NIL TOKEN WHITE PAPER

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01	Date of Notification	The updated version of the present white paper is notified to the Malta Financial Services Authority ("**MFSA**") on October 10, 2025.	
		The white paper was first notified to MFSA on January 20, 2025.	
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 person seeking admission to trading 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	'The utility token referred to in this white paper may not be exchangeable against the good or service promised in the crypto-asset white paper, especially in the case of a failure or discontinuation of the crypto-asset project. '
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, or an admission to trading of financial instruments and any such offer, solicitation or admission 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 or any other offer document pursuant to Union or national law.'

08	Characteristics of the Crypto-Asset	The crypto-asset referred to in this white paper is the NIL Token ("**Token**"). The Token is the utility token of the Nillion Network ("**Network**") and provides access to a decentralized infrastructure offering permissionless computation and storage (see D.04. below further information). The Token does not represent nor confer any ownership, equity interest, participation, corporate governance rights, or any rights beyond the programmatic functionalities expressly described herein, nor any entitlement to business revenues, profit sharing, or other similar economic benefits in relation to the Network, the Association or any other entity or individual.
09	Key Information about the Quality and Quantity of the Goods or Services to which the Utility Token give Access Restrictions on Transferability.	Token holders can use Tokens to access the following services provided on the Network: ▪ **Access the Network:** The Token is required to access the decentralized storage of the Network. ▪ **Interact with the Network**: The Token is necessary to become a Validator or Delegator (as defined in D.04) of the Protocol. ▪ **Interact with the Network Governance Mechanism** The purpose of the Token governance is to create a stable and trustworthy ecosystem by allowing users who stake their Tokens to access and participate in the decentralized, balanced ecosystem consensus mechanism ("**DAO**"). Token holders only participate in technical and/or operational decision-making. They have no influence over the corporate governance/policy of the Association or any other party of the Nillion ecosystem. The Token to be admitted to trading (see E12) are freely transferable.
10	Key Information about the Admission to Trading	The Nillion Association ("**Association**"), an association incorporated and domiciled in Switzerland, seeks admission of the Token on trading platforms operating within the European Union ("**EU**") and/or the European Economic Area ("**EEA**") ("**Trading Platforms**").

	PART A – INFORMATION ABOUT THE PERSON SEEKING ADMISSION TO TRADING	
A.01	Name	Nillion Association
A.02	Legal Form	Association
A.03	Registered Address	Hertizentrum 15 6300 Zug, Switzerland
A.04	Head Office	Not applicable.
A.05	Registration Date	19.04.2024
A.06	Legal Entity Identifier	Not applicable.
A.07	Another Identifier Required Pursuant to Applicable National Law	CHE-412.979.799
A.08	Contact Telephone Number	+41 44 254 99 66
A.09	E-Mail Address	legal@nillion.org
A.10	Response Time (Days)	Under circumstances which are deemed normal by the Association, inquiries are answered within (14) fourteen business days.
A.11	Parent Company	Not applicable.

A.12	Members of the Management Body			
		Full Name	Business Address	Function
		John Delaney	Hertizentrum 15 6300 Zug, Switzerland	President of the Board
		Claire Kelly Hunt	Hertizentrum 15 6300 Zug, Switzerland	Member of the Board
		Lindsay Danas Cohen	Hertizentrum 15 6300 Zug, Switzerland	Member of the Board

A.13	Business Activity	The purpose of the Association is the direct and indirect promotion, development and support of the Network and the surrounding community and ecosystem. The Association does not pursue commercial purposes and does not strive for profit For the business activity as entered into the commercial register: see Link.
A.14	Parent Company Business Activity	Not applicable.
A.15	Newly Established	True.

A.16	Financial Condition for the Past Three Years	The Association operates as an ecosystem entity. The Association has raised funds amounting approximately $47 million. The treasury primarily holds $150 million in crypto-assets, stablecoins and cash. The Association also controls approximately 5 % of the initial total Token supply.

		As of the date of the present notification, the total operating expenses since registration have amounted to €850 000 per month, primarily covering expenses around the Network launch and further development, marketing and operations related to its activities. The Association has no outstanding liabilities, debts, or financial commitments and does not face any financial risks or uncertainties impacting its long-term sustainability.
A.17	Financial Condition Since Registration	Not applicable.

	PART B - INFORMATION ABOUT THE ISSUER, IF DIFFERENT FROM THE OFFEROR OR PERSON SEEKING ADMISSION TO TRADING	
B.01	Issuer Different from the Person Seeking Admission to Trading	False.
B.02	Name	Not applicable.
B.03	Legal Form	Not applicable.
B.04	Registered Address	Not applicable.
B.05	Head Office	Not applicable.
B.06	Registration Date	Not applicable.
B.07	Legal Entity Identifier	Not applicable.

B.08	Another Identifier Required Pursuant to Applicable National Law	Not applicable.
B.09	Parent Company	Not applicable.
B.10	Members of the Management Body	Not applicable.
B.11	Business Activity	Not applicable.
B.12	Parent Company Business Activity	Not applicable.
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.01	Name	Not applicable.
C.02	Legal Form	Not applicable.
C.03	Registered Address	Not applicable.
C.04	Head Office	Not applicable.
C.05	Registration Date	Not applicable.
C.06	Legal Entity Identifier of the Operator of the Trading Platform	Not applicable.

C.07	Another Identifier Required Pursuant to Applicable National Law	Not applicable.
C.08	Parent Company	Not applicable.
C.09	Reason for Crypto-Asset White Paper Preparation	Not applicable.
C.10	Members of the Management Body	Not applicable.
C.11	Operator Business Activity	Not applicable.
C.12	Parent Company Business Activity	Not applicable.
C.13	Other Persons Drawing up the Crypto- Asset White Paper According to Article 6(1), Second Subparagraph, of Regulation (EU) 2023/1114	Not applicable.
C.14	Reason for Drawing the White Paper by Persons Referred to in Article 6(1), Second Subparagraph, of	Not applicable.

