Initial price per token (if applicable)** — the initial price per token at TGE.. If the token launched via a liquidity bootstrapping mechanism, auction, or other price-discovery process rather than a fixed offering price, describe that mechanism and the final market set price instead. If no fixed price was set, state so.
- (d) **Ticker / market symbol** — the ticker/market symbol;
- (e) **Total supply & supply regime** — the total supply and whether the supply is fixed (if not explain inflation rate or deflation rate);
- (f) **Initial vesting / release schedules** — the initial vesting/release schedules (identify which categories/recipients are subject to vesting and the high-level timing logic);

Answer:

(a) Launch supply totals:

Genesis total supply: 1,000,000,000 \$FUN (fixed). TGE date: 31 January 2026. Total unlocked at TGE (initial circulating supply): 181,222,508 \$FUN (≈18.12% of total supply). Reported circulating supply at TGE: 178,000,000 \$FUN (≈17.80%). Total locked at TGE: 818,777,492 \$FUN (≈81.88%).

(b) Recipient categories & use of funds:

- Community — 25.00% / 250,000,000 \$FUN. Use: ecosystem incentives and Genesis Airdrop (see Section 6). Split into Community Incentives (21% / 210M) for ongoing user rewards, retention programs, and future airdrops/campaigns, and Genesis Airdrop (4% / 40M) distributed at TGE to loyal paying users.

- Team & Advisors — 25.00% / 250,000,000 \$FUN.

Use: long-term compensation aligned with the team's 4-year build horizon. Split into Team (22.723% / 227,230,000) and Advisors (2.277% / 22,770,000).

- Investors — 24.9303% / 249,302,753 \$FUN. Use: consideration for capital contributed in Friends & Family, Seed, and subsequent private rounds (see Section 9).
- Treasury — 17.5697% / 175,697,247 \$FUN. Use: long-term platform and ecosystem funding. Split into Reserve (7.57% / 75,697,247) for strategic long-term reserve; Liquidity Ops (5.00% / 50,000,000) for DEX liquidity seeding and market-maker support; Foundation (3.00% / 30,000,000) for Foundation operating needs; and Marketing (2.00% / 20,000,000) for launch and growth marketing.
- Public Sale — 7.50% / 75,000,000 \$FUN. Use: public token offering conducted via Legion + Kraken Launch (see Section 9).

(c) Initial price per token:

Public Sale price: \$0.06 per \$FUN (implied \$60,000,000 fully diluted valuation at 1B supply), conducted via Legion + Kraken Launch using World Liberty Financial's USD1 stablecoin. No market-making-determined bootstrap mechanism is used.

(d) Ticker / market symbol: \$FUN

(e) Total supply & supply regime:

Fixed maximum supply of 1,000,000,000 \$FUN. No inflation. No burn mechanism at the token-contract level.

(f) Initial vesting / release schedules (summary):

- Community Incentives (210M): 5% bullet unlock at TGE (10.5M); remainder vests linearly over 24 months.
- Genesis Airdrop (40M): 100% unlocked at TGE.
- Team (227.23M): 6-month cliff from TGE; non-linear vest over 42 months thereafter (back-weighted, total 48-month build horizon). Vest is contingent on continued service.
- Advisors (22.77M): no cliff; linear vest over 9 months from TGE.
- Investors (249.30M): no cliff; non-linear 36-month vest from TGE (back-weighted).
- Treasury — Reserve (75.70M): 6-month cliff; linear vest over 24 months thereafter.
- Treasury — Liquidity Ops (50M): 100% unlocked at TGE.
- Treasury — Foundation (30M): 100% unlocked at TGE.
- Treasury — Marketing (20M): 50% bullet unlock at TGE (10M); remainder unlocks one month post-TGE.

- Public Sale (75M): 50% bullet unlock at TGE (37.5M); remainder vests linearly over 6 months.

Token contract addresses: Base (ERC-20):

basescan.org/token/0x16ee7ecac70d1028e7712751e2ee6ba808a7dd92.

Solana: 8cn4JeRLiHTfX6maZAsipGGyyZPdEcos3s2X3Hw3BS6.

6. Airdrop Process

Instructions:

If the project has planned but not yet airdropped, it must:

- (a) commit to publish, in a public channel **and** provide to Blockworks **quarterly** a recipient wallet list until the initial TGE airdrop is fully completed,
- (b) Generally state the possible target user segments (e.g., “stakers of X,” “Aave users”) and the allocation method (e.g., proportional to ve-balance or net position).

If the project has already airdropped, it must:

- (a) For executed airdrops, point to an per-address source such as CSV/TSV/JSON files, a Dune table, a full Merkle dump, GitHub repo files embedding per-address allocations, or RPC endpoints that expose claim/amount data; explorer links alone don't count.
- (b) Clearly state covered user segments (e.g., “stakers of X,” “Aave users”) and the allocation method (e.g., proportional to ve-balance or net position).

If the project does not plan to do an airdrop for TGE, it must:

- (a) If no airdrop has ever been conducted, say so plainly (“We have never conducted an airdrop to date and do not plan to execute one”).

