MiCA White Paper

RSR (Reserve Rights)

Version 1.1
Nov 2025

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

Purpose: seeking admission to trading in EEA.

Prepared and Filed by LCX.com

NOTE: THIS CRYPTO-ASSET WHITE PAPER HAS NOT BEEN APPROVED BY ANY COMPETENT AUTHORITY IN ANY MEMBER STATE OF THE EUROPEAN ECONOMIC AREA. THE PERSON SEEKING ADMISSION TO TRADING IS SOLELY RESPONSIBLE FOR THE CONTENT OF THIS CRYPTO-ASSET WHITE PAPER ACCORDING TO THE EUROPEAN ECONOMIC AREA'S MARKETS IN CRYPTO-ASSET REGULATION (MICA).

This white paper has been prepared in accordance with the requirements set forth in Commission Implementing Regulation (EU) 2024/2984, ensuring that all relevant reporting formats, content specifications, and machine-readable structures outlined in Annex I of this regulation have been fully mapped and implemented, particularly reflected through the Recitals, to enable proper notification under the Markets in Crypto-Assets Regulation (MiCAR).

00 TABLE OF CONTENT

01 DATE OF NOTIFICATION

2025-11-17

COMPLIANCE STATEMENTS

02 This crypto-asset white paper has not been approved by any competent authority in any Member State of the European Economic Area. The offeror of the crypto-asset is solely responsible for the content of this crypto-asset white paper.

Where relevant in accordance with Article 6(3), second subparagraph of Regulation (EU) 2023/1114, reference shall be made to ‘person seeking admission to trading’ or to ‘operator of the trading platform’ instead of ‘offeror’.

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

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

05 Not Applicable

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

SUMMARY

07 Warning

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

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

08 Characteristics of the crypto-asset

The RSR token is a fungible digital asset deployed on the Ethereum blockchain and conforms to the ERC-20 standard. It serves as a protocol-native asset within the Reserve ecosystem, facilitating various decentralized functionalities including staking, participation in governance, and ecosystem-level coordination. RSR holders may use the token in specific technical operations such as providing overcollateralization for asset-backed stablecoins, participating in governance processes that influence protocol parameters, and engaging in incentive mechanisms structured by smart contract logic. However, RSR does not provide any legal entitlement to profits, assets, or services, nor does it grant voting rights in a corporate sense, equity participation, or redemption at face value. The token does not represent a claim against any issuer or asset pool, and it is not backed by fiat currency or reference assets. Accordingly, RSR is not considered a utility token, e-money token (EMT), or asset-referenced token (ART) as defined under Regulation (EU) 2023/1114. It is classified as an “Other Crypto-Asset” under Title II of MiCAR. Its valuation is market-driven, without embedded price-stabilization or return mechanisms, and its functionality is fully governed by decentralized protocol rules rather than issuer discretion. The RSR token operates within an open-source smart contract framework, with no centralized control over issuance or modification, further reinforcing its role as a decentralized coordination and incentive asset within the Reserve protocol.

09 Not applicable

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

This MiCA whitepaper does not relate to a new issuance or public offering of the RSR token. The RSR token was created and deployed as an ERC-20 standard fungible crypto-asset on the Ethereum blockchain and has since been made available for trading on regulated crypto-asset trading platforms. Rather than serving as an issuance prospectus, this whitepaper is prepared in the context of the admission of RSR to trading on a regulated crypto-asset trading platform operated by LCX AG.

LCX AG, a registered exchange and custodian based in Liechtenstein, facilitates the listing and trading of RSR in accordance with the regulatory obligations defined under the Markets in Crypto-Assets Regulation (MiCA). LCX is not the issuer or sponsor of the RSR token and does not exercise control over its supply, governance, or token economics. The responsibility of LCX is limited to ensuring that the token is admitted to trading on its platform in a manner that is compliant with MiCA’s provisions on transparency, investor protection, and market integrity.

This whitepaper is published under Article 6(1) of MiCA to ensure that investors and market participants have access to standardized, fair, and clear information about the features, risks, and rights associated with the RSR token. As RSR is already in circulation and traded across both centralized and decentralized platforms, its listing on LCX does not involve any

fundraising, token sale, or initial offering event. No RSR tokens are being issued or distributed as part of the admission process.

The trading of RSR on LCX's regulated venue occurs under open market conditions. Prices are determined by supply and demand dynamics among market participants, without any pre-fixed valuation or minimum subscription thresholds. LCX supports trading pairs such as RSR/EUR to enhance liquidity and accessibility for users operating in fiat and crypto markets.

Total offer amount	Not applicable
Total number of tokens to be offered to the public	Not applicable
Subscription period	Not applicable
Minimum and maximum subscription amount	Not applicable
Issue price	Not applicable
Subscription fees (if any)	Not applicable
Target holders of tokens	Not applicable
Description of offer phases	Not applicable
CASP responsible for placing the token (if any)	Not applicable
Form of placement	Not applicable
Admission to trading	LCX AG, Herrengasse 6, 9490 Vaduz, Liechtenstein

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

A.1 Name

LCX

A.2 Legal Form

AG

A.3 Registered Address

Herrengasse 6, 9490 Vaduz, Liechtenstein

A.4 Head Office

Herrengasse 6, 9490 Vaduz, Liechtenstein

A.5 Registration Date

24.04.2018

A.6 Legal Entity Identifier

529900SN07Z6RTX8R418

A.7 Another Identifier Required Pursuant to Applicable National Law

FL-0002.580.678-2

A.8 Contact Telephone Number

+423 235 40 15

A.9 E-mail Address

legal@lcx.com

A.10 Response Time (Days)

020

A.11 Parent Company

Not applicable

A.12 Members of the Management Body

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

A.13 Business Activity

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

Under MiCA, LCX is classified as a Crypto-Asset Service Provider (CASP). LCX is not yet formally supervised under MiCA until the license is granted by the competent authority.

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 reRSRes. The company has remained financially stable, achieving revenues and profits in 2021, 2023 and 2024 while maintaining break-even operations.

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

A.17 Financial Condition Since Registration

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

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

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

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

True

B.2 Name

Reserve Rights Foundation (the organization behind the RSR token).

B.3 Legal Form

Non-profit foundation.

B.4 Registered Address

Grand Cayman, Cayman Islands.

B.5 Head Office

Grand Cayman, Cayman Islands.

B.6 Registration Date

March 2019 (approximate date not available)

B.7 Legal Entity Identifier

Not available

B.8 Another Identifier Required Pursuant to Applicable National Law

Not applicable or not publicly disclosed, given the offshore foundation status.

B.9 Parent Company

Not applicable

B.10 Members of the Management Body

The Foundation's governance is largely decentralized. Key individuals associated with the Reserve project include: Nevin Freeman – Co-founder & CEO of Reserve (project lead, acting in a stewardship capacity for the ecosystem), Matt Elder – Co-founder & CTO, and other advisors/board members (e.g., early advisor Paul Atkins, former SEC Commissioner). The Foundation does not publicly list a formal board; decisions are often made via community governance and the core team's leadership. For compliance purposes, Nevin Freeman (USA) can be considered a principal responsible person for the issuer.

