

Degen (DEGEN)
White paper

In accordance with Title II of Regulation (EU) 2023/1114 (MiCA)

Beyond publication required by Kraken's regulators and the European Securities and Markets Authority (for inclusion in its register on behalf of Kraken), no part of this publication may be reproduced, distributed, or transmitted in any form or by any means without the prior written permission of Kraken. To request permission, please contact Kraken directly at micawhitepapers@kraken.com.

N	Field	Content
0	Table of content	<p>Table of content 2</p> <p>Date of notification 7</p> <p>Statement in accordance with Article 6(3) of Regulation (EU) 2023/1114 7</p> <p>Compliance statement in accordance with Article 6(6) of Regulation (EU) 2023/1114 7</p> <p>Statement in accordance with Article 6(5), points (a), (b), (c) of Regulation (EU) 2023/1114 7</p> <p>Statement in accordance with Article 6(5), point (d) of Regulation (EU) 2023/1114 8</p> <p>Statement in accordance with Article 6(5), points (e) and (f) of Regulation (EU) 2023/1114 8</p> <p>Summary 8</p> <p>Warning in accordance with Article 6(7), second subparagraph of Regulation (EU) 2023/1114 8</p> <p>Characteristics of the crypto-asset 8</p> <p>Information about the quality and quantity of goods or services to which the utility tokens give access and restrictions on the transferability 9</p> <p>Key information about the offer to the public or admission to trading 9</p> <p>Part I – Information on risks 9</p> <p>Offer-Related Risks 9</p> <p>Issuer-Related Risks 10</p> <p>Crypto-Assets-related Risks 10</p> <p>Project Implementation-Related Risks 11</p> <p>Technology-Related Risks 11</p> <p>Mitigation measures 13</p> <p>Part A - Information about the offeror or the person seeking admission to trading 13</p> <p>Name 13</p> <p>Legal form 13</p> <p>Registered address 13</p> <p>Head office 13</p> <p>Registration Date 13</p> <p>Legal entity identifier 13</p> <p>Another identifier required pursuant to applicable national law 13</p> <p>Contact telephone number 14</p> <p>E-mail address 14</p> <p>Response Time (Days) 14</p> <p>Parent Company 14</p> <p>Members of the Management body 14</p>

	Business Activity	14
	Parent Company Business Activity	14
	Newly Established	14
	Financial condition for the past three years	14
	Financial condition since registration	15
	Part B - Information about the issuer, if different from the offeror or person seeking admission to trading	15
	Issuer different from offeror or person seeking admission to trading	15
	Name	15
	Legal form	15
	Registered address	15
	Head office	15
	Registration Date	15
	Legal entity identifier	15
	Another identifier required pursuant to applicable national law	16
	Parent Company	16
	Members of the Management body	16
	Business Activity	16
	Parent Company Business Activity	16
	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	16
	Name	16
	Legal form	16
	Registered address	16
	Head office	17
	Registration Date	17
	2023-07-11	17
	Legal entity identifier of the operator of the trading platform	17
	Another identifier required pursuant to applicable national law	17
	Parent Company	17
	Reason for Crypto-Asset White Paper Preparation	17
	Members of the Management body	17
	Operator Business Activity	18
	Parent Company Business Activity	18
	Other persons drawing up the crypto-asset white paper according to Article 6(1), second subparagraph, of Regulation (EU) 2023/1114	18
	Reason for drawing the white paper by persons referred to in Article 6(1), second subparagraph, of Regulation (EU) 2023/1114	19
	Part D- Information about the crypto-asset project	19

	Crypto-asset project name	19
	Crypto-assets name	19
	Abbreviation	19
	Crypto-asset project description	19
	Details of all natural or legal persons involved in the implementation of the crypto-asset project	20
	Utility Token Classification	20
	Key Features of Goods/Services for Utility Token Projects	20
	Plans for the token	20
	Resource Allocation	20
	Planned Use of Collected Funds or Crypto-Assets	21
	Part E - Information about the offer to the public of crypto-assets or their admission to trading	21
	Public Offering or Admission to trading	21
	Reasons for Public Offer or Admission to trading	21
	Fundraising Target	21
	Minimum Subscription Goals	21
	Maximum Subscription Goal	21
	Oversubscription Acceptance	21
	Oversubscription Allocation	21
	Issue Price	22
	Official currency or other crypto-assets determining the issue price	22
	Subscription fee	22
	Offer Price Determination Method	22
	Total Number of Offered/Traded crypto-assets	22
	Targeted Holders	22
	Holder restrictions	22
	Reimbursement Notice	22
	Refund Mechanism	22
	Refund Timeline	23
	Offer Phases	23
	Early Purchase Discount	23
	time-limited offer	23
	Subscription period beginning	23
	Subscription period end	23
	Safeguarding Arrangements for Offered Funds/crypto-assets	23
	Payment Methods for crypto-asset Purchase	23
	Value Transfer Methods for Reimbursement	23
	Right of Withdrawal	24
	Transfer of Purchased crypto-assets	24

