

# MiCA White Paper

## Polygon(POL)

Version 1.1  
April 2025

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

Purpose: seeking admission to trading in EU/EEA.

Prepared and Filed by LCX.com

NOTE: THIS CRYPTO-ASSET WHITE PAPER HAS NOT BEEN APPROVED BY ANY COMPETENT AUTHORITY IN ANY MEMBER STATE OF THE EUROPEAN 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).

LCX is voluntarily filing a MiCA-compliant whitepaper for Polygon (POL) Token, even though POL is classified as an "Other Crypto-Asset" under the Markets in Crypto-Assets Regulation (MiCA). Unlike Asset-Referenced Tokens (ARTs), Electronic Money Tokens (EMTs), or Utility Tokens, POL is not legally required to publish a MiCA whitepaper. However, MiCA permits service providers to voluntarily issue such a whitepaper to enhance transparency, regulatory clarity, and investor confidence. Polygon is a high-performance Layer 2 scaling solution for Ethereum that plays a vital role in the Web3 ecosystem. It enables scalable, low-cost, and secure blockchain infrastructure through a range of technologies, including the Polygon Proof-of-Stake (PoS) chain, zkEVM, and other zero-knowledge-based innovations. Polygon supports a wide array of decentralized applications (dApps), decentralized finance (DeFi) protocols, NFT platforms, and enterprise use cases, offering a developer-friendly framework with Ethereum compatibility.

This document provides comprehensive regulatory disclosure, ensuring that market participants have clear insights into POL's underlying technology, associated risks, and its functional role within the broader MiCA regulatory framework.

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**01 DATE OF NOTIFICATION**

2025-04-07

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

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

05 false

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

## SUMMARY

### 07 Warning

This summary should be read as an introduction to the crypto-asset white paper. The prospective holder should base any decision to purchase this crypto-asset on the content of the crypto-asset white paper as a whole and not on the summary alone. The offer to the public of this crypto-asset does not constitute an offer or solicitation to purchase financial instruments and any such offer or solicitation can be made only by means of a prospectus or other offer documents pursuant to the applicable national law.

This crypto-asset white paper does not constitute a prospectus as referred to in Regulation (EU) 2017/1129 of the European Parliament and of the Council (36) or any other offer document pursuant to Union or national law.

### 08 Characteristics of the crypto-asset

POL is the next-generation native token of the Polygon network, designed to succeed MATIC as part of a protocol-wide upgrade aimed at enabling a unified, multichain Layer 2 ecosystem secured by zero-knowledge (zk) technology. Classified as an "Other Crypto-Asset" under the Markets in Crypto-Assets Regulation (MiCA), POL functions as a hyperproductive token, allowing holders to participate in validating multiple chains, receive protocol rewards, and contribute to governance. POL is used for staking, gas fees, and coordinating activity across the expanding Polygon ecosystem, which includes solutions such as Polygon zkEVM, Polygon PoS, and Supernets. The token has a planned emission schedule with a theoretical maximum supply subject to governance, and is fully transferable, interoperable with Ethereum via standard wallets (ERC-20), and tradable on various centralized and decentralized platforms. POL does not represent ownership rights, profit claims, or debt obligations and is not classified as an ART, EMT, or utility token under MiCA.

POL is not classified as an asset-referenced token (ART), electronic money token (EMT), or utility token under MiCA.

### 09 Not applicable

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

POL, the native token of the Polygon network, is not being newly offered to the public within the European Union as part of this disclosure, nor is it subject to an initial coin offering (ICO) under this whitepaper. The token was initially issued in 2019 through a public sale and has since been admitted to trading on multiple centralized and decentralized crypto-asset trading platforms accessible to users within and outside the EU. POL is freely tradable and transferable, and its market price is determined by supply and demand dynamics on secondary markets. This MiCA-compliant whitepaper is published voluntarily to enhance regulatory transparency and does not constitute a solicitation, offer, or promotion for investment purposes. No capital raised from EU retail investors is associated with this publication.

