Lit Protocol (LITKEY)
White paper

In accordance with Title II of Regulation (EU) 2023/1114 (MiCA)

N	Field	Content
0	Table of content	

01	Date of notification	2025-09-04
02	Statement in accordance with Article 6(3) of Regulation (EU) 2023/1114	This crypto-asset white paper has not been approved by any competent authority in any Member State of the European Union. The operator of the trading platform of the crypto-asset is solely responsible for the content of this crypto-asset white paper.
03	Compliance statement in accordance with Article 6(6) of Regulation (EU) 2023/1114	This crypto-asset white paper complies with Title II of Regulation (EU) 2023/1114 and, to the best of the knowledge of the management body, the information presented in the crypto-asset white paper is fair, clear and not misleading and the crypto-asset white paper makes no omission likely to affect its import.
04	Statement in accordance with Article 6(5), points (a), (b), (c) of Regulation (EU) 2023/1114	The crypto-asset referred to in this white paper may lose its value in part or in full, may not always be transferable and may not be liquid.
05	Statement in accordance with Article 6(5), point (d) of Regulation (EU) 2023/1114	false
06	Statement in accordance with Article 6(5), points (e) and (f) of Regulation (EU) 2023/1114	The crypto-asset referred to in this white paper is not covered by the investor compensation schemes under Directive 97/9/EC of the European Parliament and of the Council. The crypto-asset referred to in this white paper is not covered by the deposit guarantee schemes under Directive 2014/49/EU of the European Parliament and of the Council.

<table>
<tr><td colspan="3">Summary</td></tr>
<tr><td>07</td><td>Warning in accordance with Article 6(7), second subparagraph of Regulation (EU) 2023/1114</td><td>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 admission to trading 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.</td></tr>
<tr><td>08</td><td>Characteristics of the crypto-asset</td><td>Lit Protocol (LITKEY) is an ERC-20 token on Ethereum used to participate in Lit Protocol node operations, pay for the services provided by Lit Protocol’s decentralized network, and participate in Lit Protocol’s governance system. LITKEY tokens are freely transferable, in whole or in part, to third parties, and all associated usage rights and obligations follow the token upon transfer.

LITKEY has a maximum supply of 1 000 000 000 distributed as follows:
<table>
<tr><td>Category</td><td>Allocation</td></tr>
<tr><td>Lit Protocol Treasury</td><td>38.09%</td></tr>
<tr><td>Core Team</td><td>28.64%</td></tr>
<tr><td>Investors</td><td>15.83%</td></tr>
<tr><td>Lit Protocol Ecosystem Airdrop</td><td>1.62%</td></tr>
<tr><td>Community Sale</td><td>0.83%</td></tr>
<tr><td>Lit Protocol Node Operator Rewards</td><td>15%</td></tr>
</table>
</td></tr>
<tr><td>09</td><td>Information about the quality and quantity of goods or services to which the utility tokens give access and restrictions on the transferability</td><td>N/A</td></tr>
</table>

10	Key information about the offer to the public or admission to trading	Kraken seeks admission to trading of the Lit Protocol token so as to be compliant with MiCA and in keeping with its mission to make available for trading to its clients a wide range of assets.
Part I – Information on risks		
I.1	Offer-Related Risks	**General Risk Factors Associated with Crypto-Asset Offerings**: The admission to trading of crypto-assets, including Lit Protocol, is subject to general risks inherent to the broader cryptocurrency market. **Market Volatility**: The value of Lit Protocol may experience substantial fluctuations driven by investor sentiment, macroeconomic developments, and market conditions. **Regulatory Risks**: Changes in legislation, applicable laws, compliance requirements or the implementation of new regulatory frameworks could affect the availability, trading, or use of such assets. **Security Risks**: The risk of exploitation, hacking or security vulnerabilities of the underlying protocol and or contracts of the token leading to a loss. **Reputational Risks**: The potential for damage to an organization’s credibility or public trust, which can negatively impact stakeholder confidence and overall business viability.
I.2	Issuer-Related Risks	The Lit Association faces operational risks including dependency on key personnel and technical teams, funding risks related to treasury management, regulatory compliance challenges across multiple jurisdictions, and risks associated with the decentralized nature of the protocol's governance and development which could adversely affect Lit Protocol’s development and LITKEY’s value.