	Transfer Time Schedule	24
	Purchaser's Technical Requirements	24
	Crypto-asset service provider (CASP) name	24
	CASP identifier	24
	Placement form	24
	Trading Platforms name	24
	Trading Platforms Market Identifier Code (MIC)	24
	Trading Platforms Access	25
	Involved costs	25
	Offer Expenses	25
	Conflicts of Interest	25
	Applicable law	25
	Competent court	25
	Part F - Information about the crypto-assets	25
	Crypto-Asset Type	25
	Crypto-Asset Functionality	25
	Planned Application of Functionalities	26
	A description of the characteristics of the crypto-asset, including the data necessary for classification of the crypto-asset white paper in the register referred to in Article 109 of Regulation (EU) 2023/1114, as specified in accordance with paragraph 8 of that Article	26
	Type of white paper	26
	The type of submission	26
	Crypto-Asset Characteristics	26
	Commercial name or trading name	26
	Website of the issuer	26
	Starting date of offer to the public or admission to trading	26
	Publication date	27
	Any other services provided by the issuer	27
	Identifier of operator of the trading platform	27
	Language or languages of the white paper	27
	Digital Token Identifier	27
	Functionally Fungible Group Digital Token Identifier	27
	Voluntary data flag	27
	Personal data flag	27
	LEI eligibility	27
	Home Member State	28
	Host Member States	28
	Part G - Information on the rights and obligations attached to the crypto-assets	28
	Purchaser Rights and Obligations	28

	Exercise of Rights and obligations	28
	Conditions for modifications of rights and obligations	28
	Future Public Offers	28
	Issuer Retained Crypto-Assets	29
	Utility Token Classification	29
	Key Features of Goods/Services of Utility Tokens	29
	Utility Tokens Redemption	29
	Non-Trading request	29
	Crypto-Assets purchase or sale modalities	29
	Crypto-Assets Transfer Restrictions	29
	Supply Adjustment Protocols	29
	Supply Adjustment Mechanisms	30
	Token Value Protection Schemes	30
	Token Value Protection Schemes Description	30
	Compensation Schemes	30
	Compensation Schemes Description	30
	Applicable law	30
	Competent court	30
	Part H – information on the underlying technology	30
	Distributed ledger technology	30
	Protocols and technical standards	31
	Technology Used	31
	Consensus Mechanism	31
	Incentive Mechanisms and Applicable Fees	31
	Use of Distributed Ledger Technology	31
	DLT Functionality Description	31
	Audit	32
	Audit outcome	32
	Part J - Information on the suitability indicators in relation to adverse impact on	32
	the climate and other environment-related adverse impacts	32
	Name	32
	Relevant legal entity identifier	32
	Name of the crypto-asset	32
	Consensus Mechanism	32
	Incentive Mechanisms and Applicable Fees	32
	Beginning of the period to which the disclosure relates	33
	End of the period to which the disclosure relates	33
	Energy consumption	33

		Energy consumption sources and methodologies	33
01	Date of notification	2025-06-26	
02	Statement in accordance with Article 6(3) of Regulation (EU) 2023/1114	This crypto-asset white paper has not been approved by any competent authority in any Member State of the European Union. The operator of the trading platform of the crypto-asset is solely responsible for the content of this crypto-asset white paper.	
03	Compliance statement in accordance with Article 6(6) of Regulation (EU) 2023/1114	This crypto-asset white paper complies with Title II of Regulation (EU) 2023/1114 and, to the best of the knowledge of the management body, the information presented in the crypto-asset white paper is fair, clear and not misleading and the crypto-asset white paper makes no omission likely to affect its import.	
04	Statement in accordance with Article 6(5), points (a), (b), (c) of Regulation (EU) 2023/1114	The crypto-asset referred to in this white paper may lose its value in part or in full, may not always be transferable and may not be liquid.	

05	Statement in accordance with Article 6(5), point (d) of Regulation (EU) 2023/1114	false				
06	Statement in accordance with Article 6(5), points (e) and (f) of Regulation (EU) 2023/1114	The crypto-asset referred to in this white paper is not covered by the investor compensation schemes under Directive 97/9/EC of the European Parliament and of the Council. 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 in accordance with Article 6(7), second subparagraph of Regulation (EU) 2023/1114	Warning This summary should be read as an introduction to the crypto-asset white paper. The prospective holder should base any decision to purchase this crypto-asset on the content of the crypto-asset white paper as a whole and not on the summary alone. The admission to trading 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	<p>The DEGEN token plays a dual role in the Degen ecosystem: (i) serving as the gas token for the Degen Chain (a Layer-3 rollup on Base) used to pay transaction fees, and (ii) functioning as a community incentive and reward token (for example, users “tip” content creators on Farcaster with DEGEN).</p> <p>At launch, a total supply of 36 965 935 954 DEGEN was minted. This was allocated as follows:</p> <table><tr><th>Category</th><th>Allocation</th></tr><tr><td></td><td></td></tr></table>	Category	Allocation		
Category	Allocation					

