CRYPTO RISK METRICS
DON'T TRUST. VERIFY.

White paper drafted under the European Markets in Crypto-Assets Regulation (EU) 2023/1114 for FFG 8CJXL9L2F

Preamble

00. Table of Co+ntents

01. Date of notification

2025-07-22

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

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

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

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

04. Statement in accordance with Article 6(5), points (a), (b), (c), of Regulation (EU) 2023/1114

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

05. Statement in accordance with Article 6(5), point (d), of Regulation (EU) 2023/1114

Since the token has additional functions (hybrid token), these are already conceptually not utility tokens within the meaning of the MiCAR within the definition of Article 3 (1), due to the necessity of the “exclusivity”.

06. Statement in accordance with Article 6(5), points (e) and (f), of Regulation (EU) 2023/1114

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

Summary

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

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

08. Characteristics of the crypto-asset

The crypto-asset “KIP Protocol” (Kip) available on the Ethereum blockchain (at the time of writing this white paper (2025-07-07) and according to DTI FFG shown in F.14).

KIP Protocol is designed to build infrastructure and processes for AI developers "to deploy, connect and monetise AI assets" in web3 (https://www.kip.pro/about-us, accessed 2025-07-03).

The initial production of the 10,000,000,000 tokens (the so-called "mint") took place on 2024-12-03 on Ethereum (see transaction

https://etherscan.io/tx/0xdf1953e52d26fbee834cd6c6603699473674cf4cd667175d7a3c4d1574ea2e9d, accessed 2025-07-07).

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

Since holding the crypto-asset does not grant access to any goods or services, this is not applicable at the time of writing this white paper (2025-07-03). The planned or intended functionalities or areas of application are neither guaranteed nor can they be independently verified. These are not enforceable rights.

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

Crypto Risk Metrics GmbH is seeking admission to trading on any Crypto Asset Service Provider platform in the European Union in accordance to Article 5 of REGULATION (EU) 2023/1114 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 31 May 2023 on markets in crypto-assets, and amending Regulations (EU) No 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937. In accordance to Article 5(4), this crypto-asset white paper may be used by entities admitting the token to trading after Crypto Risk Metrics GmbH as the person responsible for drawing up such white paper has given its consent to its use in writing to the repective Crypto Asset Service Provider. If a CASP wishes to use this white paper, inquiries can be made under info@crypto-risk-metrics.com.

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

A.1 Name

Crypto Risk Metrics GmbH

A.2 Legal form

2HBR

A.3 Registered address

DE, Lange Reihe 73, 20099 Hamburg, Germany

A.4 Head office

Not applicable.

A.5 Registration date

2018-12-03

A.6 Legal entity identifier

39120077M9TG0O1FE242

A.7 Another identifier required pursuant to applicable national law

Crypto Risk Metrics GmbH is registered with the commercial register in the city of Hamburg, Germany, under number HRB 154488.

A.8 Contact telephone number

+4915144974120

A.9 E-mail address

info@crypto-risk-metrics.com

A.10 Response time (Days)

030

A.11 Parent company

Not applicable.

A.12 Members of the management body

Name	Position	Address

Tim Zölitz	Chairman	Lange Reihe 73, 20099 Hamburg, Germany

A.13 Business activity

Crypto Risk Metrics GmbH is a technical service provider, who supports regulated entities in the fulfillment of their regulatory requirements. In this regard, Crypto Risk Metrics GmbH acts as a data-provider for ESG-data according to article 66 (5). Due to the regulations laid out in article 5 (4) of the REGULATION (EU) 2023/1114 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 31 May 2023 on markets in crypto-assets, and amending Regulations (EU) No 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937, Crypto Risk Metrics GmbH aims at providing central services for crypto-asset white papers in order to minimize market confusion due to conflicting white papers for the same asset.

A.14 Parent company business activity

Not applicable.

A.15 Newly established

Crypto Risk Metrics GmbH has been etablished since 2018 and is therefore not newly established (i. e. older than three years).

A.16 Financial condition for the past three years

Crypto Risk Metrics GmbH's profit after tax for the last three financial years are as follows:

2024 (unaudited): negative 50.891,81 EUR

2023 (unaudited): negative 27.665,32 EUR

2022: 104.283,00 EUR.

As 2023 and 2024 were the years building Software for the MiCAR-Regulation which was not yet in place, revenue streams from these investments are expected to be generated in 2025.

A.17 Financial condition since registration

This point would only be applicable if the company were newly established and the financial conditions for the past three years had not been provided in the bulletpoint before.