<i>Total offer amount</i>	Not applicable
<i>Total number of tokens to be offered to the public</i>	<i>Not applicable</i>
<i>Subscription period</i>	<i>Not applicable</i>
<i>Minimum and maximum subscription amount</i>	<i>Not applicable</i>
<i>Issue price</i>	<i>Not applicable</i>

<i>Subscription fees (if any)</i>	<i>Not applicable</i>
<i>Target holders of tokens</i>	Existing MATIC holders eligible for migration to POL; broader Web3 ecosystem participants and developers.
<i>Description of offer phases</i>	POL is introduced through a protocol upgrade and token migration process; no traditional offering phases.
<i>CASP responsible for placing the token (if any)</i>	None – no Crypto-Asset Service Provider (CASP) is conducting a placement.
<i>Form of placement</i>	Not applicable
<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 Depository – 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<sup>1</sup>**

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

True

**B.2 Name**

Polygon Labs

**B.3 Legal Form**

Corporation (U.S.-based entity, typically a Limited Liability Company or C-Corp)

**B.4 Registered Address**

Not applicable

**B.5 Head Office**

39 West 38th Street, Room 2W New York, NY 10018, United States

**B.6 Registration Date**

Not publicly disclosed

**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**

Polygon Labs has a team of co-founders and executives; notable names include:

- Sandeep Nailwal (Co-founder)
- Jaynti Kanani (Co-founder)
- Mihailo Bjelic (Co-founder)

**B.11 Business Activity**

Not applicable

**B.12 Parent Company Business Activity**

Not applicable

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<sup>1</sup> [19-04-2025] All information available in the public domain regarding the issuer has been added in Part- B

**C. PART C - INFORMATION ABOUT THE OPERATOR OF THE TRADING PLATFORM IN CASES WHERE IT DRAWS UP THE CRYPTO-ASSET WHITE PAPER AND INFORMATION ABOUT OTHER PERSONS DRAWING THE CRYPTO-ASSET WHITE PAPER PURSUANT TO ARTICLE 6(1), SECOND SUBPARAGRAPH, OF REGULATION (EU) 2023/1114**

**C.1 Name**

LCX AG

**C.2 Legal Form**

AG

**C.3 Registered Address**

Herrengasse 6, 9490 Vaduz, Liechtenstein

**C.4 Head Office**

Herrengasse 6, 9490 Vaduz, Liechtenstein

**C.5 Registration Date**

24.04.2018

**C.6 Legal Entity Identifier**

529900SN07Z6RTX8R418

**C.7 Another Identifier Required Pursuant to Applicable National Law**

FL-0002.580.678-2

**C.8 Parent Company**

Not Applicable

**C.9 Reason for Crypto-Asset White Paper Preparation**

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

**C.10 Members of the Management Body**

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

**C.11 Operator Business Activity**

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

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

Under MiCA, LCX is classified as a Crypto-Asset Service Provider (CASP). LCX 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

POLYGON

### D.2 Crypto-Assets Name

POL

### D.3 Abbreviation

POL

### D.4 Crypto-Asset Project Description

The POL token is part of a broader upgrade to the Polygon network, a leading Ethereum Layer 2 scaling ecosystem that aims to provide secure, low-cost, and scalable infrastructure for Web3 applications. The Polygon 2.0 vision introduces POL as the native token for a multichain ecosystem powered by zero-knowledge (zk) technology, supporting an unlimited number of interoperable chains. POL is designed to be a hyperproductive token, enabling holders to secure multiple chains by participating in staking, validation, and governance activities. This transition from MATIC to POL reflects a technical and economic evolution of the Polygon protocol, aligning incentives across validators, developers, and users while enabling protocol-level rewards and long-term sustainability. The project does not involve a public token sale; instead, it features a migration mechanism through which existing MATIC holders can exchange their tokens for POL on a 1:1 basis. The upgrade is implemented at the protocol level, with support from the broader Polygon community, and aims to position Polygon as a core component of Ethereum's scalability roadmap under MiCA-compliant operational transparency.

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

These entities collaborate to maintain and improve the polygon ecosystem, with governance mechanisms allowing POL holders to participate in decision-making for future upgrades and network modifications.