B.11 Business Activity

The Reserve Rights Foundation's mission is to develop and promote the Reserve protocol – a decentralized platform for stable currencies. Activities include software development (smart contracts for Reserve stablecoins and the RSR token), community governance facilitation, managing reserves or funds to support the ecosystem (including the treasury of RSR tokens), and partnerships to drive adoption of Reserve stablecoins in markets affected by high inflation. The Foundation also oversees security audits and research to ensure the protocol's robustness.

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

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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 preparing this MiCA-compliant whitepaper for RSR (Reserve Rights) to enhance transparency, regulatory clarity, and investor confidence. White RSR has 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 RSR 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 is not yet formally supervised under MiCA until the license is granted by the competent authority.

Under the TVTG framework, LCX provides:

- TT Depositary – Custody and safekeeping of crypto-assets.
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- 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

Reserve

D.2 Crypto-Assets Name

Reserve Rights

D.3 Abbreviation

RSR

D.4 Crypto-Asset Project Description

The Reserve Protocol is a decentralized finance (DeFi) infrastructure designed to facilitate the creation, management, and governance of asset-backed stablecoins—referred to as “RTokens.” The ecosystem operates on a dual-token structure: RTokens represent stable, collateralized assets, while the RSR token functions as a coordination and incentive mechanism for supporting these stablecoins. RSR is implemented as an ERC-20 standard token on the Ethereum blockchain and underpins the protocol’s decentralized governance, risk mitigation, and incentive architecture.

RSR’s role within the Reserve Protocol is defined by its use in protocol-level staking, governance, and algorithmic supply adjustment mechanisms. RSR holders may stake their tokens in association with specific RTokens to provide an additional layer of protection against collateral underperformance. If a collateral asset within a particular RToken’s basket fails or depegs, the system is designed to automatically liquidate the staked RSR to cover the shortfall. This mechanism contributes to the robustness and overcollateralization of RTokens, aligning ecosystem incentives. Stakers may receive a portion of fees generated by RTokens in exchange for their risk exposure, but this reward mechanism is entirely governed by the Reserve Protocol’s smart contracts and does not constitute a guaranteed or contractual return.

Additionally, RSR supports decentralized governance, allowing token holders to participate in decisions regarding collateral composition, risk parameters, protocol upgrades, and other platform-level policies. Participation typically requires locking or staking RSR through smart contract-enabled voting processes. All decisions are implemented through decentralized infrastructure; there is no central authority directing outcomes.

The protocol also incorporates a mechanism whereby certain platform-generated fees are algorithmically used to repurchase and burn RSR tokens from the market. This process, governed by smart contracts, reduces circulating supply over time and aligns network usage with token dynamics. Importantly, this buy-and-burn model does not imply any right to profit, revenue sharing, or ownership for RSR holders—it is a programmed supply adjustment function.

Given these characteristics, RSR does not grant its holders any enforceable rights to profits, services, or claims on underlying assets. It is not intended to serve as a utility token, asset-referenced token, or e-money token as defined under Regulation (EU) 2023/1114. Instead, RSR is classified as an “Other Crypto-Asset” pursuant to Title II of MiCAR, with its functionality rooted in decentralized protocol design and on-chain interactions.

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

The RSR project is a collaborative effort involving the core developers, the issuing foundation, and a decentralized community of node operators and users. Key parties include:

Full Name	Business Address	Function
Reserve Core Team((Nevin Freeman, Matt Elder, and others)	Global	Founding members and core developers
Reserve Rights Foundation	Global	Issuer and steward
Community Governance Participants	Global	Community validations
External Contributors	Global	Smart contract audits, market makers, community developers

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 filing this MiCA-compliant white paper for RSR to provide full disclosure under the new regulatory framework. While RSR is classified as “Other crypto assets” under MICA, the aim is to boost investor confidence and clarity regarding RSR’s features, risks, and legal status. By aligning with MiCA’s high disclosure standards, LCX strengthens its position as a regulated exchange and facilitates broader market access for RSR within the European Economic Area [OBJ].This initiative is expected to remove uncertainty for institutional participants and comply with evolving EU rules, thereby supporting broader adoption of RSR and integration into regulated financial ecosystems [OBJ]. In summary, the admission is pursued to list RSR in a fully compliant manner, allowing European users to trade RSR on a transparent, regulated venue with all necessary information provided upfront.

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

100,000,000,000 RSR (fixed maximum supply). As of March 2025, approximately 55 billion RSR are in circulation (this includes tokens that have vested from the Slow/Slower wallets). The remaining tokens (circa 45 billion) are gradually unlocking per the emission schedule, as detailed in Part D. This controlled release means circulating supply will increase over time, but cannot exceed the fixed cap of 100 billion. The protocol does not allow minting above this cap; any burns (from fee buybacks) reduce the circulating amount permanently.

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

RSR/EUR

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

RSR is widely traded on numerous cryptocurrency exchanges globally. RSR is not confined to any single trading venue; it can be accessed by retail and institutional investors worldwide through dozens of exchanges. LCX Exchange now supports RSR trading (pair RSR/EUR). To access RSR trading on LCX, users must have an LCX account and complete the platform's KYC verification, as LCX operates under strict compliance standards. Trading on LCX is available via its web interface and APIs to verified customers.

E.36 Involved Costs

Not applicable

E.37 Offer Expenses

Not applicable

E.38 Conflicts of Interest

Not Applicable

E.39 Applicable Law

Not applicable –As such, RSR itself is not governed by a single national legal framework. The applicable laws depend on the jurisdictions where it is traded or utilized. However, in relation to the admission to trading of RSR on LCX Exchange, the laws of Liechtenstein apply in accordance with Regulation (EU) 2023/1114 (MiCA) and other applicable EU financial regulations.

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

The Reserve Rights (RSR) token functions as a core coordination asset within the Reserve protocol ecosystem, supporting technical features such as decentralized governance, protocol-based risk mitigation, and value alignment. Its primary utility lies in its role as a staking and governance instrument. RSR holders may stake their tokens in support of specific asset-backed stablecoins (known as RTokens) created on the Reserve protocol. This staking mechanism provides an additional buffer of overcollateralization, as the staked RSR may be programmatically seized by the protocol in the event of a collateral asset failure within the stablecoin's reserve basket. In exchange for assuming this risk, stakers can receive a share of the stablecoin's revenue, such as issuance or transaction fees, distributed according to smart contract rules. This arrangement does not create a contractual entitlement to profit, nor does it involve any claim on the assets backing the RTokens.o

In addition, RSR is used to participate in the protocol's governance framework. Token holders may vote on proposals affecting stablecoin configurations, collateral composition, system parameters, and protocol upgrades. Participation in governance typically requires locking or staking RSR tokens for a defined period, aligning governance influence with long-term commitment. These governance processes are conducted on-chain, transparently enforced by smart contracts, and do not grant holders any corporate control or voting rights within a legal entity.

