

**Velodrome Finance (VELODROME)**  
**White paper**

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

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01	Date of notification	2025-06-19
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	<p><b>Warning</b></p> <p>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.</p>												
08	Characteristics of the crypto-asset	<p>Velodrome’s native crypto-asset, VELODROME, is a fungible governance token on OP Mainnet. VELODROME is used within the Velodrome Finance protocol to incentivize liquidity provision and to participate in governance decisions. Holders of VELODROME may lock their tokens to receive veVELO (a vote-escrowed VELODROME) which grants voting power over the distribution of liquidity mining rewards and entitles them to a share of protocol fees and third-party bribes from trading pools.</p> <p>VELODROME’s initial supply of 400 000 000 was distributed as follows:</p> <table><tr><th>Category</th><th>Allocation</th></tr><tr><td>Community</td><td>240M</td></tr><tr><td>Partner Protocols</td><td>96M</td></tr><tr><td>Velodrome Foundation</td><td>40M</td></tr><tr><td>Optimism</td><td>20M</td></tr><tr><td>Genesis Liquidity Pool</td><td>4M</td></tr></table> <p>VELODROME tokens are freely transferable, in whole or in part, to third parties, and all associated usage rights and obligations follow the token upon transfer.</p>	Category	Allocation	Community	240M	Partner Protocols	96M	Velodrome Foundation	40M	Optimism	20M	Genesis Liquidity Pool	4M
Category	Allocation													
Community	240M													
Partner Protocols	96M													
Velodrome Foundation	40M													
Optimism	20M													
Genesis Liquidity Pool	4M													



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 VELODROME 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.
<b>Part I – Information on risks</b>		
I.1	Offer-Related Risks	<p><b>General Risk Factors Associated with Crypto-Asset Offerings:</b> The admission to trading of crypto-assets, including VELODROME, is subject to general risks inherent to the broader cryptocurrency market.</p> <p><b>Market Volatility:</b> The value of VELODROME may experience substantial fluctuations driven by investor sentiment, macroeconomic developments, and market conditions.</p> <p><b>Regulatory Risks:</b> 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><b>Security Risks:</b> The risk of exploitation, hacking or security vulnerabilities of the underlying protocol and/or contracts of the token leading to a loss.</p> <p><b>Reputational Risks:</b> 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><b>Jurisdictional Uncertainty:</b> The project states that the Velodrome Foundation acts as the legal entity behind Velodrome Finance. However, no public filing, registered address, or country of incorporation has been disclosed. This creates uncertainty over the legal</p>

		<p>framework governing the Foundation and limits recourse for VELODROME holders should disputes or insolvency occur.</p> <p><b>Regulatory &amp; Legal Risk:</b> Because the Foundation's jurisdiction is unclear, it may be simultaneously subject to, or in breach of, multiple regulatory regimes (securities, consumer-protection, AML/CTF). Enforcement actions or compliance costs could impair its ability to support the protocol.</p> <p><b>Dependence on Key Personnel:</b> The Foundation relies on a small team. Departure or incapacitation of these individuals could delay upgrades or reduce user support, undermining confidence in the protocol.</p>
I.3	Crypto-Assets-related Risks	<p><b>Market Volatility:</b> The crypto-asset market is subject to significant price volatility, which may affect the value of VELODROME. 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><b>Liquidity:</b> Liquidity refers to the ability to buy or sell a crypto-asset without causing significant price impact. VELODROME 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, exchange restrictions, or broader market conditions. This can lead to increased price volatility, slippage, and difficulty in executing transactions.</p> <p><b>Cybersecurity &amp; Technology Risks:</b> 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><b>Adoption Risks:</b> 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><b>Custody &amp; Ownership Risk:</b> 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>