	Regulation (EU) 2023/1114	
**PART D – INFORMATION ABOUT THE CRYPTO-ASSET PROJECT**	

D.01	Crypto-Asset Project Name	Nillion Network
D.02	Crypto-Assets Name	NIL Token
D.03	Abbreviation	NIL
D.04	Crypto-Asset Project Description	**The Nillion Network** - The Network is a decentralized infrastructure offering permissionless computation and storage. The Network is composed of two components/layers: the Coordination Layer ("**nilChain**") and the Privacy Enhancing Technology Network ("**Petnet**"). ▪ **Petnet**: The Petnet facilitates "blind computation", enabling data processing without revealing its content. This Network layer is essential for applications requiring secure handling of sensitive information and is made up of separate clusters of Nodes (i.e., a subset of Nodes) that support various uses cases for the Network. ▪ **nilChain**: The nilChain is the Network component that manages resources, such as the Token rewards (notably, gas fees), stake in NIL Token, and governance, as well as enabling intercluster coordination. Thus, the nilChain serves as a means of interacting, coordinating and managing the Petnet. Both are intertwined by default and the Petnet cannot be used without the nilChain. **Network Participants** - People may assume the following roles within the Network: ▪ **Users** ("**Users**"): Individuals who use the Network to secure their personal data. ▪ **Validators** ("**Validators**"): Private or legal entities that operate the Network's nodes. Each Node maintains the Network by providing storage space, computing power or transaction validation to the Network or some combination of these**.** In return, the

		Network rewards the Nodes with gas fees in Tokens. Token holders are also able to delegate ("**Delegators**") some or all of their Tokens to a Validator.
		<u>**The Crypto-Asset**</u> – The Token can be migrated from the nilChain to Ethereum/EVM ecosystem (for further explanation see H.02). The Token's functionalities are described in D.07 below.
D.05	Details of all Natural or Legal Persons Involved in the Implementation of the Crypto-Asset Project	<table><tr><th>Full Name</th><th>Business Address</th><th>Function</th></tr><tr><td>MME Legal</td><td>Zollstrasse 62, 8005 Zürich</td><td>Legal</td></tr><tr><td>Nillion Labs Limited</td><td>Nillion Labs Limited Penthouse Floor, 5 Lapps Quay, Cork, Ireland</td><td>DevCo</td></tr></table>
D.06	Utility Token Classification	True.
D.07	Key Features of Goods/Services for Utility Token Projects	Token holders can use Tokens to access the following services provided on the Network: ▪ **Access the Network:** The Token is required to access the decentralized storage of the Network. ▪ **Interact with the Network**: The Token is necessary to become a Validator or Delegator of the Network. ▪ **Interact with the Network Governance Mechanism** The purpose of the Token governance is to create a stable and trustworthy ecosystem by allowing users who stake their Tokens to access and participate in the decentralized, balanced ecosystem consensus mechanism ("**DAO**"). Token holders only participate in technical and/or

		operational decision-making. They have no influence over the corporate governance/policy of the Association or any other party of the Nillion ecosystem.
D.08	Plans for the Token	The Token has undergone, or is expected to undergo, the following key events: ▪ **Public Testnet of the Network**: May 17, 2024. ▪ **Community Sale on Coinlist**: June 19 to June 26, 2024. ▪ **Token Generation Event** (expected date): February 19, 2025. ▪ **Public Mainnet:** March 24, 2025. ▪ **Admission on Trading Platforms operating within the EU / EEA:** March 24, 2025.
D.09	Resource Allocation	The Association has raised funds amounting approximately EUR 47 million. The financial resources are and will be primarily allocated to human and technical resources for the development, operation, and expansion of the Network. This includes financing core engineering, infrastructure provisioning, and ongoing security audits. Additional funds may be directed towards ecosystem growth initiatives, such as supporting developers and educational efforts to expand community participation.
D.10	Planned Use of Collected Funds or Crypto-Assets	Not applicable. The Association is seeking admission to trading and does not collect any funds in that context.
PART E – INFORMATION ABOUT THE ADMISSION TO TRADING		
E.01	Admission to Trading	Admission to Trading (ATTR).

E.02	Reasons for the Admission to Trading	The Token is the utility token of the Network. The admission of the Token to trading aims to support the mainnet launch of the Network, enabling Token holders to fully engage with and benefit from the Network.
E.03	Fundraising Target	Not applicable. The present white paper is published solely in relation to the admission to trading of the Token under article 5 of MiCA and does not relate to any public offering.
E.04	Minimum Subscription Goals	Not applicable. See explanation under E.03.
E.05	Maximum Subscription Goal	Not applicable. See explanation under E.03.
E.06	Oversubscription Acceptance	Not applicable. See explanation under E.03.
E.07	Oversubscription Allocation	Not applicable. See explanation under E.03.
E.08	Issue Price	Not applicable. See explanation under E.03.
E.09	Official Currency or any other Crypto-Assets Determining the Issue Price	Not applicable. See explanation under E.03.
E.10	Subscription Fee	Not applicable. See explanation under E.03.
E.11	Offer Price Determination Method	Not applicable. See explanation under E.03.

E.12	Total Number of Traded Crypto-Asset	Up to 100% of total Token supply which amounts to 1 billion of Tokens.
E.13	Targeted Holders	ALL, meaning both Retail (RETL) and Professional (PROF)
E.14	Holder Restrictions	The Network is permissionless and decentralized. Trading Platforms, in accordance with applicable laws and their internal policies, may impose restrictions on Token buyers and sellers. These may include, among others, the successful completion of Know Your Customer (KYC) procedures, Anti-Money Laundering (AML) checks, and measures to combat the financing of terrorism (CFT). In addition, the Association imposes its own restrictions in agreements it enters into with Exchanges, requesting the Exchanges to exclude persons or entities located in the United States, Russia, China, or any other jurisdiction subject to comprehensive sanctions, as well as anyone listed on sanctions lists maintained by the EU, UN, UK, or US ("**Prohibited Persons**").
E.15	Reimbursement Notice	Not applicable. See explanation under E.03.
E.16	Refund Mechanism	Not applicable. See explanation under E.03.
E.17	Refund Timeline	Not applicable. See explanation under E.03.
E.18	Offer Phases	Not applicable. See explanation under E.03.
E.19	Early Purchase Discount	Not applicable. See explanation under E.03.
E.20	Time-Limited Offer	Not applicable. See explanation under E.03.
E.21	Subscription Period Beginning	Not applicable. See explanation under E.03.
E.22	Subscription Period End	Not applicable. See explanation under E.03.

