VET - VeChain Token White paper

White paper under Title II, Article 4 of Regulation (EU) 2023/1114 ("MiCAR") for the admission to trading on crypto-asset service providers platforms authorized under Article 59 of MiCAR

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01	Date of notification	19 November 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	Not applicable.
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.
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 offer to the public of this crypto-asset does not constitute an offer or solicitation to purchase financial instruments and any such offer or solicitation can be made only by means of a prospectus or other offer documents pursuant to the applicable national law. This crypto-asset white paper does not constitute a prospectus as referred to in Regulation (EU) 2017/1129 of the European Parliament and of the Council (36) or any other offer document pursuant to Union or national law.
08	Characteristics of the crypto-asset	VET Token is a crypto-asset to be classified as "*crypto-assets other than asset-referenced tokens or e-money tokens*" under Title II of MiCAR. VET is the native asset of the VeChainThor blockchain. It is freely transferable on-chain and, following the Hayabusa upgrade, it underpins network security and incentives through a Delegated Proof of Stake (DPoS) model (VIP-253). Under DPoS, VET holders may (i) operate validator nodes by meeting the collateral minimum requirement of 25,000,000 VET, or (ii) act as delegators by staking VET to a chosen validator. Protocol rewards are distributed between validators and their delegators (currently 30/70 by default), subject to network parameters. In line with VIP-254, the former static, time-based VTHO generation for all VET holders has been replaced by a dynamic issuance that accrues to active network participants (validators and delegators) in proportion to staked VET

		and network activity. VTHO continues to serve as the gas token for transactions on VeChainThor. VET Token holders do not acquire corporate governance or decision-making rights over the issuer by virtue of holding VET. Any protocol-level participation and rewards arise solely from the staking/delegation mechanics described above. Any legacy incentive programs (e.g., Economic/X-Nodes) are ancillary, may be maintained at the issuer's discretion, and do not determine validator selection under DPoS.
09	Information about the quality and quantity of goods or services to which the utility tokens give access and restrictions on the transferability.	Not Applicable.
10	Key information about the offer to the public or admission to trading.	There is no predetermined number of VET Token to be admitted to trading, although the maximum supply of VET Token is 86,712,634,466 tokens. The quantity of VET Token currently traded on third party crypto-assets service providers can be seen in real time on specialized market information sources such as Coinmarketcap. As this does not constitute an offer to the public, there are no minimum or maximum target subscription goals, no subscription fees, no discounted phases and no subscription period. Moreover, as the VET Token are already listed and traded on various third party crypto-assets service providers, there is no fixed issue price and the price for purchasing on those trading platforms depends on the market value and spread or fees applied. There is no placement agreement in place with third party providers offering crypto-assets placement services. Prospective holders are all persons interested in supporting VeChain project as described in this white paper and participating in VeChain ecosystem by expressing their opinions on the issuer's strategy and programs. Eligible users may acquire VET via authorised CASPs, subject to each CASP's onboarding requirements and applicable law, in order to participate in the VeChainThor ecosystem by paying network fees and transferring the token on-chain.

		VET is already admitted to trading on several CASPs. For an indicative, non-exhaustive list of trading venues, see Part E.33.
Part A: Information about the offeror or the person seeking admission to trading		
A.1	Name	VeChain Foundation San Marino S.R.L.
A.2	Legal form	limited liability company.
A.3	Registered address	Strada di Paderna, 2 (47895) Domagnano, San Marino
A.4	Head office	Strada di Paderna, 2 (47895) Domagnano, San Marino
A.5	Registration Date	2021-06-07
A.6	Legal entity identifier	5299001UWKNB61VZCT67

A.7	Another identifier required pursuant to applicable national law	Not Applicable.
A.8	Contact telephone number	(+378) 0549 943763 (+39) 366 845 14 34
A.9	E-mail address	info-sanmarino@vechain.org
A.10	Response Time (Days)	Under normal circumstances, inquiries are answered within 5 days. For very specific requests, processing may take up to a maximum of 14 days.
A.11	Parent Company	Not Applicable.
A.12	Members of the Management body	Board of Directors: Jie Zhang – President of the BoD and Legal Representative, Strada Di Paderna, 2 (47895) Domagnano, San Marino; Yang LU – Director and CEO, Strada Di Paderna, 2 (47895) Domagnano, San Marino; Vanessa D'Ambrosio Berti – Director, Strada Di Paderna, 2 (47895) Domagnano, San Marino.
A.13	Business Activity	VeChain Foundation is the curator of VeChainThor Blockchain, a world-leading smart contract platform spearheading the real-world adoption of blockchain technology. VeChain's aspiration is to multiply individual impact to unleash our collective potential for sustainability. VeChain will actively support and accelerate the engagement in sustainability efforts, leveraging (blockchain) technology to address diverse challenges.