		<table><tr><td>Airdrop 1</td><td>15%</td></tr><tr><td>Airdrop 2</td><td>20%</td></tr><tr><td>Airdrop 3</td><td>25%</td></tr><tr><td>Ecosystem</td><td>15%</td></tr><tr><td>Liquidity Pool</td><td>15%</td></tr><tr><td>Liquidity Mining</td><td>10%</td></tr></table>	Airdrop 1	15%	Airdrop 2	20%	Airdrop 3	25%	Ecosystem	15%	Liquidity Pool	15%	Liquidity Mining	10%
Airdrop 1	15%													
Airdrop 2	20%													
Airdrop 3	25%													
Ecosystem	15%													
Liquidity Pool	15%													
Liquidity Mining	10%													
		DEGEN tokens are freely transferable, in whole or in part, to third parties, and all associated usage rights and obligations follow the token upon transfer.												
09	Information about the quality and quantity of goods or services to which the utility tokens give access and restrictions on the transferability	N/A												
10	Key information about the offer to the public or admission to trading	Kraken seeks admission to trading of the DEGEN token so as to be compliant with MiCA and in keeping with its mission to make available for trading to its clients a wide range of assets.												
Part I – Information on risks														
I.1	Offer-Related Risks	General Risk Factors Associated with Crypto-Asset Offerings The admission to trading of crypto-assets, including DEGEN, is subject to general risks inherent to the broader cryptocurrency market.												

		<p>Market Volatility The value of DEGEN may experience substantial fluctuations driven by investor sentiment, macroeconomic developments, and market conditions.</p> <p>Regulatory Risks Changes in legislation, applicable laws, compliance requirements or the implementation of new regulatory frameworks could affect the availability, trading, or use of such assets.</p> <p>Security Risks The risk of exploitation, hacking or security vulnerabilities of the underlying protocol and/or contracts of the token leading to a loss.</p> <p>Reputational Risks The potential for damage to an organization's credibility or public trust, which can negatively impact stakeholder confidence and overall business viability.</p>
I.2	Issuer-Related Risks	<p>Dependence on Key Personnel The project's success is heavily dependent on the expertise and efforts of its core team. Degen was co-founded by a small group of individuals. The loss of key team members or any breakdown in the team's functioning (for instance, due to internal governance issues or disputes) could slow down or jeopardize the project's progress and, by extension, diminish the utility and community trust in DEGEN.</p> <p>Operational Risk As a young organization, the project faces typical start-up risks – limited operating history, reliance on key personnel, and the challenge of deploying funds effectively. If the project team were to encounter internal issues (e.g., loss of key developers or mismanagement of treasury), the development of Degen could slow or stall</p>
I.3	Crypto-Assets-related Risks	<p>Market Volatility The crypto-asset market is subject to significant price volatility, which may affect the value of DEGEN. Prices can fluctuate rapidly and unpredictably due to various factors, including market sentiment, economic indicators, technological developments, regulatory news, and macroeconomic trends. This high level of volatility may lead to sudden gains or losses and can impact the liquidity and tradability of the crypto-asset.</p> <p>Liquidity Liquidity refers to the ability to buy or sell a crypto-asset without causing significant price impact. DEGEN may experience periods of low liquidity, meaning that it could be difficult to enter or exit positions at desired prices or volumes. Reduced liquidity may result from limited market participation,</p>

		<p>exchange restrictions, or broader market conditions. This can lead to increased price volatility, slippage, and difficulty in executing transactions.</p> <p>Cybersecurity & Technology Risks Risks arising from vulnerabilities in the blockchain technology used by the project or platforms. Example risks include smart contract exploits, compromise of platforms, forking scenarios, compromise of cryptographic algorithms.</p> <p>Adoption Risks The risk associated with the project not achieving its goals leading to lower than expected adoption and use within the ecosystem, the impact leading to a reduced utility and value proposition.</p> <p>Custody & Ownership Risk The risk related to the inadequate safekeeping and control of crypto-assets e.g. loss of private keys, custodian insolvency leading to a loss.</p>
I.4	Project Implementation-Related Risks	<p>Development Delays or Shortfalls: DEGEN has planned several features and milestones. There is a risk that some of these planned developments could be delayed, scaled back, or not achieved as intended. Such delays or failures in delivering core features would directly impact the usefulness of DEGEN, since the token's utility is tied to these features. If advanced capabilities are not implemented on schedule or at quality, user adoption and confidence in the project could decline.</p> <p>Scaling and Infrastructure As usage grows, DEGEN Chain will need to scale its infrastructure (e.g., servers for data processing, APIs, etc.). If the team fails to scale the technology appropriately, users might face poor performance or downtime. Any significant technical outages or data inaccuracies on the platform can erode user trust.</p> <p>Regulatory Compliance: As the project progresses, it may encounter regulatory challenges that impact its design, implementation, or operation. Evolving legal and compliance requirements could necessitate changes to the project's architecture, user interface, or overall business model, potentially resulting in development delays, increased costs, or the need to rework key components.</p>
I.5	Technology-Related Risks	<p>Smart contract risks DEGEN uses smart contracts to facilitate automated transactions and processes. While these contracts enhance efficiency and decentralization, they also introduce specific technical risks. Vulnerabilities such as coding errors, design flaws, or security loopholes within the smart contract code may be exploited by malicious actors. Such exploits could result in the loss of assets, unauthorized access to sensitive information, or unintended and irreversible</p>

