MiCA White Paper

Eigenlayer (EIGEN)

Version 1.0
July 2025

White Paper in accordance with Markets in Crypto Assets Regulation (MiCAR)
for the European Economic Area (EEA).

Purpose: seeking admission to trading in EEA.

Prepared and Filed by LCX.com

NOTE: THIS CRYPTO-ASSET WHITE PAPER HAS NOT BEEN APPROVED BY ANY COMPETENT AUTHORITY IN ANY MEMBER STATE OF THE EUROPEAN ECONOMIC AREA. THE PERSON SEEKING ADMISSION TO TRADING IS SOLELY RESPONSIBLE FOR THE CONTENT OF THIS CRYPTO-ASSET WHITE PAPER ACCORDING TO THE EUROPEAN ECONOMIC AREA'S MARKETS IN CRYPTO-ASSET REGULATION (MICA).

LCX is voluntarily filing a MiCA-compliant whitepaper for EIGEN (EigenLayer), even though EIGEN is classified as "Other Crypto-Assets" under the Markets in Crypto-Assets Regulation (MiCA). Unlike Asset-Referenced Tokens (ARTs), Electronic Money Tokens (EMTs), or Utility Tokens, EIGEN does not legally require a MiCA whitepaper. However, MiCA allows service providers to publish a whitepaper voluntarily to enhance transparency, regulatory clarity, and investor confidence.As one of the most innovative and foundational protocols in the Ethereum restaking ecosystem, EigenLayer introduces a new paradigm of programmable trust by allowing Ethereum stakers to re-use their staked ETH to secure additional decentralized services—referred to as Actively Validated Services (AVSs). EigenLayer empowers middleware protocols, data availability layers, bridges, and oracles to inherit Ethereum-grade security without bootstrapping trust from scratch. The EIGEN token plays a crucial role in governance and incentivizing protocol alignment.This white paper provides comprehensive regulatory disclosure about EIGEN, ensuring market participants have clear insights into its issuer (Eigen Foundation), key functionality, rights and obligations for token holders, underlying technology, audit results, associated risks, sustainability profile, and admission to trading and service provider responsibilities under the MiCA framework.

This document provides essential information about EIGEN's characteristics, risks, and the framework under which LCX facilitates EIGEN-related services in compliance with MiCA's regulatory standards.

This white paper has been prepared in accordance with the requirements set forth in Commission Implementing Regulation (EU) 2024/2984, ensuring that all relevant reporting formats, content specifications, and machine-readable structures outlined in Annex I of this regulation have been fully mapped and implemented, particularly reflected through the Recitals, to enable proper notification under the Markets in Crypto-Assets Regulation (MiCAR).

00 TABLE OF CONTENT

01 DATE OF NOTIFICATION

2025-09-01

COMPLIANCE STATEMENTS

02 This crypto-asset white paper has not been approved by any competent authority in any Member State of the European Economic Area. The offeror of the crypto-asset is solely responsible for the content of this crypto-asset white paper.

Where relevant in accordance with Article 6(3), second subparagraph of Regulation (EU) 2023/1114, reference shall be made to ‘person seeking admission to trading’ or to ‘operator of the trading platform’ instead of ‘offeror’.

03 This crypto-asset white paper complies with Title II of Regulation (EU) 2023/1114 and, to the best of the knowledge of the management body, the information presented in the crypto-asset white paper is fair, clear and not misleading and the crypto-asset white paper makes no omission likely to affect its import.

04 The crypto-asset referred to in this white paper may lose its value in part or in full, may not always be transferable and may not be liquid.

05 Not Applicable

06 The crypto-asset referred to in this white paper is not covered by the investor compensation schemes under Directive 97/9/EC of the European Parliament and of the Council.The crypto-asset referred to in this white paper is not covered by the deposit guarantee schemes under Directive 2014/49/EU of the European Parliament and of the Council.

SUMMARY

07 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 (36) or any other offer document pursuant to Union or national law.

08 Characteristics of the crypto-asset

EIGEN is the native crypto-asset of the EigenLayer protocol – an Ethereum-based “restaking” platform designed to enhance blockchain security through the reuse of staked assets. EIGEN is an ERC-20 token on the Ethereum network and serves as a “Universal Intersubjective Work Token” that powers EigenLayer’s unique security model . Holders can stake EIGEN to secure decentralized services (so-called Actively Validated Services, or AVSs) built on EigenLayer, and the token can be “forked” within the protocol to penalize malicious actors in scenarios where misbehavior is not objectively detectable on-chain . EIGEN does not confer ownership, equity, or claim to profits in any entity; it purely provides utility within the EigenLayer ecosystem (security, potential governance, and fee rewards). Once transferable, EIGEN transactions on Ethereum are final and irreversible, subject to Ethereum’s consensus. The conditions under which token holder rights or the protocol’s rules might change are determined by decentralized governance – for example, protocol upgrades or social consensus around a fork in an extreme case of malfeasance. Any modifications would require broad community agreement (e.g. token-holder vote or EigenLayer community fork process) rather than unilateral decision by the issuer.

09 Not applicable

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

EIGEN was initially distributed through a community “stakedrop” (airdrop) to early EigenLayer participants rather than a traditional public sale . As such, there was no centralized public offering or ICO; instead, eligible users claimed EIGEN tokens as rewards for contributing to EigenLayer’s test phases. The token became transferable on September 30, 2024, after certain protocol features were implemented . Following this unlock, EIGEN has been admitted to trading on multiple global crypto-asset trading platforms. This white paper is filed in anticipation of EIGEN’s admission to trading on regulated EEA platforms, to provide investors with standardized information. The Eigen Foundation (issuer) and Eigen Labs (developer) are not raising new funds via this document; rather, they seek to facilitate compliant trading of the already issued EIGEN tokens. Trading of EIGEN will occur on secondary markets, with price determined by supply and demand. No new issuance or sale of EIGEN to the public is taking place in connection with this white paper – it is purely a disclosure for an existing token’s listing.

Total offer amount	Not applicable
Total number of tokens to be offered to the public	Not applicable
Subscription period	Not applicable
Minimum and maximum subscription amount	Not applicable
Issue price	Not applicable
Subscription fees (if any)	Not applicable
Target holders of tokens	Not applicable
Description of offer phases	Not applicable
CASP responsible for placing the token (if any)	Not applicable
Form of placement	Not applicable
Admission to trading	LCX AG, Herrengasse 6, 9490 Vaduz, Liechtenstein

A. PART A - INFORMATION ABOUT THE OFFEROR OR THE PERSON SEEKING ADMISSION TO TRADING

A.1 Name

LCX

A.2 Legal Form

AG

A.3 Registered Address

Herrengasse 6, 9490 Vaduz, Liechtenstein

A.4 Head Office

Herrengasse 6, 9490 Vaduz, Liechtenstein

A.5 Registration Date

24.04.2018

A.6 Legal Entity Identifier

529900SN07Z6RTX8R418

A.7 Another Identifier Required Pursuant to Applicable National Law

FL-0002.580.678-2

A.8 Contact Telephone Number

+423 235 40 15

A.9 E-mail Address

legal@lcx.com

A.10 Response Time (Days)

020

A.11 Parent Company

Not applicable

A.12 Members of the Management Body

Full Name	Business Address	Function
Monty C. M. Metzger	Herrengasse 6, 9490 Vaduz, Liechtenstein	President of the Board
Katarina Metzger	Herrengasse 6, 9490 Vaduz, Liechtenstein	Board Member
Anurag Verma	Herrengasse 6, 9490 Vaduz, Liechtenstein	Director of Technology

A.13 Business Activity

LCX provides various crypto-asset services under Liechtenstein's Token and Trusted Technology Service Provider Act ("Token- und Vertrauenswürdige Technologie-Dienstleister-Gesetz" in short "TVTG") also known as the Blockchain Act. These include custody and administration of crypto-assets, offering secure storage for clients' assets and private keys. LCX operates a trading platform, facilitating the matching of buy and sell orders for crypto-assets. It enables both crypto-to-fiat and crypto-to-crypto exchanges, ensuring compliance with AML and KYC regulations. LCX also supports token placements, marketing crypto-assets on behalf of offerors.

Under MiCA, LCX is classified as a Crypto-Asset Service Provider (CASP). LCX is not yet formally supervised under MiCA until the license is granted by the competent authority. LCX AG has applied for MiCA licensing on February 1, 2025, the first day of MiCA's implementation in Liechtenstein.

Under the TVTG framework, LCX provides:

- TT Depositary – Custody and safekeeping of crypto-assets.
- TT Trading Platform Operator – Operation of a regulated crypto-asset exchange.
- TT Exchange Service Provider – Crypto-to-fiat and crypto-to-crypto exchange.
- Token Issuer – Marketing and distribution of tokens.
- TT Transfer Service Provider – Crypto-asset transfers between ledger addresses.
- Token Generator & Tokenization Service Provider – Creation and issuance of tokens.
- Physical Validator – Enforcement of token-based rights on TT systems.
- TT Verification & Identity Service Provider – Legal capacity verification and identity registration.
- TT Price Service Provider – Providing aggregated crypto-asset price information.

A.14 Parent Company Business Activity

Not applicable

A.15 Newly Established

false

A.16 Financial Condition for the past three Years

LCX AG has a strong capital base, with CHF 1 million (approx. 1,126,000 USD) in share capital (Stammkapital) and a solid equity position (Eigenkapital) in 2023. The company has experienced fluctuations in financial performance over the past three years, reflecting the dynamic nature of the crypto market. While LCX AG recorded a loss in 2022, primarily due to a market downturn and a security breach, it successfully covered the impact through reserves. The company has remained financially stable, achieving revenues and profits in 2021, 2023 and 2024 while maintaining break-even operations.

In 2023 and 2024, LCX AG strengthened its operational efficiency, expanded its business activities, and upheld a stable financial position. Looking ahead to 2025, the company anticipates positive financial development, supported by market uptrends, an inflow of customer funds, and strong business performance. Increased adoption of digital assets and service expansion are expected to drive higher revenues and profitability, further reinforcing LCX AG’s financial position.