		VeChain's main business and professional activities include technological development, consultancy in the field of information technology, database management, hosting and provisioning of application services. The principal markets where VeChain operates include the European Union and other jurisdictions with robust regulatory frameworks for crypto-assets.
A.14	Parent Company Business Activity	Not Applicable.
A.15	Newly Established	No.
A.16	Financial condition for the past three years	VeChain Foundation San Marino S.R.L. was established on June 7, 2021. Upon incorporation, VET tokens were contributed by shareholders as a reserve. VeChain utilizes these assets to support ongoing operational costs. This robust asset reserve provides a strong foundation for future expansion. The financial statements for the past three years offer a detailed account of VeChain's financial performance. These statements have been duly filed with the San Marino authority. Notably, there have been no unusual or infrequent events materially affecting VeChain's operations. Non-financial KPIs include the number of unique addresses and transaction volume. VeChain has experienced growth in the number of unique addresses, along with a corresponding increase in transaction volumes, reflecting the rising use of the VeChainThor Blockchain.
A.17	Financial condition since registration	Reference to point A.16.

Part D- Information about the crypto-asset project		
D.1	Crypto-asset project name	VeChain
D.2	Crypto-assets name	VeChain Token
D. 3	Abbreviation	VET
D.4	Crypto-asset project description	VET Token is crypto-asset to be classified as "*crypto-assets other than asset-referenced token or e-money tokens"* under Title II of MiCAR. VET Token is conceived as digital value suitable of being transferred on VeChainThor Blockchain, the proprietary blockchain built by the Company. Following the Hayabusa upgrade, VET performs a dual role: • it is a store and transfer of value, enabling settlement of transactions on VeChainThor; • it serves as the staking asset of the Delegated Proof of Stake (DPoS) consensus, under which Validators produce blocks and Delegators secure the network by staking their VET. This means that VET is not only transferrable across the VeChainThor blockchain but also forms the basis for economic security, validator selection, and reward distribution. All transaction fees on VeChainThor are paid in VTHO, which is dynamically generated as protocol rewards by Validators and Delegators staking VET, in accordance with VIP-254.

D.5	Details of all natural or legal persons involved in the implementation of the crypto-asset project	VeChain Team: Yang Lu, CEO; Antonio Senatore, CTO; Bin Qian, Senior Engineer; Tony Li, Senior Engineer; Pedro Gomes, Principal Engineer; Darren Kelly, Senior Engineer; Paolo Galli, Engineer; Clayton Neal, Engineer Lead; Kostas Apostolopoulos, Head of NodeOps; David Oyeku, Engineer; Neil Brett, Director of Protocol Development & Innovation. Third Party: Electi Consulting, Nikolaou Building, Block B, Office 202, Ayias Zonis & Thessalonikis Street Limassol, 3026, Cyprus.
D.6	Utility Token Classification	False.
D.7	Key Features of Goods/Services for Utility Token Projects	Not Applicable.
D.8	Plans for the token	VeChain started with the aspiration to become a platform of choice for blockchain based business applications offering concrete economic, environmental, and societal value. In 2018, VeChain released white paper 1.0, launched the VeChainThor Blockchain, and incorporated basic requirements for enterprise adoption. In 2019, VeChain expanded upon commitment to enable mass blockchain adoption by established businesses, with the long-term goal of creating value and solving real world economic problems. In 2023, VeChain issued white paper 3.0, with the aspiration to multiply individual impact to unleash our collective potential for sustainability and define the blockchain biosphere for sustainability. In 2024, VeChain launch the VeBetter ecosystem to promote collective sustainability actions. In 2025, VeChain initiated the Hayabusa upgrade, which introduces a transition from Proof of Authority (PoA) to Delegated Proof of Stake (DPoS) consensus and a fundamental revision of tokenomics under VIP-253 and VIP-254. With