		<p><b>Inflation and Dilution:</b> VELODROME has a continuously increasing supply due to scheduled emissions. While this drives protocol growth, it poses an inflationary risk to holders. Those who do not participate in locking or liquidity provision may see their ownership stake diluted over time. If demand for VELODROME does not keep pace with new issuance, the token's market price could decline.</p> <p><b>Competitive Risk:</b> Velodrome operates in a competitive DeFi environment. New or existing DEX platforms on Optimism or other networks could attract liquidity and users away from Velodrome. If Velodrome fails to innovate or loses prominence, the utility of VELODROME (which is tied to Velodrome's ecosystem health) could diminish, negatively impacting its value.</p> <p><b>Dependence on Optimism Ecosystem:</b> The success of VELODROME is correlated with the adoption of Optimism and its Superchain. If overall user activity or total value locked on Optimism stagnates or declines, Velodrome's usage might drop accordingly, reducing demand for VELODROME. Additionally, major changes or issues in the Optimism ecosystem's economics (for example, reduction of Optimism's own incentive programs) could indirectly affect Velodrome's growth prospects and token demand.</p>
I.4	Project Implementation-Related Risks	<p><b>Ecosystem Integration Risks:</b> Velodrome's model relies on integration with various DeFi participants (other protocols bribing veVELO holders, projects building on Velodrome liquidity, etc.). If coordination with these external participants fails or if promised collaborations (e.g., incentive programs with partner chains) do not materialize, the project may not fully realize its objectives. This could limit growth and pose a risk to the perceived value of holding VELODROME.</p> <p><b>External Dependency:</b> The project's roadmap is partly influenced by Optimism's ecosystem developments (such as the rollout of the Superchain and Optimism's own funding initiatives). Changes in these external plans, for instance, if Optimism changes its strategy or if partner chains decide not to utilize Velodrome, could impact Velodrome's expansion plan and, by extension, affect VELODROME's future usage.</p> <p><b>Technical Execution Delays:</b> Delivering new features is complex. Any delay or failure in implementing planned upgrades or in scaling to other chains could reduce confidence in the project. For example, if the anticipated expansion to additional Optimism-based chains is significantly delayed or does not achieve expected results, the utility of</p>

		VELODROME might not grow as projected, which could impact its demand and value.
I.5	Technology-Related Risks	<p><b>Smart contract risks:</b> VELODROME 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 execution of transactions.</p> <p><b>Blockchain Network Risks:</b> VELODROME 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 VELODROME.</p> <p><b>Risk of Cryptographic Vulnerabilities:</b> Technological advancements, such as quantum computing, could pose potential risks to cryptocurrencies.</p> <p><b>Privacy:</b> Transactions involving VELODROME 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> <p><b>Bridge and Cross-chain Risks:</b> As VELODROME may be bridged to other chains (e.g., via third-party bridges or future native bridging in the Superchain), holders who use bridges face additional risk. Bridges have historically been targets for hackers; an exploit of a VELODROME bridge could result in loss of tokens or inconsistent token supply across chains.</p>

I.6	Mitigation measures	<p><b>Use of Established Standard:</b> VELODROME is implemented using a well-tested token standard ERC20 on OP Mainnet which has been widely used and vetted. By adhering to a standard protocol and not using unproven custom code where unnecessary, the project reduces the likelihood of unknown bugs.</p> <p><b>Security Audits</b> Velodrome commissioned a public audit contest on Code4rena (23–30 May 2022). The audit identified 6 high- and 17 medium-severity findings. All high- and medium-severity findings have been fixed except for one which has been addressed via a wrapped contract solution.</p> <p><b>Live bug-bounty programme</b> The project operates an open-ended bounty on Immunefi, inviting security researchers to report new vulnerabilities for monetary rewards.</p> <p><b>Open-Source Codebase</b> All core contracts and libraries are released under a permissive licence in a public repository. Anyone may audit or fork the code. Open sourcing boosts transparency and community-driven security.</p>
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#### 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	Velodrome Foundation
B.3	Legal form	Foundation
B.4	Registered address	Unknown
B.5	Head office	Unknown
B.6	Registration Date	Unknown
B.7	Legal entity identifier	Unknown
B.8	Another identifier required pursuant to applicable national law	Unknown
B.9	Parent Company	Unknown
B.10	Members of the Management body	Unknown
B.11	Business Activity	Unknown