RSR also incorporates a deflationary economic mechanism designed to align token value with the success of the Reserve protocol. A portion of the protocol's fees may be used to automatically purchase RSR from the open market and permanently remove it from circulation via smart contract-based burning. This mechanism is autonomous, transparent, and embedded within the code, with no discretionary intervention from the issuer. It is not a promise of return but a market-driven supply reduction model contingent on protocol usage.

Overall, the functionality of RSR is defined by decentralized protocol logic rather than contractual or legal rights, and its use is entirely and technical in nature. It does not grant holders access to any specific product or service by default and is not redeemable for fiat or other reference assets. Accordingly, RSR qualifies as an "Other Crypto-Asset" under Article 4 of Regulation (EU) 2023/1114, as it falls outside the definitions of an asset-referenced token, e-money token, or utility token.

F.3 Planned Application of Functionalities

The RSR token is currently active and integrated into the operational structure of the Reserve protocol, with its planned functionalities being consistent extensions of its existing roles. RSR will continue to serve as the governance asset for the protocol, enabling holders to vote on system-level proposals such as collateral composition, fee parameters, and protocol upgrades. Its role as a staking instrument for backstopping asset-backed stablecoins (RTokens) is also expected to expand, as more RTokens are created through the protocol's stablecoin issuance framework. RSR will serve as the default governance and insurance token for all new RTokens launched via the Reserve factory. As the ecosystem evolves—introducing new features such as index-based RTokens or yield-generating reserve strategies—the importance of RSR in protocol-level coordination and stabilization mechanisms will proportionally grow. In parallel, broader decentralized finance (DeFi) markets may adopt RSR in use cases beyond the Reserve protocol, including collateral for lending, liquidity provisioning, or integration with decentralized governance platforms. These developments are not centrally orchestrated but

may emerge organically from RSR's role within the open ecosystem. Importantly, no planned change alters the token's fundamental properties or introduces entitlement-based features. Instead, the token's technical utility as a protocol coordination and risk management instrument will persist and scale with network adoption.

F.4 Type of white paper

OTHR

F.5 The type of submission

NEWT

F.6 Crypto-Asset Characteristics

RSR is a fungible and divisible digital token implemented on the Ethereum blockchain in accordance with the ERC-20 standard, with 18 decimal places of precision. It is not backed by any physical commodity, fiat currency, or reference asset, and it does not entitle holders to financial claims, redemption rights, or guaranteed service access. Its functionality within the Reserve protocol centers on decentralized governance participation and insurance for protocol-based stablecoins (RTokens).

The token has a fixed maximum supply of 100 billion units, with issuance occurring through predefined unlock schedules. While additional tokens are gradually released into circulation, RSR also includes a deflationary burn mechanism: a portion of protocol-generated fees is periodically used to purchase and permanently remove tokens from supply. These opposing supply mechanics—scheduled unlocks and market-based burns—contribute to its long-term economic behavior.

RSR is compatible with all Ethereum-based tools and infrastructure. Its smart contract does not implement complex behaviors like rebasing, dynamic fees, or upgradeable proxy structures. Transfers are standard and rely on Ethereum's transaction model, with users paying gas fees in ETH. Once deployed, the RSR token logic remains fixed; any fundamental change would require deployment of a new contract, which is not currently planned.

The Reserve protocol itself is upgradable through governance proposals voted on by RSR holders. These upgrades may affect how RSR interacts with staking modules, fee distribution models, or collateral configurations, but do not modify the RSR token contract. RSR staking involves exchanging tokens for a representative staking token (e.g., stRSR) and is subject to withdrawal delays to support the protocol's risk mitigation design.

RSR's value is determined by market dynamics, including its role in protocol governance and insurance. The token is subject to price volatility and is not designed as a stable value instrument. It operates entirely on decentralized infrastructure, with no central party controlling supply or enforcing changes outside of protocol-defined processes.

F.7 Commercial name or trading name

RSR

F.8 Website of the issuer

reserve.org

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

2025-12-17

F.10 Publication date

2025-12-17

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

Not available (none currently assigned)

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

Holding or acquiring RSR does not grant any legal claim, enforceable entitlement, or contractual right against the issuer or any affiliated party. RSR does not represent ownership in any legal entity, nor does it offer rights to dividends, profit-sharing, or redemption. Instead, the token provides its holders with protocol-level functionalities that are executed autonomously via smart contracts. These include the ability to transfer the token, stake it within the Reserve protocol's decentralized insurance modules, and participate in on-chain governance processes.Staking RSR allows holders to support specific RTokens (Reserve stablecoins) by contributing additional collateral protection in exchange for the opportunity to earn protocol-generated fees. However, this staking activity also carries economic risk, as the staked RSR may be partially or fully forfeited in the event of collateral shortfall events. The decision to stake or abstain lies entirely with the token holder.

RSR also enables participation in governance mechanisms across the Reserve protocol. This allows holders to vote on protocol proposals such as fee adjustments, collateral basket compositions, or parameter updates. Governance decisions are executed through on-chain mechanisms and affect only the smart contract logic of the protocol. These voting rights are functional in nature and do not extend to legal influence over the issuer or its operations. Holders may also indirectly benefit from certain tokenomic mechanisms, such as protocol-led buybacks and burns that reduce circulating supply. These mechanisms operate automatically via code and are not enforceable rights; no holder is entitled to compel token burns or other value-related actions by the issuer. All outcomes are governed by protocol-defined logic, with no discretionary obligations owed to individual token holders.

G.2 Exercise of Rights and Obligation

RSR token holders exercise their functional rights by interacting directly with the Reserve protocol's smart contracts or interfaces. These rights include the ability to stake RSR in support of RTokens (Reserve stablecoins), where users send their tokens to a staking contract and receive staking derivatives (such as RSR) in return. This allows them to participate in protocol insurance and earn potential yield, while also accepting the risk of slashing if a collateral failure occurs. Unstaking is subject to a waiting period, which is determined by governance parameters. Governance participation is another core functionality: RSR holders may vote on proposals affecting protocol parameters, collateral baskets, and upgrades by locking their tokens or signing messages, depending on whether the vote is conducted on-chain or off-chain. Voting requires RSR to be held in a self-custodied wallet, as exchange-held tokens typically do not confer governance power. Token holders can also freely transfer RSR via standard ERC-20 transactions on Ethereum, with no transfer restrictions beyond gas fees. In addition, holders benefit from protocol transparency, including open-source code, governance documentation, public dashboards, and regular updates. Importantly, RSR ownership does not impose any obligations—users are free to hold tokens passively without engaging in staking or governance. Obligations arise only when engaging with certain smart contracts, such as accepting slashing conditions when staking. All rights are executed permissionlessly via smart contracts, with no reliance on the issuer or centralized authority.