A.17 Financial Condition Since Registration

LCX AG has been financially stable since its registration, supported by CHF 1 million in share capital (Stammkapital) and continuous business growth. Since its inception, the company has expanded its operations, secured multiple regulatory registrations, and established itself as a key player in the crypto and blockchain industry.

While market conditions have fluctuated, LCX AG has maintained strong revenues and break-even operations. The company has consistently reinvested in its platform, technology, and regulatory compliance, ensuring long-term sustainability. The LCX Token has been a fundamental part of the ecosystem, with a market capitalization of approximately $200 million USD and an all-time high exceeding $500 million USD in 2022. Looking ahead, LCX AG anticipates continued financial growth, driven by market uptrends, increased adoption of digital assets, and expanding business activities.

B. 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

True

B.2 Name

Eigen Labs, Inc.

B.3 Legal Form

Corporation (Inc., incorporated in Delaware, USA)

B.4 Registered Address

251 Little Falls Drive, Wilmington, Delaware 19808, United States.

B.5 Head Office

600 1st Avenue, Suite 330, Seattle, Washington 98104, United States.

B.6 Registration Date

June 29, 2021

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

Sreeram Kannan – Founder & Chief Executive Officer (CEO)
Alan Curtis – Chief Operating Officer (COO)

(Note: Eigen Labs is a privately held startup; its board of directors includes company founders and venture capital representatives, but detailed composition is not publicly disclosed.)

B.11 Business Activity

Eigen Labs, Inc. is a technology and research company focused on blockchain infrastructure development. The company's principal activity is the development and maintenance of the EigenLayer protocol – a platform for restaking crypto assets to provide security to third-party services. Eigen Labs conducts software engineering, protocol research, and community development for EigenLayer. It does not engage in regulated financial services; instead, it provides open-source smart contracts and tools that allow ETH staking to be extended to new use-cases. The company generates no revenue from token sales (there was no ICO); its operations have been funded by venture capital investments (over $165 million raised in 2022–2024) [OBJ].

B.12 Parent Company Business Activity

Not applicable

C. 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

LCX AG

C.2 Legal Form

AG

C.3 Registered Address

Herrengasse 6, 9490 Vaduz, Liechtenstein

C.4 Head Office

Herrengasse 6, 9490 Vaduz, Liechtenstein

C.5 Registration Date

24.04.2018

C.6 Legal Entity Identifier

529900SN07Z6RTX8R418

C.7 Another Identifier Required Pursuant to Applicable National Law

FL-0002.580.678-2

C.8 Parent Company

Not Applicable

C.9 Reason for Crypto-Asset White Paper Preparation

LCX is voluntarily preparing this MiCA-compliant whitepaper for Eigenlayer (EIGEN) to enhance transparency, regulatory clarity, and investor confidence. While Eigenlayer does not require a MiCA whitepaper due to its classification as "Other Crypto-Assets", LCX is providing this document to support its role as a Crypto-Asset Service Provider (CASP) and ensure compliance with MiCA regulations in facilitating EIGEN trading on its platform.

C.10 Members of the Management Body

Full Name	Business Address	Function
Monty C. M. Metzger	Herrengasse 6, 9490 Vaduz, Liechtenstein	President of the Board
Katarina Metzger	Herrengasse 6, 9490 Vaduz, Liechtenstein	Board Member
Anurag Verma	Herrengasse 6, 9490 Vaduz, Liechtenstein	Director of Technology

C.11 Operator Business Activity

LCX provides various crypto-asset services under Liechtenstein's Token and Trusted Technology Service Provider Act ("Token- und Vertrauenswürdige Technologie-Dienstleister-Gesetz" in short "TVTG") also known as the Blockchain Act. These include custody and administration of crypto-assets, offering secure storage for clients' assets and private keys. LCX operates a trading platform, facilitating the matching of buy and sell orders for crypto-assets. It enables both crypto-to-fiat and

crypto-to-crypto exchanges, ensuring compliance with AML and KYC regulations. LCX also supports token placements, marketing crypto-assets on behalf of offerors.

Under MiCA, LCX is classified as a Crypto-Asset Service Provider (CASP). LCX is not yet formally supervised under MiCA until the license is granted by the competent authority. LCX AG has applied for MiCA licensing on February 1, 2025, the first day of MiCA's implementation in Liechtenstein.

Under the TVTG framework, LCX provides:

- TT Depositary – Custody and safekeeping of crypto-assets.
- TT Trading Platform Operator – Operation of a regulated crypto-asset exchange.
- TT Exchange Service Provider – Crypto-to-fiat and crypto-to-crypto exchange.
- Token Issuer – Marketing and distribution of tokens.
- TT Transfer Service Provider – Crypto-asset transfers between ledger addresses.
- Token Generator & Tokenization Service Provider – Creation and issuance of tokens.
- Physical Validator – Enforcement of token-based rights on TT systems.
- TT Verification & Identity Service Provider – Legal capacity verification and identity registration.
- TT Price Service Provider – Providing aggregated crypto-asset price information.

C.12 Parent Company Business Activity

Not Applicable

C.13 Other persons drawing up the white paper under Article 6 (1) second subparagraph MiCA

Not Applicable

C.14 Reason for drawing up the white paper under Article 6 (1) second subparagraph MiCA

Not Applicable

D. PART D - INFORMATION ABOUT THE CRYPTO-ASSET PROJECT

D.1 Crypto-Asset Project Name

EigenLayer

D.2 Crypto-Assets Name

EIGEN

D.3 Abbreviation

EIGEN

D.4 Crypto-Asset Project Description

igenLayer is a blockchain middleware protocol built on Ethereum that allows the re-use of staked assets (restaking) to secure new decentralized services. In essence, EigenLayer extends Ethereum's security to a variety of modules called Actively Validated Services (AVSs) without requiring each service to launch its own token or validator set [obj]. The EIGEN token plays a complementary role alongside staked ETH in this system: while staked ETH secures against objective faults (violations provable on-chain), EIGEN is designed to secure against "intersubjective" faults – cases where misbehavior is subjective but clear by social consensus [obj].

EigenLayer's core innovation is an "intersubjective forking" mechanism enabled by EIGEN. If a subset of EigenLayer participants behave maliciously in a way that isn't automatically slashable via Ethereum's rules, the community can propose a fork of the EIGEN token ledger that effectively penalizes the bad actors. Token holders opt into the fork they deem legitimate, and the fork with broad social acceptance becomes the canonical EIGEN ledger going forward [obj] [obj]. This unique approach allows EigenLayer to enforce a wider range of guarantees for services (like oracles, data availability layers, etc.) beyond what Ethereum's slashing can cover, thereby enhancing cryptoeconomic security across the ecosystem.

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

The EigenLayer project is a collaborative effort involving the core developers, the issuing foundation, and a decentralized community of node operators and users. Key parties include:

Full Name	Business Address	Function
Eigen Foundation	*Cayman Islands*	*Ecosystem Steward*
Eigen Labs	*Seattle, USA*	*Core developers*
AVS Operators and Node Runners	*Global*	*Service Providers*
Validators / Node Operators	*Global*	*Transaction Validation (Ethereum + Eigenlayer)*

Community	*Global*	*EigenLayer Community & EIGEN Holders*

D.6 Utility Token Classification

false

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

Not applicable

D.8 Plans for the Token

Not applicable

D.9 Resource Allocation

Not applicable

D.10 Planned Use of Collected Funds or Crypto-Assets

Not applicable

E. 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

ATTR

E.2 Reasons for Public Offer or Admission to Trading

LCX is voluntarily filing a MiCA-compliant whitepaper for Eigenlayer (EIGEN) to enhance transparency, regulatory clarity, and investor confidence. While EIGEN is classified as “Other Crypto-Assets” under MiCA and does not require a whitepaper, this initiative supports compliance readiness and aligns with MiCA’s high disclosure standards. By doing so, LCX strengthens its position as a regulated exchange, ensuring a trustworthy and transparent trading environment for Eigenlayer within the EU’s evolving regulatory framework. Additionally, this filing facilitates market access and institutional adoption by removing uncertainty for institutional investors and regulated entities seeking to engage with Eigenlayer in a compliant manner. It further supports the broader market adoption and integration of Eigenlayer into the regulated financial ecosystem, reinforcing LCX’s role in shaping compliant and transparent crypto markets.

E.3 Fundraising Target

Not applicable

E.4 Minimum Subscription Goals

Not applicable

E.5 Maximum Subscription Goal

Not applicable

E.6 Oversubscription Acceptance

Not applicable

E.7 Oversubscription Allocation

Not applicable

E.8 Issue Price

Not applicable

E.9 Official Currency or Any Other Crypto-Assets Determining the Issue Price

Not applicable

E.10 Subscription Fee

Not applicable

E.11 Offer Price Determination Method

Not applicable

E.12 Total Number of Offered/Traded Crypto-Assets

As of the date of this document (July 2025), the total minted supply of EIGEN is approximately 1.74 billion tokens (reflecting the initial 1.6736 billion plus inflation rewards to date). The circulating supply (available on the market) is estimated around 200–250 million EIGEN, accounting for all tokens claimed by community members (including any from Season 2 and ongoing incentive programs) and any inflation distributed, minus tokens still subject to vesting or lock-ups. The remainder of tokens (roughly 85% of total supply) are held by the foundation, investors, and team with restrictions (as detailed in Part G), or allocated for future community programs but not yet in circulation [OBJ] [OBJ].

It should be noted that EIGEN has no maximum supply cap, due to the annual inflation. However, the inflation rate is modest (4% fixed) and can only be changed via community governance. Additionally, a portion of EIGEN could potentially be burned in extreme cases of penalizing malicious actors via the forking mechanism (if a challenger's fork attempt fails, their staked EIGEN is burned), though such events are expected to be very rare [OBJ].