		this upgrade, VET plays a central role as the staking asset of the network, ensuring decentralization, validator accountability, and enhanced economic security. Looking ahead, the VeChain Renaissance Roadmap foresees the StarGate testnet in late 2025, followed by the mainnet upgrade. In 2026, VeChain expects to deliver the "Interstellar Phase", introducing JSON-RPC capabilities to enable seamless cross-chain interoperability and broader integration of VeChainThor into the Web3 ecosystem.
D.9	Resource Allocation	VeChain has secured financial and operational resources to ensure its successful development and implementation. Sufficient funding has been allocated. Additionally, the project benefits from 60 dedicated team members, including experts in key areas like blockchain development, risk, compliance and legal, marketing, etc. Specific teams have been strengthened to manage the transition to the Delegated Proof of Stake (DPoS) consensus and to support the design, testing, and implementation of the new staking and reward distribution mechanics. Infrastructure, including cloud services, blockchain nodes, partnerships, has also been established to support the project's growth and functionality. These resources ensure the project is well-positioned to achieve its objectives as outlined in this white paper.
D.10	Planned Use of Collected Funds or Crypto-Assets	Not Applicable.
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	By seeking admission to trading of VET Tokens, VeChain aims at allowing any person - who had not the chance to enter VeChain ecosystem at the time of the first initial coin offering dated 2017 – to acquire interests in the VeChain project and actively participate in its tokenization initiative. Admitting VET Tokens to trading has the purpose of giving new stakeholders the chance to purchase the tokens and enter the project or existing stakeholders to increase or liquidate their interests in VeChain. Being admitted to trading on several trading platforms enhance VET Tokens' liquidity, increasing the number of potential acquirers and the venues where holders are able to sell the VET Tokens. In addition, being admitted to trading on several platforms helps the Vechain ecosystem to gain trust and credibility in the market, to be recognized amongst a larger size of potential investors. Finally, admission to trading on different platforms benefits potential investors in terms of price formation and discovery, allowing VET Tokens to establish its market value based on market bid / ask orders and to reduce volatility. .
E.3	Fundraising Target	Not Applicable.
E.4	Minimum Subscription Goals	Not Applicable.
E.5	Maximum Subscription Goal	Not Applicable.

E.6	Oversubscription Acceptance	False
E.7	Oversubscription Allocation	Not Applicable.
E.8	Issue Price	Not Applicable.
E.9	Official currency or any other crypto-assets determining the issue price	Not Applicable.
E.10	Subscription fee	Not Applicable.
E.11	Offer Price Determination Method	Not Applicable.
E.12	Total Number of Offered/Traded Crypto- Assets	Not Applicable.
E.13	Targeted Holders	ALL

E.14	Holder restrictions	The VET token is not being offered to the public. Instead, it is intended to be admitted for trading on one or more MiCAR-compliant Crypto-Asset Service Providers (CASPs) within the European Union. Holders of the VeChain token must comply with all applicable regulations and requirements established by the relevant CASP(s) to be eligible to purchase and hold the token. These requirements will include, but are not limited to: • KYC/AML Compliance: Holders will be required to undergo KYC/AML verification as mandated by the relevant CASP(s) and applicable regulations. • Eligibility Criteria: The relevant CASP(s) will have specific eligibility criteria for their users, which holders of the token must meet. • Geographic Restrictions: The relevant CASP(s) will enforce geographic restrictions in accordance with applicable laws and regulations. • Other Requirements: Holders must adhere to any other terms and conditions, trading rules, or other requirements established by the relevant CASP(s). While the project itself does not impose specific holder restrictions beyond regulatory compliance, prospective holders are advised that they will need to comply with the terms and conditions and policies of any CASP through which they acquire or hold VET tokens. VeChain makes no representations or warranties regarding a user's eligibility to trade on any CASP. Eligibility is solely determined by the respective CASP(s).
E.15	Reimbursement Notice	Not Applicable
E.16	Refund Mechanism	This white paper does not relate to a public offering of crypto-assets but to their admission to trading. Therefore, rights of reimbursement, withdrawal or refund do not apply.
E.17	Refund Timeline	This white paper does not relate to a public offering of crypto-assets but to their admission to trading. Therefore, rights of reimbursement, withdrawal or refund do not apply.

E.18	Offer Phases	Not Applicable.
E.19	Early Purchase Discount	Not Applicable.
E.20	Time-limited offer	False.
E.21	Subscription period beginning	Not Applicable.
E.22	Subscription period end	Not Applicable.
E.23	Safeguarding Arrangements for Offered Funds/Crypto-Assets	The withdrawal period does not apply to tokens admitted to trading as per Article 13, paragraph 4, of MiCAR in that VET Tokens are already listed on trading platforms. There is no time-limited offer for VET Tokens.
E.24	Payment Methods for Crypto-Asset Purchase	Holders can trade VET Tokens on third party crypto-assets service providers which will be the solely entities entitled to decide the methods of payment to purchase or sell VET Tokens (i.e. versus fiat currencies or other crypto-assets).
E.25	Value Transfer Methods for Reimbursement	VET Token holders are not entitled to be reimbursed by the issuer.