I.3	Crypto-Assets-relate d Risks	**Market Volatility**: The crypto-asset market is subject to significant price volatility, which may affect the value of LITKEY. Prices can fluctuate rapidly and unpredictably due to various factors, including market sentiment, economic indicators, technological developments, regulatory news, and macroeconomic trends. This high level of volatility may lead to sudden gains or losses and can impact the liquidity and tradability of the crypto-asset. **Liquidity**: Liquidity refers to the ability to buy or sell a crypto-asset without causing significant price impact. LITKEY may experience periods of low liquidity, meaning that it could be difficult to enter or exit positions at desired prices or volumes. Reduced liquidity may result from limited market participation, exchange restrictions, or broader market conditions. This can lead to increased price volatility, slippage, and difficulty in executing transactions. **Cybersecurity & Technology Risks**: Risks arising from vulnerabilities in the blockchain technology used by the project or platforms. Example risks include smart contract exploits, compromise of platforms, forking scenarios, compromise of cryptographic algorithms. **Adoption Risks**: The value of the LITKEY token is directly tied to the adoption of the Lit Protocol. This category of risk is associated with the project not achieving its goals leading to lower than expected adoption and use within the ecosystem, the impact leading to a reduced utility and value proposition for the LITKEY token. **Custody & Ownership Risk**: The risk related to the inadequate safekeeping and control of crypto-assets e.g. loss of private keys, custodian insolvency leading to a loss. **Competitive Risk**: Lit Protocol operates in a competitive environment alongside many other key management and compute platforms. Superior technologies or more popular networks could draw users and liquidity away from Lit Protocol, potentially reducing LITKEY's adoption and usage.

I.4	Project Implementation-Related Risks	Lit Protocol introduces several novel technical and economic mechanisms, and there is a risk that not all aspects will perform as intended. Unforeseen technical challenges or bugs could arise – for example, issues with Lit Protocol's MPC TSS key management implementation or TEE-based private compute functionality – which may require significant time and resources to fix. Moreover, Lit Protocol's innovative time and stake-weight based rewards model is untested at full scale; if the incentive structure does not work as anticipated (e.g., if validators or liquidity providers are not sufficiently incentivized, or if the distribution of LITKEY leads to governance centralization), the stability and security of the Lit Protocol network could be impacted. The project's success also depends on the continued dedication and competence of its team; any loss of key developers or failures in execution (such as missed milestones or ineffective updates) could impair the growth and performance of the Lit Protocol network and in turn negatively impact the LITKEY token.
I.5	Technology-Related Risks	**Smart contract risks**: LITKEY uses smart contracts to facilitate automated transactions and processes. While these contracts enhance efficiency and decentralization, they also introduce specific technical risks. Vulnerabilities such as coding errors, design flaws, or security loopholes within the smart contract code may be exploited by malicious actors. Such exploits could result in the loss of assets, unauthorized access to sensitive information, or unintended and irreversible execution of transactions. **Blockchain Network Risks**: LITKEY operates on a public blockchain infrastructure, which is maintained by a decentralized network of participants. The functionality and reliability of the crypto-asset are dependent on the performance and security of the underlying blockchain. Risks may include network congestion, high transaction fees, delayed processing times, or, in extreme cases, outages and disruptions. Additionally, vulnerabilities or failures in the consensus mechanism, attacks on the network (e.g., 51% attacks), or protocol-level bugs could impact the operation and availability of the Lit Protocol network and LITKEY token. **Risk of Cryptographic Vulnerabilities**: Technological advancements, such as quantum computing, could pose potential risks to cryptocurrencies. **Privacy**: Transactions involving LITKEY are recorded on a public blockchain, where transaction data is transparent and permanently accessible. While public addresses do not directly reveal personal identities, transaction histories can be analyzed and, in some cases, linked to individuals through data aggregation or external information sources. This transparency may pose privacy concerns for users seeking confidentiality in their financial activity. Participants should be aware that transaction data on public blockchains is not inherently private and could be subject to scrutiny by third parties, including regulators, analytics firms, or malicious actors.