Full Name	Business Address	Function
Jaynti Kanani	<i>Not applicable</i>	<i>Co-founder &amp; Early Developer</i>
Sandeep Nailwal	<i>Not applicable</i>	<i>Co-founder &amp; Early Developer</i>
Anurag Arjun	<i>Not applicable</i>	<i>Co-founder &amp; Early Developer</i>
Mihailo Bjelic	<i>Not applicable</i>	<i>Co-founder &amp; Early Developer</i>
Polygon Labs	<i>39 West 38th Street, Room 2W New York, NY 10018, United States</i>	<i>Research, Development and Protocol Infrastructure</i>

### D.6 Utility Token Classification

false

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

Not applicable

**D.8 Plans for the Token**

Not applicable

**D.9 Resource Allocation**

Not applicable

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

Not applicable

## **E. PART E - INFORMATION ABOUT THE OFFER TO THE PUBLIC OF CRYPTO-ASSETS OR THEIR ADMISSION TO TRADING**

### **E.1 Public Offering or Admission to Trading**

ATTR

### **E.2 Reasons for Public Offer or Admission to Trading**

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

### **E.3 Fundraising Target**

Not applicable

### **E.4 Minimum Subscription Goals**

Not applicable

### **E.5 Maximum Subscription Goal**

Not applicable

### **E.6 Oversubscription Acceptance**

Not applicable

### **E.7 Oversubscription Allocation**

Not applicable

### **E.8 Issue Price**

Not applicable

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

Not applicable

### **E.10 Subscription Fee**

Not applicable

### **E.11 Offer Price Determination Method**

Not applicable

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

The total supply of POL is initially set at 10,000,000,000 tokens, corresponding to the maximum supply of MATIC. POL is not newly offered to the public; instead, it is made available through a 1:1 token migration from MATIC. The circulating and traded amount of POL will increase as users voluntarily convert MATIC to POL. Future emissions may occur based on governance decisions under the token’s updated protocol framework.

### **E.13 Targeted Holders**

ALL

### **E.14 Holder Restrictions**

Not applicable



- E.15 Reimbursement Notice**  
Not applicable
- E.16 Refund Mechanism**  
Not applicable
- E.17 Refund Timeline**  
Not applicable
- E.18 Offer Phases**  
Not applicable
- E.19 Early Purchase Discount**  
Not applicable
- E.20 Time-Limited Offer**  
Not applicable
- E.21 Subscription Period Beginning**  
Not applicable
- E.22 Subscription Period End**  
Not applicable
- E.23 Safeguarding Arrangements for Offered Funds/Crypto-Assets**  
Not applicable
- E.24 Payment Methods for Crypto-Asset Purchase**  
Not applicable
- E.25 Value Transfer Methods for Reimbursement**  
Not applicable
- E.26 Right of Withdrawal**  
Not applicable
- E.27 Transfer of Purchased Crypto-Assets**  
Not applicable
- E.28 Transfer Time Schedule**  
Not applicable
- E.29 Purchaser's Technical Requirements**  
Not applicable
- E.30 Crypto-asset service provider (CASP) name**  
Not applicable
- E.31 CASP identifier**  
Not applicable
- E.32 Placement Form**  
NTAV
- E.33 Trading Platforms name**  
LCX AG

**E.34 Trading Platforms Market Identifier Code (MIC)**

LCXE

**E.35 Trading Platforms Access**

Polygon (POL) is widely traded on multiple regulated and unregulated trading platforms globally. As a decentralized crypto-asset with no central issuer, POL is not restricted to a single exchange and can be accessed by retail and institutional investors worldwide.

LCX Exchange also provides access to Polygon (POL) trading with several pairs. Investors can access Polygon (\$POL) through [LCX.com](https://www.lcx.com), the official LCX exchange, as well as other supported cryptocurrency trading platforms. To trade \$POL, users must register, complete KYC (Know Your Customer) verification, and comply with platform-specific requirements.

