MiCA White Paper

Kaspa

(KAS)

Version 1.1
Aug 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 MARKETS IN CRYPTO-ASSET REGULATION (MICA).

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 false

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

The Kaspa (KAS) token is a native Layer-1 cryptocurrency that operates on its own decentralized blockchain. It is categorized as an “Other Crypto-Asset” under the Markets in Crypto-Assets Regulation (MiCA), as it does not qualify as an Asset-Referenced Token (ART), Electronic Money Token (EMT), or Utility Token. Kaspa utilizes a proof-of-work (PoW) consensus mechanism and is the first cryptocurrency to implement the GHOSTDAG protocol, which allows for the secure parallel creation of blocks. This innovation supports extremely fast block times and high transaction throughput without compromising network security or decentralization.The KAS token functions as the core economic unit within the Kaspa ecosystem. It is used to pay transaction fees, reward miners for securing the network, and facilitate peer-to-peer transfers. Unlike utility tokens, KAS does not grant access to specific services or applications. The token is fully fungible and freely transferable, with no restrictions on ownership or usage. It is supported by both custodial and non-custodial wallets, making it accessible to a wide range of users.

Kaspa follows a deflationary monetary policy, with a maximum supply capped at 28.7 billion KAS. New tokens are issued through mining rewards, which decrease over time according to a fixed emission schedule. The network does not employ an on-chain governance mechanism; instead, it is maintained and upgraded by a decentralized, open-source community of developers and contributors. This decentralized architecture aligns with Kaspa’s core principles of transparency, security, and inclusivity in blockchain technology.

09 Not applicable

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

Here are the key information about the KASPA (KAS):

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).

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

Kaspa (Decentralized Network)

B.3 Legal Form

Not Applicable

B.4 Registered Address

Not Applicable

B.5 Head Office

Not Applicable

B.6 Registration Date

Not Applicable – Kaspa mainnet launched on November 7, 2021

B.7 Legal Entity Identifier

Not Applicable

B.8 Another Identifier Required Pursuant to Applicable National Law

Not Applicable

B.9 Parent Company

Kaspa is a decentralized project

B.10 Members of the Management Body

Kaspa is governed by an open-source community without a formal management body

B.11 Business Activity

Kaspa operates as a public, permissionless blockchain protocol supporting a fast, scalable, and secure peer-to-peer digital payment network through its unique GHOSTDAG consensus algorithm.

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 Kaspa (KAS) to enhance transparency, regulatory clarity, and investor confidence. LCX is providing this document to support its role as a Crypto-Asset Service Provider (CASP) and ensure compliance with MiCA regulations in facilitating KAS 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).

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

KASPA

D.2 Crypto-Assets Name

KAS

D.3 Abbreviation

KAS

D.4 Crypto-Asset Project Description

Kaspa is a decentralized, open-source Layer-1 blockchain protocol launched in November 2021, designed for high-speed, scalable, and secure peer-to-peer transactions. It introduces the GHOSTDAG consensus algorithm, which allows multiple blocks to coexist and be ordered in a blockDAG (Directed Acyclic Graph), enabling extremely fast block times (1 block per second) and high throughput without sacrificing decentralization or security. The KAS token is the native currency of the Kaspa network. It is used for transaction fees, miner incentives, and value transfer within the protocol. KAS has a maximum supply of 28.7 billion tokens, distributed through a deflationary mining schedule. Kaspa is not controlled by a centralized issuer or entity. It is maintained by a global community of developers and contributors, with no formal governance body. The protocol promotes fairness and accessibility through features like solo mining and ASIC resistance (via the kHeavyHash algorithm).