The supply figures will be updated by the Eigen Foundation in periodic transparency reports to reflect any changes (e.g., how much of the community allocation has moved into circulation)

E.13 Targeted Holders

ALL

E.14 Holder Restrictions

Not applicable

E.15 Reimbursement Notice

Not applicable

E.16 Refund Mechanism

Not applicable

E.17 Refund Timeline

Not applicable

E.18 Offer Phases

Not applicable

E.19 Early Purchase Discount

Not applicable

E.20 Time-Limited Offer

Not applicable

E.21 Subscription Period Beginning

Not applicable

E.22 Subscription Period End

Not applicable

E.23 Safeguarding Arrangements for Offered Funds/Crypto-Assets

Not applicable

E.24 Payment Methods for Crypto-Asset Purchase

Not applicable

E.25 Value Transfer Methods for Reimbursement

Not applicable

E.26 Right of Withdrawal

Not applicable

E.27 Transfer of Purchased Crypto-Assets

Not applicable

E.28 Transfer Time Schedule

Not applicable

E.29 Purchaser's Technical Requirements

Not applicable

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

Not applicable

E.31 CASP identifier

Not applicable

E.32 Placement Form

NTAV

E.33 Trading Platforms name

LCX AG

E.34 Trading Platforms Market Identifier Code (MIC)

LCXE

E.35 Trading Platforms Access

EIGEN is widely traded on numerous cryptocurrency exchanges globally (both regulated and unregulated). As a decentralized asset, EIGEN is not confined to any single trading venue; it can be accessed by retail and institutional investors worldwide through dozens of exchanges. LCX Exchange now supports EIGEN trading (pair EIGEN/EUR). To access EIGEN trading on LCX, users must have an LCX account and complete the platform's KYC verification, as LCX operates under strict compliance standards. Trading on LCX is available via its web interface and APIs to verified customers.

E.36 Involved Costs

Not applicable

E.37 Offer Expenses

Not applicable

E.38 Conflicts of Interest

Not applicable

E.39 Applicable Law

For admission to trading of EIGEN on LCX, the applicable law is **Liechtenstein law**, applied in accordance with MiCA and relevant EU regulations. For decentralized use of EIGEN outside LCX, applicable law depends on the user's jurisdiction.

E.40 Competent Court

Any disputes related to services provided by LCX shall fall under the jurisdiction of the **Courts of Liechtenstein**, in accordance with Liechtenstein law and EU regulations. For on-chain activities conducted independently on the Ethereum/EigenLayer protocol, no

centralized legal recourse exists.

F. PART F - INFORMATION ABOUT THE CRYPTO-ASSETS

F.1 Crypto-Asset Type

Other Crypto-Asset

F.2 Crypto-Asset Functionality

EIGEN is a work and governance token that underpins the EigenLayer restaking protocol. Its primary functionalities are:

- Staking for Security: Holders can stake (lock) EIGEN in EigenLayer smart contracts to provide cryptoeconomic security to various services (AVSs). By doing so, they earn rewards in EIGEN (from protocol inflation or service fees) and risk losing tokens if they support malicious activity. This extends Ethereum's security to new applications by using EIGEN as collateral for intersubjective fault slashing .

- Intersubjective Fork Participation: In rare cases of serious misbehavior, EIGEN tokens enable a social consensus fork mechanism. Token holders can coordinate off-chain to decide on adopting a proposed fork of the token ledger that punishes bad actors (by confiscating or nullifying their tokens) . This gives EIGEN a unique role as a coordination mechanism for enforcing community-driven penalties, effectively acting as a backstop for subjective violations of protocol rules.

- Governance (Emerging): While formal governance using EIGEN is not yet fully decentralized, the intent is that EIGEN will serve as the governance token for EigenLayer protocol upgrades and parameter changes. For example, decisions about adjusting the 4% inflation rate or allocating community treasury funds could be put to EIGEN holder vote in the future (currently, the Eigen Foundation stewards such decisions, but with token holder input). Thus, EIGEN is expected to confer governance rights over protocol changes as the ecosystem matures.

- Value Transfer & Utility: As an ERC-20 token, EIGEN is freely transferable and can be used as a medium of exchange within the EigenLayer ecosystem (e.g., paying node operators, denominating bounties or service fees). It has market value and is traded on exchanges, which also means it can be used as collateral in DeFi platforms if they choose to support it, or integrated into other protocols. However, EIGEN does not represent a claim on any assets or entitle holders to dividends; its value stems from its utility in protocol activities and speculative demand.

- Rewards Distribution: EIGEN's inflation mechanism distributes new tokens to active participants (ETH restakers and EIGEN stakers) as programmatic rewards . The token functions as the incentive unit that aligns participants' economic interests with the network's success (the more useful EigenLayer is, the more demand for EIGEN to stake, etc.).

- In summary, EIGEN's functionality is to empower security and coordination within EigenLayer. It is analogous to a "staking token" (like other PoS network tokens) but specialized for providing a second layer of security on top of Ethereum. It is also a

vehicle for community governance and growth of the EigenLayer ecosystem. EIGEN itself has no inherent utility outside of the EigenLayer context (it's not, for instance, used to pay fees on Ethereum or for non-EigenLayer services by design).

F.3 Planned Application of Functionalities

The current and future uses of EIGEN largely revolve around expanding the scope of EigenLayer:

- Securing Additional AVSs: Initially, EIGEN is used to secure EigenDA (a data availability service). Plans are for many more AVSs to leverage EIGEN staking – such as oracle networks, cross-chain bridges, decentralized sequencers for rollups, verifiable computation services, etc. As these come online, EIGEN will be applied as their shared security token. This will increase demand for EIGEN staking and integrate the token into various Web3 services.

- Governance Activation: The project roadmap includes transitioning to more decentralized governance. In planned future phases, EIGEN holders will likely be able to create and vote on EigenLayer Improvement Proposals (EIPs) or parameter changes (such as modifying slashing conditions, adjusting reward distribution formulas, or onboarding new types of collateral). The foundation may gradually hand over decision-making to token-governed processes. Thus, the governance functionality of EIGEN will be actively utilized.

- Ecosystem Incentives: The Eigen Foundation has set aside community tokens (15% of supply) for initiatives like grants, hackathons, user incentives . Many of these programs will use EIGEN tokens as rewards. For example, developers building on EigenLayer might receive EIGEN grants; users of partner protocols might earn EIGEN through "restaking campaigns".

- Potential Fee Token: If in the future EigenLayer introduces fees for using certain AVSs (e.g., a service might charge consumers in EIGEN for usage), EIGEN could function as a fee token within those contexts. This is speculative and would depend on each AVS's design, but is a possible extension of functionality (similar to how some networks require their native token for gas or service fees).

- Collateral in DeFi: Although not an official project plan, it is expected that decentralized finance platforms (money markets, liquidity pools) will allow EIGEN to be used as collateral or liquidity. For instance, a lending protocol might allow loans against staked EIGEN, or DEXs might include EIGEN pairs. This application is driven by external projects, but the team anticipates and supports such integrations for broader token usage.

- In essence, the EIGEN token's planned applications mirror the growth of EigenLayer itself: as the network supports more use cases and decentralizes, EIGEN will be central to security, governance, and incentive alignment in every new module or service that joins the ecosystem. All these planned uses maintain EIGEN's core nature as a work token.

F.4 Type of white paper

OTHR

F.5 The type of submission

NEWT

F.6 Crypto-Asset Characteristics

EIGEN is a fungible, ERC-20 compatible digital token on the Ethereum blockchain.Ethereum (Layer-1), contract address publicly available (the EIGEN token smart contract can be verified on Etherscan). All token balances and transfers are recorded on Ethereum's distributed ledger.Follows the standard ERC-20 token interface for basic functionality (transfer, approve, etc.), enabling interoperability with wallets and exchanges. The token contract may have additional features to support the initial non-transferability and the fork mechanism, but these do not violate ERC-20 standard.Initial fixed supply of ~1.6736 billion tokens, with continuous inflation at 4% per year. No hard cap on total supply. The inflation is algorithmic and transparent. There is no discretionary minting beyond this programmed inflation except via governance changes. The token uses 18 decimal places (common for ERC-20), so the smallest unit is 1e-18 EIGEN.The Eigen Foundation deployed the token contract. Initially, the contract had transfer restrictions (non-transferable until unlock date) which have since been lifted. The contract does not have pause or blacklist functions; after the launch phase, it behaves as a standard token. Governance decisions (like changing inflation or initiating a token fork) would happen through separate governance contracts or processes, not through an admin key on the token contract. The token is thus not centrally controllable.EIGEN is inherently linked to EigenLayer's security model. Unlike a pure utility token that might grant access to a product, EIGEN's role is more similar to a staking asset (like ETH in Ethereum or DOT in Polkadot) albeit securing many potential services. It carries economic weight in that a larger stake of EIGEN represents more influence in securing or potentially governing the network.EIGEN is not redeemable for any underlying asset (not a stablecoin or asset-backed token). Its price is free-floating and determined by the market. It should be expected to be volatile.As detailed in Part G, a significant portion of EIGEN is subject to vesting (for team/investors) – these tokens exist but cannot be traded until their lock-up expires and they unlock gradually over time 🆑. This characteristic affects circulating supply dynamics but not the token's technical properties.Being on Ethereum, EIGEN can potentially be bridged to other chains (though none officially supported yet by the project). It can be stored in any Ethereum-compatible wallet. It also supports being integrated into smart contracts (for example, to be used in DeFi protocols). There are no known limitations on interoperability beyond standard ERC-20 considerations (e.g., reliance on bridges entails separate risks).From a regulatory perspective, EIGEN is treated as a crypto-asset (digital token) and explicitly not e-money or a financial instrument. It does not represent a claim on the issuer's assets or any entitlement outside the crypto ecosystem.