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

Yes

B.2 Name

The entity could not be clearly identified through official documents. However, individual fragments of information were found on secondary sources. They can be subject to contradiction. Their validity could not be confirmed while drafting this white paper (2025-07-07).

B.3 Legal form

Could not be found while drafting this white paper (2025-07-03).

B4. Registered address

Could not be found in official documents while drafting this white paper (2025-07-03). However, according to Pitchbook, the official address is

W44, SSP8, Unit 01-03 & 05-06, 25/F, CDW Building

388 Castle Peak Road, Tsuen Wan

Hong Kong

(see https://pitchbook.com/profiles/company/571502-17#overview, accessed 2025-07-07).

There is conflicting information around the address, as CBInsights states that the company is located in Singapore (https://www.cbinsights.com/company/kip-protocol, accessed 2025-07-03).

Neither information could be independently verified during the time of writing (2025-07-03 until 2025-07-07).

B.5 Head office

See B.4.

B.6 Registration date

Could not be found in official documents while drafting this white paper (2025-07-03). However, according to https://www.crunchbase.com/organization/kip-protocol (accessed 2025-07-03), the company was founded in 2023.

B.7 Legal entity identifier

Could not be found while drafting this white paper (2025-07-03).

B.8 Another identifier required pursuant to applicable national law

Could not be found while drafting this white paper (2025-07-03).

B.9 Parent company

Could not be found while drafting this white paper (2025-07-03).

B.10 Members of the management body

Name	Role
Julian Peh	CEO and Co-Founder (according to https://www.crunchbase.com/person/julian-peh-7fd7, accessed 2025-07-03)
Teo Jun Hao	COO (according to https://www.linkedin.com/company/kip-protocol/people/, accessed 2025-07-03).

Jennifer Dodgson	Chief of AI and Co-Founder (accoring to https://www.linkedin.com/posts/kip-protocol_the-recent-tech-forum-argentina-marked-a-activity-7257187924834689027-30ke?utm_source=share&utm_medium=member_desktop&rcm=ACoAACClCAcBcHwXkviWYXaVQ4uAzmx342rVrVY, accessed 2025-07-07)
Info	Other founders or relevant individuals could not be identified at the time of writing (2025-07-03).

B.11 Business activity

Could not be found while drafting this white paper (2025-07-03). However, on Crunchbase (https://www.crunchbase.com/organization/kip-protocol, accessed 2025-07-03), the following summary is given: "KIP Protocol is a decentralized base layer on which AI models, apps, and data owners can safely transact and monetize in Web3."

B.12 Parent company business activity

Could not be found while drafting this white paper (2025-07-03).

Part C – Information about the operator of the trading platform in cases where it draws up the crypto-asset white paper and information about other persons drawing the crypto-asset white paper pursuant to Article 6(1), second subparagraph, of Regulation (EU) 2023/1114

C.1 Name

Not applicable.

C.2 Legal form

Not applicable.

C.3 Registered address

Not applicable.

C.4 Head office

Not applicable

C.5 Registration date

Not applicable.

C.6 Legal entity identifier

Not applicable.

C.7 Another identifier required pursuant to applicable national law

Not applicable.

C.8 Parent company

Not applicable

C.9 Reason for crypto-Asset white paper Preparation

Not applicable.

C.10 Members of the Management body

Not applicable.

C.11 Operator business activity

Not applicable.

C.12 Parent company business activity

Not applicable

C.13 Other persons drawing up the crypto-asset white paper according to Article 6(1), second subparagraph, of Regulation (EU) 2023/1114

Not applicable.

C.14 Reason for drawing the white paper by persons referred to in Article 6(1), second subparagraph, of Regulation (EU) 2023/1114

Not applicable.

Part D – Information about the crypto-asset project

D.1 Crypto-asset project name

Long Name: "KIP Protocol", Short Name: " KIP" according to the Digital Token Identifier Foundation (www.dtif.org, DTI see F.13, FFG DTI see F.14 as of 2025-07-03).

D.2 Crypto-assets name

See F.13.

D.3 Abbreviation

See F.13.

D.4 Crypto-asset project description

The documentation of the project (https://kipprotocol.gitbook.io/wp, accessed 2025-07-03) addresses concerns about increasing concentration of power among tech companies, arguing that monopolistic control in artificial intelligence poses broader societal risks due to AI's potential for far-reaching influence, data integration, and regulatory capture. It outlines perceived limitations of regulation alone in addressing these issues and proposes a market-based, technology-driven alternative. The proposed solution, the KIP Protocol, is a Web3 framework designed to establish digital ownership over knowledge assets, enable transparent AI system interactions, and ensure equitable value distribution among contributors. The accompanying $KIP token functions within this ecosystem to support ownership, transactions, governance, and community engagement. The overall objective is to foster a more decentralized, transparent, and participatory AI development landscape.