G.3 Conditions for Modifications of Rights and Obligations

The rights and obligations associated with RSR token holders are determined by the smart contracts and governance framework of the Reserve protocol. These rights—such as the ability to stake RSR, participate in governance, and earn protocol rewards—are not established by contract with a central issuer but rather embedded in the protocol's technical infrastructure and community-managed governance. Any modification to these rights or their conditions must occur through a formal governance process involving RSR holders. For example, updates to staking parameters, slashing conditions, or voting mechanisms are

typically proposed, debated, and approved through on-chain or hybrid governance voting systems where RSR holders can participate. The protocol does not allow unilateral changes by any single party; even the core team must follow the same governance procedures to implement material updates. In cases where significant technical upgrades or migrations are needed—such as deploying new smart contracts—holders would usually be asked to opt in, often by migrating their tokens or interacting with updated contract versions. There are no mechanisms for forcibly modifying holder rights without their participation, and any changes impacting the token's use or value are subject to community visibility and voting. As such, RSR's rights framework is adaptable but only through transparent, decentralized, and consensus-driven mechanisms.

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

The total supply of RSR is fixed at 100,000,000,000 tokens. This cap is hardcoded into the original RSR token contract deployed on the Ethereum blockchain and cannot be increased or exceeded under any condition. There is no minting function in the token contract, and no governance process exists that would allow for supply expansion. At genesis, a portion of the tokens was made available for public sale, while the remaining allocation has been gradually released based on a predefined vesting and unlock schedule. These unlocks are time-based and transparent, with relevant wallet addresses and schedules publicly verifiable on blockchain explorers.

While the maximum supply remains constant, the circulating supply of RSR may decrease over time due to the protocol's built-in burn mechanism. When Reserve stablecoins (RTokens) are used within the ecosystem, a portion of the transaction or management fees may be allocated toward buying RSR from the open market and subsequently burning it—sending it to an irrecoverable address. This creates a deflationary effect, reducing the circulating supply of RSR over time. The rate of burning is entirely dependent on the economic activity within the Reserve ecosystem; it is not guaranteed or fixed.This protocol-driven burn mechanism, combined with the capped token supply and absence of inflation, provides a predictable and transparent framework for managing RSR's supply. There is no discretion or authority granted to the issuer or any centralized party to arbitrarily adjust the token's supply, ensuring

consistency with MiCA's requirements for transparency, immutability, and non-intervention in token issuance.

G.13 Supply Adjustment Mechanisms

The supply of the RSR token is governed by a fixed maximum cap of 100,000,000,000 tokens, with no ability to mint beyond this limit, as the token's smart contract includes no functionality for increasing supply. Adjustments to circulating supply occur only through two mechanisms: time-based token unlocks and protocol-driven burns. Initially, a portion of the total supply was locked and is being gradually released according to pre-defined vesting schedules, with on-chain transparency for allocations to team members, early contributors, and ecosystem development. Separately, the Reserve protocol incorporates a burn mechanism wherein a portion of fees generated by activity within the ecosystem (such as RToken issuance or transactions) is used to automatically purchase RSR from the open market and send it to a burn address, permanently reducing circulating supply. This deflationary process is executed via smart contracts and directly reflects usage levels of the Reserve stablecoin ecosystem. Governance by RSR holders may influence certain parameters, such as fee settings or stake-related configurations, but cannot authorize new issuance or raise the supply cap. These mechanisms are fully transparent, rule-based, and consistent with MiCA standards, supporting the classification of RSR as an "Other Crypto-Asset" (OTHR) by ensuring no embedded redemption, profit claims, or discretionary issuance rights.

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

Not applicable – As such, RSR itself is not governed by a single national legal framework. The applicable laws depend on the jurisdictions where it is traded or utilized. However, in relation to the admission to trading of RSR on LCX Exchange, the laws of Liechtenstein apply in accordance with Regulation (EU) 2023/1114 (MiCA) and other applicable EU financial regulations.

G.19 Competent Court

Not applicable - As RSR (RSR) is a decentralized, open-source crypto-asset with no central issuer or governing entity, it does not fall under the jurisdiction of any specific legal framework. 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.

H. PART H – INFORMATION ON THE UNDERLYING TECHNOLOGY

H.1 Distributed ledger technology

The Reserve Rights (RSR) token is implemented on the Ethereum blockchain, a decentralized and permissionless distributed ledger technology (DLT). Ethereum operates using a

Proof-of-Stake (PoS) consensus mechanism, where validators secure the network by staking ETH and are economically incentivized to act honestly. Blocks are produced approximately every 12 seconds, and transaction finality typically occurs within a few minutes. The Ethereum ledger transparently records all RSR token balances and transfers using smart contracts, specifically through the widely adopted ERC-20 token standard. RSR's operations, including transfers, staking, and burn events, are immutably recorded and verifiable via Ethereum-based block explorers.

The RSR token's primary registry is on Ethereum mainnet, although the Reserve protocol may interface with layer-2 networks or sidechains for specific functionalities. Any such expansions maintain Ethereum as the canonical source of truth for RSR supply and ownership. While bridged representations of RSR may exist on other blockchains (e.g., for interoperability), they are managed through custodial or smart contract bridges that lock original tokens on Ethereum and mint representations elsewhere. These bridged tokens introduce additional technical dependencies, but they do not affect the primary supply or integrity of the Ethereum-based ledger.

Ethereum's long operational history, active development community, and high level of decentralization contribute to its status as one of the most established smart contract platforms. For holders of RSR, Ethereum's DLT ensures that ownership is determined by cryptographic key control, transactions are immutable once confirmed, and no central party can arbitrarily modify token balances or issuance. Token emissions and supply adjustments—such as scheduled vesting or protocol-driven burns—are executed through smart contracts and transparently verifiable on-chain, fully aligned with the principles of DLT as envisioned under MiCA.

RSR Whitepaper: RSR Whitepaper

Public block explorer: https://etherscan.io/

RSR Main repository: https://github.com/reserve-protocol/rsr

RSR Developer portal: https://reserve.org/protocol/reserve_rights_rsr/

H.2 Protocols and Technical Standards

The Reserve Rights (RSR) token adheres to the ERC-20 technical standard for fungible tokens on the Ethereum blockchain. This standard defines a set of functions and events—such as transfer(), approve(), transferFrom(), totalSupply(), and Transfer/Approval events—that ensure interoperability with Ethereum-compatible wallets, decentralized applications, and smart contracts. The RSR token contract is deployed on Ethereum mainnet and is immutable, meaning it cannot be upgraded or altered post-deployment. It does not include any minting function beyond the original total supply, and the maximum issuance (100 billion RSR) was allocated during deployment to designated addresses, including vesting and time-lock contracts.

The broader Reserve protocol ecosystem includes a series of additional smart contracts with which RSR interacts. These include staking modules for each decentralized stablecoin instance (RTokens), which accept RSR and issue a staked representation token (e.g., stRSR). These contracts implement mechanisms for slashing (in the event of collateral default), reward distribution, and rebalancing. Governance-related smart contracts may also be employed to facilitate token-holder voting on protocol upgrades, parameter changes, or basket adjustments. Although some governance processes may currently involve off-chain signaling tools, the long-term architecture anticipates fully on-chain governance protocols.

RSR is also embedded in the design of RToken contracts through its role in governance and risk management. These contracts may include encoded references to RSR for purposes of setting staking requirements, slashing logic, and revenue sharing. Across all contract layers, best practices in Ethereum smart contract development are applied—utilizing standardized and audited libraries where applicable—to ensure robust, predictable, and transparent token behavior in line with ERC-20 standards and DLT reliability.