	<p>execution of transactions.</p> <p>Blockchain Network Risks DEGEN operates on a public blockchain infrastructure, which is maintained by a decentralized network of participants. The functionality and reliability of the crypto-asset are dependent on the performance and security of the underlying blockchain. Risks may include network congestion, high transaction fees, delayed processing times, or, in extreme cases, outages and disruptions. Additionally, vulnerabilities or failures in the consensus mechanism, attacks on the network (e.g., 51% attacks), or protocol-level bugs could impact the operation and availability of DEGEN.</p> <p>Cross-Chain Bridge Risks Because DEGEN is designed to be omnichain, utilizing a cross-chain bridge (LayerZero's protocol) to move between different networks, there are additional risks associated with bridging. Cross-chain bridges have historically been targets for hackers; an exploit in the LayerZero Omnichain Fungible Token mechanism or a failure of the bridge's security could lead to a loss or duplication of DEGEN tokens across chains. While LayerZero is a well-known interoperability solution, any bridge involves locking tokens on one side and minting on the other; if the lock mechanism is compromised, it could affect the token's supply integrity or availability on one chain. DEGEN's reliance on this technology means a breach or failure in LayerZero could directly impact Degen holders (e.g., inability to transfer DEGEN between chains or, in a worst case, a portion of tokens being stolen from a bridge contract).</p> <p>Risk of Cryptographic Vulnerabilities Technological advancements, such as quantum computing, could pose potential risks to cryptocurrencies.</p> <p>Privacy Transactions involving DEGEN are recorded on a public blockchain, where transaction data is transparent and permanently accessible. While public addresses do not directly reveal personal identities, transaction histories can be analyzed and, in some cases, linked to individuals through data aggregation or external information sources. This transparency may pose privacy concerns for users seeking confidentiality in their financial activity. Participants should be aware that transaction data on public blockchains is not inherently private and could be subject to scrutiny by third parties, including regulators, analytics firms, or malicious actors.</p>
--	--

I.6	Mitigation measures	Use of Established Standard Degen is implemented using a well-tested token standard and parent work (ERC-20 on Base) which has been widely used and vetted. DEGEN's native network operates on Degen Chain, a Layer-3 rollup that uses Arbitrum's Orbit framework and settles its batches on Base. By adhering to a standard protocol and not using unproven custom code where unnecessary, the project reduces the likelihood of unknown bugs.
Part A - Information about the offeror or the person seeking admission to trading		
A.1	Name	N/A
A.2	Legal form	N/A
A.3	Registered address	N/A
A.4	Head office	N/A
A.5	Registration Date	N/A
A.6	Legal entity identifier	N/A
A.7	Another identifier required pursuant to applicable national law	N/A

A.8	Contact telephone number	N/A
A.9	E-mail address	N/A
A.10	Response Time (Days)	N/A
A.11	Parent Company	N/A
A.12	Members of the Management body	N/A
A.13	Business Activity	N/A
A.14	Parent Company Business Activity	N/A
A.15	Newly Established	N/A
A.16	Financial condition for the past three years	N/A

A.17	Financial condition since registration	N/A
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	Gentlemen Labs Inc.
B.3	Legal form	Not available
B.4	Registered address	1111B S Governors Ave, Ste 21378, Dover, DE 19904, United States
B.5	Head office	Not available
B.6	Registration Date	2025-02-14
B.7	Legal entity identifier	Not available

B.8	Another identifier required pursuant to applicable national law	Delaware file number: 10073275
B.9	Parent Company	N/A
B.10	Members of the Management body	N/A
B.11	Business Activity	Not available
B.12	Parent Company Business Activity	Not available
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	Payward Global Solutions LTD
C.2	Legal form	N/A
C.3	Registered address	N/A