F.7 Commercial name or trading name

Eigenlayer

F.8 Website of the issuer

https://eigenfoundation.org

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

2025-10-01

F.10 Publication date

2025-10-01

F.11 Any other services provided by the issuer

Not applicable

F.12 Language or languages of the white paper

English

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

Not available (none currently assigned)

F.14 Functionally Fungible Group Digital Token Identifier, where available

Not applicable

F.15 Voluntary data flag

true

F.16 Personal data flag

false

F.17 LEI eligibility

false

F.18 Home Member State

Liechtenstein

F.19 Host Member States

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

G. PART G - INFORMATION ON THE RIGHTS AND OBLIGATIONS ATTACHED TO THE CRYPTO-ASSETS

G.1 Purchaser Rights and Obligations

Purchasers or holders of EIGEN do not acquire any specific contractual rights or legal claims against an issuer or anyone else by holding the token. EIGEN is a decentralized network token, not a share or debt instrument; therefore, owning EIGEN grants no governance rights in a legal entity, no entitlement to dividends, profits, or any form of interest, and no claim on any underlying assets or collateral.

G.2 Exercise of Rights and Obligation

Because holding EIGEN does not bestow contractual rights, there is no traditional “exercise” of rights as one might have with a security or utility token tied to services. The rights that do exist (use of the network) are exercised simply by using the token: e.g., to exercise the “right” to transfer EIGEN, the holder creates a transaction and signs it with their private key; to exercise the “right” to stake, the holder delegates their EIGEN to a validator via a staking transaction. These actions are carried out on-chain and are validated by the decentralized network.

G.3 Conditions for Modifications of Rights and Obligations

Since there are no formal contractual rights attached to EIGEN, modifications in the “rights and obligations” sense mostly pertain to changes in the protocol rules of the EIGEN network. Any changes to how EIGEN works (for example, changes to staking yield, fee structure, or adding on-chain governance features in the future) would require a network upgrade. EIGEN’s upgrade process is decentralized: core developers may propose changes via software updates, but these changes only take effect if a sufficient portion of the community (especially validators) adopts the new software version.

G.4 Future Public Offers

Not applicable

G.5 Issuer Retained Crypto-Assets

Not applicable

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

True

G.10 Crypto-Assets Purchase or Sale Modalities

Not applicable

G.11 Crypto-Assets Transfer Restrictions

Not applicable

G.12 Supply Adjustment Protocols

Yes, EIGEN’s supply is subject to explicit adjustment protocols:

- Fixed Inflation Mechanism: The EigenLayer protocol mints new EIGEN tokens at an annual rate of 4% of the initial supply . This inflation is coded into the token economics and is distributed to stakers and operators as per the “Programmatic Incentives v1” scheme . The process is automated via the EigenLayer contracts (specifically via the bEIGEN contract which was upgraded to allow minting for rewards). At the end of each reward period (e.g., each month or whatever epoch defined), the contract calculates the rewards and mints the required EIGEN to distribute. This protocol will continue indefinitely unless changed by governance. It effectively increases total supply along a predictable path (approximately 4% compounded annually).

- Token Release (Vesting) Schedule: While not a protocol that “adjusts total supply”, the vesting schedule of locked tokens (team/investor) behaves like a supply release mechanism into circulation. After the 1-year cliff, a monthly linear unlock of 4% of those locked balances occurs . This doesn’t change total supply (those tokens exist), but it adjusts the available supply on the market. The “protocol” here is off-chain (legal agreements or trust that foundation won’t break vesting) and partially on-chain if lock-ups are enforced by vesting smart contracts. The foundation has indicated it will honor this schedule strictly.

- Burn Mechanism (Conditional): There is no routine burn (like no portion of fees is burnt) unlike some tokens. However, the intersubjective fork mechanism can result in burning the EIGEN tokens of malicious actors if a fork is executed and their tokens are excluded on the socially accepted fork . Essentially, from the perspective of the canonical chain, those malicious actors’ tokens would be “burned” (they cease to exist on the accepted fork, and the challenger’s staked tokens might be burned if the fork attempt fails). This is a manual, social process, not automatic or expected regularly. It’s akin to an extraordinary supply reduction in response to an attack. So while not a supply adjustment “protocol” that regularly operates, it is a mechanism to reduce supply in extreme cases to protect the network.

Other than these, the supply is fixed at genesis. There is no dynamic algorithmic adjustment beyond the constant inflation. The contracts do not have functions for arbitrary minting or burning at someone’s whim (no admin can increase supply beyond inflation or alter balances). Changes to the inflation rate or any such parameter would require a protocol governance decision and code upgrade (which itself would presumably need broad consensus).

To summarize: Yes, supply adjustment exists (inflation and vesting releases) and is transparent and rule-based. The current inflation rate (4%) was chosen to incentivize participants while controlling dilution. It means the supply will grow linearly by ~66.9 million per year initially. This inflation goes to active contributors, meaning passive holders who do not stake will see their share of total supply diluted over time (approx 4% annually). This encourages staking participation. The community can adjust this in future if needed (for instance, if it’s too high or too low to balance security vs. dilution), likely via a governance vote.

G.13 Supply Adjustment Mechanisms

As described, the supply adjustment mechanisms for EIGEN are:

- Protocolized Inflation: The token’s smart contract ecosystem includes logic to automatically mint new tokens for rewards . Specifically, after each claims period (the timeframe for claiming accrued rewards), the protocol mints EIGEN equal to 4% annualized of total initial supply, allocated proportionally to eligible stakers/operators . This was implemented by upgrading the “bEIGEN” contract (which likely stands for

"bonded EIGEN" or some reward escrow contract) on September 28, 2024, to allow this minting . Going forward, at each interval (possibly monthly or per distribution event), new tokens are minted and added to the circulating supply as rewards . This mechanism is hard-coded now and will continue unless governance or an upgrade intervenes.

- Governance Control: The community (through the Eigen Foundation initially, and token holders eventually) has the authority to adjust supply mechanisms. For example, they could vote to reduce the inflation rate or even introduce a burn (though none planned). This means the supply mechanism is not immutable – it is subject to change via the governance procedures established by the project. Any such change would be carried out by deploying new contract logic after community agreement.

- Lock-up Releases: The Eigen Foundation effectively controls when locked tokens enter circulation according to the schedule. The mechanism here is time-based release: 0% until Sept 2025, then 4% monthly. Usually, team/investor tokens might be held in a vesting smart contract or simply tracked off-chain with a promise not to move them. It's expected that the foundation will adhere to this (the project has publicly committed to it). So each month starting Oct 2025, a portion of locked tokens will "unlock" – the mechanism being either a contract releasing them or the foundation manually distributing them to rightful owners.

- Burn on Fork: If a fork is initiated, the mechanism to "burn" malicious tokens involves social consensus to choose a fork state where certain addresses' balances are nullified. Technically, this means deploying a new token contract or updating state in which those addresses have reduced balances and others (challenger) potentially increased. It's a drastic mechanism that requires external coordination (likely via off-chain communication and on-chain signaling).

No algorithmic supply peg (like stablecoin mechanism) exists – the token is not meant to hold a stable value, so supply adjustments are not aimed at price stability, only at rewarding participation and controlling distribution.

G.14 Token Value Protection Schemes

False

G.15 Token Value Protection Schemes Description

Not Applicable

G.16 Compensation Schemes

False

G.17 Compensation Schemes Description

Not Applicable

G.18 Applicable Law

For admission to trading of EIGEN on LCX, the applicable law is **Liechtenstein law**, applied in accordance with MiCA and relevant EU regulations. For decentralized use of EIGEN outside LCX, applicable law depends on the user's jurisdiction.

G.19 Competent Court

Any disputes related to services provided by LCX shall fall under the jurisdiction of the **Courts of Liechtenstein**, in accordance with Liechtenstein law and EU regulations. For on-chain activities conducted independently on the Ethereum/EigenLayer protocol, no centralized legal recourse exists.

H. PART H – INFORMATION ON THE UNDERLYING TECHNOLOGY

H.1 Distributed ledger technology

The EIGEN token operates on Ethereum, which is a public, decentralized distributed ledger (blockchain). Ethereum serves as the base-layer DLT for recording EIGEN token transactions and balances. Ethereum uses a Proof-of-Stake (PoS) consensus mechanism (specifically, the Casper consensus via the Beacon Chain introduced in Ethereum 2.0). This means Ethereum's network is secured by validators who stake ETH and collectively agree on the ledger's state. Block times on Ethereum average ~12 seconds, and finalization of blocks occurs within a few epochs (a few minutes) with a high degree of certainty.

Ethereum's design provides a Turing-complete virtual machine (EVM) that allows execution of smart contracts. The EIGEN token is implemented as a smart contract on Ethereum (ERC-20 standard). Thus, the creation, transfer, and burning/minting of EIGEN are all executed and recorded on the Ethereum blockchain.

Key characteristics of Ethereum relevant here: it's an open network with thousands of nodes globally; it is *permissionless* (anyone can create an address or deploy a contract); and it's *censorship-resistant* to a high degree (no central authority can easily alter transactions or balances). This ensures that ownership and transactions of EIGEN are transparent and tamper-evident.

EigenLayer's relationship to Ethereum: EigenLayer is a set of smart contracts (and off-chain components for some services) built on Ethereum. It doesn't have its own separate consensus – it piggybacks on Ethereum's security. For example, when EIGEN is staked, it is still held in an Ethereum contract, and any slashing is executed by that contract as a result of conditions verified through Ethereum transactions. The EigenDA service uses Ethereum as the final arbiter of data availability claims, relying on Ethereum for posting commitments and challenges.

Therefore, Ethereum's DLT is the single source of truth for EIGEN token state and many aspects of EigenLayer's operation. Ethereum's reliability (uptime historically > 99%, established since 2015) underpins EIGEN's reliability. The choice of Ethereum was made for its robust security, large decentralization, and smart contract capabilities that allow complex logic like restaking to be implemented.

EIGEN Whitepaper: https://docs.eigencloud.xyz/products/eigenlayer/concepts/whitepaper

Public block explorer: https://etherscan.io

EIGEN Main repository: https://github.com/Layr-Labs

EIGEN Developer portal: https://docs.eigencloud.xyz/

H.2 Protocols and Technical Standards

The EIGEN token and EigenLayer protocol adhere to the following key technical standards and protocols:

- ERC-20 Standard: EIGEN's token contract follows the ERC-20 specification for fungible tokens on Ethereum. It implements standard functions such as transfer, transferFrom, approve, balanceOf, and totalSupply. This standardization ensures compatibility with wallets (like MetaMask, Ledger, etc.), exchanges, and other DeFi contracts out of the box. (Standard reference: *Ethereum Improvement Proposal 20*).