H.3 Technology Used

The Reserve Rights (RSR) token is built on Ethereum Layer 1 and operates according to the ERC-20 standard. The core protocol components supporting RSR and the broader Reserve ecosystem are composed of a modular smart contract suite deployed on Ethereum, including token contracts, staking modules, collateral management, revenue distribution, and auction logic. RSR is used within these smart contracts for governance, insurance staking, and protocol coordination. Transactions involving RSR require gas fees paid in ETH and are processed through Ethereum's proof-of-stake consensus mechanism.

The protocol architecture includes upgradeable smart contracts for the stablecoin-related components (such as collateral basket management and issuance logic), governed via RSR token-holder voting. The RSR token contract itself, by contrast, is immutable and not upgradeable, ensuring its supply and functionality remain fixed. This architectural separation allows the Reserve protocol to evolve while maintaining certainty in RSR's core properties.

Off-chain infrastructure includes price oracle integrations to determine the real-time value of collateral assets. These oracles feed data into protocol contracts for managing over-collateralization and triggering liquidation or auctions in adverse scenarios. In contrast, the RSR token typically does not require a price oracle for its internal logic, unless specific parameters (e.g., minimum auction thresholds) necessitate referencing RSR's market value.

The front-end interfaces—including a governance dashboard and application portal—enable RSR holders to interact with smart contracts through standard wallet integrations. These web-based tools connect users to Ethereum using decentralized provider interfaces (e.g., Web3 or JSON-RPC gateways). Security features include the use of multi-signature controls for administrative permissions, time-lock mechanisms for treasury or upgrade-related actions, and emergency pause/freeze functions in select smart contracts. These functions are governed transparently and are designed to mitigate risks during exceptional conditions, with transitions toward increased decentralization over time.

H.4 Consensus Mechanism

The Reserve Rights (RSR) token operates on the Ethereum blockchain, which utilizes a Proof-of-Stake (PoS) consensus mechanism. This mechanism enables network validators to propose and confirm blocks based on the amount of staked ETH, replacing the energy-intensive Proof-of-Work model previously used. Validators are incentivized to act honestly through staking rewards and risk penalties (slashing) for malicious behavior. The PoS model contributes to the security, integrity, and finality of RSR token transactions by ensuring that only valid and agreed-upon blocks are appended to the blockchain. As an ERC-20 token, RSR relies entirely on Ethereum's consensus for its transaction ordering, settlement, and network security. The issuer or Reserve protocol team has no control over the consensus process, which is maintained by Ethereum's decentralized validator set. The consensus mechanism ensures that all RSR token movements—such as transfers, staking deposits, and contract interactions—are recorded immutably and transparently on the distributed ledger.

H.5 Incentive Mechanisms and Applicable Fees

The RSR token is designed to support a decentralized incentive framework within the Reserve protocol. Its primary incentive mechanism is centered around staking: RSR holders can stake their tokens in specific stablecoin systems (RTokens) to provide first-loss capital in case of collateral failure. In return for assuming this insurance risk, stakers are eligible to receive a portion of the RToken's revenue, such as issuance, redemption, or transaction fees. These rewards are distributed algorithmically by the protocol's smart contracts based on the amount and duration of the stake. The protocol also incorporates a deflationary mechanism whereby a portion of protocol-level fees is used to purchase and burn RSR tokens, reducing the total circulating supply over time and potentially increasing the value of remaining tokens. There are no fees charged by the RSR token contract itself—transfers are standard ERC-20 operations subject only to Ethereum network gas fees. However, when RSR is used in protocol interactions (such as staking or governance), users may incur smart contract execution costs, which are also paid in ETH. These mechanisms are embedded in the protocol's design and are subject to governance by RSR holders.

H.6 Use of Distributed Ledger Technology

True

H.7 DLT Functionality Description

The RSR token operates entirely on a decentralized distributed ledger technology (DLT), specifically the Ethereum blockchain, which facilitates its storage, transfer, and interaction with smart contracts. Ethereum's DLT provides a public, immutable ledger where all RSR transactions are recorded and can be independently verified. The functionality supported by this DLT includes standard peer-to-peer token transfers, permissionless interaction with Reserve protocol smart contracts (such as staking modules, governance systems, and insurance mechanisms), and transparent recording of supply-related events (such as burns or vesting unlocks). The DLT ensures that RSR holders can retain full custody of their assets via private wallets and can participate in the Reserve ecosystem without relying on centralized intermediaries. All logic pertaining to RSR's use—including governance voting, staking, and reward distribution—is executed through Ethereum smart contracts, which run deterministically based on pre-defined rules. These smart contracts ensure that RSR token operations are automated and tamper-resistant. No central authority has control over the ledger or the execution of transactions, and once recorded, data cannot be altered retroactively. This aligns with the broader principles of decentralization, transparency, and security expected from compliant crypto-asset infrastructures under MiCA.

H.8 Audit

True

H.9 Audit Outcome

The RSR token and broader Reserve protocol have been subjected to multiple independent security audits, including reviews by Solidified, Code4rena, Halborn, and other reputable auditors. These assessments focused on core functionalities such as token immutability, staking logic, collateral management, and governance mechanisms. No critical or unresolved security vulnerabilities were publicly reported, and only minor optimization or clarity recommendations were noted. Audit artifacts are publicly available via the Reserve protocol's GitHub repository under the audits section. Updates or new audits for future protocol enhancements are expected to be disclosed in line with MiCA transparency requirements.

The RSR contract was audited by Solidified in April 2025, confirming no high-severity

vulnerabilities; report available at [GitHub audit directory]. Additional audits by Code4rena and Halborn corroborated these findings

Audit link: Solidified Audit

I. PART I – INFORMATION ON RISKS

I.1 Offer-Related Risks

Market & Trading Risks. Volatility and Liquidity: RSR's market price is highly volatile. Crypto markets can swing dramatically due to speculation, macroeconomic news, or project developments. An investor buying RSR could see its value drop significantly in a short time. There is no guaranteed floor or intrinsic value; if confidence erodes, RSR could lose most of its market value. Liquidity on exchanges, while generally good (RSR is listed on major platforms), can dry up under stress, making it hard to sell a large position without slippage. On smaller exchanges or during off-peak hours, thin order books might cause price gaps. Risk of Total Loss: Since RSR is not backed by physical assets or legal claims, its price could, in worst case, go to zero – for instance, if a severe protocol failure or regulatory ban occurred, investors might abandon the token entirely. Buyers should only invest funds they can afford to lose completely.

Trading Venue Risks: On the LCX exchange or others, trading may be halted due to technical outages, hacking incidents, or regulatory intervention. If LCX or another exchange faces cyber-attacks or insolvency, RSR holders on that platform could experience delays or losses in accessing their tokens. It's generally advised to use secure wallets for long-term holding to mitigate exchange custody risk.

Regulatory Trading Risks: Although MiCA will harmonize crypto regulation in the EEA, in the interim and even thereafter, regulators could impose restrictions. For example, if RSR were later deemed a security by some authority, exchanges might be forced to delist it from certain jurisdictions, impacting liquidity and price. Currently, RSR is treated as a utility token; however, regulatory opinions can evolve.