C.4	Head office	N/A																	
C.5	Registration Date	2023-07-11																	
C.6	Legal entity identifier of the operator of the trading platform	9845003D98SCC2851458																	
C.7	Another identifier required pursuant to applicable national law	N/A																	
C.8	Parent Company	N/A																	
C.9	Reason for Crypto-Asset White Paper Preparation	Kraken seeks admission to trading of the DEGEN token so as to be compliant with MiCA and in keeping with its mission to make available for trading to its clients a wide range of assets.																	
C.10	Members of the Management body	<table><tr><th>Full Name</th><th>Business Address</th><th>Function</th></tr><tr><td>Shannon Kurtas</td><td>70 Sir John Rogerson's Quay, Dublin 2, Ireland</td><td>Board Member</td></tr><tr><td>Andrew Mulvenny</td><td>70 Sir John Rogerson's Quay, Dublin 2, Ireland</td><td>Board Member</td></tr><tr><td>Shane O'Brien</td><td>70 Sir John Rogerson's Quay, Dublin 2, Ireland</td><td>Board Member</td></tr><tr><td>Laura Walsh</td><td>70 Sir John Rogerson's Quay, Dublin 2, Ireland</td><td>Board Member</td></tr></table>			Full Name	Business Address	Function	Shannon Kurtas	70 Sir John Rogerson's Quay, Dublin 2, Ireland	Board Member	Andrew Mulvenny	70 Sir John Rogerson's Quay, Dublin 2, Ireland	Board Member	Shane O'Brien	70 Sir John Rogerson's Quay, Dublin 2, Ireland	Board Member	Laura Walsh	70 Sir John Rogerson's Quay, Dublin 2, Ireland	Board Member
Full Name	Business Address	Function																	
Shannon Kurtas	70 Sir John Rogerson's Quay, Dublin 2, Ireland	Board Member																	
Andrew Mulvenny	70 Sir John Rogerson's Quay, Dublin 2, Ireland	Board Member																	
Shane O'Brien	70 Sir John Rogerson's Quay, Dublin 2, Ireland	Board Member																	
Laura Walsh	70 Sir John Rogerson's Quay, Dublin 2, Ireland	Board Member																	

		Michael Walsh	70 Sir John Rogerson's Quay, Dublin 2, Ireland	Board Member
C.11	Operator Business Activity	PGSL is the operator of a Trading Platform for Crypto Assets, in accordance with Article 3(1)(18) of Regulation (EU) 2023/1114 (MiCA).		
C.12	Parent Company Business Activity	<p>Payward, Inc., a Delaware, USA corporation, is the parent company of a worldwide group of subsidiaries (the following paragraphs use the term "Payward" or "Payward Group" to refer to the group) collectively doing business as "Kraken." Payward's primary business is the operation of an online virtual asset platform that enables clients to buy and sell virtual assets on a spot basis, including the transfer of crypto-assets to and from external wallets.</p> <p>Payward, through its various affiliates, offers a number of other services and products, including:</p> <ul style="list-style-type: none"> * A trading platform for futures contracts on virtual assets ("Kraken Derivatives"); * A platform for buying and selling NFTs; * An over-the-counter ("OTC") desk; * Extensions of margin to support spot trading of virtual assets; * A benchmark administrator; and * Staking services. 		
C.13	Other persons drawing up the crypto-asset white paper according to Article 6(1), second subparagraph, of Regulation (EU) 2023/1114	N/A		

C.14	Reason for drawing the white paper by persons referred to in Article 6(1), second subparagraph, of Regulation (EU) 2023/1114	N/A
Part D- Information about the crypto-asset project		
D.1	Crypto-asset project name	Degen
D.2	Crypto-assets name	Degen
D.3	Abbreviation	DEGEN
D.4	Crypto-asset project description	<p>Degen Chain is designed to be a playground for developers and users (“degens”) to deploy and use decentralized applications (DApps) with relatively low fees and rapid throughput, thanks to its Layer-3 architecture.</p> <p>The chain’s focus areas include social media integrations (e.g., decentralized social feeds and tipping systems linked to Farcaster), gaming and “gamble-fi” apps, and other meme-inspired or community-centric utilities.</p> <p>The project combines elements of social networking, decentralized finance, and meme culture, aiming to demonstrate how an engaged community can drive the adoption of a new network. By linking the token’s success to active participation (both on Farcaster and on Degen Chain DApps), the project strives to maintain a feedback loop where higher engagement leads to a more valuable and useful token, which in turn encourages further engagement.</p>