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

Name	Role
Julian Peh	CEO and Co-Founder (according to https://www.crunchbase.com/person/julian-peh-7fd7, accessed 2025-

	07-03)
Teo Jun Hao	COO (according to https://www.linkedin.com/company/kip-protocol/people/, accessed 2025-07-03).
Jennifer Dodgson	Chief of AI and Co-Founder (accoring to https://www.linkedin.com/posts/kip-protocol_the-recent-tech-forum-argentina-marked-a-activity-7257187924834689027-30ke?utm_source=share&utm_medium=member_desktop&rcm=ACoAA-CClCAcBcHwXkviWYXaVQ4uAzmx342rVrVY, accessed 2025-07-07)
Bohdana S.	Helpdesk-Manager (see https://www.linkedin.com/in/bohdana-s-389243329/, accessed 2025-07-07)
Kemal Bora	Business Development Manager (https://www.linkedin.com/in/kemal-bora-223934159/, accessed 2025-07-07)
Kristine A.	Business Development Manager (https://www.linkedin.com/in/kristine-a-15293987/, accessed 2025-07-07)
Serhat Coşkun	KIP Protocol Türkiye Representative (https://www.linkedin.com/in/serhat-co%C5%9Fkun-crypto-de-nostradame-448320218/, accessed 2025-07-07)
Ahmad Tariq C.	Investor & Ambassador (https://www.linkedin.com/in/ahmadtariqch/, accessed 2025-07-07)
Roger Simões	AI Product Manager (https://www.linkedin.com/in/rogermsc/, accessed 2025-07-07)
Yoel Fernando	Community Lead (https://www.linkedin.com/in/yoel-fernando-2a99a0137/, accessed 2025-07-07)
Info	Other relevant individuals could not be identified at the time of writing

	(2025-07-03).

D.6 Utility Token Classification

Since the token has additional functions (transfer, burn, stake, vote), these are already conceptually not utility tokens within the meaning of the MiCAR within the definition of Article 3 (1), due to the necessity of the “exclusivity”.

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

Not applicable.

D.8 Plans for the token

The $KIP token is described as a utility and coordination element within the KIP Protocol framework. According to the official documentation (https://kipprotocol.gitbook.io/wp, accessed 2025-07-03), it is intended to facilitate several functions within a decentralized AI and knowledge-sharing ecosystem. The degree to which these features are implemented at the time of writing could not be independently verified.

1. Ownership Representation

The protocol intends to use ERC-3525 Semi-Fungible Tokens (SFTs) to represent ownership of "Knowledge Assets" on-chain.

These SFTs are designed to assign rights of control and monetization to data, model, and application contributors.

2. Medium of Exchange & Accounting Unit

$KIP is planned as a transaction currency within the ecosystem, used for accessing AI applications and datasets.

It is also expected to support transparent accounting mechanisms, enabling attribution of value to individual data contributions.

3. Incentives for Development and Participation

A grant system, reportedly managed by the KIP DAO, is proposed to fund research and the development of Knowledge Bases.

Participation incentives (e.g. reviewing, engagement) are planned to be rewarded in $KIP tokens.

4. Decentralized Governance

Token holders are expected to play a role in protocol governance, including voting on proposals, funding decisions, and system updates.

5. Project Funding via KIP Starter

Token staking is envisioned as a mechanism for gaining access to new project allocations.

$KIP may be used to fund selected Knowledge Base projects deemed to have growth potential.

6. Knowledge Asset Exchange (KIP X)

Plans include a decentralized exchange to enable trading of fractionalized Knowledge Assets.

Token staking may qualify users for trading fee reductions.

7. Community and Ecosystem Support

$KIP is proposed to be used for rewarding contributors, community builders, and ambassadors.

Additional grant mechanisms may support educational, community-driven, or mission-aligned initiatives.

Implementation Disclaimer

As of 2025-07-03, it has not been independently verified which of these components have been fully implemented, are under active development, or remain at the conceptual stage. Stakeholders should conduct appropriate due diligence before making any decisions based on the above functionalities. Similarly, the functionalities described may have a negative impact on the investor at any time.