I.6	Mitigation measures	Lit Protocol employs several mechanisms to mitigate technological and operational risks: **Node Operator Slashing**: To deter malicious behavior, node operators who act against protocol rules—such as prolonged downtime—are subject to slashing. This means a portion of their staked LITKEY tokens can be forfeited. Slashing provides a direct economic disincentive for misbehavior and ensures that validators are penalized for actions that could compromise the security of the Lit Protocol network. **Staking Incentives**: Node operators and delegators are rewarded for securing the network via a time and token-weighted staking model employed via LITKEY token emissions. These incentives are structured to encourage participation in the Lit Protocol network, consistent uptime, and active engagement in protocol governance, thus reducing risks associated with validator inactivity or non-alignment. **Security Audits**: The core Lit Protocol staking, node protocol, and token smart contracts have undergone extensive security auditing by NCC Group and Kudelski Security. This audit process helps identify and address potential vulnerabilities, thereby reducing the risk of smart contract failures or exploits. **Multisig Treasury Controls**: Lit Protocol employs multisignature (“multisig”) wallet arrangements for critical treasury holdings and governance operations. This means multiple authorized signatures are required to move funds from the treasury wallets, mitigating the risk of a single point of failure or insider misappropriation of funds. **Community Governance**: Lit Protocol’s governance system enables stakeholders to contribute to and vote on changes to the underlying Lit Protocol and related LITKEY token mechanisms. This decentralized process allows the community and Lit Association to respond to risks (e.g. economic imbalances) by adjusting parameters, funding audits, or implementing emergency upgrades through transparent decision-making. While not a technical safeguard, governance serves as an adaptive mechanism to mitigate long-term systemic and coordination risks.
Part A - Information about the offeror or the person seeking admission to trading		
A.1	Name	N/A
A.2	Legal form	N/A
A.3	Registered address	N/A

A.4	Head office	N/A
A.5	Registration Date	N/A

A.6	Legal entity identifier	N/A
A.7	Another identifier required pursuant to applicable national law	N/A
A.8	Contact telephone number	N/A
A.9	E-mail address	N/A
A.10	Response Time (Days)	N/A
A. 11	Parent Company	N/A
A.12	Members of the Management body	N/A
A.13	Business Activity	N/A

A.14	Parent Company Business Activity	N/A
A.15	Newly Established	N/A
A.16	Financial condition for the past three years	N/A

A.17	Financial condition since registration	N/A
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	Lit Association
B. 3	Legal form	Swiss Association
B.4	Registered address	c/o MJP Partners AG, Bahnhofstrasse 20, 6300 Zug, Switzerland
B.5	Head office	c/o MJP Partners AG, Bahnhofstrasse 20, 6300 Zug, Switzerland

B.6	Registration Date	09/12/2023
B.7	Legal entity identifier	Not available
B.8	Another identifier required pursuant to applicable national law	Not available
B.9	Parent Company	Not available

B.10	Members of the Management body	Not available
B.11	Business Activity	The Lit Association is responsible for the governance, development, and promotion of the Lit Protocol, a decentralized key management and programmable cryptography infrastructure. The Association oversees protocol development, ecosystem growth, grant distribution, and community governance initiatives.
B.12	Parent Company Business Activity	Not available
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	Payward Global Solutions LTD
C.2	Legal form	N/A
C.3	Registered address	N/A
C.4	Head office	N/A

C.5	Registration Date	11-07-2023
C.6	Legal entity identifier of the operator of the trading platform	9845003D98SCC2851458
C.7	Another identifier required pursuant to applicable national law	N/A
C.8	Parent Company	N/A

C.9	Reason for Crypto-Asset White Paper Preparation	Kraken seeks admission to trading of the LITKEY token so as to be compliant with MiCA and in keeping with its mission to make available for trading to its clients a wide range of assets.
C.10	Members of the Management body	**Full Name | Business Address | Function** | Shannon Kurtas | 70 Sir John Rogerson's Quay, Dublin 2, Ireland | Board Member Andrew Mulvenny | 70 Sir John Rogerson's Quay, Dublin 2, Ireland | Board Member Shane O'Brien | 70 Sir John Rogerson's Quay, Dublin 2, Ireland | Board Member Laura Walsh | 70 Sir John Rogerson's Quay, Dublin 2, Ireland | Board Member
C.11	Operator Business Activity	PGSL is the operator of a Trading Platform for Crypto Assets, in accordance with Article 3(1)(18) of Regulation (EU) 2023/1114 (MiCA).