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

These people/entities collaborate to maintain and improve the KAS token ecosystem:

Full Name	Business Address	Function
Yonatan Sompolinsky	*Not Applicable*	*Lead Architect / Original Researcher*
Shai Wyborski	*Not Applicable*	*Core Developer / Researcher*
Kaspa Core Developers	*Not Applicable*	*Maintain, develop, and upgrade Kaspa's codebase*
Volunteer Contributors	*Not Applicable*	*Ecosystem growth, tools, wallets, and educational content*

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 Kaspa (KAS) to enhance transparency, regulatory clarity, and investor confidence. By doing so, LCX strengthens its position as a regulated exchange, ensuring a trustworthy and transparent trading environment for KAS 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 KAS in a compliant manner. It further supports the broader market adoption and integration of KAS 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

The Kaspa (KAS) token has a maximum total supply of 28.7 billion tokens, which are released gradually through a proof-of-work (PoW) mining mechanism governed by a deflationary emission schedule. Unlike traditional crypto-assets that are distributed through a public token sale or initial coin offering (ICO), Kaspa has no centralized offering phase. All KAS tokens are earned through mining, in accordance with the protocol's open and permissionless design. As a result, there is no fixed quantity of "offered" tokens in the traditional sense. The circulating supply increases progressively as blocks are mined, and the current supply at any given time can be verified directly via public blockchain explorers. KAS tokens are freely traded on various centralized and decentralized exchanges, providing broad access to users globally. The network's open architecture ensures that all issued tokens are part of a transparent and decentralized distribution model, aligning with the principles of fairness and accessibility.

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

Kaspa (KAS) is widely traded on multiple regulated and unregulated trading platforms globally. KAS is not restricted to a single exchange and can be accessed by both retail and institutional investors worldwide.

LCX Exchange also provides access to Kaspa (KAS) trading with the KAS/EUR pair. Investors can access Kaspa (KAS) through LCX.com, the official LCX exchange, as well as other supported cryptocurrency trading platforms. To trade KAS, users must register, complete KYC (Know Your Customer) verification, and comply with platform-specific requirements.

E.36 Involved Costs

Not applicable

E.37 Offer Expenses

Not applicable

E.38 Conflicts of Interest

Not applicable

E.39 Applicable Law

The KAS Token complies with MiCA regulations in the EU and relevant AML, CTF, and investor protection laws.

E.40 Competent Court

In case of disputes related to services provided by LCX, the competent court is: The Courts of Liechtenstein, with jurisdiction in accordance with Liechtenstein law and applicable EU regulations.

F. PART F - INFORMATION ABOUT THE CRYPTO-ASSETS

F.1 Crypto-Asset Type

Other Crypto-Asset

F.2 Crypto-Asset Functionality

KAS is the native token of the Kaspa Network. It is used for transaction fees, miner incentives, and peer-to-peer value transfer within the Kaspa network. While it facilitates participation in the network's operations (such as mining or validating transactions), it does not grant any contractual access to specific goods or services, nor does it provide governance or voting rights. KAS does not entitle holders to any form of profit-sharing or ownership in a legal entity.

F.3 Planned Application of Functionalities

Participation rewards and governance. Functionality will be activated progressively through protocol upgrades and network scaling.

F.4 Type of white paper

OTHR

F.5 The type of submission

NEWT

F.6 Crypto-Asset Characteristics

The KAS token is the native cryptocurrency of the Kaspa blockchain, a Layer-1 decentralized protocol built to enable fast, secure, and scalable peer-to-peer digital transactions. KAS is classified under MiCA as an "Other Crypto-Asset," as it does not qualify as an asset-referenced token (ART), electronic money token (EMT), or utility token granting access to a specific service. Kaspa employs a proof-of-work (PoW) consensus mechanism and uniquely implements the GHOSTDAG protocol, allowing blocks to be created and confirmed in parallel. This results in ultra-fast block times—approximately 1 block per second—and high throughput without compromising decentralization or security.

The maximum total supply of KAS is 28.7 billion tokens, which are distributed via a deflationary mining schedule. KAS tokens are fully transferable and fungible, and they are used primarily for transaction fees, miner rewards, and value transfers within the Kaspa ecosystem. The token is divisible into 100 million sub-units per KAS, ensuring precision in microtransactions. KAS is a native token, not issued as a smart contract or wrapped asset on another chain. It is not governed by any formal centralized body; instead, development and maintenance are led by a global, open-source community. The network currently does not support native smart contracts but may evolve to include extended functionality through protocol upgrades.

F.7 Commercial name or trading name

KAS

F.8 Website of the issuer

https://www.kaspafoundation.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

ZWK6RM36C

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

Holders of the KAS token do not acquire any legal rights or claims against an issuer, entity, or centralized organization, as Kaspa is a decentralized, open-source protocol with no formal issuing authority. Purchasing or holding KAS tokens does not entitle the holder to ownership, dividends, voting rights, or profit-sharing in any corporate body. Instead, token holders have the right to use KAS within the Kaspa network, primarily for executing transactions, paying fees, and participating in the decentralized ecosystem.

