

MiCA White Paper

LCX Silver (LCXS)

Version 1.0
April 2025

White Paper in accordance with the Markets in Crypto-Assets Regulation (MiCAR)
for the European Union (EU) & European Economic Area (EEA)

Classification: Utility Token under Article 3(1)(9) and Annex I of MiCAR

Purpose: Offer to the public and admission to trading in the EU/EEA

Prepared and filed by LCX.com

Copyright:

This White Paper is under **copyright** of LCX AG Liechtenstein and may not be used, copied, or published by any third party without explicit written permission from LCX AG.

COMPLIANCE STATEMENTS	6
SUMMARY	7
A. PART A - INFORMATION ABOUT THE OFFEROR OR THE PERSON SEEKING ADMISSION TO TRADING	9
A.1 Name	9
A.2 Legal Form	9
A.3 Registered Address	9
A.4 Head Office	9
A.5 Registration Date	9
A.6 Legal Entity Identifier	9
A.7 Another Identifier Required Pursuant to Applicable National Law	9
A.8 Contact Telephone Number	9
A.9 E-mail Address	9
A.10 Response Time (Days)	9
A.11 Parent Company	9
A.12 Members of the Management Body	9
A.13 Business Activity	9
A.14 Parent Company Business Activity	10
A.15 Newly Established	10
A.16 Financial Condition for the past three Years	10
A.17 Financial Condition Since Registration	10
B. PART B - INFORMATION ABOUT THE ISSUER, IF DIFFERENT FROM THE OFFEROR OR PERSON SEEKING ADMISSION TO TRADING	11
B.1 Issuer different from offeror or person seeking admission to trading	11
B.2 Name	11
B.3 Legal Form	11
B.4 Registered Address	11
B.5 Head Office	11
B.6 Registration Date	11
B.7 Legal Entity Identifier	11
B.8 Another Identifier Required Pursuant to Applicable National Law	11
B.9 Parent Company	11
B.10 Members of the Management Body	11
B.11 Business Activity	11
B.12 Parent Company Business Activity	11
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	12
C.1 Name	12
C.2 Legal Form	12
C.3 Registered Address	12
C.4 Head Office	12
C.5 Registration Date	12
C.6 Legal Entity Identifier	12
C.7 Another Identifier Required Pursuant to Applicable National Law	12
C.8 Parent Company	12
C.9 Reason for Crypto-Asset White Paper Preparation	12
C.10 Members of the Management Body	12
C.11 Operator Business Activity	12
C.12 Parent Company Business Activity	13
C.13 Other persons drawing up the white paper under Article 6 (1) second subparagraph MiCA	13
C.14 Reason for drawing up the white paper under Article 6 (1) second subparagraph MiCA	13
D. PART D - INFORMATION ABOUT THE CRYPTO-ASSET PROJECT	14
D.1 Crypto-Asset Project Name	14
D.2 Crypto-Assets Name	14
D.3 Abbreviation	14
D.4 Crypto-Asset Project Description	14

D.5 Details of all persons involved in the implementation of the crypto-asset project	14
D.6 Utility Token Classification	14
D.7 Key Features of Goods/Services for Utility Token Projects	14
D.8 Plans for the Token	14
D.9 Resource Allocation	14
D.10 Planned Use of Collected Funds or Crypto-Assets	14
E. PART E - INFORMATION ABOUT THE OFFER TO THE PUBLIC OF CRYPTO-ASSETS OR THEIR ADMISSION TO TRADING	15
E.1 Public Offering or Admission to Trading	15
E.2 Reasons for Public Offer or Admission to Trading	15
E.3 Fundraising Target	15
E.4 Minimum Subscription Goals	15
E.5 Maximum Subscription Goal	15
E.6 Oversubscription Acceptance	15
E.7 Oversubscription Allocation	15
E.8 Issue Price	15
E.9 Official Currency or Any Other Crypto-Assets Determining the Issue Price	15
E.10 Subscription Fee	15
E.11 Offer Price Determination Method	15
E.12 Total Number of Offered/Traded Crypto-Assets	15
E.13 Targeted Holders	15
E.14 Holder Restrictions	15
E.15 Reimbursement Notice	16
E.16 Refund Mechanism	16
E.17 Refund Timeline	16
E.18 Offer Phases	16
E.19 Early Purchase Discount	16
E.20 Time-Limited Offer	16
E.21 Subscription Period Beginning	16
E.22 Subscription Period End	16
E.23 Safeguarding Arrangements for Offered Funds/Crypto-Assets	16
E.24 Payment Methods for Crypto-Asset Purchase	16
E.25 Value Transfer Methods for Reimbursement	16
E.26 Right of Withdrawal	16
E.27 Transfer of Purchased Crypto-Assets	16
E.28 Transfer Time Schedule	16
E.29 Purchaser's Technical Requirements	16
E.30 Crypto-asset service provider (CASP) name	16
E.31 CASP identifier	16
E.32 Placement Form	16
E.33 Trading Platforms name	16
E.34 Trading Platforms Market Identifier Code (MIC)	17
E.35 Trading Platforms Access	17
E.36 Involved Costs	17
E.37 Offer Expenses	17
E.38 Conflicts of Interest	17
E.39 Applicable Law	17
E.40 Competent Court	17
F. PART F - INFORMATION ABOUT THE CRYPTO-ASSETS	18
F.1 Crypto-Asset Type	18
F.2 Crypto-Asset Functionality	18
F.3 Planned Application of Functionalities	18
F.4 Type of white paper	18
F.5 The type of submission	18
F.6 Crypto-Asset Characteristics	18
F.7 Commercial name or trading name	18
F.8 Website of the issuer	18