E.23	Safeguarding Arrangements for Offered Funds/Crypto-Assets	Not applicable. See explanation under E.03.
E.24	Payment Methods for Crypto-Asset Purchase	The method of payment to buy and sell the Token on the Trading Platforms are determined and set by the Trading Platforms and are not controlled, influenced, or governed by the Association.
E.25	Value Transfer Methods for Reimbursement	Not applicable. See explanation under E.03.
E.26	Right of Withdrawal	Not applicable. See explanation under E.03.
E.27	Transfer of Purchased Crypto-Assets	The purchased Tokens can be transferred to or from the purchaser's compatible wallet or technical device as designated by the Trading Platforms. The Association bears no responsibility for any transfers of the Token between buyers and sellers conducted on the Trading Platforms.
E.28	Transfer Time Schedule	The transfer of the Token from the seller's wallet or device to the buyer's wallet or device may not occur immediately. The Association has no control over the timing of such transfers.
E.29	Purchaser's Technical Requirements	Token holder must comply with the technical requirements specific to the Trading Platforms on which the Token is admitted to trading, which may include the following: ▪ A compatible digital wallet or account on supported Trading Platforms; and ▪ Internet access; ▪ A device (computer or mobile) to manage digital wallet/private key and/or account on exchange to carry out transaction.
E.30	Crypto-Asset Service Provider (CASP) Name	Not applicable.

E.31	CASP Identifier	Not applicable.
E.32	Placement Form	'NTAV' - Not applicable.
E.33	Trading Platforms Name	While the admission to trading was sought on different Trading Platforms (such as OKX), the Token is currently admitted to trading on the following Trading Platform: Kraken (spontaneous admission to trading by Kraken) and Bitvavo.
E.34	Trading Platforms Market Identifier Code (MIC)	▪ Kraken: PESL ▪ Bitvavo: VAVO
E.35	Trading Platforms Access	Trading Platforms are accessible via their respective website or applications for mobile device.
E.36	Involved Costs	The use of services offered by Trading Platforms may involve costs, including transaction fees, withdrawal fees, and other charges, which should be notified to users in advance. These costs are determined and set by the respective Trading Platforms and are not controlled, influenced, or governed by the Association.
E.37	Offer Expenses	Not applicable. See explanation under E.03.
E:38	Conflicts of Interest	The Association is not aware of any potential conflict of interest among its management body members or any other persons within the Association with respect to the admission of the Token to trading
E.39	Applicable Law	Seeking admission to trading of the Token shall be governed by the laws and regulations of the Switzerland where the Association, as the person seeking admission to trading is incorporated, as well as the European Union law, including Regulation (EU) 2023/1114 on Markets in Crypto-Assets (MiCAR) together with any mandatory provisions of applicable national laws of the

		respective Member States (to the extent the latter do not contradict mandatory provisions of EU law).
		Once the Tokens are trading, the legal relationship and applicable law between the Trading Platforms and their users shall be determined on the basis of the law governing the contract between them and the applicable mandatory provisions of EU law.
		Nothing in this whitepaper shall deprive any consumer located in the EU or EEA of the mandatory rights conferred on that consumer by the consumer-protection legislation of his or her country of habitual residence.
E.40	Competent Court	The courts of the Zug in Switzerland constitute a proper and convenient forum for disputes, claims or proceedings related to the person seeking admission to trading as it is incorporated in Switzerland, Zug.
		Any disputes arising in connection with the seeking of admission to trading of the Token that are between the Association and the respective Trading Platform for crypto-assets shall be determined by the respective competent court depending on the contractual arrangement (if any) between the parties and the mandatory provisions of applicable law.
		The competent court for any disputes between Trading Platforms and their users shall be determined on the basis of the contract between them and the applicable EU law.
		If you are an EU or EEA consumer, you may bring any judicial proceedings before the competent court of your place of residence.
PART F – INFORMATION ABOUT THE CRYPTO-ASSET		
F.01	Crypto-Asset Type	Utility Token

F.02	Crypto-Asset Functionalities	Token holders can use Tokens to access the following services provided on the Network: ▪ **Access the Network:** The Token is required to access the decentralized storage of the Network. ▪ **Interact with the Network**: The Token is necessary to become a Validator or Delegator of the Protocol. ▪ **Interact with the Network Governance Mechanism** The purpose of the Token governance is to create a stable and trustworthy ecosystem by allowing users who stake their Tokens to access and participate in the decentralized, balanced ecosystem consensus mechanism ("**DAO**"). Token holders only participate in technical and/or operational decision-making. They have no influence over the corporate governance/policy of the Association or any other party of the Nillion ecosystem.
F.03	Planned Application of Functionalities	No future applications or functionalities are promised.

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.04	Type of White Paper	OTHR
F.05	The Type of Submission	MODI = Modify
F.06	Crypto-Asset Characteristics	The Token is to be classified as a utility token which is required to access and interact with the Network and its respective governance mechanism.
F.07	Commercial Name or Trading Name	NIL
F.08	Website of the Issuer	https://nillion.com/MICA/

F.09	Starting Date of the Admission to Trading	**For Admission at the Association's initiative**: March 24, 2025. **For Admission at the Trading Platform's initiative**: Trading Platforms may also list the Token on their own initiative, without the authorization of the Association, in which case the starting date of the trading of the Token is at their sole discretion.
F.10	Publication Date	October 22, 2025 (intended publication date)
F11	Any other Services Provided by the Issuer	Not applicable.
F.12	Identifier of Operator of the Trading Platform	Not applicable.
F.13	Language or Languages of the White Paper	English
F.14	Digital Token Identifier Code used to uniquely Identify the Crypto-Asset or each of the Several Crypto Assets to which the White Paper relates, where Available	Not applicable.
F.15	Functionally Fungible Group Digital Token Identifier, where Available	Not applicable.
F.16	Voluntary Data Flag	False.