Answer:

- (a) see attached for list. Of the 4% airdropped, user net added above what was airdropped to level up accounts and receive maximum benefits, there is ~7.3% staked as of this time (April 21, 2026). [📄 football_fun_airdrop_recipients](#)
- (b) Target user segments & allocation method: Segments — paying users of Football.fun/Sport.Fun who have transacted on the platform (i.e. paid trading fees in USDC). Non-paying Free-to-Play users are excluded. Allocation method: a discretionary “FUN Score” that weights (i) lifetime fees paid, (ii) account age, (iii) net on-platform cashflow, (iv) referrals, (v) skill/performance in tournaments, and (vi) rewards won. The scoring is designed to bias allocations toward long-term, net-positive paying users rather than one-time or farming activity.

Transactions & Market Structures

7. Market Maker Agreements & Deals

Instructions: Projects must disclose all material terms of market-making arrangements that affect token liquidity. If the project has no agreements or deals with market makers, state that explicitly; doing so earns full credit. For each market maker, include in a table:

- (a) **Market maker's name** — the market maker's name;
- (b) **Token allocation or loaned amount** — the token allocation or loaned amount as a percentage of total supply;
- (c) **Duration/term of agreement** — the duration/term of the agreement; and, where applicable,
- (d) **Name of agreement structure** — label the financial vehicle being used in the agreement (i.e. loan, option/call, retainer model) without describing trading strategy or expected outcomes.

If the project has no agreements or deals with market makers, state that explicitly; doing so earns full credit. If no native tokens were loaned or allocated to market makers, state that explicitly; cash/fiat retainers or fees are not required for this item.

Answer:

Sport.Fun has engaged three market makers: GSR, Amber, and Tophash. A portion of the Treasury — Liquidity Ops bucket (5% / 50,000,000 \$FUN) is reserved to support MM operations and DEX liquidity.

Market Maker Name	Token Allocation Committed	Term Duration	Structure Name
GSR	5,000,000	1 year	Loan call option
Amber	5,000,000	1 year	Loan call option
Tophash	5,000,000	1 year	Loan call option

8. CEX / DEX Agreements & Deals

Instructions: Projects must disclose all material terms of centralized or decentralized exchange listings that affect token liquidity. For each listing, include in a table:

- (a) **Exchange name / DEX pool** — the exchange name (and, for DEX, the specific pool/pair);

- (b) **Token allocation for listing** — the token allocation supplied or committed for listing as a percentage of total supply;
- (c) **Term Duration** — the duration/term of any listing lockups, liquidity, or incentive programs; and, where applicable,
- (d) **Native-token listing fees** — whether any listing fees were paid in native tokens, with amounts (tokens or % of supply), recipients, and any vesting or lock terms tied to the partnership.

If the project has no agreements or deals with CEX or DEX, state that explicitly; doing so earns full credit; cash/fiat fee amounts are not required for this item.

Answer:

Exchange Name	Token Allocation Committed	Term Duration	Native Token Listing Fees
Binance (Alpha)	-	-	8,500,000
OKX (Perps)	-	-	4,000,000
Bitget	-	-	10,000,000
Coinbase	-	-	-
Kraken	-	-	-
Gate	-	-	1,666,667
MEXC	-	-	666,666
Bitvavo	-	-	-
Aerodrome	5,000,000	1 year (<i>will continue to support liquidity past that as long as Aerodrome is the top DEX on Base</i>)	5,000,000 (<i>Ignition incentives</i>)

Financial Disclosures & Risks

9. Prior Token Sales & Fundraising

- Instruction: Disclose all prior token sales by the Project — including fundraising rounds, any material OTC sales to investors, and any discounted market-maker sales. For each sale, provide:
 - (a) Series Name / Early-Stage Investment Instrument used (i.e. SAFT, STAMP, SAFE, SAFE+Token Warrant, etc.)
 - (b) Date of sale (at least month & year).
 - (c) Number of tokens sold (or % of total supply)
 - (d) Vesting schedule
- If no prior sales occurred, state that explicitly (e.g., “No prior fundraising, OTC, or discounted MM sales have occurred.”)

Answer:

Series Name / Investment Vehicle	Date Of Sale	Number of tokens sold	Vesting Schedule
Friends & Family (SAFE + TW)	November 2024	6.52% / 65,161,843	No cliff; 36-month non-linear vest from TGE
Seed Round (SAFE + TW)	April 2025	15.52% / 155,224,242	No cliff; 36-month non-linear vest from TGE
Seed Extension (SAFE + TW)	November 2025	2.89% / 28,916,666	No cliff; 36-month non-linear vest from TGE
Public Sale — Legion + Kraken Launch	16 December 2025	7.50% / 75,000,000	50% bullet unlock at TGE; 50% linear vest over 6 months

10. Previous Exploits Affecting The Project

Instructions: If any, list prior exploits/incidents that affected protocol funds. For each incident, provide:

- (a) **Date & component affected** — date (YYYY-MM or YYYY-MM-DD), chain(s)/component affected;
- (b) **Exploit vector summary** — plain-language summary of the exploit vector (what the hack was);
- (c) **Quantified impact** — quantified impact (assets/tokens affected or a clear “no loss of funds” statement);
- (d) **Remediation/response taken** — remediation/response taken (patches, upgrades, governance actions, compensation);

- (e) **Current status** — current status (resolved, in litigation, under investigation, refunded, etc.);
- (f) **References (optional)** — references (optional): link(s) to post-mortem/advisory/PR.
- If **no prior incidents**, state this explicitly (e.g., “No exploits affecting tokenholders or protocol funds as of YYYY-MM-DD”).