B.12	Parent Company Business Activity	Unknown
<b>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</b>		
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	11-07-2023
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 VELODROME 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			
		<b>Full Name</b>	<b>Business Address</b>	<b>Function</b>
		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"> <li>* A trading platform for futures contracts on virtual assets ("Kraken Derivatives");</li> <li>* A platform for buying and selling NFTs;</li> <li>* An over-the-counter ("OTC") desk;</li> <li>* Extensions of margin to support spot trading of virtual assets;</li> <li>* A benchmark administrator; and</li> <li>* Staking services.</li> </ul>		

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
<b>Part D- Information about the crypto-asset project</b>		
D.1	Crypto-asset project name	Velodrome Finance
D.2	Crypto-assets name	N/A
D.3	Abbreviation	N/A
D.4	Crypto-asset project description	<p>Velodrome Finance is a decentralized exchange (AMM) and liquidity hub built on Optimism (an Ethereum Layer 2 network). The project's primary objective is to provide deep liquidity and efficient trading for the Optimism ecosystem by combining the economic models of Curve Finance and OlympusDAO's (3,3) mechanism into a unified platform.</p> <p>Velodrome serves as a public good for Optimism: it incentivizes liquidity providers with VELODROME token emissions and empowers VELODROME holders (via locked veVELO positions) to govern the allocation of these emissions to liquidity pools.</p>

D.5	Details of all natural or legal persons involved in the implementation of the crypto-asset project	<p>Core contributors and roles:  Alexander Cutler: Co-founder  Tao Watts: Co-founder</p> <p>Velodrome Foundation (stewards treasury and governance)</p> <p>The Optimism Foundation has provided support via grants but is not directly involved in daily project implementation.</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><b>Past Milestones</b></p> <p>Velodrome launched its v1 protocol on 2 June 2022. By the end of Q3 2022, on-chain analytics platforms (e.g., DefiLlama) recorded Velodrome as the Optimism-based decentralised exchange with the largest total value locked. Over its first year, the project distributed incentives that significantly boosted liquidity across Optimism's DeFi ecosystem. In mid 2023, the team released Velodrome V2, a comprehensive upgrade introducing features such as permissionless concentrated liquidity pools, dynamic fee adjustment, a revamped vote-escrow model, and a more decentralized governance process. This upgrade enhanced capital efficiency and security, marking a new era for the protocol.</p> <p><b>Future Milestones</b></p> <p>Please refer to the project team website for any further information regarding future milestones.</p>
D.9	Resource Allocation	<p>10% of the VELODROME supply (40 000 000 tokens) was allocated to the core team for ongoing development and incentivization of key protocol pools. (A portion of this allocation was locked into veVELO to align with long-term protocol incentives.)</p> <p>Additionally, the Optimism Foundation granted Velodrome \$3M in September 2022 and several more grants totalling more than 4M OP. These resources, alongside continuing token emissions to liquidity providers, are used to maintain and grow the Velodrome platform.</p>