F.17	Personal Data Flag	True.
F.18	LEI Eligibility	Not applicable. The Association is not required to provide a LEI under MiCA.
F.19	Home Member State	Malta pursuant to Article 3 (33) (c) of Regulation
F.20	Host Member States	The admission to trading of the Token is passported in all the other remaining EU member states and EEA countries: Austria Belgium Bulgaria Croatia Cyprus Czechia Denmark Estonia Finland France Germany Greece Hungary Iceland Ireland Italy Latvia Liechtenstein Lithuania Luxembourg Netherlands Norway

		Poland Portugal Romania Sweden Slovakia Slovenia Spain
PART G – INFORMATION ON RIGHTS AND OBLIGATIONS ATTACHED TO THE CRYPTO-ASSETS		
G.01	Purchaser Rights and Obligations	The Token does not confer any rights or entitlements to its holders. Instead, the Token merely grants access of the technical functionalities of the Network.
G.02	Exercise of Rights and Obligations	Not applicable. The Token does not confer ownership, voting rights, profit-sharing, or legal claims against any of the Association, any entity of the Nillion ecosystem or the affiliated developers.
G.03	Conditions for Modifications of Rights and Obligations	Not applicable.
G.04	Future Public Offers	Not applicable. At the time of the present notification, no such offers are currently planned.
G.05	Issuer Retained Crypto-Assets	50 million Tokens which represents 5 % of the Token total supply.
G.06	Utility Token Classification	True
G.07	Key Features of Goods/Services of Utility Tokens	Token holders can use Tokens to access the following services provided on the Network:

		▪ **Access the Network:** The Token is required to access the decentralized storage of the Network.
		▪ **Interact with the Network**: The Token is necessary to become a Validator or Delegator of the Protocol.
		▪ **Interact with the Network Governance Mechanism** The purpose of the Token governance is to create a stable and trustworthy ecosystem by allowing users who stake their Tokens to access and participate in the decentralized, balanced ecosystem consensus mechanism ("**DAO**"). Token holders only participate in technical and/or operational decision-making. They have no influence over the corporate governance/policy of the Association or any other party of the Nillion ecosystem.
G.08	Utility Tokens Redemption	Not applicable.
G.09	Non-Trading Request	True.
G.10	Crypto-Assets Purchase or Sale Modalities	Not applicable.
G.11	Crypto-Assets Transfer Restrictions	The Token as such does not have any transfer restrictions and is generally freely transferable. The Association imposes its own restrictions in agreements it enters into with Exchanges, requesting the Trading Platforms to exclude Prohibited Persons (cf. Section E. 14). Beyond compliance-based restrictions, there are no further limitations on transferability from the Association's side. The Trading Platforms in accordance with applicable laws and internal policies and terms may impose restrictions to buyers and sellers of Tokens on the Trading Platforms themselves.

G.12	Supply Adjustment Networks	False.
G.13	Supply Adjustment Mechanisms	Not applicable.
G.14	Token Value Protection Schemes	False.
G.15	Token Value Protection Schemes Description	Not applicable.
G.16	Compensation Schemes	False.
G.18	Applicable Law	The Tokens do not give rise to obligations or direct rights enforceable against their issuer. The creation of the Tokens is governed by the applicable laws in Switzerland where the issuer entity is incorporated. Nothing in this whitepaper shall deprive any consumer located in the European Union or European Economic Area of the mandatory rights conferred on that consumer by the consumer-protection legislation of his or her country of habitual residence.
G.19	Competent Court	The courts of Zug constitute a proper and convenient forum for disputes, claims or proceedings related to the creation of the tokens as the issuer is incorporated in Switzerland, Zug. If you are an EU or EEA consumer, you may be able to bring any judicial proceedings before the competent court of your place of residence.

PART H – INFORMATION ON THE UNDERLYING TECHNOLOGY

H.01	Distributed ledger technology	Pursuant to article 3 (1) and (2) of MiCA, a Distributed Ledger Technology ("**DLT**") means a technology that enables the operation and use of distributed ledgers, i.e., an information repository that keeps records of transactions and that is shared across, and synchronized between, a set of DLT Network nodes using a consensus mechanism. The Nillion Network is a decentralized platform for secure, high-value data storage and computation. It uses clustering for scalable performance without relying on a global shared state. Its Blind Compute technology ensures data remains encrypted during transfer, storage, and computation, enabling private AI, LLM inference, and other secure applications. Employing Privacy-Enhancing Technologies like MultiParty Computation (MPC), Fully Homomorphic Encryption (FHE), and Trusted Execution Environments (TEEs), the network guarantees data privacy throughout its lifecycle. It comprises two layers: the nilChain, the DLT component, and the Petnet.
H.02	Networks and technical standards	The nilChain is built with the Cosmos SDK and supports the Inter-Blockchain Communication Protocol (IBC) for interoperability. The Token can be transferred from the NILchain to Ethereum via a bridge to the Ethereum blockchain and vice-versa ("**Token Bridge**"). To achieve the bridging of the Token, the Tokens are locked (escrowed) in a smart contract ("**Bridge Contract**") on the NILchain, and the corresponding amount of Token (ERC-20 version) are minted by the NIL minting smart contract on the Ethereum blockchain ("**Ethereum NIL Contract**") and transferred to the Token holder's address on Ethereum (lock-and-mint). ERC-20 Token holders can transfer their ERC-20 Token to the NILchain at any time by sending the ERC-20 Token back to the Ethereum NIL Contract (lock-and-mint). The ERC-20 Token are then locked (escrowed) in the Ethereum NIL Contract and the corresponding amount of Token is unlocked on the NILchain. The Association does not operate the Token Bridge.
H.03	Technology Used	The Network supports software compatible with the Cosmos and the IBC ecosystem.