E.26	Right of Withdrawal	The withdrawal period does not apply to tokens admitted to trading as per Article 13, paragraph 4, of MiCAR in that VET Tokens are already listed on trading platforms.
E.27	Transfer of Purchased Crypto-Assets	Not Applicable.
E.28	Transfer Time Schedule	Not Applicable.
E.29	Purchaser's Technical Requirements	For purchasers to hold VET Tokens in the form of self-hosted custody, they must be provided with a crypto wallet compatible with VeChainThor Blockchain. A list of compatible wallets can be found in this link: https://vechain.org/solutions/. In addition, wallets intended for staking or delegation must support the specific functionalities introduced under the Delegated Proof of Stake (DPoS) model, allowing VET holders to delegate their tokens to validators or to participate directly in staking pools. CASPs offering staking-related services may also require the use of integrated custodial wallets or additional identity verification procedures. Holders intending to operate as validators must meet further technical requirements, including minimum collateral of 25 million VET, continuous internet connectivity, and hardware infrastructure capable of running a validating node in accordance with VeChainThor protocol standards. Failure to meet such requirements will result in the revocation of validator status and forfeiture of related rights. It remains the responsibility of each holder to ensure that their chosen wallet solution complies with network standards and CASP policies, as failure to use compatible technology may result in the inability to transfer, delegate, or stake VET Tokens.

E.30	Crypto-asset service provider (CASP) name	There is no placement agreement in place with any CASP.
E.31	CASP identifier	Not Applicable.
E.32	Placement form	Not Applicable.
E.33	Trading Platforms name	- Coinbase - Crypto.com - Revolut - Upbit - Kucoin - Bitget - BitMart - Binance - Bithumb - Bybit This is a non-exhausted list. VeChain intends to maintain these listings as long as doing so remains compliant with applicable laws and will continue to seek admission to trading for VET Tokens across future MiCAR-compliant trading platforms.
E.34	Trading Platforms Market Identifier Code (MIC)	Not Applicable.

E.35	Trading Platforms Access	Trading platforms where VET Tokens are sought to be admitted to trading have their own web addresses where users can register to benefit from their services. In respect of EU regulated trading platforms, prior identification of users is required according to applicable AML / CFT regulation.
E.36	Involved costs	Costs for accessing third party crypto-asset service providers platforms entirely depend on their commercial decisions and possibly subject to increases in the future.
E.37	Offer Expenses	Not applicable.
E.38	Conflicts of Interest	To the best of our knowledge, no conflicts of interest have been identified among the persons involved in the intended admission to trading of the VET token. However, we maintain an internal Conflict of Interest Policy that addresses the identification, disclosure, and resolution of potential conflicts of interest. This policy requires all individuals involved in the project to disclose any potential conflicts and outlines procedures for managing any identified conflicts to ensure the integrity of the project and the fair treatment of all stakeholders.
E.39	Applicable law	Irish Law
E.40	Competent court	Courts of Ireland

Part F - Information about the crypto-assets		
F.1	Crypto-Asset Type	VET Token is a crypto-asset to be classified as "*crypto-assets other than asset-referenced tokens or e-money tokens*" under Title II of MiCAR.
F.2	Crypto-Asset Functionality	VET Tokens are fungible tokens that are native on the VeChainThor Blockchain. VET Tokens are freely transferable between users subject to payment of transaction fees on VeChainThor Blockchain. Transactions on VeChainThor Blockchain are paid, in terms of fees, through a different token issued by VeChain named VTHO Token for which a separate white paper is published. VET Token's main characteristics are the following: Type: VeChainThor Blockchain Native Coin Precision: 18 decimal places The smallest unit of VET Tokens is called "wei": 1 VET = 1,000,000,000,000,000,000 wei (10^18 wei). Total supply: 86,712,634,466. The total supply of VET is fixed, meaning no new tokens will ever be created. VET Tokens high divisibility (18 decimal places) offers several advantages such as: - micropayments, enabling extremely small transactions), - precision, allowing for exact value representation in various use cases, - scalability, supporting a wide range of transaction sizes, from tiny micropayments to large transfers, As better described under Part G of this white paper, VET Tokens grant holders the right to participate in the Delegated Proof of Stake (DPoS) consensus mechanism either as Validators or Delegators.