F.9 Starting date of offer to the public or admission to trading	18
F.10 Publication date	18
F.11 Any other services provided by the issuer	18
F.12 Identifier of operator of the trading platform	18
F.13 Language or languages of the white paper	18
F.14 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	18
F.15 Functionally Fungible Group Digital Token Identifier, where available	19
F.16 Voluntary data flag	19
F.17 Personal data flag	19
F.18 LEI eligibility	19
F.19 Home Member State	19
F.20 Host Member States	19
G. PART G - INFORMATION ON THE RIGHTS AND OBLIGATIONS ATTACHED TO THE CRYPTO-ASSETS	20
G.1 Purchaser Rights and Obligations	20
G.2 Exercise of Rights and Obligation	20
G.3 Conditions for Modifications of Rights and Obligations	20
G.4 Future Public Offers	20
G.5 Issuer Retained Crypto-Assets	20
G.6 Utility Token Classification	20
G.7 Key Features of Goods/Services of Utility Tokens	20
G.8 Utility Tokens Redemption	20
G.9 Non-Trading Request	20
G.10 Crypto-Assets Purchase or Sale Modalities	20
G.11 Crypto-Assets Transfer Restrictions	20
G.12 Supply Adjustment Protocols	20
G.13 Supply Adjustment Mechanisms	20
G.14 Token Value Protection Schemes	21
G.15 Token Value Protection Schemes Description	21
G.16 Compensation Schemes	21
G.17 Compensation Schemes Description	21
G.18 Applicable Law	21
G.19 Competent Court	21
H. PART H – INFORMATION ON THE UNDERLYING TECHNOLOGY	21
H.1 Distributed ledger technology	21
H.2 Protocols and Technical Standards	22
H.3 Technology Used	23
H.4 Consensus Mechanism	23
H.5 Incentive Mechanisms and Applicable Fees	24
H.6 Use of Distributed Ledger Technology	24
H.7 DLT Functionality Description	24
H.8 Audit	24
H.9 Audit Outcome	24
I. PART I – INFORMATION ON RISKS	25
I.1 Offer-Related Risks	25
I.2 Issuer-Related Risks	25
I.3 Crypto-Assets-Related Risks	25
I.4 Project Implementation-Related Risks	26
I.5 Technology-Related Risks	26
I.6 Mitigation Measures	26
J. PART J – INFORMATION ON THE SUSTAINABILITY INDICATORS IN RELATION TO ADVERSE IMPACT ON THE CLIMATE AND OTHER ENVIRONMENT-RELATED ADVERSE IMPACTS	27
J.1 Mandatory information on principal adverse impacts on the climate and other environment-related adverse impacts of the consensus mechanism	27
J.2 Supplementary information on principal adverse impacts on the climate and other environment-related adverse impacts of the consensus mechanism	28

This crypto-asset white paper has been prepared in accordance with Regulation (EU) 2023/1114 on Markets in Crypto-Assets (MiCAR) for the purposes of offering the LCXS token to the public and seeking admission to trading within the European Union and the European Economic Area.

LCXS is classified as a Utility Token under Article 4(1) of MiCAR, as it is intended to provide digital access to a good or service via distributed ledger technology and does not seek to maintain a stable value by reference to any asset or currency.

In line with Article 5(1) of MiCAR, this white paper has been notified to the Financial Market Authority (FMA) Liechtenstein prior to publication and is published in accordance with Article 6. No approval by the competent authority is required, and this white paper will be registered in the MiCA register maintained by the European Securities and Markets Authority (ESMA).

NOTE: 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 IS SOLELY RESPONSIBLE FOR THE CONTENT OF THIS CRYPTO-ASSET WHITE PAPER ACCORDING TO THE EUROPEAN UNION'S MARKETS IN CRYPTO-ASSET REGULATION (MICA).

01 DATE OF NOTIFICATION

2025-04-14

COMPLIANCE STATEMENTS

- 02 This crypto-asset white paper has not been approved by any competent authority in any Member State of the European Union. 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 and Annex I of Regulation (EU) 2023/1114, and is prepared in accordance with the requirements applicable to Utility Tokens under MiCAR 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.

According to the current interpretation and structure of the LCXS ecosystem, the token does not fulfill the criteria for an asset-referenced token under MiCAR Article 3(1)(6), as it does not directly reference a value or asset, nor does it aim to stabilize its value. LCXS is functionally designed to enable access to tokenized NFTs (Tiamonds Silver NFTs), which in turn may be redeemed for physical silver. The NFT, not the LCXS token, reflects ownership of the underlying asset.

- 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. Any decision to purchase or invest in the crypto-asset should be based on a comprehensive consideration of the full content of the white paper, not solely on this summary.

The offer to the public of this crypto-asset and its admission to trading do not constitute an offer or solicitation to purchase financial instruments. Any such offer or solicitation may only be made by means of a prospectus or other offering document in accordance with applicable national or Union law.

This crypto-asset white paper does not constitute a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council, nor does it serve as any other type of offer document under Union or national law.

08 Characteristics of the crypto-asset

LCXS is classified as a Utility Token under Article 3(1)(9) of Regulation (EU) 2023/1114 (MiCAR). LCXS tokens solely provide digital access rights to unlock and retrieve a specific Tiamonds Silver NFT previously deposited into the LCX Tokenization Bridge smart contract.

Each Tiamonds Silver NFT independently represents a direct ownership right to exactly one (1) ounce of investment-grade physical silver. This physical silver is securely stored in insured, high-security vaults in Liechtenstein and fully insured by Lloyd's of London. It is important to clearly understand that LCXS tokens themselves are NOT backed by silver, do NOT grant ownership rights to physical silver, and do NOT confer a direct claim or redemption right to physical silver.

Instead, the LCXS token exclusively functions as a digital key or access mechanism. Holding LCXS tokens enables holders to retrieve the Tiamonds Silver NFTs stored within the LCX Tokenization Bridge. Once the NFT is successfully redeemed from the smart contract, the holder independently holds the ownership right to the underlying silver represented by the NFT itself. All rights related to redemption of the physical silver are thus exclusively derived from and managed under the separate terms applicable to the Tiamonds Silver NFTs issued by Tiamonds AG.