H.04	Consensus Mechanism	The Network incorporates a Delegated Proof of Stake (DPoS) mechanism. In this system, Nodes require stake in Token to be able to run Nodes.
H.05	Incentive Mechanisms and Applicable Fees	The Nillion Network has the following Incentive Mechanisms to secure. ▪ **Gas Fee**: Users pay gas fees in Tokens for interactions with the Network. Fees are determined by the type of interaction, network congestion, and the work involved. ▪ **Reward Mechanism for Nodes**: Nodes are rewarded with NIL Tokens for operating and contributing to the Network.
H.06	Use of Distributed Ledger Technology	False – DLT is not operated by the issuer or a third-party acting on the issuer's behalf.
H.07	DLT Functionality Description	Not applicable.
H.08	Audit	True.
H.09	Audit outcome	No security vulnerabilities discovered. For more information, see the full report here: https://drive.google.com/file/d/1XCHqxKfhNaIAFrohOoR-w3kccHljtjQA/view
PART I – INFORMATION ON THE RISKS		
I.01	Admission to Trading-Related Risks	▪ **General Contractual and Counterparty Risk**: The Association does not operate, control, oversee, or manage the functioning of crypto-asset services providers as defined under MiCA ("**CASP**") operating within the EU/EEA and Trading Platforms (together with CASPs, the "**Exchanges**"), where the Token will be admitted for trading or listed.

			▪ **Multiple White Paper Risk**: Token holders understand that any third party can decide to draft and publish a MiCA white paper about the Token ("**Spontaneous White Paper**"). The publication of these Spontaneous White Papers does not imply any endorsement by the Association that the Spontaneous White Papers are complete, correct, fair, clear and not misleading.
			▪ **Spontaneous Admission to Trading Risk by Trading Platform**: Third parties can elect to admit the Token on their Trading Platforms without any request, authorization or approval by the Association or anyone else. Pursuant to article 5 (2) of MiCA, Trading Platforms are responsible for ensuring compliance with all applicable laws, especially MiCA requirements with respect to the spontaneous admission of the Token to trading. The Association, its affiliates, directors, and officers shall not be held liable for these spontaneous admissions to trading.
			▪ **Exchanges Risk**: When Token holders buy or sell Token on the Exchanges, the Association does not serve as a contractual party or counterparty to the transaction. Consequently, any legal relationship concerning these Exchanges is subject to their own terms and conditions. The Association, and its service providers, assume no responsibility for the operations, services, or outcomes associated with any transactions or activity on the Exchanges. The Association provides no assurances regarding any Exchange itself and assumes no responsibility or liability for any regulatory, compliance, operational, financial, technical, or reputational failure that may adversely affects its activities.
			▪ **Pausing and Delisting Risk**: The Association cannot guarantee that the Token will remain listed or tradeable on any of the Exchanges. Delisting (or the temporary pausing of such listing) on any of the Exchanges could significantly hinder the ability of Token holders to buy, sell, or otherwise transact in Token. In the event of delisting, Token holders may face challenges in finding alternative markets or counterparties willing to trade or transact in the Token, which could impact the liquidity and market value of Token.

		▪ **Trading Risk**: The Association does not control the secondary markets. There can be no assurance as to the secondary market (if any) in Token. It cannot guarantee the depth, stability, or sustainability of any secondary market for Token. Limited market depth or trading activity may result in reduced liquidity, increased price volatility, and challenges in buying or selling the Token at desired prices. The Association also cannot guarantee the healthy and consistent availability of buying or selling opportunities for the Token or the integrity of the market price. Trading activity may be affected by manipulative practices such as wash trading, front-running, and similar schemes. While Exchanges and other Trading Platforms may be subject to varying regulatory frameworks that may or may not prohibit such practices and impose oversight to detect and deter them, the Association assumes no responsibility or liability for their effective prevention or enforcement.
		▪ **Operational and Technical Risk**: The Exchanges operate interfaces that allow users to trade crypto-assets for or other crypto-assets. The reliance on any Exchanges' internal system for asset storage and transfer adds an additional layer of counterparty risk, as users are exposed to potential operational, technical, or human errors during these processes, including the following:
		▪ Trades on an Exchange may be executed based on a centralized matching algorithm and are often recorded off-chain, meaning they are not directly related to transparent on-chain transfers of crypto-assets, and could dissimulate detrimental trade matching or rogue practices. The traded assets are recorded solely on the Exchange's internal ledger, with each internal ledger entry corresponding to an offsetting trade involving either government currency or another crypto asset.
		▪ Funds deposited by users for trading may be co-mingled by the Exchanges, rather than stored in unique wallet addresses for each user. This practice results in the centralization of a large volume of assets in a single location, which in turn

		increases the potential risk of damage or theft, particularly in the event of a hack or security breach.
		▪ Furthermore, users who wish to trade or withdraw their Token may be required to deposit them into the Exchange, increasing the risk of loss in the event of a failure of the deposit or withdrawal Token processes set up by an Exchange.
		▪ **Unanticipated Risks**: In addition to the risks outlined in this Section, unforeseen risks may arise. Additionally, new risks could emerge as unexpected variations or combinations of the risks discussed in these Sections I.01 to I.05.
I.02	Issuer-Related Risks	The person seeking admission to trading, i.e., the Association is simultaneously the entity controlling the technical minting of the Token. As such, the person seeking admission to trading qualifies as the issuer within the meaning of article (3) (1) (10) of MiCA. Given that the issuer and the person seeking admission are the same entity, and for the sake of consistency, statements related to the issuer shall be deemed as statement related to the person seeking admission, i.e., the Association.
		▪ **Abandonment/Lack of Success Risk**: The Network and the activities of the Association may be partially or totally abandoned for several reasons including, but not limited to, the lack of interest from the public, incapacitation or withdrawal of Token key developers and project supporters, force majeure (including pandemics and wars) or lack of commercial success or prospects.
		▪ **Change Risk**: The Network may evolve over time. This could involve pivoting from the original vision of the Network or modifying how the vision and objectives of the project are executed. Such changes may be driven by market conditions, regulatory development, technological advancements, or strategic decisions by Network contributors. While adaptation and change can foster innovation, it also introduces

risks, including shifts in value proposition and potential misalignment with prior expectations.