		Validators are required to stake a minimum of 25 million VET, while Delegators can assign their stake to Validators of their choice. Both roles contribute to the security and governance of the VeChainThor Blockchain and are entitled to protocol rewards distributed according to the Validator/Delegator model. In addition, VET Tokens entitle holders to the assignment of VTHO Tokens under the new dynamic issuance model established by VIP-254. VTHO generation is no longer fixed but is determined by the amount of VET staked and the overall participation of Validators and Delegators. This mechanism aligns tokenomics with active contribution to the network's security and sustainability.
F.3	Planned Application of Functionalities	Already in place.
F.4	Type of white paper	OTHR
F.5	The type of submission	MODI
F.6	Crypto-Asset Characteristics	VET Tokens is a crypto-asset to be classified as "*crypto-assets other than asset-referenced tokens or e-money tokens"* under MiCAR. VET Tokens cannot be mined and have a fixed maximum supply of 86,712,634,466 tokens. They are native, fungible tokens issued on the VeChainThor Blockchain, freely transferable among users subject to transaction fees denominated in VTHO. Following the Hayabusa upgrade, VET Tokens form the core of the network's Delegated Proof of Stake (DPoS) consensus (VIP-253). VET holders may: • operate as Validators, subject to meeting the collateral requirement of 25 million VET and maintaining the technical infrastructure necessary

		to produce and validate blocks; or • participate as Delegators, by staking their VET with Validators of their choice, thereby contributing to the network's security and earning a proportional share of protocol rewards. Rewards under DPoS are distributed between Validators and Delegators (currently 30% to Validators and 70% to Delegators), aligning incentives and fostering decentralization and accountability. In addition, pursuant to VIP-254, VET holders participating in staking are entitled to the dynamic generation of VTHO, the gas token required for transactions on VeChainThor. This replaces the previous static issuance model and ensures that only active contributors to network security benefit from VTHO creation. VET Tokens do not grant corporate governance rights or decision-making powers in respect of the issuer. Any influence over network governance arises solely from participation in the staking and delegation model described above. Finally, VET Tokens do not entitle their holders to any share of liquidation proceeds or assets of the VeChain Foundation in the event of dissolution.
F.7	Commercial name or trading name	VeChain Token (VET)
F.8	Website of the issuer	https://vechain.org/
F.9	Starting date of offer to the public or admission to trading	VET Token has been admitted to trading on trading platforms listed in E.33.

F.10	Publication date	To-Be-Updated
F.11	Any other services provided by the issuer	No.
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	NN418T24K
F.15	Functionally Fungible Group Digital Token Identifier, where available	Not Applicable.
F.16	Voluntary data flag	Mandatory.
F.17	Personal data flag	False.

F.18	LEI eligibility	Eligible.
F.19	Home Member State	Ireland
F.20	Host Member States	Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden
Part G - Information on the rights and obligations attached to the crypto-assets		
G.1	Purchaser Rights and Obligations	**RIGHTS** **Rights of assignment of VTHO Tokens:** VET Tokens' holders are entitled to receive a certain quantity of the other token issued by VeChain, VTHO Token. Since the implementation of VIP-253, VTHO is no longer generated at a fixed daily rate but dynamically, depending on the amount of VET staked and the participation in the Delegator/Validator model. This ensures that only active participants contributing to the network's security and operation benefit from VTHO generation. Consensus participation rights: Under the new Delegated Proof of Stake (DPoS) consensus (VIP-253), VET Token holders may: o act as Validators if they meet the staking requirement (25 million VET) and operate the necessary infrastructure; o act as Delegators, by staking their VET with a Validator of their choice, thus participating indirectly in consensus and earning rewards proportional to their delegated stake. Governance influence: VET Token holders indirectly affect the governance of the VeChainThor Blockchain through their stake-weighted delegations, since

		validator performance and reliability determine delegation choices and long-term rewards. **OBLIGATIONS** Regulatory compliance: All VET Token holders must comply with applicable legislation, including anti-money laundering (AML), counter-terrorist financing (CTF), and prohibitions on the use of VET Tokens for illicit financial activities. o Validators must maintain the minimum stake and operate nodes in line with the protocol's standards. o Delegators are expected to act prudently in selecting Validators, as their returns depend on Validator performance and compliance. Additionally, all holders of VET Tokens must observe all legislation applicable to them, which shall include but not be limited to, for example, strictly and absolutely refraining from allowing VET Tokens to be used for money laundering, terrorism financing, or any other financial crimes
G.2	Exercise of Rights and obligations	Validators • To become a Validator, a holder must stake a minimum of 25 million VET and operate the required infrastructure in accordance with the VeChainThor technical standards. • Validators are responsible for producing and validating blocks, participating in consensus, and ensuring the overall security and stability of the VeChainThor Blockchain. • Validator performance directly affects their reputation and attractiveness to Delegators, since delegations determine the distribution of rewards. • Higher VET staking combining Validators and Delegators increases the chances of block adjudication, to foster greater validator accountability and operational excellence. Delegators • Any VET Token holder may act as a Delegator by staking VET with one or more Validators of their choice. • Delegators do not produce blocks directly but share in the VTHO rewards generated by their chosen Validator in case of adjudication of the block, proportionally to the amount staked. • Delegators retain full control over their VET and may reassign delegations to different Validators at any time, subject to protocol-imposed maturity or lock-up periods.