D.5	Details of all natural or legal persons involved in the implementation of the crypto-asset project	<p>Degen Chain is developed by Gentlemen Labs Inc. Its address is 1111B S Governors Ave, Ste 21378, Dover, De 19904, United States</p> <p>Gentlemen Labs Inc. has two public co-founders. Colton Dillion and Jacek Trocinski.</p>
D.6	Utility Token Classification	false
D.7	Key Features of Goods/Services for Utility Token Projects	N/A
D.8	Plans for the token	<p>Past Milestones:</p> <p>The project's notable milestones to date include the launch of the DEGEN token on Base in January 2024 (with the first community airdrop, "Airdrop 1," distributing 15% of the supply), and the deployment of Degen Chain mainnet in March 2024. Following those, the project implemented Airdrop 2 (a multi-phase distribution in 2024 that introduced daily tipping allowances to Farcaster users) and launched initial Degen Chain DApps such as DegenSwap and community-run projects. The integration of omnichain bridging via LayerZero was another milestone, enabling DEGEN to be used on Ethereum mainnet and other chains by mid-2024.</p> <p>Future Milestones:</p> <p>The project roadmap foresees a planned Airdrop 3 (third and final major community distribution, intended to allocate the remaining 25% of community tokens) and a degen app. Please refer to the project's official communications for any further information regarding planned future milestones.</p>
D.9	Resource Allocation	<p>Tokenomics note 15% of DEGEN's total supply was set aside for an Ecosystem Fund. This fund includes team/investor allocation, and is noted as comprising roughly 5,55 billion tokens.</p> <p>In February 2024, 490,5 ETH was raised from 1confirmation (venture investor).</p>

D.10	Planned Use of Collected Funds or Crypto-Assets	Not available
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	Making secondary trading available to the consumers on the Kraken Trading platform in compliance with the MiCA regulatory framework
E.3	Fundraising Target	N/A
E.4	Minimum Subscription Goals	N/A
E.5	Maximum Subscription Goal	N/A
E.6	Oversubscription Acceptance	N/A
E.7	Oversubscription Allocation	N/A

E.8	Issue Price	N/A
E.9	Official currency or other crypto-assets determining the issue price	N/A
E.10	Subscription fee	N/A
E.11	Offer Price Determination Method	N/A
E.12	Total Number of Offered/Traded crypto-assets	At TGE, 36 965 935 954 total supply was minted. There is no maximum supply as starting in 2028, a 1% annual inflation rate will be introduced.
E.13	Targeted Holders	ALL
E.14	Holder restrictions	N/A
E.15	Reimbursement Notice	N/A
E.16	Refund Mechanism	N/A

E.17	Refund Timeline	N/A
E.18	Offer Phases	N/A
E.19	Early Purchase Discount	N/A
E.20	time-limited offer	N/A
E.21	Subscription period beginning	N/A
E.22	Subscription period end	N/A
E.23	Safeguarding Arrangements for Offered Funds/crypto- assets	N/A
E.24	Payment Methods for crypto-asset Purchase	N/A
E.25	Value Transfer Methods for Reimburseme nt	N/A

E.26	Right of Withdrawal	N/A
E.27	Transfer of Purchased crypto-assets	N/A
E.28	Transfer Time Schedule	N/A
E.29	Purchaser's Technical Requirements	N/A
E.30	Crypto-asset service provider (CASP) name	N/A
E.31	CASP identifier	N/A
E.32	Placement form	NTAV
E.33	Trading Platforms name	N/A
E.34	Trading Platforms Market Identifier Code (MIC)	N/A

E.35	Trading Platforms Access	N/A
E.36	Involved costs	N/A
E.37	Offer Expenses	N/A
E.38	Conflicts of Interest	All listings decisions made by Payward Global Solution Ltd are made independently by staff of the entity in line with internal policies. PGSL publishes a conflicts of interest disclosure on its website advising of potential conflicts that may arise.
E.39	Applicable law	Any dispute relating to this white paper shall be governed by and construed and enforced in accordance with the laws of Ireland without regard to conflict of law rules or principles (whether of Ireland or any other jurisdiction) that would cause the application of the laws of any other jurisdiction, irrespective of whether DEGEN tokens qualify as right or property under the applicable law.
E.40	Competent court	Any disputes or claims arising out of this white paper will be subject to the exclusive jurisdiction of the Irish courts.

Part F - Information about the crypto-assets

F.1	Crypto-Asset Type	DEGEN is classified as a crypto-asset other than an asset referenced token or e-money token under MiCA, (EU) 2023/1114.
F.2	Crypto-Asset Functionality	<p>The DEGEN token's primary functions are as a medium of exchange and reward in the Degen ecosystem and as the native gas token of Degen Chain.</p> <p>In practice, DEGEN is used to pay for transaction fees on Degen Chain, any operation on this Layer-3 (such as transferring tokens or interacting with a smart contract) requires a small amount of DEGEN as gas payment to the network's sequencer, analogous to how ETH is used on Ethereum.</p> <p>DEGEN acts as the incentive token that fuels community engagement on connected platforms: for instance, on Farcaster, users can tip others in DEGEN for valuable contributions, effectively transferring value as a sign of appreciation.</p>