- **Decentralization Risk**: The Network is neither operated nor controlled by the Association or any of its affiliates. Should Token holders interact with the Network, they are engaging directly with the Network and potentially with third parties that might have no affiliation or relationship with the Issuer. This means that the Association does oversee or manage these interactions, and neither of them does assume responsibility for any outcomes that may arise.

- **Partner Risk**: The implementation of the Network depends strongly on the collaboration and functioning of services provided by several third parties, core contributors, activities of the legal entities associated with the project and other crucial ecosystem partners. Loss or changes in the project's leadership, key partners, and other service providers can lead to disruptions, loss of trust, reputational damage, or even complete project failure. The Association cannot guarantee that the Network will be successfully developed, deployed and remain operational in perpetuity.

- **Legal and Regulatory Compliance Risk**: Crypto-assets and blockchain technologies are subject to an evolving regulatory landscape worldwide. Regulations vary widely across jurisdiction and may be subject to significant changes, which would lead to changes with respect to the trading of the Token. Changes in laws or regulations may negatively impact the value, legality, or functionality of the Token. Non-compliance with changing or newly formed regulations can result in investigations, enforcement actions, penalties, fines, sanctions, or the prohibition of trading of Token, impacting the Network's viability and market acceptance. The Association, core contributors, or other ecosystem partners could be subject to private litigation. Additionally, any legal uncertainties, potential lawsuits, or adverse legal rulings can pose significant risks to the project. Legal challenges may ultimately affect the legality, usability, or value of the Token.

- **Reputational Risk**: There could be a risk of negative publicity related to the Network and its affiliated legal entities, whether due, without limitation to operational failures,

		security breaches, or association with illicit activities, all of which can damage the Network ecosystem reputation and, by extension, the value and usability of the Token.
		• **Operational Risk**: Any failure to develop or maintain effective internal control or any difficulties encountered in the implementation of such controls could harm the operations of the Association, causing disruptions, financial losses, or reputational damage.
		• **Competition Risk**: There are other crypto-assets and projects in the decentralized storage space, and new competitors may enter the market at any time. The effect of existing, new or additional competition on the Token or its market price cannot be predicted or quantified. Competitors may have significantly greater financial, legal, and technical resources than the Association and there is no guarantee that the project will be able to compete successfully, or at all, with such competitors.
		• **Unanticipated Risks**: In addition to the risks outlined in this Section, unforeseen risks may arise. Additionally, new risks could emerge as unexpected variations or combinations of the risks discussed in these Sections I.01 to I.05.
I.03	Crypto-Assets-Related Risks	• **Market Risk**: Crypto-assets, including the Token, are highly volatile, with prices subject to significant fluctuations in short periods due to market sentiment, regulatory news, technological advancements, and macroeconomic factors, which increases the risk of sudden and substantial losses. Such valuation risk arises as the market value of a crypto-asset may not always reflects its underlying utility or fundamental and is subject to subjective assessment. Potential Token holders are thus exposed to potential losses due to the Token's: • Potential fluctuations in value, driven by various factors such as supply and demand dynamics, Token purchasers' and holders' sentiment, and broader market trends, including changes in interest rates, general movements in local and international markets, technological advancements, regulatory changes, and media coverage. Notably, momentum pricing of crypto-assets has

previously resulted, and may continue to result, in speculation regarding future appreciation or depreciation in the value of such assets, further contributing to volatility and potentially inflating prices at any given time.

- Liquidity risk, where a lack of depth in secondary markets – if any – or limited trading volumes can hinder the ability to execute trades at favorable prices, which could lead to significant losses, especially in fast-moving market conditions. As a result, Token holders may experience challenges in managing their holdings, with the value of the asset subject to unpredictable fluctuations and potential depreciation.

- Solvency and collateral risk, if the Token is used to finance further activities, especially in leveraged positions or as collateral for loans. Significant fluctuations in the value of the Token could adversely affect the solvency of its holder, particularly if the Token is pledged as collateral. A drastic decline may trigger margin calls or automatic liquidations, which could further depress Token's price creating a negative feedback loop. This volatility poses the risk of forced asset sales, potentially resulting in substantial losses for the holder and amplifying downward pressure on the market price of the Token.

- **Custodial Risk**: The method chosen to store the Token, like any crypto-asset, carries inherent risks related to the security and management of the storage solution. The chosen storage method – whether hot or cold wallets, or centralized custody – can significantly impact the safety, liquidity, and accessibility of the Token, with direct consequences for the holder's ability to access, trade, or retain their assets.

- **Scam Risk**. Token holders may be subject to the risk of loss resulting from a scam or fraudulent schemes perpetrated by malicious actors targeting Token holders. These scams include, but are not limited to, phishing or social engineering on social Networks or by email, fake giveaways, identity theft or impersonation of key contributors to the Network, creation of fake Tokens, offering fake Token airdrops, among others. Token holders, recipients and purchasers should always verify and confirm that they are

interfacing with legitimate websites, personnel, and other assets associated with the Network.

- **Anti-Money Laundering/Counter-Terrorism Financing (AML/CTF) Risk**: Crypto-asset wallets holding Token or transactions in Token may be used for money laundering or terrorist financing purposes or attributed to a person or entity known to have committed or is associated with such offenses. Consequently, there is a risk that a public wallet address holding Token could be flagged in relation to AML/CTF efforts. In such cases, receiving Tokens could result in a holder's address being flagged by relevant authorities, Exchanges, or other service providers, which may lead to restrictions on transaction or the freezing of a holder's assets. Token holders may thus face legal or regulatory challenges if their address becomes associated with illicit activities, impacting their ability to freely access, trade, or transfer their tokens.