D.10	Planned Use of Collected Funds or Crypto-Assets	<p>1. Team-token treasury (40 M VELO = 10 % initial supply). The launch article states the team will vote to drive emissions to key protocol pairs and to support ongoing protocol development,” with 25 % of the tranche locked long-term as veVELO to align incentives.</p> <p>2. Optimism Foundation grants (total ≈ 7 M OP). Grant documentation details a spending framework:</p> <ul style="list-style-type: none"> <li>• 37,5 % Locking incentives to reduce the cost of protocols (and users) acquiring veVELO and committing capital for four years.</li> <li>• 37,5 % Bribe matching that subsidises external bribes deposited into Velodrome gauges, lowering liquidity-bootstrap costs for partner protocols.</li> <li>• 25 % Liquidity for key ecosystem pairs to deepen markets considered systemically important for Optimism (e.g., OP/USDC, VELO/USDC).</li> </ul> <p>Additional treasury uses: Grant-performance reports note that OP not yet distributed is kept in multi-sig custody and may be re-allocated to cover smart-contract audits, front-end security hardening, and other protocol-maintenance costs.</p> <p>No other earmarked funding commitments have been published.</p>
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## 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	2 081 309 251 maximum supply
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 Reimbursement	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. PGSI 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 VELODROME 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	VELODROME 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	VELODROME serves multiple functions within the Velodrome ecosystem.  (1) Liquidity Incentivization: New VELODROME tokens are emitted as rewards to liquidity providers who stake their LP tokens in Velodrome gauges. (2) Governance: Holders can lock VELODROME into veVELO NFTs, which grant voting rights to direct emissions towards specific liquidity pools. Voters (veVELO holders) earn the trading fees and external bribe rewards from the pools they support, aligning their incentives with the platform's success. (3) Value Accrual: Through the locking and vote-reward mechanism, VELODROME aligns the interests of token holders with protocol usage. Active participants can derive fee revenue, while long-term lockers benefit from reduced dilution via rebasing of veVELO.
F.3	Planned Application of Functionalities	All core functionalities of VELODROME (governance voting via veVELO, liquidity incentives, etc.) are already live on Optimism.

#### 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
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F.5	The type of submission	NEWT
F.6	Crypto-Asset Characteristics	VELODROME allows holders to participate in governance, participate in liquidity incentivization, receive protocol fees and third-party incentives, and transfer their tokens freely.
F.7	Commercial name or trading name	N/A
F.8	Website of the issuer	<a href="https://velodrome.finance/">https://velodrome.finance/</a>
F.9	Starting date of offer to the public or admission to trading	2022-06-02
F.10	Publication date	2025-07-17
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	3QN6WNR4L

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><b>Rights of VELODROME holders</b></p> <p>Holders of VELODROME are entitled to use the token within the Velodrome protocol's framework. VELODROME holders can also choose to lock their tokens (converting them to veVELO) to gain governance rights (voting on reward allocations) and to earn fees and incentives.</p> <p><b>Transferability and Trading</b></p> <p>Holders have the ability to transfer their VELODROME tokens to others (on-chain) or to trade them on available markets at will. Ownership of VELODROME carries with it the aforementioned access rights, and when a token is transferred, those rights pass to the new holder. The previous holder loses access once they no longer hold the token. This means all rights (which are usage rights) are fully transferable with the token.</p> <p><b>Obligations of VELODROME Holders:</b></p> <p>There are no mandatory obligations imposed on VELODROME purchasers beyond the general terms of use of the platform.</p>
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G.2	Exercise of Rights and obligations	Procedure and conditions for the exercise of rights
G.3	Conditions for modifications of rights and obligations	The rights and obligations attached to VELODROME 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 Velodrome Finance 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	Velodrome Finance has no planned future public offering of the VELODROME token.
G.5	Issuer Retained Crypto-Assets	40 000 000 VELODROME (10% of the initial supply) were held by the Velodrome team at genesis. This was the allocation designated for the project's development and operational needs.
G.6	Utility Token Classification	false
G.7	Key Features of Goods/Services of Utility Tokens	N/A
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 VELODROME 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.
<b>Part H – information on the underlying technology</b>		
H.1	Distributed ledger technology	N/A