		This tipping system is one of the hallmark use-cases, aligning the token with social media engagement.
F.3	Planned Application of Functionalities	Not applicable. There are no additional token functions pending implementation at this time.
A description of the characteristics of the crypto-asset, including the data necessary for classification of the crypto-asset white paper in the register referred to in Article 109 of Regulation (EU) 2023/1114, as specified in accordance with paragraph 8 of that Article		
F.4	Type of white paper	OTHR
F.5	The type of submission	NEWT
F.6	Crypto-Asset Characteristics	DEGEN is a fungible token that was first issued as an ERC-20 token on the Base network. It has a total supply of 36 96 5935 954.
F.7	Commercial name or trading name	DEGEN
F.8	Website of the issuer	https://www.degen.tips/
F.9	Starting date of offer to the public or admission to trading	2024-01-07

F.10	Publication date	2025-07-24
F.11	Any other services provided by the issuer	N/A
F.12	Identifier of operator of the trading platform	PGSL
F.13	Language or languages of the white paper	English
F.14	Digital Token Identifier	Not available
F.15	Functionally Fungible Group Digital Token Identifier	N/A
F.16	Voluntary data flag	Mandatory
F.17	Personal data flag	true
F.18	LEI eligibility	N/A

F.19	Home Member State	Ireland
F.20	Host Member States	Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Iceland, Liechtenstein, Norway
Part G - Information on the rights and obligations attached to the crypto-assets		
G.1	Purchaser Rights and Obligations	<p>Right of Transfer: The holder can transfer the DEGEN tokens to third parties. Upon transfer, all rights and obligations are transferred to the new holder.</p> <p>Trading: If the DEGEN token is listed on cryptocurrency exchanges, holders can trade their tokens there.</p>
G.2	Exercise of Rights and obligations	<p>Transfer Procedure: To exercise the right of transfer, a holder uses a digital wallet supporting Base ERC-20 tokens. Transfers of DEGEN are executed by initiating a blockchain transaction.</p> <p>Trading: Trading the token on exchanges follows the procedures of the trading platforms (for example, complying with exchange KYC rules and placing orders on the market).</p>
G.3	Conditions for modifications of rights and obligations	The rights and obligations attached to DEGEN as described in this white paper reflect information available at the time of issuance. This white paper is issued by Kraken and does not constitute a commitment or guarantee by Degen or any other party regarding future modifications. No promises, warranties, or assurances are made herein regarding future token functionality, and this section is provided solely for informational purposes.
G.4	Future Public Offers	N/A

G.5	Issuer Retained Crypto-Assets	Issuer-retained crypto-assets: 5 550 000 000 DEGEN ($\approx 15\%$ of the 36,97 billion initial supply) remain under the control of the project team and its affiliated investor wallets, subject to the published vesting schedule.
G.6	Utility Token Classification	false
G.7	Key Features of Goods/Services of Utility Tokens	false
G.8	Utility Tokens Redemption	N/A
G.9	Non-Trading request	This white paper reflects a request to admit the token to trading.
G.10	Crypto-Assets purchase or sale modalities	N/A
G.11	Crypto-Assets Transfer Restrictions	Kraken may, in accordance with applicable laws and internal policies and terms, impose restrictions on buyers and sellers of these tokens.
G.12	Supply Adjustment Protocols	false

G.13	Supply Adjustment Mechanisms	N/A
G.14	Token Value Protection Schemes	false
G.15	Token Value Protection Schemes Description	N/A
G.16	Compensation Schemes	false
G.17	Compensation Schemes Description	N/A
G.18	Applicable law	Any dispute relating to this white paper shall be governed by and construed and enforced in accordance with the laws of Ireland without regard to conflict of law rules or principles (whether of Ireland or any other jurisdiction) that would cause the application of the laws of any other jurisdiction, irrespective of whether DEGEN tokens qualify as right or property under the applicable law.
G.19	Competent court	Any disputes or claims arising out of this white paper will be subject to the exclusive jurisdiction of the Irish courts.
Part H – information on the underlying technology		
H.1	Distributed ledger technology	<p>The DEGEN token is issued on Base, which is a Layer-2 network built on Ethereum using Optimistic Rollup technology (the OP Stack).</p> <p>In addition, DEGEN operates on Degen Chain, a Layer-3 rollup that uses Arbitrum's Orbit framework and settles its batches on Base.</p>