D.9 Resource allocation

The official website contains technical and economic documentation on the project. On https://kipprotocol.gitbook.io/wp/iii-usdkip-a-new-economic-unit-for-ai-use/token-allocation (accessed 2025-07-03), the following allocation is communicated by the issuer:

Allocation Breakdown (share, number of KIP tokens):

Operational Expenses: 5%, 500,000,000

Liquidity: 10%, 1,000,000,000

Treasury: 10%, 1,000,000,000

Ecosystem Fund*: 11%, 1,100,000,000

Airdrop and Staking: 10%, 1,000,000,000

Node Operators: 20%, 2,000,000,000

Strategic Sale: 11%, 1,100,000,000

Private Sale: 10%, 1,000,000,000

Advisors: 3%, 300,000,000

Team: 10%, 1,000,000,000

The breakdown could also be stratified in another dimension: "Institutional Holders (Operational Expenses, Private Sale, Strategic Sale, Advisors, and Team): 39%

Ecosystem Stakeholders (Node Operators, Liquidity, Ecosystem Fund, Airdrop & Staking and Treasury): 61%"

Further, the above mentioned ecosystem fund is explained as follows:

"The Ecosystem Fund constitutes a key component of the $KIP token allocation. Its primary purpose is to catalyze and nurture Knowledge Asset creation, AI application development, and support community-driven initiatives. The Ecosystem Fund is

envisioned as a dynamic resource that actively promotes the growth and attachment of the KIP Protocol community.

Initiatives under the Ecosystem Fund include:

Grants: We will offer grants to knowledge creators, AI innovators, and community builders who contribute to the ecosystem's expansion. These grants serve as a vital catalyst for groundbreaking projects and ideas.

Promotional Campaigns: Engaging promotional campaigns will be conducted to attract new creators and contributors to the KIP Protocol. These campaigns are designed to spotlight exceptional knowledge bases and AI applications while amplifying community involvement.

Community Rewards: Active participants and enthusiasts within the KIP Protocol ecosystem will be rewarded through various mechanisms like airdrops or incentives, fostering a sense of belonging and recognition.

Our token allocation strategy is carefully crafted to strike a balance between organisational sustainability and community-driven growth. The Ecosystem Fund, as the cornerstone of this allocation, propels us toward our mission of revolutionizing knowledge sharing and empowering individuals worldwide."

Actual token distribution can be tracked on-chain but is not technically fixed or permanently attributable to individual entities, so significant changes may occur at any time. This uncertainty gives rise to risks that may adversely affect investors at any time.

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

On https://kipprotocol.gitbook.io/wp/iii-usdkip-a-new-economic-unit-for-ai-use/roadmap (accessed 2025-07-03), the project communicates a road map. For the sake of brevity, only the segment that supposedly is (partly) in the future will be included: "

Phase IV (Q1 2025 - Q4 2025): App Chain/L2 for AI

Grow developer relations programs

Sign state levels customers / partners

Pursue tier 1 exchange integrations

Engage the broader AI/ML ecosystem

International hackathon/workshop developer relations programme

This roadmap outlines our commitment to advancing the platform's features, empowering the community, expanding global presence, and ensuring long-term sustainability in the evolving landscape of the AI-driven knowledge economy."

Note that the roadmap is subject to change at any given time, it is not guaranteed that past roadmap goals have been fully achieved and that any development or change might negatively impact investors.

Part E – Information about the offer to the public of crypto-assets or their admission to trading

E.1 Public offering or admission to trading

The white paper concerns the admission to trading (i. e. ATTR) on any Crypto Asset Service Providers platform that has obtained the written consent of Crypto Risk Metrics GmbH as the person drafting this white paper.

E.2 Reasons for public offer or admission to trading

As already stated in A.13, Crypto Risk Metrics GmbH aims to provide central services to draw up crypto-asset white papers in accordance to COMMISSION IMPLEMENTING REGULATION (EU) 2024/2984. These services are offered in order to minimize market confusion due to conflicting white papers for the same asset drawn up from different Crypto Asset Service Providers. As of now, such a scenario seems highly likely as a Crypto Asset Service Provider who drew up a crypto-asset white paper and admitted the respective token in the Union has no incentive to give his written consent to another Crypto Asset Service Provider according to Article 5 (4 b) of the REGULATION (EU) 2023/1114 to use the white paper for his regulatory obligations, as this would 1. strenghthen the market-positioning of the other Crypto Asset Service Provider (who is most likely a competitor) and 2. also entail liability risks.

E.3 Fundraising target

Not applicable.

E.4 Minimum subscription goals

Not applicable.

E.5 Maximum subscription goals

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

E.10 Subscription fee

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

E.11 Offer price determination method

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

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

A total amount of 10,000,000,000 tokens has been initially minted (see tx hash: https://etherscan.io/tx/0xdf1953e52d26fbee834cd6c6603699473674cf4cd667175d7a3c4d1574ea2e9d, accessed 2025-07-03).The ownership or mint atuhority for the token

can not independently be verified and it is possible that the supply is still subject to arbitrary change which can negatively impact the investors.