G.2 Exercise of Rights and Obligation

The rights associated with KAS are exercised directly on the blockchain through its decentralized protocol rules. Token holders may send, receive, and store KAS, and use it for network transaction fees or mining rewards. There are no contractual or custodial obligations imposed on users by any central party. All interactions with the KAS token occur via non-custodial wallets, mining clients, or supported exchanges, without requiring authorization or approval from an intermediary.

G.3 Conditions for Modifications of Rights and Obligations

Because Kaspa is not governed by a legal entity, there are no formal contractual terms to be modified. Changes to protocol-level rules, such as network upgrades or emission schedules, are proposed, discussed, and implemented by the open-source development community. Modifications, if any, are non-binding and voluntary, adopted by network consensus through software updates. Users retain the freedom to choose whether to run updated versions of the software, making protocol changes subject to community-led governance and adoption.

G.4 Future Public Offers

Not applicable

G.5 Issuer Retained Crypto-Assets

Not applicable

G.6 Utility Token Classification

False

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

The Kaspa (KAS) token follows a hardcoded, deterministic supply protocol with a maximum total supply of 28.7 billion KAS tokens. The emission of new tokens is controlled by a deflationary proof-of-work (PoW) mining schedule, which is embedded directly in the protocol’s source code. This emission schedule defines the rate at which new KAS tokens are created and ensures that supply issuance follows a transparent and predictable trajectory. The protocol does not allow for discretionary intervention or centralized supply control.

G.13 Supply Adjustment Mechanisms

Kaspa does not implement any dynamic or algorithmic supply adjustment mechanisms such as token burning, minting based on demand, or monetary policy rebalancing. Instead, the only supply mechanism in place is the gradual reduction of block rewards over time, which systematically decreases the issuance of new tokens. This built-in deflationary model ensures that supply growth slows down progressively until the maximum supply is reached. Any change to the supply logic would require a network-wide consensus and voluntary protocol upgrade by the decentralized Kaspa community.

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

KAS is not classified as a financial instrument, electronic money, or security under EU law and is treated as an "Other Crypto-Asset" under MiCA. The applicable law for regulatory purposes is the law of the jurisdiction where the Crypto-Asset Service Provider (CASP) or issuer operates—in this case, potentially Liechtenstein, where LCX voluntarily files this whitepaper. However, due to the decentralized and permissionless nature of the KAS Open network, user interactions are governed primarily by the rules encoded in smart contracts, subject to overarching compliance with applicable laws and regulations in each user’s jurisdiction of residence or operation.

G.19 Competent Court

As KAS operates within a decentralized framework and this whitepaper is published voluntarily under MiCA by LCX, any legal disputes arising from services provided by LCX shall fall under the jurisdiction of the competent courts in Liechtenstein, unless otherwise specified by contractual terms with users. However, for on-chain activities carried out independently by users within the decentralized Kaspa Open network, no centralized legal recourse may apply. Users interacting with CASPs or other intermediaries should refer to the specific terms and legal agreements of those service providers, which may define separate jurisdictions for dispute resolution based on their location and licensing.

H. PART H – INFORMATION ON THE UNDERLYING TECHNOLOGY

H.1 Distributed ledger technology

Kaspa operates on a public, permissionless distributed ledger that uses a blockDAG (Directed Acyclic Graph) structure rather than a traditional linear blockchain. This architecture enables the ledger to process multiple blocks in parallel, improving scalability and reducing confirmation times while maintaining decentralized consensus and transaction finality.

H.2 Protocols and Technical Standards

The Kaspa network implements the GHOSTDAG protocol—a scalable variant of the GHOST (Greedy Heaviest-Observed Sub-Tree) consensus algorithm. Unlike conventional blockchains that orphan parallel blocks, GHOSTDAG allows them to coexist and be ordered in a weighted DAG. The protocol is written in Go (Golang) and follows open-source development standards, with code repositories publicly available for review, reuse, and improvement. It is not based on widely adopted smart contract standards like ERC-20, as it is a native Layer-1 protocol.