- EVM (Ethereum Virtual Machine): All smart contracts (the EIGEN token contract, staking contracts, etc.) are written in Solidity (or another EVM-compatible language like Vyper) and compiled to EVM bytecode. They run on the Ethereum Virtual Machine, meaning they follow Ethereum's protocol rules for execution and state changes.

- Ethereum Networking Protocol: EigenLayer relies on Ethereum's networking (devp2p) for block propagation and transaction inclusion. There is no separate P2P network for EIGEN outside Ethereum.

- BLS Cryptography (for EigenLayer): The EigenLayer middleware (especially for EigenDA) uses BLS12-381 aggregate signatures as part of its protocol (for example, aggregating validator signatures on data availability commitments) . This involves a standard (the BLS signature scheme) and cryptographic libraries integrated into smart contracts (e.g., the BN254 curve libraries as indicated in the audit) . These are technical standards in cryptography that the protocol employs.

- Off-chain Protocols for AVS: EigenLayer's first AVS, EigenDA, has off-chain components (written likely in Go or Rust) that communicate according to certain protocols. For instance, EigenDA might implement a custom data availability protocol with clients following a specification for how to share and validate data pieces. While proprietary to EigenDA, these protocols likely draw on standard concepts like data sharding and erasure coding. The details are documented in EigenLayer's repository. They are not global standards per se, but part of the technical stack.

- JSON-RPC & Ethereum API: Interaction with the EIGEN token contract and EigenLayer contracts is typically done using Ethereum's standard JSON-RPC API endpoints (through libraries like web3.js, ethers.js). This means any wallet or dApp can interface with EIGEN using standard Ethereum calls (e.g., eth_call, eth_sendTransaction).

- Standard Audit and Formal Verification Practices: On a meta-level, the project followed industry best practices by having the code audited by reputable firms and verified by formal verification tools . While not a protocol, this adherence to security standards (like reentrancy guards, checks-effects-interactions pattern, etc.) is worth noting as part of technical standards compliance.

- Open-Source Standards: EigenLayer code is open-source (the core contracts are publicly available). The project uses GitHub for version control, following common open-source protocols for contributions, issue tracking, etc.

In conclusion, by building entirely on Ethereum, EIGEN benefits from and is constrained by Ethereum's widely adopted standards. This ensures it can integrate seamlessly into existing infrastructure. Any user familiar with Ethereum transactions doesn't need to learn a new standard to use EIGEN.

H.3 Technology Used

The technology stack of EigenLayer (and EIGEN) includes:

- Smart Contracts (Solidity): Several contracts such as the EIGEN token contract, Staking Manager, Slashing contracts, EigenPod contracts, etc., are deployed on Ethereum. These manage deposits, withdrawals, tracking of restaked positions, distribution of rewards, and enforcement of penalties. According to audit documentation, there are contracts like StrategyManager, StakeRegistry, ServiceManager etc. which coordinate the restaking logic . The token contract itself might be relatively simple (with added features for transfer control and inflation minting).

- Programming Languages: Solidity for on-chain logic; Off-chain components likely in Go (EigenLabs' team has a background in Go, and Ethereum clients use Go in some parts). Possibly Rust or Python for some components or tooling.

- Database/Storage: The primary data storage for token balances and stake info is Ethereum's state (levelDB in Ethereum clients). Off-chain, EigenLayer nodes might use databases to store data availability pieces (maybe using standard libraries or file storage on disk).

- Networking: On-chain communications go via Ethereum's gossip network. Off-chain, EigenLayer nodes form networks to exchange data (for EigenDA, nodes share pieces of data blobs). They likely use libp2p or similar P2P frameworks to form these networks, implementing gossip protocols specialized for their use-case. They may also utilize Ethereum's libp2p subprotocol for any off-chain coordination needed.

- Consensus Mechanism: Ethereum's PoS (details in H.4). EigenLayer doesn't introduce a new consensus; rather, it monitors Ethereum consensus (to know when slashing conditions occur, etc.) and leverages social consensus (outside of code) for forks if needed.

- Cryptographic Primitives: EIGEN relies on Ethereum's cryptography: Keccak-256 hashing for transaction and state integrity, ECDSA (secp256k1) for account signatures. Additionally, as noted, BLS signatures for aggregator authentication in EigenDA. The restaking system uses cryptographic verification to ensure that only authorized actions are taken (for example, verifying if an Ethereum validator indeed signed something wrong, through its signature, to justify slashing).

- Audit and Formal Verification Tools: Tools such as the Certora Prover were used , static analyzers (Solhint, Slither), fuzzers (perhaps Echidna) as part of their security process. The code references show that standard security tooling and internal tests were applied. This means the technology used includes verification technology to

reduce bugs.

- Infrastructure: Participants and node operators use Ethereum clients (like Geth, Nethermind, or Lighthouse/Prysm for consensus) to interact with Ethereum. The EigenLayer node might be a separate binary that a staker runs alongside their Ethereum validator to handle EigenLayer-specific tasks. That would use standard libraries and likely connect to Ethereum via RPC.

- Web Interfaces and APIs: The claim process for the airdrop was done via a web app (https://claims.eigenfoundation.org), which likely interacted with a backend reading on-chain data and a frontend allowing users to prove ownership of eligible addresses and claim tokens. That involves web tech (React, etc.) and serverless or cloud functions. While tangential, it's part of the tech that was used to distribute the token.

- Continuous Integration and Deployment: The project likely uses CI/CD for testing and deployment of contracts. Hardhat or Truffle could have been used in development of contracts. They also likely integrated with auditing pipelines (as seen with Certora's involvement).

All combined, the technology is a mix of Ethereum's robust blockchain tech and bespoke additions for EigenLayer's layering. The principle of design is to reuse and not reinvent where possible: reusing Ethereum's ledger, consensus, and validator set, and only adding minimal new off-chain logic where absolutely needed (like data availability sampling).

H.4 Consensus Mechanism

The EIGEN token itself does not have a standalone consensus mechanism since it resides on Ethereum. Therefore, Ethereum's Proof-of-Stake consensus is what processes and finalizes EIGEN transactions. Ethereum's PoS (often called Gasper, a combination of Casper FFG and LMD-GHOST) involves validators staking ETH, proposing blocks in turn (by a pseudo-random algorithm), and attesting to blocks in each slot/epoch. Finality is reached when 2/3 of validators attest to a checkpoint. This yields a secure, low-energy consensus where finalization typically occurs within ~2 epochs (~13 minutes) with near-impossible reversion beyond that. Under this consensus, Ethereum can handle ~15-20 TPS currently, which is ample for EIGEN's relatively low on-chain volume (token transfers and stake transactions).

EigenLayer and consensus: EigenLayer doesn't replace Ethereum's consensus; it's built on it. However, when it comes to the social layer – the "intersubjective consensus" – that is more akin to a human governance consensus than a technical one. If a dispute arises that Ethereum's consensus can't handle (like detecting malicious collusion off-chain), the community of EIGEN holders/validators might coordinate off-chain (via forums, social media) to decide to fork. In that scenario, a sort of social consensus takes place: essentially token holders deciding which fork to support as the legitimate one [OBJ]. This isn't algorithmic; it relies on majority persuasion and cooperation. It's similar in concept to how Ethereum's community reached consensus during the DAO fork of 2016 (though EIGEN's threshold for initiating such a thing is very high and built into protocol incentive design).

Incentives in consensus: Ethereum's PoS provides incentives (rewards in ETH for validating, penalties for downtime, slashing for equivocation). EigenLayer adds another layer of incentives via EIGEN: restakers and EIGEN stakers are incentivized to follow EigenLayer rules because they earn EIGEN for doing so and risk losing their stake (ETH or EIGEN) if they don't. This can be seen as a second-order consensus where validators not only uphold Ethereum consensus, but also the "consensus" or rules of each AVS they sign up for. For example, if securing an

oracle, a majority might need to agree on oracle data; if one goes against it, they might be slashed by consensus of the others (subject to disputes resolved on Ethereum).

To summarize: The primary consensus mechanism securing EIGEN is Ethereum PoS – a well-established, BFT-style consensus with ~700k active validators (as of 2025) making it highly decentralized. On top of that, EigenLayer relies on cryptoeconomic consensus – using incentives and slashing to align participants to honestly uphold the protocols of various services, and social consensus as a fail-safe for subjective issues. There is no separate mining or separate chain consensus to describe for EIGEN; it inherits Ethereum's.

H.5 Incentive Mechanisms and Applicable Fees

EigenLayer and EIGEN incorporate several incentive structures and fees:

- Staking Rewards: As mentioned, EIGEN has a 4% annual inflation which serves as rewards for those staking EIGEN and restaking ETH in EigenLayer . This inflation is distributed as programmatic incentives – effectively yield for participants, encouraging them to join and stay honest. For example, an ETH restaker or EIGEN staker might receive X EIGEN per epoch proportional to their stake and performance. This provides a continuous income and is the primary carrot for participation.

- Service Fees to Stakers/Operators: Certain AVSs built on EigenLayer might generate fees from end-users (for instance, if EigenDA were to charge other rollups for data storage, or if an oracle service charged consumers for data). These fees could be paid in ETH or other tokens, and then distributed to those who stake EIGEN or ETH for that service. The EigenLayer contracts likely allow AVS-specific fee distribution. Currently, in the initial launch, EigenDA is run as a test service so fees are not implemented, but the design foresees that AVS creators can incentivize stakers by offering rewards (in EIGEN or possibly their own token) to those who opt-in to secure their service.

- Slashing Penalties: The flip side of incentives are penalties. If a validator (or staker assigned to an AVS) breaks the rules – such as providing invalid data, being unavailable beyond tolerated limits, or colluding maliciously – a portion or all of their stake (which could be restaked ETH or staked EIGEN) can be slashed (seized and potentially burned). This strongly disincentivizes misbehavior. The exact conditions for slashing are specified in the contracts and AVS logic. For example, if an EigenDA operator signs contradictory availability claims, a fraud proof could trigger slashing of their staked EIGEN or ETH. Slashing not only punishes the violator but also deters others.