H.2	Protocols and technical standards	<p>On Base (Ethereum L2), DEGEN is implemented as an ERC-20 standard token contract, which defines its fundamental behavior (transfer, approval, etc.) consistent with Ethereum's token standards.</p> <p>The project also utilizes the LayerZero interoperability protocol (and its messaging layer) to enable DEGEN's omnichain presence. Through LayerZero's OFT (Omnichain Fungible Token) standard, DEGEN tokens can be transferred between Base, Ethereum, Arbitrum, Solana (via Wormhole or a similar mechanism), and potentially other supported chains, while maintaining a consistent total supply across networks.</p> <p>On the Degen Chain L3, the technical standards in use include Arbitrum's Nitro/Orbit stack. The chain runs an Arbitrum Nitro node implementation and uses standard Ethereum-style accounts and smart contracts.</p>
H.3	Technology Used	The DEGEN token is supported and issued using the existing ERC-20 fungible token standard on Base.
H.4	Consensus Mechanism	<p>Degen Chain operates with an AnyTrust assumption, a committee is responsible for data availability, and a validator could post batches to Base. The chain assumes at least one honest validator to challenge invalid transactions.</p> <p>Currently, the chain's consensus is effectively managed by the project's chosen sequencer/validator set, so trust is placed in them for ordering transactions correctly.</p>
H.5	Incentive Mechanisms and Applicable Fees	<p>DEGEN relies on the existing incentive mechanisms and fee structures of the Base network and Arbitrum Orbit architecture.</p> <p>Degen Chain, for its part, uses DEGEN fees to incentivize its sequencer/validators in processing transactions (the sequencer earns the DEGEN paid as gas on Degen Chain).</p>
H.6	Use of Distributed Ledger Technology	true
H.7	DLT Functionality Description	<p>Currently, Degen Chain's consensus is effectively managed by the project's chosen sequencer/validator set. Conduit has been noted as the infrastructure provider of this L3 chain. The sequencers are responsible for ordering transactions, generating blocks, and providing rapid transaction finality before this data is posted to the parent chain - Base. Using the Nitro stack, the sequencer benefits from advanced compression, efficient WASM-based</p>

		execution, and fraud-proof compatibility.
H.8	Audit	true
H.9	Audit outcome	<p>In June 2024, EtherAuthority reviewed the DEGEN token contracts code. There was only one minor informational issue noted and no critical vulnerabilities found.</p> <p>https://github.com/EtherAuthority/Audit/blob/main/Degen.pdf</p>
Part J - Information on the suitability indicators in relation to adverse impact on the climate and other environment-related adverse impacts		
S.1	Name	Payward Global Solutions Limited
S.2	Relevant legal entity identifier	9845003D98SCC2851458
S.3	Name of the crypto-asset	Degen
S.4	Consensus Mechanism	<p>Base is a Layer-2 (L2) solution on Ethereum that was introduced by Coinbase and developed using Optimism's OP Stack. L2 transactions do not have their own consensus mechanism and are only validated by the execution clients. The so-called sequencer regularly bundles stacks of L2 transactions and publishes them on the L1 network, i.e. Ethereum. Ethereum's consensus mechanism (Proof-of-stake) thus indirectly secures all L2 transactions as soon as they are written to L1.</p>
S.5	Incentive Mechanisms and Applicable Fees	<p>Base is a Layer-2 (L2) solution on Ethereum that uses optimistic rollups provided by the OP Stack on which it was developed. Transaction on base are bundled by a, so called, sequencer and the result is regularly submitted as an Layer-1 (L1) transactions. This way many L2 transactions get combined into a single L1 transaction. This lowers the average transaction cost per transaction, because many L2 transactions together fund the transaction cost for the single L1 transaction. This creates incentives to use base rather than the L1, i.e. Ethereum, itself.</p> <p>To get crypto-assets in and out of base, a special smart contract on Ethereum is used. Since there is no consensus mechanism on L2 an additional mechanism ensures that only existing funds can be withdrawn from L2. When a user wants to withdraw funds, that user needs to submit a withdrawal request on L1. If this</p>

		request remains unchallenged for a period of time the funds can be withdrawn. During this time period any other user can submit a fault proof, which will start a dispute resolution process. This process is designed with economic incentives for correct behaviour.
S.6	Beginning of the period to which the disclosure relates	2024-06-20
S.7	End of the period to which the disclosure relates	2025-06-20
S.8	Energy consumption	19.72768 kWh/a
S.9	Energy consumption sources and methodologies	<p>The energy consumption of this asset is aggregated across multiple components:</p> <p>To determine the energy consumption of a token, the energy consumption of the network(s) base is calculated first. For the energy consumption of the token, a fraction of the energy consumption of the network is attributed to the token, which is determined based on the activity of the crypto-asset within the network. When calculating the energy consumption, the Functionally Fungible Group Digital Token Identifier (FFG DTI) is used - if available - to determine all implementations of the asset in scope. The mappings are updated regularly, based on data of the Digital Token Identifier Foundation. The information regarding the hardware used and the number of participants in the network is based on assumptions that are verified with best effort using empirical data. In general, participants are assumed to be largely economically rational. As a precautionary principle, we make assumptions on the conservative side when in doubt, i.e. making higher estimates for the adverse impacts.</p>