C. 12	Parent Company Business Activity	Payward, Inc., a Delaware, USA corporation, is the parent company of a worldwide group of subsidiaries (the following paragraphs use the term "Payward" or "Payward Group" to refer to the group) collectively doing business as "Kraken." Payward's primary business is the operation of an online virtual asset platform that enables clients to buy and sell virtual assets on a spot basis, including the transfer of crypto-assets to and from external wallets. Payward, through its various affiliates, offers a number of other services and products, including: * A trading platform for futures contracts on virtual assets ("Kraken Derivatives"); * A platform for buying and selling NFTs; * An over-the-counter ("OTC") desk; * Extensions of margin to support spot trading of virtual assets; * A benchmark administrator; and * Staking services.

C.13	Other persons drawing up the crypto-asset white paper according to Article 6(1), second subparagraph, of Regulation (EU) 2023/1114	N/A
C.14	Reason for drawing the white paper by persons referred to in Article 6(1), second subparagraph, of Regulation (EU) 2023/1114	N/A
Part D- Information about the crypto-asset project		
D.1	Crypto-asset project name	Lit Protocol
D.2	Crypto-assets name	N/A

D.3	Abbreviation	N/A
D.4	Crypto-asset project description	Lit Protocol is a decentralized key management and private compute network. The 3 core services Lit provides are threshold signatures, threshold encryption and decryption, and private compute executed via MPC TSS and protected via sealed TEEs. Essentially, Lit Protocol provides a signing and encryption orchestration layer that any blockchain, dApp, or AI agent can utilize for wallet management, decentralized signatures (for blockchain transactions or proof generation), private data management, or tamper-proof off-chain computation.

D.5	Details of all natural or legal persons involved in the implementation of the crypto-asset project	Development of Lit Protocol is led by Workgraph Inc (the core development team) under the direction of the Lit Association.
D.6	Utility Token Classification	false
D.7	Key Features of Goods/Services for Utility Token Projects	N/A

D.8	Plans for the token	**Past Milestones**: Lit Protocol launched its v0 testnet and mainnet beta in August of 2024 to refine its technology and engage the community. Most recently, the Lit Protocol v1 testnet was launched (August 2025) which is running the same codebase as the v1 mainnet which will be released following the LITKEY TGE. **Future Milestones**: Please refer to the project team website for any further information regarding future milestones
D.9	Resource Allocation	The Lit Protocol project has been supported by a combination of private funding and allocated token resources. 15.83% of the LITKEY supply was allocated to early private investors (through seed and series a funding rounds), providing capital for development. 0.83% of the supply was allocated to public investors who participated in Lit Protocol's Community Sale round. In addition, the Lit Association controls an ecosystem treasury & R&D fund (37.74% of the supply, amounting to 377 437 183 LITKEY at genesis) dedicated to ecosystem development, R&D, growth initiatives, and the operations of the Lit Association. Furthermore, 15% of the token supply (150 000 000 LITKEY at genesis) has been allocated to node operators who run the core infrastructure that powers the Lit Protocol network in order to provide the service to end users who consume Lit Protocol's offerings within their own products.
D.10	Planned Use of Collected Funds or Crypto-Assets	N/A
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	Making secondary trading available to the consumers on the Kraken Trading platform in compliance with the MiCA regulatory framework
E.3	Fundraising Target	N/A
E.4	Minimum Subscription Goals	N/A

E.5	Maximum Subscription Goal	N/A
E.6	Oversubscription Acceptance	N/A
E.7	Oversubscription Allocation	N/A
E.8	Issue Price	N/A
E.9	Official currency or other crypto-assets determining the issue price	N/A, as this white paper is written to support the admission to trading and not for the initial offer to the public.
E.10	Subscription fee	N/A, as this white paper is written to support the admission to trading and not for the initial offer to the public.

E.11	Offer Price Determination Method	Once the token is admitted to trading its price will be determined by demand (buyers) and supply (sellers).
E.12	Total Number of Offered/Traded crypto-assets	1 000 000 000 maximum supply
E.13	Targeted Holders	ALL

E.14	Holder restrictions	N/A
E.15	Reimbursement Notice	N/A
E.16	Refund Mechanism	N/A
E.17	Refund Timeline	N/A
E.18	Offer Phases	N/A
E.19	Early Purchase Discount	N/A
E.20	Time-limited offer	N/A
E.21	Subscription period beginning	N/A
E.22	Subscription period end	N/A

E.23	Safeguarding Arrangements for Offered Funds/crypto-assets	N/A
E.24	PaymentMethods for crypto-asset Purchase	The payment methods are subject to the respective capabilities of the Crypto Asset Service Provider listing the crypto-asset.