Therefore, LCXS tokens neither stabilize their value against silver nor any other asset and should not be viewed as a stablecoin or asset-referenced token. Any economic value or market pricing of LCXS tokens is purely market-driven based on demand and supply dynamics, and may indirectly reflect market perceptions about the NFTs they grant access to.

09 Not applicable

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

LCXS is a utility token as defined in Article 3(1)(9) of MiCAR. It provides access to a service operated by LCX AG – namely, the ability to redeem a specific NFT (Tiamonds Silver NFT), which serves as a digital representation of ownership in physical silver.

The NFT is redeemable through a third-party provider (Tiamonds AG). LCXS does not directly reference or stabilize its value against any underlying assets, including silver, and is therefore not an asset-referenced token (ART) under MiCAR.

The value of LCXS is determined by market supply and demand, and may be influenced by the market value of the NFT it can unlock, but it does not aim to replicate or stabilize against the silver price.

<i>Total offer amount</i>	The token issuance is continuous and access-based, and does not constitute an offer of a financial instrument. LCXS is issued under the notification regime of Article 5 MiCAR. The provisions of Title III MiCAR do not apply.
<i>Total number of tokens to be offered to the public</i>	Variable
<i>Subscription period</i>	Continuous
<i>Minimum and maximum subscription amount</i>	Not applicable
<i>Issue price</i>	Variable
<i>Subscription fees (if any)</i>	Tokenization fee of 1%, paid in LCX token. Additionally standard blockchain gas fees may apply.
<i>Target holders of tokens</i>	Retail and professional investors within EU/EEA and globally (subject to legal access)
<i>Description of offer phases</i>	Continuous
<i>CASP responsible for placing the token (if any)</i>	LCX AG, Herrengasse 6, 9490 Vaduz, Liechtenstein
<i>Form of placement</i>	Without a firm commitment basis
<i>Admission to trading</i>	LCX AG, Herrengasse 6, 9490 Vaduz, Liechtenstein

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

A.1 Name

LCX

A.2 Legal Form

AG

A.3 Registered Address

Herrengasse 6, 9490 Vaduz, Liechtenstein

A.4 Head Office

Herrengasse 6, 9490 Vaduz, Liechtenstein

A.5 Registration Date

24.04.2018

A.6 Legal Entity Identifier

529900SN07Z6RTX8R418

A.7 Another Identifier Required Pursuant to Applicable National Law

FL-0002.580.678-2

A.8 Contact Telephone Number

+423 235 40 15

A.9 E-mail Address

legal@lcx.com

A.10 Response Time (Days)

020

A.11 Parent Company

Not applicable

A.12 Members of the Management Body

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

A.13 Business Activity

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

Under MiCA, LCX is classified as a Crypto-Asset Service Provider (CASP). LCX AG has applied for MiCA licensing on February 1, 2025, the first day of MiCA's implementation in Liechtenstein.

Under the TVTG framework, LCX provides:

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

A.14 Parent Company Business Activity

Not applicable

A.15 Newly Established

false

A.16 Financial Condition for the past three Years

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

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

A.17 Financial Condition Since Registration

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

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

B. PART B - INFORMATION ABOUT THE ISSUER, IF DIFFERENT FROM THE OFFEROR OR PERSON SEEKING ADMISSION TO TRADING

B.1 Issuer different from offeror or person seeking admission to trading

false

B.2 Name

Not applicable

B.3 Legal Form

Not applicable

B.4 Registered Address

Not applicable

B.5 Head Office

Not applicable

B.6 Registration Date

Not applicable

B.7 Legal Entity Identifier

Not applicable

B.8 Another Identifier Required Pursuant to Applicable National Law

Not applicable

B.9 Parent Company

Not applicable

B.10 Members of the Management Body

Not applicable

B.11 Business Activity

Not applicable

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

This crypto-asset white paper has been prepared in accordance with Regulation (EU) 2023/1114 (MiCA) for the purpose of:

- The **offer to the public** of LCXS tokens within the European Union (EU) and European Economic Area (EEA), and
- The **admission to trading** of LCXS on regulated platforms, starting with the LCX Exchange.

While the total consideration for the public offer of LCXS is expected to remain below EUR 5,000,000 over a rolling 12-month period, and is therefore exempt from prior approval by the competent authority under Article 4(2)(b) of the Regulation, the issuer — LCX AG — is fulfilling its obligation to:

- Notify this white paper to the Financial Market Authority (FMA) Liechtenstein;
- Publish the white paper publicly;
- And ensure its registration in the MiCA register maintained by the European Securities and Markets Authority (ESMA).

This white paper has been prepared to provide transparent, accurate, and fair information to prospective token holders and regulatory authorities in line with the principles of MiCA.

C.10 Members of the Management Body

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

Anurag Verma	Herrengasse 6, 9490 Vaduz, Liechtenstein	Director of Technology
--------------	---	------------------------

C.11 Operator Business Activity

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

Under MiCA, LCX is classified as a Crypto-Asset Service Provider (CASP). LCX AG has applied for MiCA licensing on February 1, 2025, the first day of MiCA's implementation in Liechtenstein.

Under the TVTG framework, LCX provides:

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

C.12 Parent Company Business Activity

Not Applicable

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

Not Applicable

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

Not Applicable

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

D.1 Crypto-Asset Project Name

LCX Silver

D.2 Crypto-Assets Name

LCXS

D.3 Abbreviation

LCXS

D.4 Crypto-Asset Project Description

LCXS is a utility token issued by LCX AG, designed to serve as a digital access token to a redemption mechanism operated by LCX. Through this mechanism, users can interact with a smart contract-based infrastructure – the LCX Tokenization Bridge – which enables the redemption of a corresponding Tiamonds Silver NFT.