E.13 Targeted holders

ALL

E.14 Holder restrictions

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

E.15 Reimbursement notice

Not applicable.

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

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

E.25 Value transfer methods for reimbursement

Not applicable.

E.26 Right of withdrawal

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

E.27 Transfer of purchased crypto-assets

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

E.28 Transfer time schedule

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

E.29 Purchaser's technical requirements

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

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

Not applicable.

E.31 CASP identifier

Not applicable.

E.32 Placement form

Not applicable.

E.33 Trading platforms name

The trading on all MiCAR-compliant trading platforms is sought.

E.34 Trading platforms Market identifier code (MIC)

Not applicable.

E.35 Trading platforms access

This depends on the trading platform listing the asset.

E.36 Involved costs

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

E.37 Offer expenses

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

E.38 Conflicts of interest

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

E.39 Applicable law

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

E.40 Competent court

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

Part F – Information about the crypto-assets

F.1 Crypto-asset type

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

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

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

F.2 Crypto-asset functionality

The token is used in the following ways according to the official website's documentation (https://kipprotocol.gitbook.io/wp/iii-usdkip-a-new-economic-unit-for-ai-use/usdkip-token-utility, accessed 2025-07-03):

"1. SFT Ownership:

Ownership Tokens: Knowledge Asset ownership is represented by ERC 3525 Semi-Fungible Tokens (SFTs) on the blockchain. These SFTs grant ownership and control to knowledge creators and token holders.

2. Transaction Currency / Accounting Unit:

Monetizing Data Assets: $KIP tokens are used as a transaction currency within the KIP Protocol ecosystem for use of AI apps and Knowledge Assets. Because $KIP are used as a universal settlement mechanism, the internal flows also constitute a transparent record for users wishing to know which datasets have been used with which models, and for creators wishing to establish clear value metrics for their work.

3. Grants, Rewards and Engagement:

KIP DAO Grants: $KIP tokens are deployed via the KIP DAO to fund new and innovative research projects, resulting in new Knowledge Assets. These financial incentives encourage the development of valuable Knowledge Bases to serve as hubs of commerce for the entire KIP Protocol.

Community Engagement: Users and community members earn $KIP tokens as incentives for actively participating in discussions, reviewing knowledge bases, and engaging with the ecosystem. These incentives promote ongoing user engagement and community building.

4. DAO Governance:

Decentralized Decision-Making: $KIP token holders actively influence the direction of the KIP Protocol through decentralized governance. They propose, debate, and vote on crucial decisions, grants, and protocol upgrades, ensuring that the community has a direct say in the evolution of the KIP Protocol.

5. KIP Starter Launchpad:

Project Allocation: $KIP token holders may stake their tokens to gain allocation for projects on KIP Starter. This engagement mechanism ensures that projects align with the community's interests and values.

Project Funding: $KIP tokens are used to fund Knowledge Base projects with growth potential on KIP Starter, providing creators with the resources to bring their visions to life.

6. KIP X: Decentralized Exchange for Fractionalised Knowledge Assets:

Fractionalized Ownership Trading: $KIP tokens facilitate the trading of fractionalized Knowledge Assets on KIP X. This specialization opens up diverse investment opportunities, enhancing the liquidity of Knowledge Asset ownership.

Trading Fee Rebates: Users who stake $KIP tokens on KIP X gain trading fee rebates, providing them with added incentives to participate in the platform.

7. Community Building and Grants:

Community Building: $KIP tokens are used to reward community builders and ambassadors who actively contribute to the growth and vibrancy of the KIP community.

Grant Funding: Beyond KIP DAO, dedicated grants funded by $KIP tokens can support community-driven projects, educational initiatives, and events that align with our mission.

The $KIP token is not merely a digital currency; it is the catalyst that empowers every participant to actively shape the future of decentralised AI."

Note that the roadmap is subject to change at any given time, it is not guaranteed that past roadmap goals have been fully achieved and that any development or change might negatively impact investors.

F.3 Planned application of functionalities

The features in F.2 are cited by the project or visible in community activity; however, their actual implementation status may vary over time and is partly not clearly established at the time of writing (2025-07-03). No guarantees are made regarding functionality, availability, or future developments.

The overview in F.2 is based on project communications and observed functionalities but does not constitute a definitive or contractual description of the token's current or future utility.

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

F.4 Type of crypto-asset white paper

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

F.5 The type of submission

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

F.6 Crypto-asset characteristics

The tokens are crypto-assets other than EMTs and ARTs, which are available on the Ethereum blockchain.