No Investor Protection Scheme: Trading RSR does not come with protections like deposit insurance or investor compensation schemes. If you suffer losses from price movements or exchange failure, there is no government guarantee to reimburse you.

Arbitrage and Price Divergence: RSR trades globally; prices might differ slightly between exchanges. While arbitrage usually aligns them, in extreme scenarios one market might crash (e.g., due to a local event) and cause cascading effects. If you are trading on margin or with leverage (some platforms might allow RSR futures or borrowing), be aware that volatility can trigger liquidation of positions – magnifying losses.

I.2 Issuer-Related Risks

Operational & Ecosystem Risks. Project Continuity and Governance: The Reserve Rights Foundation and core team are crucial to ongoing development. If the core team were to disband, funding run out, or key individuals become unavailable, the project's progress could stall. While RSR is decentralized in operation, its success still partly relies on the team's stewardship (for coordinating upgrades, fostering adoption of stablecoins, marketing, etc.). There's also a risk of governance capture – if a malicious actor accumulates a large amount of RSR, they could attempt to push proposals benefiting them at the expense of the protocol (e.g., change parameters to funnel fees unjustly). However, given the distribution and the fact

that major changes are transparent, this risk is mitigated by community awareness – still, low voter turnout could allow a concentrated group to influence outcomes.

Financial Dependence on Token Value: The Foundation holds a large reserve of RSR (the Slow/Slower wallets). The project's funding for development and operations partly comes from selling or allocating those tokens over time. If RSR's price remains very low for a prolonged period, the Foundation's war chest effectively shrinks in value, potentially affecting its ability to fund development, marketing, and ecosystem grants. This could slow the project's growth or limit resources for things like audits or community programs.

Legal and Regulatory Risk for Issuer: The Reserve Rights Foundation operates in a complex regulatory environment. If authorities in the foundation's jurisdiction (or elsewhere) were to take action – for instance, classifying the token sale in 2019 as an unregistered securities offering – the foundation or team could face legal challenges. While this would primarily impact the team (fines, restrictions), it can indirectly hurt RSR holders through reputational damage or reduced capacity of the team to operate. Additionally, compliance costs with new regulations (like MiCA) are non-trivial; smaller projects sometimes struggle, but Reserve has thus far been proactive (as evidenced by this white paper). Nonetheless, adapting to evolving laws globally (such as travel rule implementation, sanctions compliance for the app, etc.) adds strain.

Key Personnel Risk: The crypto industry sometimes faces events where key members lose access to keys (e.g., demise or disability) or act maliciously. Reserve's contracts are mostly decentralized, but there may be multisig keys controlling upgrades or the Slow wallet. If key signatories collude or are compromised, theoretically they could attempt something against community interest (like moving tokens ignoring the spirit of the timetable, though technical locks limit this). The project likely requires multiple signatures for any action, lowering this risk. Also, any irregular token movement would be public, allowing market reaction (which might be severe sell-off). The team's reputation appears solid, and such behavior is unlikely, but it's a risk in any crypto project where insiders control treasury assets.

Partnership/Adoption Risk: The value of RSR is linked to the success of Reserve stablecoins. If partnerships (with exchanges, with fintech apps in emerging markets, etc.) fail or user adoption doesn't grow, the whole ecosystem could stagnate. This isn't a direct risk like a bug, but a slow burn risk: RSR could erode in value if the stablecoin usage doesn't materialize as hoped. Conversely, if adoption grows, RSR should benefit – highlighting that RSR holders are reliant on the issuer's strategy to drive actual usage in target markets.

Transparency and Information Risk: While the project is quite transparent (open code, etc.), it might not disclose everything (for example, exact holdings of fiat by any legal entities, if any, or detailed financial statements, since it's not mandated). There's a risk that internal issues (like a dispute in the team, or a lost portion of funds) might not immediately be public. However, given the track record, the team has been communicative about changes (like the Jan 2024 restructuring announcement). Still, holders should maintain some caution and not assume perfect information flow.

Competition: The Reserve protocol competes in the stablecoin and DeFi space. Competing projects or large stablecoins (like MakerDAO's DAI or upcoming EU regulated stablecoins) might limit Reserve's growth, indirectly affecting RSR demand. If a competitor makes RSR's role obsolete (e.g., a model that doesn't need a separate token for governance/insurance and gains favor), RSR could lose utility. The Reserve team might adapt, but competition is a risk to the issuer's business model.

I.3 Crypto-Assets-Related Risks

Technology & Ecosystem Risks. Smart Contract Risk: Despite multiple audits, the possibility of a smart contract bug in the Reserve ecosystem remains. A critical bug could be exploited by attackers – for instance, a flaw in the staking contract might allow someone to drain staked RSR or bypass slashing, undermining its insurance purpose. Or a bug in the auction mechanism could lead to insolvent stablecoin not properly recapitalizing, harming confidence in the system (and hence RSR's value). If a severe exploit occurred, RSR's price would almost certainly plummet, and the protocol might need to be paused or redeployed, which is complex in a decentralized setting. The bug bounty program helps mitigate this, as does ongoing development scrutiny, but no code is 100% safe. Users engaging with RSR in contracts (staking, etc.) must accept risk of contract failure.

Consensus and Network Risk: RSR relies on Ethereum's proper function. Ethereum's PoS, while considered very secure, is not infallible. Potential (albeit extremely unlikely) events: a major consensus failure, a successful 51% attack (which in PoS is more like a censorship attack), or catastrophic bug in Ethereum (like an inflation bug minting ether out of thin air). Such events could disrupt RSR transactions or even compromise the token's contract (e.g., if Ethereum had to roll back a few days because of a serious issue, any RSR transfers or stake actions in that time would be reverted). While theoretical, one should acknowledge it. Ethereum also has high gas fees at times – if fees spike, smaller RSR holders might find it uneconomical to move or stake their tokens, which could concentrate activity among larger players. The upcoming scaling improvements aim to reduce this problem.

Bridged Token Risk: Many holders use RSR on other chains (e.g., to provide liquidity on Solana or trade on BSC DEXs). Those wrapped RSR are only as good as the bridge security. In June 2022, for example, Horizon bridge was hacked (not related to RSR, just illustrating bridges can be points of failure). If a bridge holding RSR were hacked, the wrapped RSR on the other chain could become worthless, and it might indirectly affect main RSR's reputation or create confusion. However, the canonical Ethereum RSR would remain intact; the risk mostly is for those who moved assets cross-chain. The project likely endorses certain bridges as "official" (maybe a partnership with one of the major bridge providers), but any cross-chain activity has inherent risk.

Cryptographic Risk: RSR relies on the cryptography underlying Ethereum (ECDSA signatures, hash functions). If any of these primitives were broken (e.g., by quantum computing advances making it easy to forge signatures), the security of RSR holdings could be in jeopardy. This is a generalized crypto risk and not immediate, but worth noting for completeness – mitigation would require migrating to quantum-resistant algorithms in future upgrades, which would be an industry-wide effort.