**E.36 Involved Costs**

Not applicable

**E.37 Offer Expenses**

Not applicable

**E.38 Conflicts of Interest**

Not applicable

**E.39 Applicable Law**

The POL Token complies with MiCA regulations in the EU and relevant AML, CTF, and investor protection laws. As a utility token, it is not classified as e-money or a financial instrument. Regulatory and tax obligations vary by jurisdiction, and users should review local laws before trading.

**E.40 Competent Court**

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

## **F. PART F - INFORMATION ABOUT THE CRYPTO-ASSETS**

### **F.1 Crypto-Asset Type**

Other Crypto-Asset

### **F.2 Crypto-Asset Functionality**

POL is the native token of the upgraded Polygon network, used for staking, governance, protocol rewards, and transaction fees across multiple Layer 2 chains. It enables holders to secure and participate in the Polygon ecosystem through a model of “hyperproductivity,” allowing engagement with multiple roles simultaneously. POL does not grant ownership or profit rights and functions solely to support the network’s technical operations.

### **F.3 Planned Application of Functionalities**

POL will be used for staking, governance, protocol rewards, and transaction fees across Polygon’s multichain ecosystem. These functionalities will be activated progressively through protocol upgrades under community governance.

### **F.4 Type of white paper**

OTHR

### **F.5 The type of submission**

NEWT

### **F.6 Crypto-Asset Characteristics**

POL is the native token of the upgraded Polygon network, classified as an “Other Crypto-Asset” under MiCA. It is an ERC-20 token on Ethereum, with an initial fixed supply of 10 billion tokens and a governance-enabled emission framework. POL is freely transferable, interoperable across chains, and compatible with Ethereum-based wallets. It does not represent ownership, profit rights, or legal claims, and is used solely to support the technical and economic operations of the Polygon protocol.

### **F.7 Commercial name or trading name**

POL

### **F.8 Website of the issuer**

Not applicable

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

2025-01-01

### **F.10 Publication date**

2025-05-05

### **F.11 Any other services provided by the issuer**

Not applicable

### **F.12 Language or languages of the white paper**

English

### **F.13 Digital Token Identifier Code used to uniquely identify the crypto-asset or each of the several crypto assets to which the white paper relates, where available**

RQWW6J6K0

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

Not applicable

**F.15 Voluntary data flag**

true

**F.16 Personal data flag**

false

**F.17 LEI eligibility**

false

**F.18 Home Member State**

Liechtenstein

**F.19 Host Member States**

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

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

### **G.1 Purchaser Rights and Obligations**

Holders of POL do not acquire any ownership rights, equity interest, profit entitlement, or claims against any entity. POL is intended solely for functional use within the Polygon network, enabling staking, participation in governance, payment of transaction fees, and interaction with various protocol features. Holders are responsible for securing their tokens and understanding the technological and operational risks associated with its use. POL does not confer contractual or legal obligations on the issuer or any affiliated party. The use of POL is voluntary, and users must comply with applicable laws and any network-specific terms as adopted through governance processes..

### **G.2 Exercise of Rights and Obligation**

POL rights—such as staking, governance, and protocol rewards—are exercised through decentralized, on-chain mechanisms without intermediaries. Users interact directly with smart contracts using compatible wallets. There is no central authority overseeing these rights, which are functional, non-exclusive, and non-binding. The network operates autonomously, and users are solely responsible for their transactions and participation within the protocol.

### **G.3 Conditions for Modifications of Rights and Obligations**

POL functionality may evolve through decentralized governance, with proposed changes—such as to staking, governance, or utility—subject to community review, voting, and protocol upgrades. No single entity controls these changes, and traditional contractual processes do not apply. Not all holders may benefit equally, and continued use of POL implies acceptance of approved updates. Users are encouraged to stay informed and engaged in governance.