10,000,000,000 tokens have been initially minted (https://etherscan.io/tx/0xdf1953e52d26fbee834cd6c6603699473674cf4cd667175d7a3c4d1574ea2e9d, accessed 2025-07-03) on 2024-12-03. The tokens are fungible (up to 18 digits after the decimal point). The amount of token which are available in the market depends on how many were burned and if more can be minted (which can not be verified at the time of writing, 2025-07-03). Any user can burn tokens by sending them to a burn address. Anyone with an internet connection can send and receive the crypto-asset without intermediaries.

F.7 Commercial name or trading name

See F.13.

F.8 Website of the issuer

https://www.kip.pro/

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

2025-08-19

F.10 Publication date

2025-08-19

F.11 Any other services provided by the issuer

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

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

EN

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

FTRPKQXMT

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

8CJXL9L2F

F.15 Voluntary data flag

Mandatory.

F.16 Personal data flag

The white paper does contain personal data.

F.17 LEI eligibility

The issuer should be eligible for a Legal Entity Identifier.

F.18 Home Member State

Germany

F.19 Host Member States

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

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

G.1 Purchaser rights and obligations

There are no rights or obligations attached for/of the purchaser.

G.2 Exercise of rights and obligations

As the token grants neither rights nor obligations, there are no procedures and conditions for the exercise of these rights applicable.

G.3 Conditions for modifications of rights and obligations

As the token grants neither rights nor obligations, there are no conditions under which the rights and obligations may be modified applicable.

G.4 Future public offers

Not applicable

G.5 Issuer retained crypto-assets

As the issuer could not be determined, no information about retained assets by the issuer itself were available at the time of drafting this white paper (2025-07-03). However, the token allocation implies that the team retained 10% of the token supply for themselves.

This is subject to change which can negatively impact investors.

The actual distribution of tokens can be traced on-chain (https://etherscan.io/token/0x946fb08103b400d1c79e07acccdef5cfd26cd374#balances). The investor must be aware that a public address cannot necessarily be assigned to a

single person or other entity. It is not possible to determine exactly how many assets are retained by the issuer. This information is subject to change and can not be independently verified. The changes may adversely affect investors at any time.

G.6 Utility token classification

No

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

As the crypto-asset grants no access to neither goods nor services this information is not applicable.

G.8 Utility tokens redemption

Not applicable.

G.9 Non-trading request

The admission to trading is sought.

G.10 Crypto-assets purchase or sale modalities

Not applicable, as the admission to trading of the tokens is sought.

G.11 Crypto-assets transfer restrictions

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

G.12 Supply adjustment protocols

No, there are no fixed protocols that can increase or decrease the supply as of 2025-07-03.

G.13 Supply adjustment mechanisms

The mint authority (the entity who can create new tokens of that crypto-asset) has the potential right to change the supply of the crypto-assets. However, it can not

independently verified if the authority still is with the issuer or if it was forfeited (https://etherscan.io/address/0x946fb08103b400d1c79e07acCCDEf5cfd26cd374#readContract, accessed 2025-07-03). This creates a risk for investors that new tokens may be created and corresponding dilutions may occur. Even if it was forfeited, some discussions suggest that, in theory, a private key could exist for them, the chance of anyone discovering such a key is computationally infeasible with current and foreseeable technology (see https://ethereum.stackexchange.com/questions/52908/who-has-access-to-ethereum-0x0000000000000000000000000000000000000000-address, accessed 2025-07-03).

G.14 Token value protection schemes

No, the token does not have value protection schemes.

G.15 Token value protection schemes description

Not applicable.

G.16 Compensation schemes

No, the token does not have compensation schemes.

G.17 Compensation schemes description

Not applicable.

G.18 Applicable law

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

G.19 Competent court

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

Part H – information on the underlying technology

H.1 Distributed ledger technology (DTL)

See F.13.

H.2 Protocols and technical standards

The crypto-asset operates on a well-defined set of protocols and technical standards that are intended to ensure its security, decentralization, and functionality. Below are some of the key ones:

1. Network Protocols

The crypto-asset follows a decentralized, peer-to-peer (P2P) protocol where nodes communicate over the crypto-asset's DevP2P protocol using RLPx for data encoding.

- Transactions and smart contract execution are secured through Proof-of-Stake (PoS) consensus.

- Validators propose and attest blocks in Ethereum's Beacon Chain, finalized through Casper FFG.

- The Ethereum Virtual Machine (EVM) executes smart contracts using Turing-complete bytecode.