Each Tiamonds Silver NFT represents an independently verifiable on-chain certificate of ownership for exactly one (1) ounce of investment-grade physical silver. This silver is securely stored in high-security vaults in Liechtenstein and fully insured by Lloyd's of London. The LCXS token itself confers no ownership, redemption, or direct rights to silver. LCXS solely functions as an access mechanism to retrieve the NFT via the LCX Tokenization Bridge smart contract. Actual silver redemption or management is exclusively governed by separate terms issued by Tiamonds AG.

The redemption process of LCXS involves only retrieving the corresponding NFT:

1. A user sends exactly one (1) LCXS token to the LCX Tokenization Bridge smart contract.
2. The smart contract returns the corresponding locked Tiamonds Silver NFT.

Once the NFT is redeemed, the holder independently holds direct ownership rights to the underlying silver. Physical silver redemption or custody management is then handled separately by Tiamonds AG under their specific redemption terms and procedures. LCXS tokens themselves do not directly grant silver ownership or silver redemption rights.

This architecture enables:

- Access Rights: LCXS grants access solely to retrieve a previously deposited NFT.
- On-chain transparency: All token mints and redemptions are executed and verifiable on Ethereum via the LCX Tokenization Bridge.
- Fractional usability: LCXS is an ERC-20 token, divisible up to 18 decimal places.
- No direct silver claim: LCXS does not grant direct ownership or redemption rights to physical silver.

LCXS does not aim to maintain a stable value and is not backed by a reserve or reference basket within the meaning of Title III of MiCAR. It is therefore classified as a Utility Token under Article 3(1)(9) of Regulation (EU) 2023/1114 (MiCAR), as its sole purpose is to provide digital access to a service provided by its issuer — namely, NFT redemption.

LCXS will be available to the public and tradable on the LCX Exchange, with listings such as LCXS/USD and LCXS/EUR. It may also be integrated into decentralized liquidity pools (e.g.,

LCXS/USDC on Uniswap) to enhance market reach, subject to applicable compliance and AML measures.

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

Full Name	Business Address	Function
LCX AG	LCX AG, Herrengasse 6, 9490 Vaduz, Liechtenstein	Operator of the Crypto-Asset Project
Tiamonds AG	Tiamonds AG, Herrengasse 6, 9490 Vaduz, Liechtenstein	Custodian of the Physical Reserve Asset
LCX TECHNOLOGIES PRIVATE LIMITED	HD-003, WEWORK DLF FORUM CYBER PHASE III Gurugram, Haryana, 122002 India	Operational and Technology Service Provider
Law Firm Bergt & Partners Ltd.	Buchenweg 6 P.O. Box 743 9490 Vaduz Liechtenstein	Legal

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

OTPC and ATTR

E.2 Reasons for Public Offer or Admission to Trading

LCX AG is offering LCXS tokens to the public and seeking admission to trading on the LCX Exchange to provide secure, transparent, and regulated access to a digital redemption mechanism built on distributed ledger technology.

LCXS is classified explicitly as a Utility Token under MiCA. It functions solely as a digital access mechanism to retrieve specific Tiamonds Silver NFTs previously deposited into the LCX Tokenization Bridge. These NFTs—independently issued and managed by Tiamonds AG—exclusively represent legal ownership and redemption claims to physical silver.

LCXS tokens do not directly represent silver ownership, claims, or rights. They simply grant access to the NFTs, which separately confer these rights.

These NFTs, which are managed by a separate entity (Tiamonds AG), serve as tokenized certificates representing claims to physical silver. LCXS does not itself reference silver, maintain a stable value, or represent a fractional interest in the underlying silver. It acts solely as an access key to a service — the redemption infrastructure operated by LCX AG.

The purpose of the public offering and trading admission is to:

- Enable broader accessibility to this redemption mechanism,
- Facilitate the transfer and secondary trading of access rights (LCXS) among verified users,
- Reduce onboarding friction by enabling users to access the redemption mechanism via tokens (LCXS) that can be acquired through trading, not just direct NFT ownership,
- Enable users to engage with a compliant, on-chain interface that allows the redemption of LCXS tokens for Tiamonds Silver NFTs and vice versa, depending on whether the user wishes to access or re-tokenize a previously issued NFT.

This setup contributes to MiCA's objectives by improving transparency, consumer protection, and legal clarity around tokenized service access mechanisms — without functioning as an asset-referenced or investment token.

E.3 Fundraising Target

Not applicable — the LCXS token is not used for fundraising. Each token is minted solely against the deposit of 1 ounce of physical silver, represented by a Tiamonds Silver NFT. The issuance mechanism ensures that no capital is raised from the public; instead, the token reflects an on-chain certificate of ownership of a specific silver bar. LCXS tokens are then placed for trading on the LCX Exchange.

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

Variable — LCXS tokens are issued on-demand upon depositing a corresponding Tiamonds Silver NFT into the LCX Tokenization Bridge. The initial tokenization fee is calculated based on current market conditions and platform fees. Once issued, LCXS token pricing is determined purely by market supply and demand on LCX Exchange and other secondary markets. LCXS tokens do not directly reference or aim to stabilize their value against the underlying silver.

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

USD (silver reference price), LCX token (fee payments)

E.10 Subscription Fee

1% tokenization fee (payable in LCX Token)

E.11 Offer Price Determination Method

Dynamic pricing mechanism — LCXS tokens are issued on-demand via the LCX Tokenization Bridge at a value reflecting 1 oz of investment-grade physical silver plus applicable fees at the time of minting.

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

Variable — LCXS tokens are minted on-demand and do not have a pre-defined or capped supply. The total supply is directly linked to the number of silver-backed NFTs (each representing 1 ounce of physical silver) deposited into the LCX Tokenization Bridge. The number of LCXS tokens in circulation will always equal the number of silver NFTs held in reserve.