I.4 Project Implementation-Related Risks

The Reserve protocol, while operational, continues to evolve through the development of new RTokens, governance enhancements, and broader integrations within decentralized finance. As such, implementation-related risks persist. There is a risk of delays or underperformance in delivering new features, particularly around protocol upgrades, basket management mechanisms, or improvements to staking infrastructure. Additionally, the protocol's reliance on smart contracts and decentralized oracles introduces technical dependency risks—bugs or malfunctions in these components could disrupt staking, governance, or stablecoin operations. Adoption uncertainty is another material risk: the platform's success is partly dependent on attracting users, developers, and integrators to deploy and maintain RTokens. If ecosystem participation remains low or fails to scale, the utility and relevance of RSR could diminish. Furthermore, regulatory and legal developments in relation to algorithmic governance, collateral composition, or digital asset staking could affect how the protocol evolves or is able

to operate in certain jurisdictions. Lastly, as the Reserve protocol is managed in part by a decentralized community, there is the risk of governance fragmentation or inefficient decision-making, which could hinder timely and cohesive implementation of critical changes.

I.5 Technology-Related Risks

The RSR token operates on the Ethereum blockchain and interacts with a suite of smart contracts that underpin the Reserve protocol. As such, it is subject to several technology-related risks. Firstly, smart contract vulnerabilities may arise—despite multiple audits, there remains a risk of undiscovered bugs or logic errors in RSR staking contracts, governance modules, or RToken collateral mechanisms, which could lead to fund loss or protocol failure. Secondly, the Ethereum network itself is a dependency, and any disruption to its Proof-of-Stake consensus, transaction throughput, or fee structure (e.g., network congestion or high gas fees) can affect RSR's usability and cost-efficiency. Oracle dependencies, particularly those providing real-time asset prices for RTokens' collateral, present a risk if feeds are manipulated, delayed, or incorrect, which may trigger unnecessary liquidations or faulty governance decisions. There is also risk associated with integrations—for instance, if RSR or Reserve stablecoins are bridged to other blockchains or protocols, those external systems may introduce vulnerabilities beyond Ethereum's security guarantees. Additionally, user-side risks such as key mismanagement, phishing, or interface errors (e.g., signing unintended transactions) may result in irreversible token loss. Lastly, as the Reserve ecosystem evolves, software upgrades—even if governance-approved—carry a risk of accidental regressions, implementation errors, or unexpected behavior, especially in decentralized environments where emergency rollback is difficult.

I.6 Mitigation Measures

To address and mitigate the risks associated with the RSR token and the Reserve protocol, several technical, procedural, and governance safeguards have been implemented. The RSR token contract is based on the widely used ERC-20 standard and is immutable, eliminating upgrade-related vulnerabilities. All protocol-related smart contracts—particularly those managing staking, governance, and collateral baskets—have undergone third-party audits by reputable security firms, with findings publicly disclosed to ensure transparency. Governance-related changes and contract upgrades are gated by decentralized voting mechanisms requiring RSR holder participation, thereby reducing unilateral intervention risk. Vesting contracts and time-locked treasury wallets are used to mitigate sudden token supply shocks or misuse of reserves. The protocol also employs oracle redundancy, fallback mechanisms, and rate-limiting logic to safeguard against price manipulation and asset depegging. Emergency pause functions and controlled governance timelocks allow the community to react to critical issues when required. From an operational standpoint, the Reserve team maintains open-source codebases, ongoing community transparency through public communications, and real-time analytics on protocol health and token distribution. These collective measures aim to uphold the integrity, stability, and resilience of the Reserve ecosystem while ensuring that RSR holders remain informed and empowered participants in its evolution.

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

The RSR token operates on a decentralized public blockchain secured through a Proof-of-Stake (PoS) consensus mechanism, which is considered more energy-efficient than legacy Proof-of-Work (PoW) systems. Unlike PoW, which relies on intensive computational mining, PoS systems utilize validators who secure the network by staking assets, thereby reducing overall energy consumption. However, the environmental footprint associated with PoS networks is not zero, and varies based on multiple factors such as validator infrastructure, energy sources, and global node distribution. The RSR token does not maintain its own blockchain or independent validator set; it relies on the consensus and infrastructure of the underlying PoS-based public network. Accordingly, any environmental impact attributable to RSR is inherently derived from that broader network's energy profile. That said, such impact cannot be definitively measured or broadly speculated upon in isolation, as it depends on dynamic technical and geographic variables beyond the control of the token or its issuer.

General information	
S.1 Name *Name reported in field A.1*	LCX
S.2 Relevant legal entity identifier Identifier referred to in field A.2	529900SN07Z6RTX8R418
S.3 Name of the crypto-asset Name of the crypto-asset, as reported in field D.2	RSR
S.4 Consensus Mechanism The consensus mechanism, as reported in field H.4	Reserve Rights is present on the following networks: Ethereum, Gnosis Chain, Solana. The crypto-asset's Proof-of-Stake (PoS) consensus mechanism, introduced with The Merge in 2022, replaces mining with validator staking. Validators must stake at least 32 ETH every block a validator is randomly chosen to propose the next block. Once proposed the other validators verify the blocks integrity. The network operates on a slot and epoch system, where a new block is proposed every 12 seconds, and finalization occurs after two epochs (~12.8 minutes) using Casper-FFG. The Beacon Chain coordinates validators, while the fork-choice rule (LMD-GHOST) ensures the chain follows the heaviest accumulated validator votes. Validators earn rewards for proposing and verifying blocks, but face slashing for malicious behavior or inactivity. PoS aims to improve energy efficiency, security, and scalability, with future upgrades like Proto-Danksharding enhancing transaction efficiency. Gnosis Chain – Consensus Mechanism Gnosis Chain employs a dual-layer

	structure to balance scalability and security, using Proof of Stake (PoS) for its core consensus and transaction finality. Core Components: Two-Layer Structure Layer 1: Gnosis Beacon Chain The Gnosis Beacon Chain operates on a Proof of Stake (PoS) mechanism, acting as the security and consensus backbone. Validators stake GNO tokens on the Beacon Chain and validate transactions, ensuring network security and finality. Layer 2: Gnosis xDai Chain Gnosis xDai Chain processes transactions and dApp interactions, providing high-speed, low-cost transactions. Layer 2 transaction data is finalized on the Gnosis Beacon Chain, creating an integrated framework where Layer 1 ensures security and finality, and Layer 2 enhances scalability. Validator Role and Staking Validators on the Gnosis Beacon Chain stake GNO tokens and participate in consensus by validating blocks. This setup ensures that validators have an economic interest in maintaining the security and integrity of both the Beacon Chain (Layer 1) and the xDai Chain (Layer 2). Cross-Layer Security Transactions on Layer 2 are ultimately finalized on Layer 1, providing security and finality to all activities on the Gnosis Chain. This architecture allows Gnosis Chain to combine the speed and cost efficiency of Layer 2 with the security guarantees of a PoS-secured Layer 1, making it suitable for both high-frequency applications and secure asset management. Solana uses a unique combination of Proof of History (PoH) and Proof of Stake (PoS) to achieve high throughput, low latency, and robust security. Here's a detailed explanation of how these mechanisms work: Core Concepts 1. Proof of History (PoH): Time-Stamped Transactions: PoH is a cryptographic technique that timestamps transactions, creating a historical record that proves that an event has occurred at a specific moment in time. Verifiable Delay Function: PoH uses a Verifiable Delay Function (VDF) to generate a unique hash that includes the transaction and the time it was processed. This sequence of hashes provides a verifiable order of events, enabling the network to efficiently agree on the sequence of transactions. 2. Proof of Stake (PoS): Validator Selection: Validators are chosen to produce new blocks based on the number of SOL tokens they have staked. The more tokens staked, the higher the chance of being selected to validate transactions and produce new blocks. Delegation: Token holders can delegate their