### **G.4 Future Public Offers**

Not applicable

### **G.5 Issuer Retained Crypto-Assets**

Not applicable

### **G.6 Utility Token Classification**

No

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

Not applicable

### **G.8 Utility Tokens Redemption**

Not applicable

### **G.9 Non-Trading Request**

True

### **G.10 Crypto-Assets Purchase or Sale Modalities**

Not applicable

### **G.11 Crypto-Assets Transfer Restrictions**

Not applicable

### **G.12 Supply Adjustment Protocols<sup>2</sup>**

Polygon (POL) does **not** have a native algorithmic supply adjustment protocol. The total supply of POL is capped and follows a fixed maximum supply model. Any changes to the token supply (e.g.,

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<sup>2</sup> [19-04-2025] An explanation regarding the Supply Adjustment Protocol is provided in Sub-Part G.12.

burns) are executed manually or via protocol upgrades approved through governance or development consensus.

#### **G.13 Supply Adjustment Mechanisms<sup>3</sup>**

POL has a maximum supply of 10 billion tokens, with no inflationary minting. However, a burn mechanism is in place following the implementation of Ethereum Improvement Proposal EIP-1559 on Polygon's network. This mechanism permanently removes a portion of transaction fees from circulation, resulting in a deflationary pressure on the token over time.

#### **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**

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

#### **G.19 Competent Court**

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

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<sup>3</sup> [19-04-2025] An explanation regarding the Supply Adjustment Mechanism is provided in Sub-Part G.13.

## **H. PART H – INFORMATION ON THE UNDERLYING TECHNOLOGY**

### **H.1 Distributed ledger technology**

Polygon operates on a set of Ethereum-compatible distributed ledger technologies designed to enhance scalability and efficiency while maintaining decentralization. Its primary chain, the Polygon Proof-of-Stake (PoS) chain, is a Layer 2 network built on top of Ethereum and secured by a decentralized validator set. Polygon also supports advanced zero-knowledge (zk) technologies such as Polygon zkEVM and Polygon Miden, which leverage cryptographic proofs to execute and verify transactions efficiently. All Polygon chains are interoperable with Ethereum and use smart contracts to record transactions on transparent, immutable ledgers, ensuring security, transparency, and on-chain verifiability.

### **H.2 Protocols and Technical Standards**

Polygon is built using Ethereum-compatible protocols and adheres to widely recognized technical standards, primarily the ERC-20 token standard for its native token and EVM (Ethereum Virtual Machine) compatibility for smart contract execution. The Polygon PoS chain uses a dual-consensus architecture combining Proof-of-Stake (PoS) and Heimdall/Bor-based architecture for scalability and efficiency. Advanced Polygon solutions such as zkEVM and Miden implement zero-knowledge rollup technology, following cryptographic standards for secure, trustless transaction verification. Polygon's protocols are open-source, modular, and designed for interoperability across chains, ensuring alignment with security, performance, and reliability standards expected in regulated blockchain environments under MiCA.

### **H.3 Technology Used**

Polygon utilizes a suite of Ethereum-compatible technologies to enable scalable, low-cost, and secure blockchain infrastructure. Its core network, the Polygon PoS chain, employs a Proof-of-Stake consensus mechanism combined with a dual-layer architecture (Heimdall and Bor) for fast and efficient block production. Polygon also supports advanced zero-knowledge (zk) technologies, including Polygon zkEVM and Polygon Miden, which use cryptographic proofs to enable high-throughput, trustless scalability. All Polygon chains are EVM-compatible, support smart contracts, and are interoperable with Ethereum, allowing seamless deployment and migration of decentralized applications while maintaining decentralization, transparency, and verifiability.

### **H.4 Consensus Mechanism**

The POL token is designed to be used within Polygon's Proof-of-Stake (PoS) and zero-knowledge (zk) based consensus frameworks. On the Polygon PoS chain, validators stake POL (following migration from MATIC) to participate in block validation and network security. In Polygon's zk-based chains, such as Polygon zkEVM, consensus is achieved through off-chain computation and the submission of validity proofs to Ethereum for final settlement. POL enables participation across multiple chains in the Polygon ecosystem, supporting a multi-chain validator economy, where stakers secure various protocols and earn rewards through protocol-defined consensus mechanisms.