E.13 Targeted Holders

ALL

E.14 Holder Restrictions

LCXS tokens may not be offered to or held by persons in jurisdictions where such offering is prohibited or restricted by applicable law. On the LCX Exchange, only users with a fully verified LCX account — including completed KYC (Know Your Customer) and AML (Anti-Money Laundering) checks — are permitted to purchase, trade, or redeem LCXS. Access is further restricted for residents or citizens of jurisdictions listed on LCX's prohibited country list, in accordance with applicable sanctions, financial crime prevention frameworks, and LCX's internal compliance policies.

E.15 Reimbursement Notice

Not applicable — LCXS tokens are not offered in capped fundraising phases; tokens are issued solely in exchange for deposited silver NFTs.

E.16 Refund Mechanism

Not applicable

E.17 Refund Timeline

Not applicable

E.18 Offer Phases

Not applicable — LCXS issuance is continuous and demand-driven, not offered in time-based sale tranches.

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

LCXS tokens are issued exclusively on-demand through the deposit and locking of a corresponding Tiamonds Silver NFT into the LCX Tokenization Bridge smart contract. Each Tiamonds Silver NFT independently represents exactly one (1) ounce of investment-grade physical silver, securely stored and insured by Tiamonds AG. Importantly, LCXS issuance is never directly against physical silver or any other asset, but strictly tied to the digital representation (NFT). Therefore, safeguarding and custody of physical silver is entirely managed independently by Tiamonds AG, in accordance with their established terms and procedures.

The underlying silver is safeguarded by Tiamonds AG and insured by Lloyd's of London. The LCX Silver Bridge smart contract ensures 1:1 collateralization and full on-chain auditability, effectively preventing over-issuance or duplication.

LCX Exchange applies strict AML/KYC controls to ensure secure custody and traceability of assets during trading. Additionally, LCX follows the principle of segregation of customer funds as required under applicable law and MiCA. This means client assets are held separately from the company's own operational funds, ensuring maximum asset protection and regulatory compliance.

E.24 Payment Methods for Crypto-Asset Purchase

LCXS is not sold for fiat or crypto in a traditional sense. Tokens are minted upon the deposit of a silver-backed NFT (Tiamonds NFT) into the LCX Tokenization Bridge. Secondary purchases may be made using fiat (e.g., EUR, USD) or crypto (e.g., USDC, ETH) through LCX Exchange, subject to the user's verified account status.

E.25 Value Transfer Methods for Reimbursement

Not applicable — LCXS tokens are redeemable, not refundable. Redemption occurs when users send LCXS back to the LCX Tokenization Bridge to receive the corresponding Tiamonds Silver NFT. The NFT can then be redeemed for physical silver via the Tiamonds platform.

E.26 Right of Withdrawal

Not applicable — LCXS tokens are issued in exchange for a physical asset via NFT and do not represent a traditional investment offering or subscription. As such, the 14-day withdrawal right under Article 37 MiCA does not apply.

E.27 Transfer of Purchased Crypto-Assets

LCXS tokens are purchased directly on the LCX Exchange through the trading interface, where the price is determined by market supply and demand. Upon successful order execution, the tokens are automatically credited to the user's verified LCX Exchange wallet. Users may later withdraw LCXS to an external non-custodial wallet (e.g., MetaMask) if desired.

In cases where LCXS is minted via the LCX Tokenization Bridge (e.g., institutional or vault clients), the token is delivered to the designated recipient address immediately upon successful deposit of the corresponding Tiamonds Silver NFT and smart contract execution.

E.28 Transfer Time Schedule

Near-instant — LCXS tokens are transferred on-chain via Ethereum (ERC-20 standard) immediately upon completion of the deposit and smart contract verification. Transfer times depend on blockchain congestion and gas fees.

E.29 Purchaser's Technical Requirements

Users must have an LCX Exchange account with completed KYC/AML verification for primary or secondary market access. External wallet users must have a compatible Ethereum wallet (e.g., MetaMask, WalletConnect) capable of interacting with ERC-20 tokens and smart contracts.

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

LCXS is initially available for trading exclusively on the LCX Exchange, a regulated trading platform operated by LCX AG. Access to the platform is restricted to verified users who have completed full KYC/AML verification in accordance with applicable EU and Liechtenstein laws.

Trading of LCXS is conducted through standard market pairs (e.g., LCXS/USD, LCXS/EUR), with prices determined by supply and demand. Users may trade, hold, or withdraw LCXS to an external ERC-20 compatible wallet. LCX may also establish liquidity pools on decentralized platforms (e.g., Uniswap) to support broader market access in compliance with MiCA.

E.36 Involved Costs

Users may be subject to trading fees when buying or selling LCXS on LCX Exchange, as outlined in the platform's published fee schedule. Gas fees may apply for token withdrawals to external wallets. No additional fees are charged during minting or redemption beyond the standard 1% tokenization fee.

E.37 Offer Expenses

Not applicable — LCXS tokens are issued on-demand and are not part of a capital-raising event. There are no marketing, underwriting, or placement costs passed on to purchasers.

E.38 Conflicts of Interest

None known. LCX AG has implemented internal policies to prevent and manage potential conflicts of interest. All token issuance and trading activities are conducted under regulatory supervision and subject to internal compliance and audit controls.

E.39 Applicable Law

This white paper, and the issuance and trading of LCXS, are governed by the laws of Liechtenstein and applicable European Union regulations, including Regulation (EU) 2023/1114 (MiCAR).

LCXS is classified as a Utility Token within the meaning of Article 3(1)(9) of MiCAR. As such, the token and its offering are subject to the provisions of Title II of MiCAR (including Article 5 and Annex I), and are not governed by the authorisation requirements under Title III related to asset-referenced tokens or e-money tokens.