H.3 Technology Used

Kaspa is built using Go and is designed for performance, decentralization, and accessibility. It leverages a parallel block-processing architecture, low block times (~1 second), and lightweight consensus rules to deliver rapid transaction throughput without compromising security. The network supports non-custodial wallets, mining software, full node clients, and community-driven tools, all developed and maintained under a transparent, open-source model.

H.4 Consensus Mechanism

Kaspa utilizes a Proof-of-Work (PoW) consensus mechanism. Unlike traditional linear blockchains, Kaspa's implementation of PoW leverages GHOSTDAG to validate multiple blocks simultaneously. This reduces latency and increases block production rates without affecting consensus integrity. Mining is designed to be accessible and ASIC-resistant via the kHeavyHash algorithm, promoting decentralization and wide participation.

H.5 Incentive Mechanisms and Applicable Fees

Kaspa employs a Proof-of-Work (PoW) consensus mechanism to secure its network and incentivize participants. Miners validate transactions and add new blocks to the DAG (Directed Acyclic Graph) structure, earning rewards for their efforts.

Incentive Mechanism:

1. Mining Rewards:

- Block Rewards: Miners receive newly minted KAS tokens as rewards for successfully mining new blocks. The block reward decreases over time, following a predetermined schedule, to control the total supply of KAS tokens.
- Transaction Fees: In addition to block rewards, miners earn transaction fees from the transactions included in the blocks they mine. Users pay these fees to incentivize miners to prioritize their transactions.

2. Transaction Fees:

Users pay transaction fees to have their transactions processed and included in the blockchain. These fees are determined by the size of the transaction and the current network conditions. Higher fees can expedite transaction inclusion, especially during periods of high network activity.

Applicable Fees:

1. Transaction Fees:

Transaction fees are calculated based on the size of the transaction, measured in bytes. The fee rate is dynamic and adjusts according to network congestion and demand. Users can estimate appropriate fee rates using tools like the Rusty Kaspa node's getFeeEstimate() RPC method, which provides real-time fee rate suggestions based on current network conditions.

2. Fee Rate and Quality of Service (QoS):

The fee rate influences the priority of transactions. A higher fee rate increases the likelihood of a transaction being included in the next block, ensuring faster confirmation times. Kaspa's fee structure allows users to adjust their fee rates to balance cost and transaction speed according to their preferences.

H.6 Use of Distributed Ledger Technology

True

H.7 DLT Functionality Description

Kaspa operates on a custom distributed ledger technology (DLT) that uses a blockDAG (block-directed acyclic graph) rather than a traditional linear blockchain. This architecture allows Kaspa to achieve high throughput and fast finality by enabling parallel block creation and validation. At its core, the network uses the GHOSTDAG protocol, which organizes blocks in a DAG while maintaining consensus and preventing double-spending. This structure provides a significant scalability advantage, allowing for 1-second block times and consistent confirmation speeds, even under heavy network load. Kaspa's DLT is permissionless, decentralized, and public, meaning anyone can participate as a miner, node operator, or token holder without approval. The system is designed to support transparent and secure peer-to-peer transactions, and while it currently does not support native smart contracts, future protocol extensions may introduce more programmable functionality.

H.8 Audit

True

H.9 Audit Outcome

As of now, the Kaspa protocol has not undergone a formal third-party security audit of its full codebase by a certified cybersecurity or smart contract auditing firm. However, the project is open-source, with all development and code publicly maintained on platforms such as GitHub. The codebase is actively reviewed, tested, and contributed to by a global community of developers, offering a degree of community-driven transparency and peer review. While this collaborative approach contributes to robustness, a comprehensive external audit would be advisable for institutional assurance and is encouraged for future compliance and adoption milestones. Any updates regarding formal audits, if commissioned, would be publicly disclosed through the Kaspa development channels. ***Here is the link to KAS audit report:***

https://www.cyberscope.io/audits/coin-kaspa

I. PART I – INFORMATION ON RISKS

I.1 Offer-Related Risks

The Kaspa (KAS) token has not been offered through an Initial Coin Offering (ICO) or structured sale. Tokens are distributed solely via mining. However, individuals acquiring KAS on secondary markets may face market volatility, low liquidity on certain exchanges, and limited consumer protections, especially in jurisdictions without regulatory safeguards. There is also a risk of misrepresentation by unverified third-party sellers, including fraudulent sales or misinformation.