E.25	Value Transfer Methods for Reimbursement	N/A, as this white paper is written to support the admission to trading and not for the initial offer to the public.
E.26	Right of Withdrawal	N/A, as this white paper is written to support the admission to trading and not for the initial offer to the public.
E.27	Transfer of Purchased crypto-assets	The transfer of purchased crypto-assets are subject to the respective capabilities of the Crypto Asset Service Provider listing the crypto-asset.
E.28	Transfer Time Schedule	N/A, as this white paper is written to support the admission to trading and not for the initial offer to the public.
E.29	Purchaser's Technical Requirements	The technical requirements that the purchaser is required to fulfil to hold the cryptoassets of purchased crypto-assets are subject to the respective capabilities of the Crypto Asset Service Provider listing the crypto-asset.
E.30	crypto-assetservice provider(CASP) name	N/A
E.31	CASP identifier	N/A
E.32	Placement form	N/A

E.33	Trading Platforms name	Payward Global Solutions Limited

E.34	Trading Platforms Market Identifier Code (MIC)	Payward Global Solutions Limited: PGSL
E.35	Trading Platforms Access	This depends on the trading platform listing the asset.
E.36	Involved costs	This depends on the trading platform listing the asset. Investors should always review the current fee structures of platforms before making trading decisions. Furthermore, costs may occur for making transfers out of the platform (i. e. "gas costs" or in general "transaction cost" for blockchain network use that may exceed the value of the cryptoasset itself)
E.37	Offer Expenses	N/A, as this crypto-asset white paper concerns the admission to trading and not the offer of the token to the public.
E.38	Conflicts of Interest	MiCAR-compliant Crypto Asset Service Providers shall have strong measurements in place in order to manage conflicts of interests. Due to the broad audience this white paper is addressing, potential investors should always check the conflicts of Interest policy of their respective counterparty.
E.39	Applicable law	Not applicable, as it is referred to on "offer to the public" and in this white paper, the admission to trading is sought.
E.40	Competent court	Not applicable, as it is referred to on "offer to the public" and in this white paper, the admission to trading is sought.
Part F - Information about the crypto-assets		
F.1	Crypto-Asset Type	LITKEY is classified as a crypto-asset other than an asset referenced token or e-money token under MiCA, (EU) 2023/1114.

F.2	Crypto-Asset Functionality	LITKEY functions as the native token of the Lit Protocol network. It serves as the medium for paying transaction fees (gas) required to execute operations on the Lit Protocol blockchain, as well as the medium for paying transaction costs when executing the signing, decryption, and / or compute operations provided by the network. LITKEY is also used in the network's consensus process. Holders can stake LITKEY to run (or delegate to) validator nodes to contribute to network security and in return become eligible to receive token reward emissions (paid in LITKEY). Additionally, LITKEY holders have the ability to contribute to Lit Protocol's decentralized governance process by way of token-based voting.

F.3	Planned Application of Functionalities	No additional features of LITKEY are pending future activation at this time.
A description of the characteristics of the crypto-asset, including the data necessary for classification of the crypto-asset white paper in the register referred to in Article 109 of Regulation (EU) 2023/1114, as specified in accordance with paragraph 8 of that Article		
F.4	Type of white paper	OTHR
F.5	The type of submission	NEWT
F.6	Crypto-Asset Characteristics	LITKEY is a fungible ERC-20 token on Ethereum. 1 000 000 000 LITKEY tokens were created at genesis, with no burning mechanism.
F.7	Commercial name or trading name	N/A
F.8	Website of the issuer	https://litprotocol.com/
F.9	Starting date of offer to the public or admission to trading	TBD
F.10	Publication date	TBD

F.11	Any other services provided by the issuer	N/A

F.12	Identifier of operator of the trading platform	PGSL
F.13	Language or languages of the white paper	English
F.14	Digital Token Identifier	MSBJ98BDN
F.15	Functionally Fungible Group Digital Token Identifier	N/A
F.16	Voluntary data flag	Mandatory
F.17	Personal data flag	false
F.18	LEI eligibility	N/A