E.40 Competent Court

In case of disputes, the competent court is the Princely Court of Liechtenstein. Disputes will be resolved in accordance with Liechtenstein law and relevant EU regulations, including the Markets in Crypto-Assets Regulation (MiCA).

F. PART F - INFORMATION ABOUT THE CRYPTO-ASSETS

F.1 Crypto-Asset Type

Utility Token

F.2 Crypto-Asset Functionality

LCXS is a crypto-asset classified as a Utility Token under Article 3(1)(9) of Regulation (EU) 2023/1114 (MiCAR). It is designed to provide digital access to a service operated by LCX AG — specifically, interaction with the LCX Tokenization Bridge smart contract that facilitates the redemption or tokenization of Tiamonds Silver NFTs.

Each Tiamonds Silver NFT represents a digital certificate issued by Tiamonds AG and may be linked to the ownership of one (1) ounce of investment-grade physical silver stored in secure vaults in Liechtenstein. However, LCXS itself does not represent ownership of silver, nor does it aim to maintain a stable value or reference any underlying asset.

LCXS may be:

- Redeemed via the LCX Tokenization Bridge to obtain the corresponding Tiamonds Silver NFT,
- Acquired by users who wish to regain access to previously tokenized NFTs,
- Traded on the LCX Exchange or potentially on decentralized exchanges, functioning as a transferable access token within a regulated DLT environment.

LCXS does not grant voting rights, profit participation, or entitlements to financial returns. It functions solely as a technical access key within a redemption system, fully aligned with the definition and regulatory scope of Utility Tokens under MiCAR.

F.3 Planned Application of Functionalities

LCXS is designed for secure trading, ownership transfer, and on-chain redemption. Token holders may use LCXS to:

- Trade on regulated exchanges (LCX Exchange),
- Transfer to personal wallets (ERC-20 compatible),
- Redeem through the LCX Tokenization Bridge for a corresponding Tiamonds NFT,
- Redeem the NFT via Tiamonds AG for physical silver delivery or in-vault ownership.

Future functionality may include cross-chain interoperability, integration with DeFi protocols, and tokenized lending or collateralization solutions where legally permitted.

F.4 Type of white paper

Utility Token (pursuant to Article 3(1)(9) and Annex I of Regulation (EU) 2023/1114)

F.5 The type of submission

NEWT

F.6 Crypto-Asset Characteristics

LCXS is a Utility Token issued by LCX AG on the Ethereum blockchain using the ERC-20 standard. It serves as a digital access key to a smart contract-based redemption infrastructure — the LCX Tokenization Bridge — which facilitates the interaction between users and Tiamonds Silver NFTs.

Each Tiamonds Silver NFT may be linked to an underlying physical silver bar, and users can utilize LCXS to redeem or retrieve such NFTs via the on-chain interface. Conversely, users who possess a Tiamonds Silver NFT may deposit it into the bridge and receive one LCXS token in return.

LCXS:

- Is not backed or collateralized by any asset,
- Does not represent ownership of physical silver, nor reference its value,
- Does not aim to maintain a stable value, and its price is determined by market supply and demand,
- Is divisible up to 18 decimal places, fully transferable, and tradable on the LCX Exchange and potentially other compatible platforms,
- Does not provide governance rights, profit sharing, or financial claims,
- Exists solely to provide access to a token redemption mechanism, qualifying it as a Utility Token under MiCAR.

F.7 Commercial name or trading name

LCXS

F.8 Website of the issuer

<https://www.LCX.com>

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

2025-05-16

F.10 Publication date

2025-05-16

F.11 Any other services provided by the issuer

LCX AG operates a regulated trading platform (LCX Exchange) and is registered under the Liechtenstein Blockchain Act (TVTG) as a Token and Trusted Technology Service Provider (TTSP). LCX provides a range of crypto-asset services, including custody, token issuance, price data services, and the operation of smart contract infrastructure — such as the LCX Tokenization Bridge — for asset tokenization and redemption.

In addition, LCX AG has submitted its application for authorization as a Crypto-Asset Service Provider (CASP) under the Markets in Crypto-Assets Regulation (MiCA) on February 1, 2025, the date MiCA became applicable in Liechtenstein.

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

Pending DTI registration — LCX AG intends to apply for a Digital Token Identifier Code with the Digital Token Identifier Foundation (DTIF) in accordance with ISO 24165.

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

true

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

LCXS token holders have the exclusive right to digitally access and unlock a specific Tiamonds Silver NFT stored within the LCX Tokenization Bridge. Once this NFT has been retrieved, the holder independently acquires direct ownership rights associated exclusively with the NFT—specifically, ownership of exactly one (1) ounce of investment-grade physical silver. It is crucial to clearly understand that LCXS tokens alone do NOT grant any direct rights, claims, or redemption entitlements to the underlying physical silver. Any redemption or delivery rights for physical silver are governed solely and independently by Tiamonds AG and their specific NFT redemption procedures.

Purchasers are entitled to clear, fair, and non-misleading information through this MiCA-compliant white paper, as required by Regulation (EU) 2023/1114. LCXS holders do not have governance rights, profit participation, or voting powers.

All LCXS buyers on LCX Exchange must complete AML/KYC verification and agree to LCX's terms of service. Token holders must ensure compliance with local laws and are subject to platform rules regarding custody, trading, and withdrawal.

G.2 Exercise of Rights and Obligation

The redemption right is exercised via the LCX Tokenization Bridge smart contract. Users may return 1 LCXS token to the bridge in exchange for the corresponding Tiamonds Silver NFT. Redemption of the physical silver is then executed via Tiamonds AG according to their redemption procedures.

All actions — including transfers, redemptions, and trades — are executed on-chain using ERC-20 and smart contract standards. LCX provides transparent auditability and real-time supply matching between LCXS tokens and silver-backed NFTs.