- Challenger/Whistleblower Rewards: In the event of misbehavior, the protocol might reward those who report or challenge it. For instance, if a participant initiates an intersubjective fork by staking some EIGEN as a challenger, and if that fork is validated by social consensus, the challenger can recoup their stake and possibly a reward (taken from the slashed tokens of the malicious actors) . This incentivizes active monitoring – individuals are economically motivated to call out and prove bad behavior because they stand to gain. If their challenge is incorrect (the community rejects the fork), they lose their staked challenge deposit (which is the disincentive to frivolous challenges).

- Transaction Fees: Because EIGEN transactions occur on Ethereum, users must pay gas fees in ETH for any on-chain action (transferring EIGEN, staking, claiming rewards, etc.). These fees go to Ethereum validators. Thus, a cost for using EIGEN/EigenLayer is the gas cost, indirectly incentivizing Ethereum validators to include those transactions. Gas fees serve to prevent network spam and align usage

with resource consumption. They are not specific to EIGEN but are relevant to user experience.

- No fees to issuer: The Eigen Foundation does not charge a fee for, say, providing the staking service – it's all decentralized. (Unlike some protocols where a foundation might take a cut of rewards, here the inflation goes entirely to participants). The foundation's incentives lie in the token's value appreciation and network success, not in fee revenue.

- Economic Alignment: The overall incentive design aligns all parties: ETH validators are incentivized by ETH rewards to include and finalize EIGEN transactions (so Ethereum layer is secure), Eigen restakers are incentivized by EIGEN rewards to secure services, and service users benefit from cheaper security than launching their own token or chain. If all goes well, the EIGEN token's demand rises with network usage, benefiting holders/stakers. Conversely, malicious behavior leading to slashing discourages attacks because attackers would lose more value than they could gain (assuming the token has substantial value and the network can respond swiftly).

In summary, the economic game is set such that honest participation is profitable (via rewards) and dishonesty is costly (via slashing), while use of the network is supported by the creation of EIGEN and possibly AVS-specific fees rather than requiring constant external funding.

H.6 Use of Distributed Ledger Technology

True

H.7 DLT Functionality Description

The functionalities that the distributed ledger (Ethereum) provides to EigenLayer include:

- Asset Management: Ethereum keeps track of all EIGEN token balances and movements. The ERC-20 contract leverages Ethereum's account model to debit and credit balances with each transfer. This core ledger function ensures that double-spends are impossible and that ownership of tokens is clear and unambiguous at all times.

- Smart Contract Execution: Ethereum processes the logic in EigenLayer's smart contracts. For example, if a user calls stakeEigen(amount) on the EigenLayer staking contract, Ethereum miners/validators execute that function across the network. The EVM ensures that if one node executes and gets a result, all nodes will reach the same result, thereby updating the global state (reducing the user's balance and increasing their stake record). This deterministic execution across thousands of nodes is crucial for trust – no single party can fudge the outcome.

- Event Logging: Ethereum's logs (emitted events) allow EigenLayer contracts to signal important occurrences, such as "User X staked Y EIGEN in Service Z" or "User A was slashed by B tokens." These events are recorded on-chain and can be easily read by dApps, indexers (like The Graph), or explorers. This makes the system's activity transparent and available for anyone to track in real-time or retrospectively.

- Security Anchoring: The finality of Ethereum's PoS ensures that once a certain block is finalized, all included EIGEN-related transactions (like a slashing event or reward mint) are irreversible short of an extremely unlikely catastrophic scenario on Ethereum. This anchors EigenLayer's security – participants know that after finality, their actions

(deposits/withdrawals) are set in stone.

- Token Fork Coordination (via DLT): If an intersubjective fork of EIGEN were to occur, the fork itself would likely be implemented as either a new token contract or some mechanism on Ethereum. For example, a snapshot block number might be chosen on Ethereum, and two token contracts could diverge from that point. Token holders would "move" to one contract or the other based on social choice. The DLT would facilitate this by allowing parallel contracts and by preserving the historical state that can be used as a baseline. Without a DLT, coordinating a fork among thousands of holders would be nearly impossible; with Ethereum, it's just deploying new code and letting the community choose which to use.

- Integration with Ethereum's consensus for Slashing: Some aspects of EigenLayer require reading Ethereum state – for instance, detecting if an ETH validator double-signed (which is normally slashed at Ethereum layer, but if not, EigenLayer could also slash restaked ETH maybe). The contracts might rely on light-client proofs or trust assumptions about Ethereum's consensus (in practice, if Ethereum slashed someone, EigenLayer might learn about it through an oracle or simply assume Ethereum's slashing covers that). The exact integration might not be explicit in contracts, but conceptually, by being on Ethereum, EigenLayer is one step "above" Ethereum and leverages Ethereum's consensus outcomes as inputs (like finality checkpoints etc. to decide certain time-based conditions).

In summary, Ethereum's DLT is the backbone enabling EigenLayer's existence and enforcement. All the specialized features of EigenLayer (like multi-service restaking and fork ability) are realized through clever use of what Ethereum provides: secure ledger, programmable contracts, and an active ecosystem.

H.8 Audit

True

H.9 Audit Outcome

The outcomes of the aforementioned audits and verification efforts can be summarized as follows:

- No Critical Vulnerabilities Found: Across ConsenSys Diligence's audit (2023) and Dedaub's audit (2024), no critical security issues were discovered . The system did not have flaws that would allow theft of funds, unauthorized minting of tokens, or catastrophic failures, according to auditor reports. Only a handful of medium-severity issues were noted (such as a potential reentrancy scenario that was theoretical since it depended on tokens with reentrant callbacks, which the team noted they would document as unsupported) . Minor issues largely pertained to code quality, gas optimizations, and edge-case handling. These findings were either fixed in subsequent code updates or explicitly acknowledged with mitigations.

- Improvements Implemented: The Eigen Labs team responded promptly to audit findings. For example, if an auditor pointed out a possibility of miscalculated offset or an unused modifier, the team corrected those issues in code (removing the dead code, fixing calculations). Documentation was improved for areas auditors found confusing, and invariants were clarified. Dedaub's suggestion to clarify off-chain vs on-chain responsibilities was taken to heart to ensure users know what the smart contracts do and don't cover security-wise .

- Certora Formal Proofs Passed: Certora's formal verification confirmed critical properties like correct slashing behavior. No violations of the specified properties were found . This means, under the assumptions and specs used, the contracts behave as intended (e.g., no double spending of stake, slashing can't happen to honest participants, etc.). Having this mathematically proven provides additional confidence that the contract logic is sound and less prone to unforeseen bugs.

- Ongoing Security Posture: The audits provided recommendations that have been integrated into the project's development cycle. For instance, ConsenSys recommended rigorous review processes for user-defined strategies (which will be an ongoing need as external devs build AVSs) – the Eigen Foundation has since launched grants and partnerships to audit third-party AVSs (per references in community updates). They also likely set up a bug bounty after launch, inviting white-hat hackers to find any remaining issues (though specifics aren't in this document, such bounties are common). As of now, no major exploit has occurred on mainnet, indicating the security measures have been effective so far.

- Public Transparency: EigenLayer has made at least one audit report public (ConsenSys audit was mentioned on social media, and possibly posted) . Summaries of audit results are communicated to the community. This openness further holds the team accountable and allows independent verification that issues were addressed.

In conclusion, the audit outcomes reassure that the underlying smart contracts controlling the EIGEN token and restaking logic are secure and reliable. While no audit can guarantee absolute safety, multiple top-tier firms scrutinizing the code and finding only minor issues is a strong positive indicator. The team's proactive approach (using formal verification and multiple auditors) reflects a high security standard, which is crucial given the complexity and novelty of EigenLayer's design. The technology has thus far performed without incident, demonstrating robustness in line with the auditors' confidence.

I. PART I – INFORMATION ON RISKS

I.1 Offer-Related Risks

Market & Distribution Risks. Although there was no traditional “offer” (sale) of EIGEN, risks related to its introduction to the market still apply. Volatility Risk: EIGEN’s market price has been and may continue to be extremely volatile. Upon the token becoming transferable, speculative trading led to significant price fluctuations . Early recipients obtained tokens at effectively zero cost, which creates the risk of heavy selling pressure once trading is possible (many airdrop recipients may sell immediately for profit). This could crash the price and cause losses to secondary buyers. Conversely, low float in the market (since most tokens are locked) could lead to sharp price spikes not supported by fundamentals, risking a subsequent collapse.

Liquidity Risk: The initial circulating supply of EIGEN (~185 million tokens) is relatively small compared to total supply . Trading volumes could be thin on some exchanges, meaning large orders might be unable to execute without moving the price significantly (slippage). If few exchanges list EIGEN or if market makers withdraw, liquidity could dry up, making it hard to buy/sell without large price impact.

Geographical/Regulatory Restrictions: The airdrop explicitly excluded certain jurisdictions (U.S., China, etc.) . Residents in those regions could not claim tokens. This has two implications: (1) The token’s holder base is more concentrated geographically, which might limit demand or create arbitrage (if, for example, Americans still found ways to acquire it on secondary markets at different prices). (2) There’s a risk that regulators in restricted jurisdictions might take action if they view any aspect of distribution or trading as targeting their residents; this can indirectly affect global trading (e.g., if a major exchange delists EIGEN to avoid regulatory scrutiny).

No Formal Rights: Since this is not a prospectus-based offer, investors do not have certain protections. For example, there’s no right of withdrawal or prospectus liability regime. If the information in this white paper turned out to be misleading, there’s uncertainty about legal recourse. Purchasers rely on the voluntary disclosures and reputation of the project, which is a risk compared to regulated securities offerings.

Listing/Admission Risk: Admission to trading depends on exchanges. If, for any reason, planned listings in EEA do not materialize (due to regulatory or business decisions), EIGEN’s accessibility and liquidity in the EEA could be severely limited. There is no guarantee any particular exchange will support EIGEN long-term; delisting is possible if the token is deemed too risky or if volumes are low. Such an event could strand some holders with tokens that are harder to trade (particularly non-technical users who might not use DEXs).