Answer:

No exploits affecting tokenholders or protocol funds as of 2026-04-22.

11. Material Risk Factors (Regulation, Technology, Token Economics)

A. Regulatory, Legal & Tax Risks

Impact of Regulatory Change on TGE and Listings: Fantasy-sports regulation varies significantly by jurisdiction. Certain jurisdictions (e.g. the United Kingdom) apply a stricter characterization of fantasy sports; Sport.Fun has obtained legal opinions supporting its position that the platform is a skill-based game rather than gambling, and preemptively geo-blocks such jurisdictions to eliminate ambiguity.

Entity-Level Regulatory Impact: Core entities — Sport.Fun Panama Foundation (Panama) and Sport.Fun Ltd (BVI) — operate under Panamanian and BVI law. Changes to Panama foundation law, BVI Business Companies Act, or applicable AML/CFT and token-issuance regimes could necessitate structural changes, additional licensing, or relocation of activities. Enforcement actions in any downstream jurisdiction (e.g. where users reside) could require operational changes, additional geo-blocking, or venue-level restrictions.

Tokenholder Tax Treatment: Tax treatment of \$FUN (including airdrops, staking-like fee-rebate benefits, and capital gains on secondary trading) is uncertain and varies by jurisdiction. Sport.Fun does not provide tax advice. Tokenholders are solely responsible for determining their own tax obligations and compliance, including reporting and withholding where applicable, and for consulting qualified tax advisors.

Jurisdictional & User Access Restrictions: Sport.Fun geo-blocks users resident in sanctioned or high-risk jurisdictions and in jurisdictions where fantasy-sports regulation makes participation legally ambiguous (including, without limitation, certain U.S. states and the United Kingdom).

B. Protocol, Technology & Security Risks

Bugs and Design Flaws: Sport.Fun's protocol is live on Base (Ethereum L2) and relies on smart contracts for athlete-share issuance, trading (AMM, xyk-style), reward allocation, and fee management. Contract bugs, design flaws in the AMM or reward logic, or errors in upgrade scripts could result in mispriced trades, incorrect reward distribution, or loss of user funds. Dependencies on Base (L1/L2 sequencer liveness, gas conditions), sports-data oracles (for match results and player performance scoring), and RPC providers introduce additional failure modes; oracle inaccuracies or feed outages could cause incorrect tournament-point settlement or temporary trading disruption.

Security Measures & Their Limitations: The platform has undergone multiple independent security reviews: a Sherlock audit and a Cantina Collaborative Audit (October 29 – November 3, 2025) covering the core player, pack, and exchange contracts — producing 0 High, 1 Medium, and 3 Low/Info findings, all addressed or acknowledged. Additional controls include: a 3-of-5 Safe multisig for privileged operations; redundant RPC and data-provider setups; and progressive upgrade rollouts. These measures reduce, but do not eliminate, the risk of novel vulnerabilities, oracle manipulation, governance-key compromise, or supply-chain attacks on off-chain infrastructure.

C. Token Economics, Unlocks & Incentive Risks

Critical Economic Assumptions: The \$FUN economic model depends on (i) sustained platform trading volume and fee revenue, which funds the 40% programmatic buyback of \$FUN and the 40% fee rebates; (ii) user growth across multiple sports (football, NFL, and planned NBA/cricket/F1/golf/tennis expansions) to broaden the revenue base; (iii) continued willingness of paying users to hold \$FUN for fee-rebate tiers. If trading volume materially declines, or if a dominant share of volume shifts to unfunded incentive channels, buyback volume contracts, potentially weakening price support and reducing incentive efficacy. Pack-sale revenue is expected to decline as a share of total revenue over time; the thesis requires trading-fee revenue to scale correspondingly.

Governance Control over Monetary Policy & Rewards: At launch, the Foundation and DevCo (via the 3-of-5 multisig) retain the ability to adjust platform fee parameters, revenue-allocation splits, and incentive programs. Total supply is fixed at 1,000,000,000 \$FUN and is not subject to inflation. However, changes to the revenue-allocation mix (e.g. the 40/40/20 buybacks/liquidity/growth split), fee tiers, emission of Community Incentives, or pace of Treasury deployment could adversely affect \$FUN demand dynamics, circulating supply growth, and fee-rebate economics for holders. As governance progressively decentralizes (see Section 3(e)), tokenholder voting may in future influence these parameters, introducing governance-risk concentration among large holders.