		• By exercising their right to delegate, holders influence network governance indirectly, since delegation flows affect validator selection and long-term incentives. Delegators are classified according to tiered system called Node NFTs (the evolution of the former X-Nodes and Economic Nodes), which continue to grant differentiated reward weights and community recognition. These Node NFTs, by staking their VET in the context of the validation process and receiving a Delegation NFT to proof their participation to the validation process, are entitled to receive rewards and are linked to predefined staking thresholds and capped supply, ensuring scarcity and incentivization. Specifically: • X Node NFTs (MjolnirX, ThunderX, StrengthX, VeThorX) require higher staking commitments (from 600,000 VET to 15,600,000 VET), with reward weights ranging from 2.0 to 5.0. Their supply is capped at historical issuance levels (e.g. 147 MjolnirX, 181 ThunderX, 848 StrengthX, 791 VeThorX), with no new minting. • Economic Node NFTs (Mjolnir, Thunder, Strength, Flash, Lightning, Dawn) require lower staking commitments (from 10,000 VET to 15,000,000 VET), with reward weights ranging from 1.0 to 3.5. Their supply is dynamically capped and tracked on-chain, with maximum thresholds indicated in the official node registry (e.g. up to 100 Mjolnir, 300 Thunder, 2,500 Strength, 25,000 Flash, 100,000 Lightning, 500,000 Dawn). -
G.3	Conditions for modifications of rights and obligations	VeChain reserves the right to amend these rights and obligations from time to time and will inform its customers of such changes through amendments of this white paper and through any other channel of communication, including VeChain Website. Any modification of the rules governing Validators and Delegators, or of the staking and reward distribution model, must follow the VeChain Improvement Proposal (VIP) procedure. VIPs are published for community consultation and, once discussed, submitted to a network-wide governance vote, where Validators and Delegators exercise their voting rights proportionally to their stake.

		In particular, the implementation of VeChain Improvement Proposals (VIPs), such as VIP-253 (Delegated Proof of Stake consensus) and VIP-254 (dynamic VTHO issuance), has already demonstrated that protocol-level changes can affect both the mechanisms of token creation and the distribution of rewards. Any such modification is executed on-chain through deterministic, transparent procedures and becomes effective for all token holders simultaneously, thereby ensuring equal treatment and preventing discretionary or selective alterations by the issuer. As provided by Article 12 of MiCAR regulation, any significant new factor, any material mistake or any material inaccuracy that would be capable of affecting the assessment of VET Tokens will be described in a modified version of this white paper and notified to the competent authorities and published on VeChain Website
G.4	Future Public Offers	Not Applicable.
G.5	Issuer Retained Crypto-Assets	5 billion
G.6	Utility Token Classification	False
G.7	Key Features of Goods/Services of Utility Tokens	Not Applicable.

G.8	Utility Tokens Redemption	Not Applicable.
G.9	Non-Trading request	VET token is currently available for trading in compliant exchanges as indicated in E.33.
G.10	Crypto-Assets purchase or sale modalities	Not Applicable.
G.11	Crypto-Assets Transfer Restrictions	No restrictions apply to the transfer of VET Tokens For delegation: Each delegation cycle lasts 7 days. When a user chooses to exit a delegation, the exit becomes effective after the current cycle ends. • Exiting on the first day of a cycle requires waiting up to 7 days. • Exiting on the last day of a cycle requires waiting only 1 day. Once the cycle completes, the delegation ends and the NFT becomes available for re-delegation or withdrawal.
G.12	Supply Adjustment Protocols	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.17	Compensation Schemes Description	Not Applicable.
G.18	Applicable law	Irish Law.
G.19	Competent court	Courts of Ireland.
Part H – information on the underlying technology		
H.1	Distributed ledger technology	VET Token is the native token on the VeChainThor Blockchain, which is a public, decentralized blockchain that ensures security and transparency through its robust and proven network.
H.2	Protocols and technical standards	VeChain utilizes industry-standard protocols and technical standards to ensure secure holding, storing and transferring of the token. For holding and storing VET, VeChain supports the following industry standards for wallet creation: BIP-32 (Hierarchical Deterministic Wallets), BIP-