G.3 Conditions for Modifications of Rights and Obligations

LCXS rights are tied to the legal and technical structure of its asset-referenced model. Any material changes to the redemption mechanism, rights, or backing model will be disclosed publicly and notified to the competent authority as required under Article 20 MiCA.

Modifications may only occur in compliance with MiCA, and in such cases, LCX will ensure fair treatment of token holders, publish updated information, and, where applicable, provide advance notice through official communication channels.

G.4 Future Public Offers

Not applicable — LCXS is issued on-demand and not through fixed fundraising rounds.

G.5 Issuer Retained Crypto-Assets

Not applicable — LCXS tokens are minted exclusively upon deposit and locking of corresponding Tiamonds Silver NFTs. The issuer retains no pre-minted tokens, reserve holdings, or other crypto-assets. LCXS issuance is strictly demand-driven and directly linked to NFT deposits into the LCX Tokenization Bridge.

G.6 Utility Token Classification

True

G.7 Key Features of Goods/Services of Utility Tokens

Not applicable

G.8 Utility Tokens Redemption

Not applicable

G.9 Non-Trading Request

false

G.10 Crypto-Assets Purchase or Sale Modalities

LCXS tokens are minted exclusively via the LCX Tokenization Bridge upon deposit of a corresponding Diamonds Silver NFT, granting access rights to retrieve the NFT. Secondary purchases or sales occur on LCX Exchange at market-driven prices. Trading is available only to verified accounts meeting full AML/KYC requirements. LCXS tokens do not directly represent or reference the market value of silver.

G.11 Crypto-Assets Transfer Restrictions

No transfer restrictions apply, except those required by law or LCX compliance policies (e.g., sanctioned jurisdictions or AML flags). Users must use ERC-20 compatible wallets for off-platform transfers.

G.12 Supply Adjustment Protocols

False

G.13 Supply Adjustment Mechanisms

Not applicable

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

LCXS and this white paper are governed by the laws of Liechtenstein and Regulation (EU) 2023/1114 (MiCA). Additional rules under the Liechtenstein Blockchain Act (TVTG) and EU financial crime regulations apply.

G.19 Competent Court

The competent court for disputes arising in connection with LCXS is the Princely Court of Liechtenstein, with jurisdiction under Liechtenstein and applicable EU law.

H. PART H – INFORMATION ON THE UNDERLYING TECHNOLOGY

H.1 Distributed ledger technology

LCXS is an ERC-20 token issued on the Ethereum blockchain, a public, permissionless distributed ledger that enables secure, transparent, and immutable token issuance and transfer. Ethereum's smart contract infrastructure is used to manage the minting and redemption of LCXS tokens via the LCX Tokenization Bridge, a proprietary smart contract system developed by LCX.

The smart contract architecture ensures that each LCXS token issued corresponds precisely to the retrieval right of exactly one Tiamonds Silver NFT, each of which independently represents exactly one (1) ounce of investment-grade physical silver held separately in custody.

All LCXS token movements — including issuance, redemption, and transfers — are recorded on the Ethereum ledger, ensuring traceability, transparency, and compliance with MiCA's technical integrity and market integrity principles.

H.2 Protocols and Technical Standards

LCXS is deployed on Ethereum using widely adopted blockchain protocols and standards:

1. Protocols Used

- **Smart Contracts (Solidity-based):** Issuance and redemption managed via the LCX Silver Bridge.
- **Token Transfer Protocols:** ERC-20 standard used for transfers, wallets, and exchange compatibility.

2. Technical Standards Implemented

- **ERC-20 Standard:** Enables fungibility, wallet compatibility, and exchange support.
- **Auditability & Security:** Smart contracts adhere to industry best practices for auditability, upgradability, and secure deployment.
- **Oracle Integration (optional/roadmap):** Price feeds may be incorporated for dynamic silver pricing or supply display.
- **Etherscan Verification:** Smart contracts are verified and viewable on-chain for transparency.

H.3 Technology Used

LCXS operates as a smart contract-driven token on the Ethereum Layer 1 blockchain. The issuance mechanism is implemented via the LCX Tokenization Bridge, which links the on-chain token with off-chain physical silver through Tiamonds Silver NFTs.

Ethereum ensures transaction finality, global accessibility, and immutability of token operations. Users can store LCXS in any ERC-20-compatible wallet.

While Ethereum Layer 1 is used for mainnet operations, LCX may explore Layer 2 scalability solutions (e.g., Arbitrum, Optimism) for gas optimization and faster transaction throughput in future iterations.

H.4 Consensus Mechanism

Ethereum currently uses a Proof-of-Stake (PoS) consensus mechanism. Validators are selected to confirm transactions and secure the network based on staked ETH.

PoS significantly reduces energy consumption compared to Proof-of-Work and contributes to Ethereum's environmental efficiency. LCXS does not rely on a proprietary consensus mechanism but benefits from Ethereum's robust validator model.

In accordance with MiCA, LCX provides transparency on the network's consensus and ensures that any risks associated with transaction finality and validator behavior are mitigated by smart contract architecture and custodial safeguards.

H.5 Incentive Mechanisms and Applicable Fees

LCXS does not use a rewards-based incentive model. Token issuance is strictly tied to physical silver deposits via NFTs.

Applicable Fees include:

- 1% Tokenization Fee: Charged at the time of minting via LCX Tokenization Bridge, payable in LCX Token.
- Gas Fees: Applicable for Ethereum-based transactions (minting, transfers, redemptions).
- Trading Fees: Standard exchange fees apply for LCXS trades on the LCX Exchange.

There are no staking, liquidity mining, or governance rewards associated with LCXS.

H.6 Use of Distributed Ledger Technology

True

H.7 DLT Functionality Description

Ethereum's distributed ledger is used to manage all issuance, redemption, and transfer actions related to LCXS.