### **H.5 Incentive Mechanisms and Applicable Fees**

The POL token is designed to support a protocol-level incentive mechanism that rewards validators and stakers for securing one or more Polygon chains. Holders who stake POL can earn rewards in the form of newly emitted tokens or transaction fees, depending on the chain's configuration and governance decisions. The protocol may introduce governance-approved emissions to incentivize long-term participation and network security. Applicable fees include transaction (gas) fees, which are paid in POL on Polygon-based chains, and may vary by protocol usage and congestion. Fee structures and reward rates are subject to change through decentralized governance processes.

### **H.6 Use of Distributed Ledger Technology**

True

### **H.7 DLT Functionality Description**

Polygon uses Distributed Ledger Technology (DLT) by operating as a multi-chain scaling solution built on top of the Ethereum blockchain, enabling faster and more cost-efficient transactions. It

leverages a decentralized network of validators and sidechains to process transactions off the Ethereum mainnet while still maintaining the security and immutability of the underlying ledger. Through various technologies like Plasma chains, zk-rollups, and optimistic rollups, Polygon enhances Ethereum's throughput and scalability while using the blockchain's ledger to record all transactions in a transparent, tamper-proof manner.

#### **H.8 Audit**

True

#### **H.9 Audit Outcome**

The POL token and its associated smart contracts have been audited by independent third-party security firms, confirming compliance with MiCA requirements for transparency and risk mitigation. The smart contracts and infrastructure related to the POL token and its migration process have undergone independent security audits by reputable blockchain audit firms. These audits assessed the correctness, security, and functionality of the token contracts, staking modules, and migration mechanisms. No critical vulnerabilities were identified, and all noted issues were resolved prior to deployment. The audit reports are publicly available for transparency. While audits reduce risk, they do not eliminate it entirely; users are advised to exercise caution and follow best practices when interacting with POL and associated smart contracts.

Here is the link to Polygon audit report:

[https://old.chainsecurity.com/wp-content/uploads/2023/12/ChainSecurity\\_Polygon\\_Polygon\\_Token\\_POL\\_audit-1.pdf](https://old.chainsecurity.com/wp-content/uploads/2023/12/ChainSecurity_Polygon_Polygon_Token_POL_audit-1.pdf)



## **I. PART I – INFORMATION ON RISKS**

### **I.1 Offer-Related Risks**

As no new public offering of POL is conducted under this whitepaper, offer-related risks are minimal. However, users participating in the voluntary migration from MATIC to POL may face market volatility, liquidity constraints, or regulatory uncertainties in certain jurisdictions. There may be limited price discovery initially, and secondary market prices can fluctuate due to speculative activity or low trading volume. Additionally, as this migration involves interacting with smart contracts, users are exposed to transactional risks, including the potential for incorrect execution or delays. Participants must ensure they are using official channels and are aware of any applicable local regulations.

### **I.2 Issuer-Related Risks**

POL is a decentralized token without a central issuer; however, risks may arise from entities facilitating the migration or supporting infrastructure. If a Crypto-Asset Service Provider (CASP) involved in the migration or custody of POL becomes insolvent, compromised, or non-compliant, users may suffer losses. Additionally, reliance on Polygon Labs and other ecosystem contributors introduces operational and continuity risk, especially if key development teams withdraw or face legal challenges. As there is no formal legal issuer responsible for POL, there are limited recourse options for users, and trust must be placed in the integrity of decentralized governance and code.

### **I.3 Crypto-Assets-Related Risks**

POL is subject to typical crypto-asset risks, including high price volatility, speculative trading, limited historical data, and regulatory uncertainty across jurisdictions. The value of POL may be affected by overall market sentiment, technological developments, or changes in staking participation. Since POL does not confer ownership or legal rights, users cannot claim recovery in case of loss. Custodial risks, such as private key mismanagement or wallet breaches, may also result in irretrievable loss. Furthermore, evolving regulatory frameworks could impact the token's accessibility, classification, or trading status, particularly within or outside the EU under MiCA or equivalent laws.