I.2 Issuer-Related Risks

Kaspa has no centralized issuer or legal entity responsible for the token. This decentralization, while offering censorship resistance, introduces accountability and governance challenges. Users have no recourse to a single party for support, dispute resolution, or formal guarantees. Additionally, the absence of a central issuer complicates legal compliance, as responsibilities are distributed across a loosely organized, global community.

I.3 Crypto-Assets-Related Risks

As a native cryptocurrency, KAS is subject to extreme price volatility, driven by market speculation, macroeconomic factors, and regulatory developments. The token offers no intrinsic or asset-backed value, and its utility[1] is confined to the Kaspa network. There is also a risk of loss or theft through cyberattacks, phishing, wallet mismanagement, or technical failures. Regulatory actions in various jurisdictions could also impact trading access or legal status.

I.4 Project Implementation-Related Risks

Kaspa's continued success depends on volunteer developers and community support, as there is no formal company funding development. This raises risks such as delays in protocol upgrades, resource constraints, or potential project abandonment. The roadmap is community-driven and not legally binding, meaning that planned features or improvements may be postponed, altered, or never realized

I.5 Technology-Related Risks

Although Kaspa leverages the novel GHOSTDAG protocol to enhance scalability, it remains a relatively new and experimental architecture. Potential risks include undiscovered protocol bugs, security vulnerabilities, and network instability under high load conditions. The absence of a formal third-party audit further amplifies concerns around undetected critical flaws in the codebase.

I.6 Mitigation Measures

Kaspa's open-source nature allows for transparent peer review, helping to detect and resolve technical issues through a global community of developers. Its deflationary supply model and PoW mining reduce the risk of inflation or central token manipulation. To mitigate user risks, participants are encouraged to use secure, non-custodial wallets, follow best practices in digital asset custody, and rely on reputable exchanges for token transactions. Future plans may include formal code audits, documentation improvements, and expanded community governance models to enhance resilience and trust.

[1] While KAS provides utility within the ecosystem, it does not constitute a Utility Token under Article 3(1)(8) of MiCA, as its access rights are not contractually guaranteed nor tied to specific, identifiable goods or services.

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 Mandatory information on principal adverse impacts on the climate and other environment-related adverse impacts of the consensus mechanism

aspa token (KAS) operates on a high-throughput, proof-of-work-based blockchain that leverages the GHOSTDAG protocol—a scalable generalization of Nakamoto Consensus designed for fast block rates and minimal confirmation latency. Despite using proof-of-work, Kaspa achieves efficiency through rapid block propagation and compact block sizes, supporting a sustainable and energy-conscious infrastructure. These characteristics contribute to a reduced environmental impact, aligning with MiCA's expectations for sustainability in distributed ledger technologies. The network's annual energy consumption is 2831162818.96 kWh/a.

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	KAS
S.4 Consensus Mechanism The consensus mechanism, as reported in field H.4	Proof-of-Work Ghost DAG Protocol
S.5 Incentive Mechanisms and Applicable Fees Incentive mechanisms to secure transactions and any fees applicable, as reported in field H.5	Kaspa uses a Proof-of-Work consensus, rewarding miners with newly minted KAS and transaction fees. Fees are dynamic, based on transaction size and network demand, allowing users to adjust costs for faster confirmations during high activity.
S.6 Beginning of the period to which the disclosure relates	2024-05-10
S.7 End of the period to which the disclosure relates	2024-05-10
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	2831162818.96 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	The energy consumption of the KAS token is calculated using a bottom-up approach, focusing on node activity. Public data, open-source tools, and certified lab tests inform estimates. Network-level energy use is attributed to the token based on its gas usage, using FFG DTI data to identify asset implementations.

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.	24.1347029759%
S.11 Energy intensity Average amount of energy used per validated transaction	3.52573 kWh
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	0.00000 tCO2e
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	1166427.93040 tCO2e
S.14 GHG intensity Average GHG emissions (scope 1 and scope 2) per validated transaction	1.45259 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.