- **Taxation Risk**: The taxation regime that applies to the trading of Tokens by either individual holders or legal entities will depend on each Token holder's jurisdiction. The Association cannot guarantee that the holding of the Token, the receipt of the Token, conversion of fiat currency against the Token, or other conversion of other crypto assets against the Token, will not incur tax consequences. It is the Token holder's sole responsibility to comply with all applicable tax laws, including, but not limited to, the reporting and payment of income tax, wealth tax, capital gains tax, or other similar taxes arising in connection with the appreciation and depreciation of the Token.

- **Market Abuse Risk**: The market for crypto-assets is rapidly evolving, spanning local, national, and international Networks with an expanding range of assets and participants. Any market abuse, along with a potential loss of confidence among holders, could adversely impact the value and stability of the Token. Notably:

  - Significant trading activity may take place on systems and Networks with limited oversight and predictability. Sudden and rapid changes in the supply or demand of a crypto-asset, particularly those with low market capitalization or low unit prices, can result in extreme price volatility.

| | | | - Additionally, the inherent characteristics of crypto-assets and their underlying infrastructure may be exploited by certain market participants to engage in abusive trading practices such as front-running, spoofing, pump-and-dump schemes, and fraud across different Networks, systems, or jurisdictions.

- **Legal and Regulatory Risk**: There is a lack of regulatory harmonization globally, which results in diverging regulatory frameworks. Regulations related to crypto-assets remain in flux globally with possible further regulatory evolution in the future. Divergent and shifting regulation could negatively impact the value, utility and overall viability of the Token. Specifically:

   - While Token is characterized as a token used to access and interact with the Network, certain non-EU regulators may nevertheless classify the Token as a security, financial instrument, or payment instrument under their respective legal frameworks. Such classifications could impose specific regulatory constraints, leading to significant changes in how the Token is structured, purchased, or traded.

   - Evolving regulations could substantially increase compliance costs and operational burdens relating to facilitating transactions in the Token.

   - New or restrictive regulations could result in Token losing functionality, depreciating in value, or even becoming illegal or impossible to use, buy or sell in certain jurisdictions.

   - Regulators could take enforcement action against the Association, if they determine that the Token constitutes a regulated instrument that has been issued in a non-compliant manner or that the activities of the project, its core contributors or other ecosystem partners violate existing laws. Such actions could expose such parties to legal and financial penalties, including civil and criminal liability. |

		▪ **Unanticipated Risks:** In addition to the risks outlined in this Section, unforeseen risks may arise. Additionally, new risks could emerge as unexpected variations or combinations of the risks discussed in these Sections I.01 to I.05
I.04	Project Implementation-Related Risks	▪ **Novel Ecosystem Risk**: The Network and its ecosystem are built on emerging and rapidly evolving technologies, which inherently carry significant risks. The underlying software, blockchain infrastructure, smart contracts, and related technologies are still in their early stages of development, meaning there is no guarantee that the process of receiving, using or holding the Token will be uninterrupted or error-free. As with any novel technology stack, there is an inherent risk that the underlying blockchain, smart contracts, novel technical features, or associated components may contain weaknesses, vulnerabilities, or bugs, despite audits being conducted. Such issues could lead to unintended behaviors, security breaches, or critical failures, potentially resulting in the partial or complete loss of the Token or their functionality or the inability to access or use the services of the Network. Furthermore, unforeseen technical limitations, incompatibilities, or the emergence of superior alternative could further impact the stability, security, and long-term success and viability of the Network ecosystem.
		▪ **Dependency Risk**: The Network relies on third-party technologies, infrastructures, and Networks, which could impact its functionality, security, and long-term sustainability. Any disruptions, vulnerabilities, regulatory scrutiny or changes in the Network may result in a negative effect on the Token. This reliance on external infrastructure increases systemic risk, as unforeseen issues in third-party infrastructure could cascade into disruptions in the ecosystem.
		▪ **Decentralized Governance Risk**: Participation in the Network's decentralized governance may involve various risks and uncertainties. The Token holders understand and acknowledge that decentralized autonomous organizations ("**DAOs**") are not recognized as legal entities that shield their members from personal liability in many jurisdictions. In some jurisdictions, DAOs are qualified as general partnerships

in which the members can be held liable for expenses and liabilities incurred by the other members in connection with affairs that are conducted on behalf of the partnership. In addition, changes and/or updates to the Network and the Network's key parameters, smart contracts and software code may be subject to the Network's decentralized decision-making process. This may result in adverse changes to the Network. The Association cannot predict the proposals and decisions of the Network's decentralized governance and assumes no responsibility or liability for them. Governance decisions are made collectively by the community of Token holders, who can propose, vote on, and implement changes. This decentralization promotes transparency and inclusivity, it also introduces significant risks. Since the Association has no direct authority over governance decisions, it cannot unilaterally intervene or override changes, even if they are detrimental to the ecosystem. The community may reject crucial decisions, potentially leaving fundamental issues pertaining to its scope of power unaddressed. Conversely, Token holders could propose and approve amendments that introduce unforeseen technical, economic, or security risks, negatively impacting the usability, value, or regulatory standing of Tokens. This decentralized decision-making process may lead to fragmentation, conflicts of interest, governance deadlocks, and alike, all of which could undermine the sustainability and security of the Network and/or the ecosystem.

- **Reliability Risk**: There is a risk that that the key features and services of the Network may not always function properly, negatively affecting the community's perception of the Network and its underlying technology and in turn, affecting the value of the Token. The Network will be deployed on an "as is" and "as available" basis without warranties of any kind. The Association cannot and do not warrant that the Token, the software code of the Token, or the Network, including the Token Bridge are reliable current or error-free, free of viruses or other harmful components.