### **I.4 Project Implementation-Related Risks**

The POL token is part of the broader Polygon 2.0 upgrade, and its success depends on effective technical execution, community adoption, and governance alignment. Delays in protocol upgrades, smart contract deployment, or network integration may hinder the realization of intended functionalities. Adoption of POL across various Polygon chains may vary, and user participation in migration is voluntary, introducing a risk of fragmented token use. Disagreements within the community or between stakeholders may delay or prevent proposed upgrades. Additionally, any misalignment between validators, developers, and governance participants could result in reduced protocol cohesion or security.

### **I.5 Technology-Related Risks**

POL relies on smart contracts and blockchain infrastructure, which are subject to bugs, exploits, or network failures. Vulnerabilities in the migration contracts, staking modules, or consensus algorithms could compromise user funds or network integrity. While the Polygon ecosystem undergoes formal audits, no system is immune to zero-day attacks or unforeseen flaws. The integration of zero-knowledge (zk) technology introduces complexity and dependence on advanced cryptographic assumptions, which, if broken or misapplied, could undermine trust. Additionally, network congestion, high gas fees, or chain reorgs on Ethereum could delay or disrupt critical POL operations and user interactions.

## **I.6 Mitigation Measures**

To mitigate these risks, the Polygon ecosystem adopts a multi-layered approach, including formal audits, open-source development, and transparent governance. Smart contracts used in the migration and staking processes are reviewed by leading security firms. Risk is further reduced by the use of non-custodial wallets, user education, and community oversight. Polygon's modular architecture allows for gradual rollout of features, reducing systemic exposure. The use of Ethereum as a base layer adds security and reliability, while planned governance processes enable rapid response to emerging issues. Users are encouraged to follow official updates, participate in governance, and apply best practices for self-custody.

**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**

POL operates on the Polygon network, which uses an energy-efficient Proof-of-Stake (PoS) consensus mechanism. Compared to Proof-of-Work systems, Polygon’s PoS and zk-based technologies have minimal environmental impact. The network has committed to carbon neutrality and maintains a low energy footprint, aligning with MiCA’s environmental standards. The network’s annual energy consumption is 89538.00757 kWh/a.

<b>General information</b>	
<b>S.1 Name</b> <i>Name reported in field A.1</i>	LCX
<b>S.2 Relevant legal entity identifier</b> Identifier referred to in field A.2	529900SN07Z6RTX8R418
<b>S.3 Name of the crypto-asset</b> Name of the crypto-asset, as reported in field D.2	POL
<b>S.4 Consensus Mechanism</b> The consensus mechanism, as reported in field H.4	Polygon’s Proof-of-Stake
<b>S.5 Incentive Mechanisms and Applicable Fees</b> Incentive mechanisms to secure transactions and any fees applicable, as reported in field H.5	POL supports a protocol-level incentive system, rewarding stakers and validators with emissions or transaction fees. Fees, paid in POL, vary by chain activity. Emissions and reward rates are governed by decentralized decisions, promoting long-term participation and security across the Polygon ecosystem.
<b>S.6 Beginning of the period to which the disclosure relates</b>	2024-04-01
<b>S.7 End of the period to which the disclosure relates</b>	2025-04-01
<b>Mandatory key indicator on energy consumption</b>	
<b>S.8 Energy consumption</b> 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	89538.00757 kWh per year
<b>Sources and methodologies</b>	

<p><b>S.9 Energy consumption sources and Methodologies</b></p> <p>Sources and methodologies used in relation to the information reported in field S.8</p>	<p>For the calculation of energy consumptions, the so-called “bottom-up” approach is being used. The nodes are considered to be the central factor for the energy consumption of the network. These assumptions are made on the basis of empirical findings through the use of public information sites, open-source crawlers and crawlers developed in-house. The main determinants for estimating the hardware used within the network are the requirements for operating the client software. The energy consumption of the hardware devices was measured in certified test laboratories. When calculating the energy consumption, we used - if available - the Functionally Fungible Group Digital Token Identifier (FFG DTI) to determine all implementations of the asset of question in scope and we update the mappings regularly, based on data of the Digital Token Identifier Foundation.</p>
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**J.2 Supplementary information on principal adverse impacts on the climate and other environment-related adverse impacts of the consensus mechanism**

Not Applicable