		39 (Mnemonic Seed Phrase) and BIP-44 (Multi-account Hierarchy for Deterministic Wallets). Wallet technology relies on cryptographic algorithms for the custody of crypto assets, involving the generation and management of public and private keys. Public keys allow users to receive tokens, while private keys are used to authorize transactions and access the tokens. Secure storage solutions include software wallets, hardware wallets, multi-signature accounts, and accounts managed by multi-party computing. Following the Hayabusa upgrade and the introduction of the Delegated Proof of Stake (DPoS) consensus, compatible wallets also enable users to delegate their VET holdings to Validators, thus actively contributing to the economic security of the network while participating in staking rewards. The transfer of VET tokens is facilitated through the underlying VeChainThor blockchain protocols, which employ advanced cryptographic techniques to secure transactions, which are used so that integrity and immutability can be ensured. Transactions are validated and recorded directly on the blockchain, providing a transparent and tamper-proof ledger of all token transfers.
H.3	Technology Used	The VeChainThor blockchain currently operates under a Delegated Proof of Stake ("DPoS") consensus model, as introduced with the Hayabusa upgrade. This represents an evolution from the former Proof of Authority ("PoA") mechanism and is designed to enhance decentralization, security, and user participation. Under DPoS, Validators – required to maintain a minimum stake of 25 million VET – are responsible for producing blocks and securing the network. Delegators, consisting of individual VET holders, may delegate their stake to Validators, thereby contributing to the network's economic security and decentralization while receiving a proportional share of block rewards. This structure fosters competition, accountability, and operational excellence among Validators, while enabling a broad user base to participate in network consensus in a compliant and transparent way. At the cryptographic level, VeChain continues to use several industry standard cryptographic functions such as Elliptic Curve Digital Signature Algorithm (ECDSA) for the creation and verification of digital signatures. The hash function Blake2b-256 is used to secure data storage, address generation and signature verification.

H.4	Consensus Mechanism	The VeChainThor blockchain operates under a Delegated Proof of Stake (DPoS) consensus mechanism, introduced with the Hayabusa upgrade (VIP-253). This transition represents a fundamental evolution from the previous Proof of Authority (PoA) model, aiming to deliver a more decentralized, resilient, and economically aligned network architecture. Under DPoS, VET plays a central role as the staking and governance token securing the blockchain. Two categories of participants jointly maintain consensus: • Validators, each required to maintain a minimum collateral of 25 million VET, are responsible for producing blocks, validating transactions, and safeguarding the integrity of the network. • Delegators, consisting of individual VET holders qualifying as Node NFTs, may delegate their tokens to a chosen Validator. In doing so, they contribute to the blockchain's economic security while receiving a proportional share of rewards generated through block production. Validator selection is governed by a stake-weighted mechanism: the greater the combined VET stake of a Validator and its Delegators, the higher the probability of adjudicating and producing the next block. This mechanism incentivizes performance, reputation, and accountability, as Validators must maintain operational excellence and community trust to attract and retain Delegations. The DPoS consensus introduces several important benefits for VET holders: • Increased decentralization: the Validator pool is no longer restricted by a static approval process but is instead determined dynamically through market-driven staking. This broadens participation and reduces reliance on trusted parties. • Enhanced cryptoeconomic security: requiring large VET stakes to influence consensus raises the cost of malicious behavior, thereby improving the overall resilience of the blockchain against attacks. • Validator competition and accountability: competition for delegations fosters a self-regulating ecosystem where poorly performing Validators risk losing their delegations and rewards. This dynamic introduces a

		layer of gamification that drives operational excellence and transparency. The introduction of DPoS is also closely tied to VIP-254, which redefined the tokenomics of the VeChainThor blockchain. While VTHO continues to serve as the gas token, its generation is now dynamically linked to active participation in staking. Only Validators and Delegators that stake VET and contribute to securing the network are entitled to receive new VTHO. This mechanism not only strengthens the economic utility of VET as the enabler of network participation and governance but also ensures that VTHO issuance remains aligned with actual activity on the chain. Through these changes, VeChainThor combines the efficiency of delegated consensus with broad participation of VET holders, robust security, and economic alignment. VET is thereby confirmed as the pivotal asset of the ecosystem, enabling governance, consensus participation, and the sustainable functioning of VeChainThor. This consensus framework marks the beginning of a new era for the protocol, paving the way for enhanced decentralization, stronger security guarantees, and deeper stakeholder engagement. -
H.5	Incentive Mechanisms and Applicable Fees	All transactions effected on VeChainThor Blockchain are subject to transaction fees denominated in VTHO. These fees are central to the protocol's economic model and underpin both the sustainability of network operations and the security of consensus. With the transition to Delegated Proof of Stake (DPoS) under VIP-253, incentive distribution has been restructured. Validators, who maintain at least 25 million VET as collateral, produce blocks and validate transactions. Delegators contribute to block validation by staking their VET to Validators. In return, they receive protocol rewards that are shared respectively with Validators / Delegators. The standard reward split allocates 30% to Validators and 70% to their Delegators, reflecting the contribution of both categories of participants to network security. Participants are also allowed to pay additional amounts of VTHO to Validators to prioritize the transactions over the others ("tip"). If no Delegators have staked their VET tokens, Validators receive 100% of the rewards.