F.19	Home Member State	Ireland
F.20	Host Member States	Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden
Part G - Information on the rights and obligations attached to the crypto-assets		
G.1	Purchaser Rights and Obligations	**Right of Transfer**: Holders of LITKEY may transfer their tokens, in whole or in part, to third parties at their discretion. Upon such a transfer, all associated rights and obligations (e.g., the ability to use the token within the network) pass to the new token holder. **Usage and Staking Rights**: LITKEY holders have the right to use the token within the Lit Protocol ecosystem, including the right to stake LITKEY to participate in network node operations or delegation. By exercising this right, holders can earn token reward emissions (paid in LITKEY) as an incentive, though staking is optional and subject to technical requirements. **Trading Rights**: LITKEY holders can buy or sell their tokens on secondary markets. If LITKEY is listed on cryptocurrency exchanges or trading platforms, holders may trade their tokens on those venues subject to the platform's terms and any applicable regulations. **Governance Rights**: LITKEY token holders will be able to participate in Lit Protocol's decentralized governance process via token-based voting. For example, voting on or proposing new upgrades to the core protocol or smart contract parameters.
G.2	Exercise of Rights and obligations	Transferring LITKEY requires the holder to initiate a transaction from their wallet. To stake LITKEY and participate in node operations, a holder must follow the on-chain staking process. To pay for the services provided by the Lit Protocol network and denominated in LITKEY, holders will need to initiate a transaction from their wallet.
G.3	Conditions for modifications of rights and obligations	The rights and obligations attached to LITKEY as described in this white paper reflect information available at the time of issuance. This white paper is issued by Kraken and does not constitute a commitment or guarantee by the Lit Association or any other party regarding future modifications. No promises, warranties, or assurances are made herein regarding future token functionality, and this section is provided solely for informational purposes.

G.4	Future Public Offers	N/A
G.5	Issuer Retained Crypto-Assets	Approximately 286 353 283 LITKEY (28.64% of the total supply) was allocated to Lit Protocol's core contributors (team members and advisors) and remains subject to a predefined vesting schedule (one-year cliff following TGE followed by linear vesting over four years). In addition, the Lit Association holds roughly 377 437 183 LITKEY (37.74% of the supply) earmarked for ecosystem development & R&D purposes.
G.6	Utility Token Classification	false
G.7	Key Features of Goods/Services of Utility Tokens	N/A
G.8	Utility Tokens Redemption	N/A
G.9	Non-Trading request	This white paper reflects a request to admit the token to trading.

G.10	Crypto-Assets purchase or sale modalities	N/A
G.11	Crypto-Assets Transfer Restrictions	Kraken may, in accordance with applicable laws and internal policies and terms, impose restrictions on buyers and sellers of these tokens.
G.12	Supply Adjustment Protocols	false

G.13	Supply Adjustment Mechanisms	N/A
G.14	Token Value Protection Schemes	false
G.15	Token Value Protection Schemes Description	N/A
G.16	Compensation Schemes	false
G.17	Compensation Schemes Description	N/A
G.18	Applicable law	Any dispute relating to this white paper shall be governed by and construed and enforced in accordance with the laws of Ireland without regard to conflict of law rules or principles (whether of Ireland or any other jurisdiction) that would cause the application of the laws of any other jurisdiction, irrespective of whether LITKEY tokens qualify as right or property under the applicable law.
G.19	Competent court	Any disputes or claims arising out of this white paper will be subject to the exclusive jurisdiction of the Irish courts.

Part H – information on the underlying technology		
H.1	Distributed ledger technology	N/A