2. Transaction and Address Standards

crypto-asset Address Format: 20-byte addresses derived from Keccak-256 hashing of public keys.

Transaction Types:

- Legacy Transactions (pre-EIP-1559)

- Type 0 (Pre-EIP-1559 transactions)

- Type 1 (EIP-2930: Access list transactions)

- Type 2 (EIP-1559: Dynamic fee transactions with base fee burning)

The Pectra upgrade introduces EIP-7702, a transformative improvement to account abstraction. This allows externally owned accounts (EOAs) to temporarily act as smart contract wallets during a transaction. It provides significant flexibility, enabling functionality such as sponsored gas payments and batched operations without changing the underlying account model permanently.

3. Blockchain Data Structure & Block Standards

- the crypto-asset's blockchain consists of accounts, smart contracts, and storage states, maintained through Merkle Patricia Trees for efficient verification.

Each block contains:

- Block Header: Parent hash, state root, transactions root, receipts root, timestamp, gas limit, gas used, proposer signature.

- Transactions: Smart contract executions and token transfers.

- Block Size: No fixed limit; constrained by the gas limit per block (variable over time). In line with Ethereum's scalability roadmap, Pectra includes EIP-7691, which increases the maximum number of "blobs" (data chunks introduced with EIP-4844) per block. This change significantly boosts the data availability layer used by rollups, supporting cheaper and more efficient Layer 2 scalability.

4. Upgrade & Improvement Standards

Ethereum follows the Ethereum Improvement Proposal (EIP) process for upgrades.

H.3 Technology used

1. Decentralized Ledger: The Ethereum blockchain acts as a decentralized ledger for all token transactions, with the intention to preserving an unalterable record of token transfers and ownership to ensure both transparency and security.

2. Private Key Management: To safeguard their token holdings, users must securely store their wallet's private keys and recovery phrases.

3. Cryptographic Integrity: Ethereum employs elliptic curve cryptography to validate and execute transactions securely, intended to ensure the integrity of all transfers. The

Keccak-256 (SHA-3 variant) Hashing Algorithm is used for hashing and address generation. The crypto-asset uses ECDSA with secp256k1 curve for key generation and digital signatures. Next to that, BLS (Boneh-Lynn-Shacham) signatures are used for validator aggregation in PoS.

H.4 Consensus mechanism

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.

H.5 Incentive mechanisms and applicable fees

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.

H.6 Use of distributed ledger technology

No, DLT is not operated by the issuer or a third party acting on the issuer’s behalf.

H.7 DLT functionality description

Not applicable.

H.8 Audit

As we are understanding the question relating to "technology" to be interpreted in a broad sense, the answer answer to whether an audit of "the technology used" was conducted is "no, we can not guarantee, that all parts of the technology used have been audited". This is due to the fact this report focusses on risk, and we can not guarantee that each part of the technology used was audited.

H.9 Audit outcome

Not applicable.

Part I – Information on risks

I.1 Offer-related risks

1. Regulatory and Compliance

This white paper (as of 2025-07-03) has been prepared with utmost caution; however, uncertainties in the regulatory requirements and future changes in regulatory frameworks could potentially impact the token's legal status and its tradability. There is also a high probability that other laws will come into force, changing the rules for the trading of the token. Therefore, such developments shall be monitored and acted upon accordingly.

2. Operational and Technical

Blockchain Dependency: The token is entirely dependent on the blockchain the crypto-asset is issued upon (as of 2025-07-03). Any issues, such as downtime, congestion, or security vulnerabilities within the blockchain, could adversely affect the token's functionality.

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

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

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

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

3. Market and Liquidity

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

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

4. Counterparty

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

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

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

5. Liquidity

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

6. Failure of one or more Counterparties

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

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

I.2 Issuer-related risks

1. Insolvency

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

2. Counterparty

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

3. Legal and Regulatory Compliance

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

4. Operational

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

5. Industry

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

6. Reputational

The issuer faces the risk of negative publicity, whether due to, without limitation, operational failures, security breaches, or association with illicit activities, which can damage the issuer reputation and, by extension, the value and acceptance of the crypto-asset.

7. Competition

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

8. Unanticipated Risk

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

I.3 Crypto-assets-related risks

1. Valuation

As the crypto-asset does not have any intrinsic value, and grants neither rights nor obligations, the only mechanism to determine the price is supply and demand. Historically, most crypto-assets have dramatically lost value and were not a beneficial

investment for the investors. Therefore, investing in these crypto-assets poses a high risk, and the loss of funds can occur.