- Issuance: Triggered via the LCX Tokenization Bridge smart contract upon deposit of a silver-backed NFT.
- Redemption: Executed by returning LCXS to the bridge and receiving the corresponding NFT.
- Transparency: Token supply, reserves, and movement are publicly visible on-chain.
- Security: Ethereum's finality and immutability protect the system from tampering and unauthorized access.

H.8 Audit

false

H.9 Audit Outcome

not applicable

I. PART I – INFORMATION ON RISKS

I.1 Offer-Related Risks

LCXS tokens are not part of a fixed fundraising round, but are offered on a continuous basis through LCX Exchange. While the token is fully backed by physical silver, market price fluctuations may lead to temporary deviations from the underlying asset value, especially on secondary markets.

Although redemption is always available through the LCX Tokenization Bridge, liquidity constraints or operational issues at the exchange level may cause temporary delays in trading or settlement. In the event of rapid market demand or withdrawal surges, LCXS liquidity may be temporarily limited, impacting pricing or order execution.

I.2 Issuer-Related Risks

LCX AG is a regulated entity under the Liechtenstein Blockchain Act and has applied for MiCA authorization. However, risks may still arise from:

- Operational dependencies on third-party custodians (e.g., Tiamonds AG for silver storage),
- Cybersecurity threats to internal systems or the trading platform,
- Regulatory changes affecting token classification, redemption rights, or cross-border marketing.

Furthermore, past security events (e.g., the 2022 incident disclosed in Part A) highlight potential IT infrastructure vulnerabilities, although corrective actions were taken and reserves were maintained.

I.3 Crypto-Assets-Related Risks

While LCXS is fully collateralized, token price volatility may still occur on secondary markets due to trading activity, investor sentiment, or macroeconomic conditions.

There is a risk that the perceived value of the token may temporarily deviate from the spot price of silver due to arbitrage lag, demand fluctuations, or limited on-exchange liquidity.

Additionally, token holders must ensure secure custody of their private keys. If users lose access to their wallets or credentials, LCX cannot restore access to LCXS tokens held in self-custody.

I.4 Project Implementation-Related Risks

The LCX Tokenization Bridge smart contract and NFT infrastructure are critical components of the LCXS issuance model. Any technical failure, upgrade delay, or exploit within the bridge or the NFT verification process could affect minting, redemption, or on-chain auditability.

Delays in physical silver redemption or bottlenecks at Tiamonds AG's redemption process could temporarily impair user experience or undermine redemption confidence. Furthermore, scalability challenges on Ethereum (e.g., high gas fees) may impact transaction efficiency for users interacting with LCXS on-chain.

I.5 Technology-Related Risks

LCXS operates on Ethereum, which is a robust and widely used blockchain, but still susceptible to network congestion, smart contract bugs, or DLT-level disruptions.

The risk of previously unknown vulnerabilities cannot be fully eliminated. Malicious attacks, exploits, or bugs in the LCX Tokenization Bridge could compromise issuance logic or token integrity if unpatched.

Additionally, Ethereum gas fees may become prohibitively high during times of network congestion, temporarily reducing user accessibility to redemption or transfers.

I.6 Mitigation Measures

LCX employs multiple risk mitigation strategies including:

- Independent smart contract audits and internal code reviews for the LCX Tokenization Bridge;
- Redundant security infrastructure for LCX Exchange and user wallets;
- Full 1:1 collateralization model with physical silver held in insured, regulated vaults;
- Continuous on-chain auditability of token supply and reserves;
- AML/CFT compliance through full KYC onboarding for all LCX Exchange users;
- Segregation of customer funds in line with MiCA and TVTG requirements;
- Clear disclosure of fees, redemption procedures, and rights in this MiCA white paper;
- Ongoing monitoring of Ethereum Layer 2 solutions to address gas cost efficiency.

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

LCXS operates on the Ethereum blockchain, which transitioned to Proof-of-Stake (PoS) in September 2022 with the Ethereum Merge. This change significantly reduced the network's energy consumption — by more than 99% compared to Proof-of-Work.

The minting, trading, and transfer of LCXS tokens leverage smart contract infrastructure built on Ethereum Layer 1, using energy-efficient consensus validation by staked ETH validators. LCX is also monitoring Layer 2 networks (e.g., Arbitrum, Optimism) for future integration to further optimize transaction efficiency and reduce gas-related environmental impact.

In alignment with MiCA's environmental disclosure requirements, LCX provides this transparency to support environmentally sustainable crypto innovation and compliance.

General information	
S.1 Name <i>Name reported in field A.1</i>	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	LCXS
S.4 Consensus Mechanism The consensus mechanism, as reported in field H.4	Proof-of-Stake (PoS) — Ethereum Mainnet
S.5 Incentive Mechanisms and Applicable Fees Incentive mechanisms to secure transactions and any fees applicable, as reported in field H.5	LCXS relies on Ethereum's PoS, where validators stake 32 ETH and earn transaction fees and block rewards. There are no additional network incentives specific to LCXS. Users pay Ethereum gas fees for transfers or smart contract interactions. A 1% tokenization fee applies during LCXS issuance via the LCX Tokenization Bridge, payable in LCX Token.
S.6 Beginning of the period to which the disclosure relates	2024-05-01
S.7 End of the period to which the disclosure relates	Not applicable
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	2,600 kWh per year (estimated for Ethereum PoS per token class; significantly reduced post-Merge)
Sources and methodologies	
S.9 Energy consumption sources and Methodologies Sources and methodologies used in relation to the information reported in field S.8	Based on data provided by the Ethereum Foundation and external sustainability research (e.g., CCRI, UCL Centre for Blockchain Technologies). A bottom-up methodology is applied, taking validator node requirements and client usage into account. LCX refers to the Functionally Fungible Group Digital Token Identifier (FFG DTI), where available, and follows updates from the Digital Token Identifier Foundation (DTIF) to reflect ongoing methodological improvements.

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

Not applicable