	SOL tokens to validators, earning rewards proportional to their stake while enhancing the network's security. Consensus Process 1. Transaction Validation: Transactions are broadcast to the network and collected by validators. Each transaction is validated to ensure it meets the network's criteria, such as having correct signatures and sufficient funds. 2. PoH Sequence Generation: A validator generates a sequence of hashes using PoH, each containing a timestamp and the previous hash. This process creates a historical record of transactions, establishing a cryptographic clock for the network. 3. Block Production: The network uses PoS to select a leader validator based on their stake. The leader is responsible for bundling the validated transactions into a block. The leader validator uses the PoH sequence to order transactions within the block, ensuring that all transactions are processed in the correct order. 4. Consensus and Finalization: Other validators verify the block produced by the leader validator. They check the correctness of the PoH sequence and validate the transactions within the block. Once the block is verified, it is added to the blockchain. Validators sign off on the block, and it is considered finalized. Security and Economic Incentives 1. Incentives for Validators: Block Rewards: Validators earn rewards for producing and validating blocks. These rewards are distributed in SOL tokens and are proportional to the validator's stake and performance. Transaction Fees: Validators also earn transaction fees from the transactions included in the blocks they produce. These fees provide an additional incentive for validators to process transactions efficiently. 2. Security: Staking: Validators must stake SOL tokens to participate in the consensus process. This staking acts as collateral, incentivizing validators to act honestly. If a validator behaves maliciously or fails to perform, they risk losing their staked tokens. Delegated Staking: Token holders can delegate their SOL tokens to validators, enhancing network security and decentralization. Delegators share in the rewards and are incentivized to choose reliable validators. 3. Economic Penalties: Slashing: Validators can be penalized for malicious behavior, such as double-signing or producing invalid blocks. This penalty, known as slashing, results in the loss of a portion of the staked tokens, discouraging dishonest actions.

S.5 Incentive Mechanisms and Applicable Fees Incentive mechanisms to secure transactions and any fees applicable, as reported in field H.5	Reserve Rights is present on the following networks: Ethereum, Gnosis Chain, Solana. The crypto-asset's PoS system secures transactions through validator incentives and economic penalties. Validators stake at least 32 ETH and earn rewards for proposing blocks, attesting to valid ones, and participating in sync committees. Rewards are paid in newly issued ETH and transaction fees. Under EIP-1559, transaction fees consist of a base fee, which is burned to reduce supply, and an optional priority fee (tip) paid to validators. Validators face slashing if they act maliciously and incur penalties for inactivity. This system aims to increase security by aligning incentives while making the crypto-asset's fee structure more predictable and deflationary during high network activity. The Gnosis Chain's incentive and fee models encourage both validator participation and network accessibility, using a dual-token system to maintain low transaction costs and effective staking rewards. Incentive Mechanisms: Staking Rewards for Validators GNO Rewards: Validators earn staking rewards in GNO tokens for their participation in consensus and securing the network. Delegation Model: GNO holders who do not operate validator nodes can delegate their GNO tokens to validators, allowing them to share in staking rewards and encouraging broader participation in network security. Dual-Token Model GNO: Used for staking, governance, and validator rewards, GNO aligns long-term network security incentives with token holders' economic interests. xDai: Serves as the primary transaction currency, providing stable and low-cost transactions. The use of a stable token (xDai) for fees minimizes volatility and offers predictable costs for users and developers. Applicable Fees: Transaction Fees in xDai Users pay transaction fees in xDai, the stable fee token, making costs affordable and predictable. This model is especially suited for high-frequency applications and dApps where low transaction fees are essential. xDai transaction fees are redistributed to validators as part of their compensation, aligning their rewards with network activity. Delegated Staking Rewards Through delegated staking, GNO holders can earn a share of staking rewards by delegating their tokens to active validators, promoting user participation in network security without requiring direct involvement in consensus operations. Solana uses a combination of Proof of History (PoH) and Proof

	of Stake (PoS) to secure its network and validate transactions. Here’s a detailed explanation of the incentive mechanisms and applicable fees: Incentive Mechanisms 4. Validators: Staking Rewards: Validators are chosen based on the number of SOL tokens they have staked. They earn rewards for producing and validating blocks, which are distributed in SOL. The more tokens staked, the higher the chances of being selected to validate transactions and produce new blocks. Transaction Fees: Validators earn a portion of the transaction fees paid by users for the transactions they include in the blocks. This provides an additional financial incentive for validators to process transactions efficiently and maintain the network's integrity. 5. Delegators: Delegated Staking: Token holders who do not wish to run a validator node can delegate their SOL tokens to a validator. In return, delegators share in the rewards earned by the validators. This encourages widespread participation in securing the network and ensures decentralization. 6. Economic Security: Slashing: Validators can be penalized for malicious behavior, such as producing invalid blocks or being frequently offline. This penalty, known as slashing, involves the loss of a portion of their staked tokens. Slashing deters dishonest actions and ensures that validators act in the best interest of the network. Opportunity Cost: By staking SOL tokens, validators and delegators lock up their tokens, which could otherwise be used or sold. This opportunity cost incentivizes participants to act honestly to earn rewards and avoid penalties. Fees Applicable on the Solana Blockchain 7. Transaction Fees: Low and Predictable Fees: Solana is designed to handle a high throughput of transactions, which helps keep fees low and predictable. The average transaction fee on Solana is significantly lower compared to other blockchains like Ethereum. Fee Structure: Fees are paid in SOL and are used to compensate validators for the resources they expend to process transactions. This includes computational power and network bandwidth. 8. Rent Fees: State Storage: Solana charges rent fees for storing data on the blockchain. These fees are designed to discourage inefficient use of state storage and encourage developers to clean up unused state. Rent fees help maintain the efficiency and performance of the network. 9. Smart Contract Fees: Execution Costs: Similar to transaction fees, fees for deploying

	and interacting with smart contracts on Solana are based on the computational resources required. This ensures that users are charged proportionally for the resources they consume.
S.6 Beginning of the period to which the disclosure relates	2024-05-18
S.7 End of the period to which the disclosure relates	2025-05-18
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	1377.53324 kWh per year
Sources and methodologies	
S.9 Energy consumption sources and Methodologies Sources and methodologies used in relation to the information reported in field S.8	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.

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

Not Applicable