H.2	Protocols and technical standards	The LITKEY token is deployed on the Ethereum network, which utilizes decentralized blockchain technology. This protocol provides the foundation for secure transactions and smart contracts. The LITKEY token uses the existing ERC-20 fungible token standard on Ethereum, ensuring that the LITKEY token is compatible with most wallets, exchanges, and decentralized applications (DApps) that employ the same standard. The Lit Protocol network itself implements BLS (Boneh-Lynn-Shacham), ECDSA (Elliptic Curve Digital Signature Algorithm), and EdDSA (Edwards-curve Digital Signature Algorithm) based threshold signature schemes. The protocol utilizes standard cryptographic libraries and follows established security practices for threshold cryptography implementations.
H.3	Technology Used	LITKEY balances and transactions are recorded on the Ethereum blockchain and can be accessed with standard blockchain wallets.
H.4	Consensus Mechanism	LITKEY operates on Ethereum, which uses a Proof-of-Stake (PoS) consensus mechanism. Ethereum's PoS consensus is maintained by a decentralized network of validators who stake ETH to secure the network and produce new blocks. This consensus mechanism finalizes transactions (including LITKEY token transfers) roughly every 12 seconds.
H.5	Incentive Mechanisms and Applicable Fees	Node operators participating in the Lit Protocol network are incentivized through LITKEY token reward emissions. In exchange for running the secure node infrastructure that provides the services provided by the network to end users consuming these services, node operators earn LITKEY rewards. End users who utilize the services provided by the Lit Protocol network pay network fees in LITKEY tokens based on computational requirements and network demand. Overall, fee structures and pricing is determined by Lit Protocol's decentralized governance process.
H.6	Use of Distributed Ledger Technology	false
H.7	DLT Functionality Description	N/A

H.8	Audit	true
H.9	Audit outcome	Lit Protocol has undergone numerous security audits by reputable blockchain security firms including NCC Group and Kudelski Security. Audits have covered Lit Protocol's smart contract implementations, cryptographic protocols, and network security architecture. All critical and high-severity findings have been addressed prior to the launch of LITKEY.

Part J - Information on the suitability indicators in relation to adverse impact on the climate and other environment-related adverse impacts		
S.1	Name	Payward Global Solutions Limited
S.2	Relevant legal entity identifier	9845003D98SCC2851458
S.3	Name of the crypto-asset	Lit Protocol LITKEY
S.4	Consensus Mechanism	The LITKEY token is deployed on the Ethereum and Arbitrum blockchain networks. Ethereum uses a Proof-of-Stake (PoS) consensus mechanism, introduced with The Merge in 2022, replacing 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 block's 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. Arbitrum is an Optimistic Rollup that serves to scale the Ethereum network. As such, it does not have its own standalone consensus mechanism but instead inherits that employed by Ethereum. In the Optimistic Rollup model, transactions are executed outside of the Ethereum blockchain and then the results are submitted to Ethereum for verification. This method significantly reduces transaction costs and speeds up confirmation times, while maintaining security. In practice, Optimistic Rollup enables transactions to be processed in two stages: First, all transactions are carried out on a secondary layer outside the main blockchain, where they are processed and verified. After all transactions have been processed, a proof is sent to the Ethereum blockchain to finalize the transactions. This method enables multiple off-chain transactions to be processed in a single transaction on the main blockchain, considerably reducing transaction costs and increasing transaction processing speed.

S.5	Incentive Mechanisms and Applicable Fees	The crypto-asset's PoS system (Ethereum) 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. In Lit Protocol’s own economic model, node operators and delegators are incentivized through staking rewards. Node operators earn $LITKEY rewards for running the machines that power the network. Reward emissions are determined by Lit Protocol’s decentralized governance system, whereas the total rewards that any given node operator are eligible to receive are determined by their total token stake and a timelock mechanism. Delegators, by staking their $LITKEY with node operators, can influence the validator's stake and share of the total reward emissions. Fees for using the signing, decryption, and compute services provided by the Lit Protocol network are paid in $LITKEY, which accrue to the Lit Protocol ecosystem treasury governed by the Lit Association and Lit Protocol’s decentralized governance system.
S.6	Beginning of the period to which the disclosure relates	2025-01-01
S.7	End of the period to which the disclosure relates	2025-12-31
S.8	Energy consumption	250 kWh/a

S.9	Energy consumption sources and methodologies	The energy consumption of this asset is aggregated across multiple components: To determine the energy consumption of a token, the energy consumption of the network(s) Ethereum and Arbitrum is calculated first. For the energy consumption of the token, a fraction of the energy consumption of the Ethereum and Arbitrum networks is attributed to the token, which is determined based on the activity of the crypto-asset within the network. When calculating the energy consumption, the Functionally Fungible Group Digital Token Identifier (FFG DTI) is used - if available - to determine all implementations of the asset in scope. The mappings are updated regularly, based on data of the Digital Token Identifier Foundation. The information regarding the hardware used and the number of participants in the network is based on assumptions that are verified with best effort using empirical data. In general, participants are assumed to be largely economically rational. As a precautionary principle, we make assumptions on the conservative side when in doubt, i.e. making higher estimates for the adverse impacts.