I.2 Issuer-Related Risks

Operational & Regulatory Risks for Eigen Foundation/Labs. Regulatory Risk (Issuer): Eigen Labs is a US-based entity; Eigen Foundation is Cayman-based. There is a risk that regulators (e.g., the U.S. SEC or CFTC) might later classify EIGEN or aspects of EigenLayer as falling under securities or derivatives laws. If Eigen Labs or key team members face enforcement (for example, being accused of offering unregistered securities in the U.S.), it could hamper the project’s ability to operate or support the network. The Eigen Foundation as issuer could also face regulatory scrutiny around the token distribution. Any legal actions could drain resources (legal costs, fines) and divert focus from development, harming the project’s progress and trust in the token.

Key Person Risk: Eigen Labs is spearheaded by a small group of founders (with Sreeram Kannan as the prominent leader). If one or more key individuals were to leave the project, become incapacitated, or lose credibility (e.g., through scandal), it could significantly disrupt

development. The highly technical nature of EigenLayer means not many people have the expertise to step in. A sudden loss of the core team could erode confidence and slow down updates, which are critical in a nascent protocol.

Execution & Continuity Risk: The issuer and offeror are startups (Eigen Labs only a few years old). There's risk around their financial stability; although well-funded now, startups can burn through cash if they over-expand or hit unforeseen challenges. If Eigen Labs had to downsize or shut down, who would maintain the protocol? While open-source, such projects often suffer without active maintainers. The Eigen Foundation holds tokens for funding research and ops, but those tokens' value depends on market conditions. A prolonged bear market could limit the foundation's budget if selling tokens for funding yields much less capital than expected.

Governance/Organization Risk: The relationships between Eigen Labs (a for-profit) and Eigen Foundation (a non-profit) might introduce complexities. Misalignment or internal conflicts could arise (e.g., investors in Eigen Labs might push for decisions that conflict with community interest). If there's any governance tug-of-war, it could destabilize project direction. Additionally, since the foundation is "shareholder-less", its decision-making might be less transparent. There's a risk that foundation council decisions (like how to allocate the 30% community+ecosystem tokens) could be seen as unfair or controversial, causing community backlash.

Custodial Risk: The Eigen Foundation holds a large treasury of tokens. How securely are these held? If the foundation's wallets (or any multi-sig controlling token contracts) were compromised, a malicious actor could steal or dump a huge amount of EIGEN, devastating the market. While presumably those are kept securely (possibly multi-sig with key parts distributed), this remains a risk.

Reputational Risk: As a relatively new project touted as innovative, EigenLayer carries reputational risk. If the team fails to meet roadmap targets (like adding new AVSs or decentralizing governance), or if they communicate poorly, their credibility could suffer. Negative perceptions can cause participants (stakers, developers, etc.) to exit, which loops back to impacting the token's success.

I.3 Crypto-Assets-Related Risks

Risks inherent to the token and crypto market. Extreme Volatility & Speculation: Like many crypto-assets, EIGEN's price can swing wildly in short periods. News, sentiment on social media, macro crypto trends, or whales trading can cause rapid pumps or dumps. Investors could lose a large portion of value in days or hours. The entire crypto market is highly speculative; EIGEN, being new and tied to an experimental protocol, is especially so.

Lack of Intrinsic Value: EIGEN does not represent a claim on assets or guaranteed cash flows. Its value is primarily driven by the expectation of its utility in the network and speculative demand. If the market loses confidence in EigenLayer or if another project outcompetes it, EIGEN could theoretically plummet to near zero. There is no floor supported by fundamentals like revenue or asset backing.

Concentration of Holdings: A relatively small number of participants (foundation, team, early investors) hold a large portion of EIGEN (even if locked currently). Post-lockup, if these holders sell large amounts, it can flood supply and depress price. Additionally, whales or large holders currently in circulation could coordinate to manipulate price (pump-and-dump schemes). The distribution of EIGEN is likely not very broad yet, which magnifies manipulation risk.

Smart Contract Risk: EIGEN and its ecosystem heavily rely on smart contracts. While audited, no contract is 100% immune to bugs or exploits. A vulnerability in the EIGEN token contract or

staking contracts could be catastrophic (e.g., an infinite mint bug or a flaw that lets an attacker steal staked funds). If such a hack occurs, trust in the token would collapse. Even though audits were clean, the risk is non-zero. Furthermore, integration with other DeFi (if people use EIGEN in lending platforms etc.) introduces additional smart contract risk outside the project's control.

Bridging Risk: If EIGEN becomes available on other chains via bridges, those introduce risk. A bridge hack (common in crypto) could lead to loss of bridged EIGEN or affect the token's reputation (as with many tokens suffering from bridge incidents). While currently EIGEN is mainly on Ethereum, the team or community might deploy it cross-chain which adds complexity and risk.

General Crypto Market Risk: EIGEN's price and adoption can be heavily affected by the overall crypto market conditions. In a broad downturn (bear market), investors often flee altcoins to safer assets like Bitcoin or to fiat. Liquidity and interest in EIGEN could dry up regardless of project performance. Conversely, regulatory actions against larger crypto players or market events (exchange failures, etc.) could cause contagion impacting EIGEN.

I.4 Project Implementation-Related Risks

Risks in executing the EigenLayer vision. Technical Development Risk: EigenLayer is pioneering a new concept (restaking and intersubjective slashing) which is complex. There is a risk that some aspects of the concept prove harder to implement than expected. For example, fully decentralizing the system's governance (handing over upgrade keys to a DAO of token holders) is non-trivial and if delayed, it leaves the project more centralized than ideal for longer. Or implementing support for more types of staked assets or new AVSs could encounter technical hurdles. If key roadmap goals are not achieved (like supporting restaking for many services or demonstrating the fork mechanism in a test scenario), the utility of EIGEN might remain limited, affecting its long-term value proposition.

Adoption Risk: The value of EigenLayer and thus EIGEN depends on other projects adopting it (using restaking instead of launching their own token or chain). There is a risk that not many projects integrate with EigenLayer. Competitors or alternative approaches (like native Ethereum trust-minimized protocols, or other restaking solutions if they emerge) could draw potential AVSs away. If by, say, 2026 only a couple of services use EigenLayer, the narrative might shift that restaking didn't catch on, hurting EIGEN demand.

Security Incident in an AVS: If one of the services built on EigenLayer (like a third-party oracle or bridge) gets hacked or fails, it could reflect poorly on EigenLayer as a whole. Especially if it causes stakers to lose funds (through slashing or just loss of confidence). For instance, if an AVS had a bug leading to an unjust slash of many honest stakers, those stakers might leave and the broader community trust would drop. Or if a service using restaking fails spectacularly (like an oracle feed goes wrong and causes big DeFi losses), projects may shy away from EigenLayer. The risk is that *other projects' failures* could become EigenLayer's reputational failures.

Fork Mechanism Social Risk: The intersubjective fork idea, while innovative, has never been tested in practice. There is a risk around how the community would handle it if the scenario arises. It could lead to factionalism (if not everyone agrees on what's "malicious" and which fork is "legitimate"). A poorly handled fork event could cause confusion, duplicate tokens, and loss of confidence. Even the threat of such an event might be seen as a risk by some participants (the idea that your token could be forked and you might have to choose or risk being on the losing side might deter more risk-averse users or institutions from participating).

Team Bandwidth and Focus: Eigen Labs is also developing EigenCloud and focusing on things like EigenDA. There's a lot on their plate. If the team's focus gets too spread out (for example, building a consumer product around EigenCloud vs. focusing on core EigenLayer improvements), the core protocol might evolve slower. A strategic misstep in priorities could hamper the project's viability.

Dependency on Ethereum: EigenLayer is entirely built on Ethereum. If Ethereum encounters a critical issue (like a severe bug, or the chain splits due to contentious upgrade, etc.), EigenLayer would be directly affected. Also, Ethereum's scaling roadmap (sharding, Danksharding) could either complement EigenLayer or overlap with some of its features (like data availability improvements might reduce the need for EigenDA). If Ethereum introduces native features that make EigenLayer less unique, that could impact adoption. On the flip side, if Ethereum scaling is slower than expected, high gas fees could make participating in EigenLayer expensive, limiting user participation (small holders might be priced out from staking or frequent interactions).

I.5 Technology-Related Risks

Risks pertaining to the underlying tech stack. Smart Contract Bugs: Despite the audits, there is always a non-zero risk of undiscovered bugs. These could range from minor (causing some function to not work as intended) to major (allowing an attacker to drain funds). One specific risk could be in upgradeability – if the contracts are upgradeable and the proxy or governance mechanism is flawed, it could be exploited to insert malicious code. Another could be in complex math of slashing or reward calcs that under unusual conditions misbehave. If Ethereum itself upgrades (e.g., new EVM version) it could introduce incompatibility or new edge cases for these contracts.

Off-Chain Components Failure: EigenLayer relies on off-chain components for full functionality (e.g., EigenDA nodes, oracles to feed data for certain services, etc.). These are not protected by Ethereum's security. They may crash, become slow, or be attacked (DDoS, etc.). If, say, EigenDA nodes fail to run properly, the data availability service might go down or users' experience fails. The reliance on both on-chain and off-chain means the overall system is as weak as its weakest link. Coordinating upgrades or fixes to off-chain components is also riskier (no automatic update like a smart contract; it relies on node operators to update their software).

Key Management & User Error: Using EigenLayer involves managing keys and potentially running validator infrastructure. There's risk that participants might mishandle their keys (losing them, getting hacked via phishing, etc.), leading to loss of their tokens. Staking EIGEN or restaking ETH requires sending transactions; a user could send to the wrong address by mistake and lose funds irrecoverably (common crypto risk). If users delegate stake to a third-party operator, they face the risk of that operator's honesty and competence (it's possible an operator misconfigures and gets slashed).