2. Market Volatility

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

3. Liquidity Challenges

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

4. Asset Security

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

5. Scams

The irrevocability of transactions executed using blockchain infrastructure, as well as the pseudonymous nature of blockchain ecosystems, attracts scammers. Therefore, investors in crypto-assets must proceed with a high degree of caution when investing in if they invest in crypto-assets. Typical scams include – but are not limited to – the

creation of fake crypto-assets with the same name, phishing on social networks or by email, fake giveaways/airdrops, identity theft, among others.

6. Blockchain Dependency

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

7. Privacy Concerns

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

8. Regulatory Uncertainty

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

9. Counterparty risk

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

10. Reputational concerns

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

11. Technological Innovation

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

12. Community and Narrative

As the crypto-asset has no intrinsic value, all trading activity is based on the intended market value is heavily dependent on its community and the popularity of the memecoin narrative. Declining interest or negative sentiment could significantly impact the token’s value.

13. Interest Rate Change

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

also affect market sentiment and, therefore most likely also the price of the crypto-asset.

14. Taxation

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

15. Anti-Money Laundering/Counter-Terrorism Financing

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

16. Market Abuse

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

17. Timeline and Milestones

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

I.4 Project implementation-related risks

As this white paper relates to the "Admission to trading" of the crypto-asset, the implementation risk is referring to the risks on the Crypto Asset Service Providers side.

These can be, but are not limited to, typical project management risks, such as key-personal-risks, timeline-risks, and technical implementation-risks.

I.5 Technology-related risks

As this white paper relates to the "Admission to trading" of the crypto-asset, the technology-related risks mainly lie in the settling on the Ethereum-Network.

1. Blockchain Dependency Risks

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

Scalability Challenges: Despite Ethereum comparatively high throughput design, unexpected demand or technical issues might compromise its performance.

2. Wallet and Storage Risks

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

3. Network Security Risks

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

4. Centralization Concerns: Although claiming to be decentralized, Ethereum relatively smaller number of validators/concentration of stakes within the network compared to other blockchains and the influence of the Ethereum Foundation (as of 2025-03-09) might pose centralization risks, potentially affecting network resilience.

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

I.6 Mitigation measures

None.

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

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

S.1 Name

Crypto Risk Metrics GmbH

S.2 Relevant legal entity identifier

39120077M9TG0O1FE242

S.3 Name of the cryptoasset

Kip Protocol

S.4 Consensus Mechanism

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

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

2024-07-07

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

2025-07-07

S.8 Energy consumption

328.37138 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 Ethereum is calculated first. For the energy consumption of the token, a fraction of the energy consumption of the network 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.

S.10 Renewable energy consumption

26.5386870830 %

S.11 Energy intensity

0.00009 kWh

S.12 Scope 1 DLT GHG emissions – Controlled

0.00000 tCO2e/a

S.13 Scope 2 DLT GHG emissions – Purchased

0.10928 tCO2e/a

S.14 GHG intensity

0.00003 kgCO2e

S.15 Key energy sources and methodologies

To determine the proportion of renewable energy usage, the locations of the nodes are to be determined using public information sites, open-source crawlers and crawlers developed in-house. If no information is available on the geographic distribution of the nodes, reference networks are used which are comparable in terms of their incentivization structure and consensus mechanism. This geo-information is merged with public information from Our World in Data, see citation. The intensity is calculated as the marginal energy cost wrt. one more transaction.

Ember (2025); Energy Institute - Statistical Review of World Energy (2024) – with major processing by Our World in Data. "Share of electricity generated by renewables – Ember and Energy Institute" [dataset]. Ember, "Yearly Electricity Data Europe"; Ember, "Yearly Electricity Data"; Energy Institute, "Statistical Review of World Energy" [original data]. Retrieved from https://ourworldindata.org/grapher/share-electricity renewables.

S.16 Key GHG sources and methodologies

To determine the GHG Emissions, the locations of the nodes are to be determined using public information sites, open-source crawlers and crawlers developed in-house. If no information is available on the geographic distribution of the nodes, reference networks are used which are comparable in terms of their incentivization structure and consensus mechanism. This geo- information is merged with public information from Our World in Data, see citation. The intensity is calculated as the marginal emission wrt. one more transaction.

Ember (2025); Energy Institute - Statistical Review of World Energy (2024) – with major processing by Our World in Data. "Carbon intensity of electricity generation – Ember and Energy Institute" [dataset]. Ember, "Yearly Electricity Data Europe"; Ember, "Yearly Electricity Data"; Energy Institute, "Statistical Review of World Energy" [original data]. Retrieved from https://ourworldindata.org/grapher/carbon-intensity electricity Licenced under CC BY 4.0

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