H.2	Protocols and technical standards	<p>The VELODROME token is based on the OP Mainnet protocol, which utilizes Distributed-Ledger Technology. This protocol provides the foundation for secure transactions and smart contracts.</p> <p>The ERC-20 standard is a technical protocol for issuing and managing tokens, ensuring that the VELODROME token is compatible with most wallets, exchanges, and decentralized applications (DApps).</p>
H.3	Technology Used	The VELODROME token uses the existing ERC-20 token standard on OP Mainnet.
H.4	Consensus Mechanism	OP Mainnet leverages optimistic rollups to scale Ethereum. VELODROME transactions are executed off-chain and submitted to Ethereum in batches, with finality usually taking 20-30 minutes. Transactions on OP Mainnet typically confirm in about 2 seconds.
H.5	Incentive Mechanisms and Applicable Fees	VELODROME relies on the existing incentive mechanisms and fee structures of the OP Mainnet blockchain.
H.6	Use of Distributed Ledger Technology	false
H.7	DLT Functionality Description	N/A
H.8	Audit	true
H.9	Audit outcome	<p><b>Code4rena</b> public contest (23-30 May 2022) 82 wardens reported 6 high and 17 medium-severity issues; the team states every high/medium finding was patched pre-deployment except an “ExternalBribe multiple-claim” edge case that is still mitigated in production by a wrapper contract.</p> <p><b>Spearbit</b> V2 audit (Feb 2023) (post-engagement July 2023 report). Total 119 findings (1 critical, 8 high, 19 medium, 30 low, 61 gas/info); all critical &amp; high issues were fixed and 80/119 items were fully remediated.</p> <p><b>Spearbit</b> “Slipstream &amp; Universal Router” audit (Nov 2023 → Jan 2024) 49 findings (0 critical, 6 high, 6 medium, 18 low, plus optimisation/info); all six</p>

		<p>high-risk issues were corrected, four of six medium fixed, two acknowledged.</p> <p><b>Sherlock</b> competitive audit (Superchain contracts) (11-25 Oct 2024) 0 high, 7 medium, 7 low/info; 100 % of issues fixed or acknowledged before launch.</p> <p><b>ChainSecurity</b> (Superchain interoperability) (7 Nov 2024). 0 critical, 2 high (code-corrected), 1 medium (code-corrected), 4 low (2 fixed, 1 risk accepted, 1 acknowledged). The report concludes the codebase provides a high level of security.</p>
<b>Part J - Information on the suitability indicators in relation to adverse impact on the climate and other environment-related adverse impacts</b>		
S.1	Name	Payward Global Solutions Limited
S.2	Relevant legal entity identifier	9845003D98SCC2851458
S.3	Name of the crypto-asset	Velodrome
S.4	Consensus Mechanism	<p>Optimism is a Layer 2 scaling solution for Ethereum that uses Optimistic Rollups to increase transaction throughput and reduce costs while inheriting the security of the Ethereum main chain.</p> <p>Core Components:</p> <ol style="list-style-type: none"> <li>Optimistic Rollups: <ul style="list-style-type: none"> <li>Rollup Blocks: Transactions are batched into rollup blocks and processed off-chain.</li> <li>State Commitments: The state of these transactions is periodically committed to the Ethereum main chain.</li> </ul> </li> <li>Sequencers: <ul style="list-style-type: none"> <li>Transaction Ordering: Sequencers are responsible for ordering transactions and creating batches.</li> <li>State Updates: Sequencers update the state of the rollup and submit these updates to the Ethereum main chain.</li> <li>Block Production: They construct and execute Layer 2 blocks, which are then posted to Ethereum.</li> </ul> </li> <li>Fraud Proofs: <ul style="list-style-type: none"> <li>Assumption of Validity: Transactions are assumed to be valid by default.</li> <li>Challenge Period: A specific time window during which anyone can challenge a transaction by submitting a fraud proof.</li> <li>Dispute Resolution: If a transaction is challenged, an interactive verification game is played to determine its validity. If fraud is detected,</li> </ul> </li> </ol>