Network Attacks: As with any blockchain-based system, there are potential network-level attacks. On Ethereum: 51% attacks are extremely unlikely now with PoS and so much at stake, but not impossible if someone amasses a huge stake or colludes. A successful consensus attack on Ethereum could rollback or reorder EIGEN transactions, causing chaos. On EigenLayer: a majority of EIGEN stake could conceivably collude to misbehave (though they'd face slashing if caught, but if they manage to avoid detection or control the fork outcome, they might bypass punishment). Since EIGEN distribution is currently limited, in theory a group of insiders or a wealthy attacker could accumulate a large portion of circulating tokens and influence outcomes (especially governance if introduced early).

Quantum Computing Risk: This is long-term and affects all of crypto: if quantum computers break ECDSA, then Ethereum addresses (and EIGEN tokens by extension) could be compromised. The industry is aware but no immediate fix is in place. It's a low-probability, future risk but worth noting that EIGEN doesn't have any particular quantum resistance beyond Ethereum's own.

Technological Change: The crypto space evolves quickly. There is a risk that new technologies (perhaps new consensus protocols, new interoperability standards, new security mechanisms) emerge that make EigenLayer's approach obsolete or less efficient. If, for example, Ethereum itself decides to incorporate native restaking or if another L1 with built-in shared security takes off (like say Polkadot or a new competitor), the technology choice of building on Ethereum and as a second layer could be challenged. Projects might prefer a chain where the functionality is at L1, deeming it simpler or more secure, undermining EigenLayer's technological appeal.

I.6 Mitigation Measures

Various measures are in place or being taken to mitigate the above risks:

Security Audits & Formal Verification: As detailed, multiple audits (ConsenSys, Dedaub) and formal verification by Certora have been performed . These greatly reduce the likelihood of smart contract bugs and vulnerabilities. The team has a strong security-first approach, and this will continue with further audits for new features and perhaps a public bug bounty program to encourage responsible disclosure of any issue. Using well-tested libraries (OpenZeppelin) and standard patterns also mitigates risk of novel bugs.

Gradual Rollout and Limits: EigenLayer has taken a cautious approach to launching. Initial deposits were limited (caps on how much could be staked from LSDs, etc.) to avoid overwhelming risk while the contracts were new. They also started with a limited number of services (only EigenDA at first) to keep attack surface manageable. This phased approach (Season 1, Season 2 for airdrops, incremental enabling of features) helps identify issues on a small scale before full scale.

Lock-ups and Vesting to Prevent Dumping: The long lock-up and vesting for team/investors (1 year + 2 years linear) ensures that insiders cannot dump en masse immediately . By the time they unlock, the hope is the ecosystem will have grown to absorb that supply. Also, the foundation has signaled commitment to the project's health; insiders are incentivized to release tokens responsibly. Moreover, the staggered release (4% monthly) means any selling is likely gradual, giving the market time to adjust.

Geographic/Regulatory Mitigation: The project specifically excluded high-risk jurisdictions from the token distribution to mitigate legal risk . This reduces immediate legal exposure. They likely also obtained legal advice; for example, by not selling tokens and by framing it as "Other crypto-asset", they mitigate the risk of being deemed a security offering in many jurisdictions (MiCA compliance is one such mitigation to show good faith to regulators). The foundation being in Cayman provides some legal buffer due to Cayman's crypto-friendly stance. To address U.S. concerns, they banned U.S. users and might avoid engaging with U.S. markets until clearer rules (thus mitigating risk of SEC action).

Transparency & Communication: The team has been transparent through blogs and documentation about how the token works, risks of restaking, etc. For instance, they published disclosures about lock-ups and staking risks to ensure participants know what they're getting

into. Ongoing communication (e.g., year-in-review reports, community calls) helps build trust and allows for early identification of community concerns (which they can then address before they escalate).

Community and Governance Inclusion: Over time, risk will be mitigated by decentralizing governance – distributing control so it's not single points of failure. The project has plans for a community DAO or governance votes with EIGEN, which will allow token holders to have a say in important decisions (mitigating conflict of interest, as decisions will need broad approval). Even the threat of intersubjective fork is itself a mitigation – it deters malicious behavior by insiders because they know the community can theoretically fork them out, serving as a check on their power .

Economic Design Mitigations: The inflationary reward and slashing system is itself a mitigation measure – it strongly incentivizes correct behavior and punishes wrong behavior, aligning participants' interests with the network's health. For example, by risking one's large stake for maybe a small cheating reward, rational actors are dissuaded from attacks. The linear distribution of airdrop (stakedrop) rewards (Season 1 being split into phases, etc.) was designed to reduce Sybil gains and encourage continued engagement rather than quick dumping . They adjusted Season 2 plans based on Season 1 feedback, showing responsiveness to community concerns (like addressing whales getting majority, etc.).

Technical Redundancy: The underlying reliance on Ethereum's robust architecture is a mitigation: Ethereum's decentralization, client diversity, and ongoing improvements mitigate many base-layer risks (51% attacks, downtime). For off-chain, encouraging multiple node operators and possibly open-sourcing and incentivizing third-party operator teams mitigates centralization or single point of failure in AVSs. If one operator fails, others can pick up slack if the system is well-designed.

J. PART J - INFORMATION ON THE SUSTAINABILITY INDICATORS IN RELATION TO ADVERSE IMPACT ON THE CLIMATE AND OTHER ENVIRONMENT-RELATED ADVERSE IMPACTS

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

J.1 Information on principal adverse impacts on the climate and other environment-related adverse impacts of the consensus mechanism

The Keeta Network relies on a delegated proof-of-stake (dPoS) consensus mechanism combined with DAG-based transaction processing. Such models are generally regarded as less energy-intensive than proof-of-work systems, as they avoid computationally costly mining and instead depend on validator nodes elected by token holders. While this design may be comparatively more efficient in terms of energy use per transaction, it does not eliminate environmental impact altogether, and aggregate consumption depends on the scale of network activity and the infrastructure chosen by validators. As Keeta operates its own consensus protocol rather than relying on an external blockchain, overall energy usage will reflect the cumulative operation of its validator set, server hosting practices, and the hardware efficiency of participants. No official lifecycle assessment of the network's carbon footprint is currently available, and therefore any evaluation of its sustainability impact should be considered in relative, rather than absolute, terms.

General information	
S.1 Name *Name reported in field A.1*	LCX
S.2 Relevant legal entity identifier Identifier referred to in field A.2	529900SN07Z6RTX8R418
S.3 Name of the crypto-asset Name of the crypto-asset, as reported in field D.2	Eigenlayer
S.4 Consensus Mechanism The consensus mechanism, as reported in field H.4	The crypto-asset's Proof-of-Stake (PoS) consensus mechanism, introduced with The Merge in 2022, replaces mining with validator staking. Validators must stake at least 32 ETH every block a validator is randomly chosen to propose the next block. Once proposed the other validators verify the blocks integrity. The network operates on a slot and epoch system, where a new block is proposed every 12 seconds, and finalization occurs after two epochs (~12.8 minutes) using Casper-FFG. The Beacon Chain coordinates validators, while the fork-choice rule (LMD-GHOST) ensures the chain follows the heaviest accumulated validator votes. Validators earn rewards for proposing and verifying blocks, but face slashing for malicious behavior or inactivity. PoS aims to improve energy efficiency, security, and scalability, with future upgrades like Proto-Danksharding enhancing transaction efficiency.
S.5 Incentive Mechanisms and Applicable Fees Incentive mechanisms to secure transactions and any fees applicable, as reported in field H.5	The crypto-asset's PoS system secures transactions through validator incentives and economic penalties. Validators stake at least 32 ETH and earn rewards for proposing blocks, attesting to valid ones, and participating in sync committees. Rewards are paid in newly issued ETH and transaction fees. Under EIP-1559, transaction fees consist of a base fee, which is burned to reduce supply, and an optional priority fee (tip) paid to validators. Validators face slashing if they act maliciously and incur penalties for inactivity. This system aims to increase security by aligning incentives while making the crypto-asset's fee structure more predictable and deflationary during high network activity.

S.6 Beginning of the period to which the disclosure relates	2024-05-18
S.7 End of the period to which the disclosure relates	2025-05-18
Mandatory key indicator on energy consumption	
S.8 Energy consumption Total amount of energy used for the validation of transactions and the maintenance of the integrity of the distributed ledger of transactions, expressed per calendar year	2236.14820 kWh per year
Sources and methodologies	
S.9 Energy consumption sources and Methodologies Sources and methodologies used in relation to the information reported in field S.8	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. When calculating the energy consumption, we used - if available - the Functionally Fungible Group Digital Token Identifier (FFG DTI) to determine all implementations of the asset of question in scope and we update the mappings regularly, based on data of the Digital Token Identifier Foundation.

J.2 Supplementary information on principal adverse impacts on the climate and other environment-related adverse impacts of the consensus mechanism

Supplementary key indicators on energy and GHG emissions	
S.10 Renewable energy consumption Share of energy used generated from renewable sources, expressed as a percentage of the total amount of energy used per calendar year, for the validation of transactions and the maintenance of the integrity of the distributed ledger of transactions.	14.770208242%
S.11 Energy intensity	0.00000 kWh

Average amount of energy used per validated transaction	
S.12 Scope 1 DLT GHG emissions – Controlled Scope 1 GHG emissions per calendar year for the validation of transactions and the maintenance of the integrity of the distributed ledger of transactions	0.00 tCO2e per year
S.13 Scope 2 DLT GHG emissions – Purchased Scope 2 GHG emissions, expressed in tCO2e per calendar year for the validation of transactions and the maintenance of the integrity of the distributed ledger of transactions	1873.14310 tCO2e/a
S.14 GHG intensity Average GHG emissions (scope 1 and scope 2) per validated transaction	0.00000 kgCO2e per transaction
Sources and methodologies	
S.15 Key energy sources and methodologies Sources and methodologies used in relation to the information reported in fields S.10 and S.11	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 the European Environment Agency (EEA) and thus determined.
S.16 Key GHG sources and methodologies Sources and methodologies used in relation to the information reported in fields S.12, S.13 and S.14	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 the European Environment Agency (EEA) and thus determined.