- **Unanticipated Risks**: In addition to the risks outlined in this Section, unforeseen risks may arise. Additionally, new risks could emerge as unexpected variations or combinations of the risks discussed in these Sections I.01 to I.05.

I.05	Technology-Related Risks	The person seeking admission to trading and its affiliate, directors and officers shall not be responsible or liable for any damages, losses, costs, fines, penalties or expenses of whatever nature, whether reasonably foreseeable by them and the potential Token holder, and which the Token holder, may suffer, sustain, or incur, arising out of or relating to the technical risks outlined below or a combination thereof.
		▪ **Cybersecurity Risk**: The Token - including the Network infrastructure, underlying technology such as smart contracts, Token Bridge, wallets and other components - may be vulnerable to cyberattacks. Malicious actors may exploit software vulnerabilities, attack consensus mechanisms, or compromise private keys to gain unauthorized access to the Token. Risks include hacking attempts on the Network, smart contract exploits, phishing attacks, malware infections, and other forms of cybercrime that could result in the theft, loss, or unauthorized transfer of the Token. Since digital assets exist entirely in a technological environment, they are inherently exposed to evolving cyber threats, some of which may be undetectable or irreparable until after significant damage has occurred.
		▪ **Blockchain Risk**: The Network could be susceptible to consensus-related attacks, including but not limited to double-spend attacks, majority validation power attacks, censorship attacks, and sybil attacks. Any successful attack presents a risk to execution of transaction associated with the Token.
		▪ **Smart Contract Risk**: Transactions associated with the Token rely on smart contracts deployed on a blockchain network, including the Bridge Contract. Smart contracts are susceptible, including but not limited to, to coding vulnerabilities, bugs, cyber attacks, centralized management of private keys or security flaws that could be exploited by malicious actors. A breach in the smart contract could result in unauthorized transactions, token loss, or manipulation of the staking, governance and Token minting mechanisms, negatively impacting the Token's security and trust among Token holders. Even though independent security audits are routinely conducted, unforeseen vulnerabilities may still pose a risk.

		▪ **Private Key Management Risk and Loss of Access to Crypto-Assets**: The security of the Token holding heavily relies on the management of private keys, which are used to access and control crypto-assets. The Token holders are responsible for the custody of their Tokens in a compatible cryptographic wallet and for the security of their private keys. Poor management practices, loss, or theft of private keys, or respective credential, can lead to irreversible loss of access to the Tokens. If a Token holder connects their wallet to malicious applications or Networks, they also risk unauthorized access to their assets and their Token holdings.
		
		▪ **Network-Level Risk**: It cannot be excluded that any technical failure, malfunction, or vulnerability within the Network could directly or indirectly impact the value of the Token.
		
		   ▪ The Network could be subject to critical exploits, such as reentrancy attacks, logic errors, or oracle manipulation, which could lead to unintended token transfers, assets being drained from the system, or tokens being irretrievably lost. Fixing such issues may require significant coordination, governance approval, or even disruptive measures such as Network migrations or forks, none of which are guaranteed to be successful.
		
		   ▪ Any security breach, or governance deadlock affecting the Network or the decentralized governance system could have cascading effects, including depreciation of the Token's value, reduced market confidence, and potential loss of funds for Token holders.
		
		▪ **Settlement Finality and Irrevocability of Transactions**: Transactions in Token may be irreversible. Holders sending Tokens to nonexistent or incorrect addresses may irrevocably lose their Tokens and be unable to reverse the transaction or recover their Tokens.
		
		▪ **Unanticipated Risks**: In addition to the risks outlined in this Section, unforeseen risks may arise. Additionally, new risks could emerge as unexpected variations or combinations of the risks discussed in these Sections I.01 to I.0

I.06	Mitigation Measures	While security audits have been conducted (see H.09), potential Token holders understand that the risks outlined in Sections I.01 to I.05 above are inherent to the Network activities and its broader ecosystem, making elimination impossible. To further reduce exposure to these risks, prospective Token holders should adopt appropriate safeguards based on their chosen custody method and remain vigilant by actively monitoring publicly available news and market signals, enabling them to respond swiftly to significant developments which may result in the materialization of specific risks.
PART J – INFORMATION ON THE SUSTAINABILITY INDICATORS IN RELATION TO ADVERSE IMPACT ON THE CLIMATE AND OTHER ENVIRONMENT-RELATED ADVERSE IMPACTS		
J.01	Adverse impacts on climate and other environment-related adverse impacts	The below is information on the principal adverse impacts on the climate and other environment-related adverse impacts of the consensus mechanism used to validate and finalize transactions in the Tokens and to maintain the integrity of the distributed ledger of transactions. The energy consumption for the validation and finality of transactions and the maintenance of the integrity of the distributed ledger of transactions for the period is estimated to be lower than 500'000 kWh. (see S.08).
S.02	Name	Nillion Association
S.03	Relevant legal entity identifier	CHE-412.979.799
S.04	Name of the crypto-asset	NIL
S.05	Consensus Mechanism	See H.04

S.06	Incentive Mechanisms and Applicable Fees	See H.05
S.07	Beginning of the period to which the disclosure relates	March 24, 2025
S.08	End of the period to which the disclosure relates	March 24, 2026
S.09	Energy consumption	< 500'000 kWh. The total estimated energy consumption for the operation and validation of the Network from S.07 to S.08 5, is approximately 360 kWh / year for the Ethereum's share and 84 588 kWh / year for the Network., which gives in total 84 948 kWh / year. For the consumption of the Network, the calculations are based on the number of nodes (41) and their energy consumption (between 1 845.6 kWh and 2,014.8 kW per node).
S.10	Energy consumption sources and methodologies	The estimated energy consumption in J.08 was calculated using the methodology recommended by the Crypto Carbon Ratings Institute in its December 2024 Paper, version 2.0 "*Methodologies to calculate sustainability indicators for the EU Markets in Crypto-Assets (MiCA) regulation*", to be found at https://carbon-ratings.com/dl/whitepaper-mica-methods-2024.