		<p>the invalid state is rolled back, and the dishonest participant is penalized.</p> <p>Consensus Process:</p> <ol style="list-style-type: none"> <li>1. Transaction Submission: Users submit transactions to the sequencer, which orders them into batches.</li> <li>2. Batch Processing: The sequencer processes these transactions off-chain, updating the Layer 2 state.</li> <li>3. State Commitment: The updated state and the batch of transactions are periodically committed to the Ethereum main chain. This is done by posting the state root (a cryptographic hash representing the state) and transaction data as call data on Ethereum.</li> <li>4. Fraud Proofs and Challenges: Once a batch is posted, there is a challenge period during which anyone can submit a fraud proof if they believe a transaction is invalid. <ul style="list-style-type: none"> <li>- Interactive Verification: The dispute is resolved through an interactive verification game, which involves breaking down the transaction into smaller steps to identify the exact point of fraud.</li> <li>- Rollbacks and Penalties: If fraud is proven, the batch is rolled back, and the dishonest actor loses their staked collateral as a penalty.</li> </ul> </li> <li>5. Finality: After the challenge period, if no fraud proof is submitted, the batch is considered final. This means the transactions are accepted as valid, and the state updates are permanent.</li> </ol>
S.5	Incentive Mechanisms and Applicable Fees	<p>Optimism, an Ethereum Layer 2 scaling solution, uses Optimistic Rollups to increase transaction throughput and reduce costs while maintaining security and decentralization.</p> <p>Incentive Mechanisms:</p> <ol style="list-style-type: none"> <li>1. Sequencers: <ul style="list-style-type: none"> <li>- Transaction Ordering: Sequencers are responsible for ordering and batching transactions off-chain. They play a critical role in maintaining the efficiency and speed of the network.</li> <li>- Economic Incentives: Sequencers earn transaction fees from users. These fees incentivize sequencers to process transactions quickly and accurately.</li> </ul> </li> <li>2. Validators and Fraud Proofs: <ul style="list-style-type: none"> <li>- Assumption of Validity: In Optimistic Rollups, transactions are assumed to be valid by default. This allows for quick transaction finality.</li> <li>- Challenge Mechanism: Validators (or anyone) can challenge the validity of a transaction by submitting a fraud proof during a specified challenge period. This mechanism ensures that invalid transactions are detected and reverted.</li> </ul> </li> </ol>

		<ul style="list-style-type: none"> <li>- Challenge Rewards: Successful challengers are rewarded for identifying and proving fraudulent transactions. This incentivizes participants to actively monitor the network for invalid transactions, thereby enhancing security.</li> </ul> <p>3. Economic Penalties:</p> <ul style="list-style-type: none"> <li>- Fraud Proof Penalties: If a sequencer includes an invalid transaction and it is successfully challenged, they face economic penalties, such as losing a portion of their staked collateral. This discourages dishonest behavior.</li> <li>- Inactivity and Misbehavior: Validators and sequencers are also incentivized to remain active and behave correctly, as inactivity or misbehavior can lead to penalties and loss of rewards.</li> </ul> <p>Fees Applicable on the Optimism Layer 2 Protocol:</p> <p>1. Transaction Fees:</p> <ul style="list-style-type: none"> <li>- Layer 2 Transaction Fees: Users pay fees for transactions processed on the Layer 2 network. These fees are generally lower than Ethereum mainnet fees due to the reduced computational load on the main chain.</li> <li>- Cost Efficiency: By batching multiple transactions into a single batch, Optimism reduces the overall cost per transaction, making it more economical for users.</li> </ul> <p>2. L1 Data Fees:</p> <ul style="list-style-type: none"> <li>- Posting Batches to Ethereum: Periodically, the state updates from Layer 2 transactions are posted to the Ethereum mainnet as calldata. This involves a fee known as the L1 data fee, which covers the gas cost of publishing these state updates on Ethereum.</li> <li>- Cost Sharing: The fixed costs of posting state updates to Ethereum are spread across multiple transactions within a batch, reducing the cost burden on individual transactions.</li> </ul> <p>3. Smart Contract Fees:</p> <p>Execution Costs: Fees for deploying and interacting with smart contracts on Optimism are based on the computational resources required. This ensures that users are charged proportionally for the resources they consume.</p>
S.6	Beginning of the period to which the disclosure relates	2024-05-28
S.7	End of the period to which the disclosure relates	2025-05-28



S.8	Energy consumption	745.89499 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) optimism 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>