		Simultaneously, VIP-254 introduced dynamic VTHO issuance, linking token generation directly to staked VET. Only VET actively staked by Validators and Delegators contributes to new VTHO creation, ensuring that rewards accrue exclusively to those securing the network. This change significantly reduces overall VTHO inflation and strengthens the deflationary effect of the token burn mechanism. For every transaction, 100% of VTHO used as gas fees is burned and permanently destroyed, introducing continuous deflationary pressure into the system. This mechanism is designed to balance network incentives with sustainable transaction costs, while ensuring long-term economic resilience. The redesigned incentive framework, by combining staking-based VTHO generation, tip, fee burning, and validator–delegator reward sharing, creates a transparent, equitable, and security-enhancing system. It further incentivizes responsible Validator behavior and broad community participation, aligning the interests of all stakeholders in the growth and sustainability of the VeChainThor ecosystem.
H.6	Use of Distributed Ledger Technology	VET is fully issued, transferred, and stored on the VeChainThor Blockchain, a public and decentralized distributed ledger technology (DLT). The blockchain records all transactions in an immutable, transparent, and cryptographically secured manner, ensuring that transfers of VET Tokens cannot be altered retroactively. The reliance on DLT guarantees the integrity and auditability of the system, eliminating the need for intermediaries and enabling direct peer-to-peer value transfers. Following the Hayabusa upgrade and the implementation of VIP-253, the VeChainThor network has transitioned to a staking-based consensus that enhances decentralization, accountability, and economic security. Token holders now retain the ability to participate directly in network security and governance either by operating as Validators (subject to a minimum collateral of 25 million VET) or by acting as Delegators, entrusting their stake to Validators of their choice. This mechanism ensures broader stakeholder involvement in consensus, while reinforcing validator competition, transparency, and long-term sustainability. Accordingly, the use of DLT in VeChain goes far beyond simple transaction recording. VeChainThor provides a versatile infrastructure that supports:

		• the execution of smart contracts and deployment of decentralized applications (dApps); • supply chain traceability and provenance solutions, enabling enterprises to monitor products and verify data integrity across global value chains; • sustainability applications, such as carbon footprint tracking, ESG reporting, and tokenization of environmental assets; • enterprise-grade services that require high throughput, predictable costs, and low environmental impact. The design of VeChainThor ensures low energy consumption compared to proof-of-work blockchains, maintaining a minimal ecological footprint while guaranteeing secure and cost-effective transactions. The predictable fee model, reinforced by the dynamic VTHO issuance under VIP-254, makes the platform particularly suitable for large-scale business adoption, ensuring stability, scalability, and regulatory compliance.
H.7	DLT Functionality Description	The VeChainThor Blockchain has been designed as an enterprise-grade distributed ledger technology, combining decentralization, transparency, security, and scalability in a manner consistent with regulatory compliance and sustainability objectives. Decentralization: under the new Delegated Proof of Stake (DPoS) model introduced by VIP-253, the validator set is no longer limited to a fixed number of Authority Masternodes. Instead, Validators are dynamically elected based on the quantity of VET staked and their commitment to the network functionality, while Delegators contribute by assigning their tokens to Validators of their choice. This system broadens the base of network participants, ensuring that governance and security are not concentrated in a closed group but evolve through open and competitive mechanisms. The interplay between Validators and Delegators creates a self-regulating governance structure, fostering accountability and resilience. Transparency and Immutability:transactions on the VeChainThor blockchain are transparent and recorded on a public, immutable ledger accessible to all users. The blockchain architecture ensures that data cannot be altered retroactively, allowing stakeholders to verify information independently and ensuring that trust is embedded within the technological infrastructure rather than reliant on intermediaries. This immutability underpins critical enterprise applications such as product

		authenticity verification, regulatory compliance tracking, and sustainability reporting. Security: security is ensured by combining robust cryptographic standards (including ECDSA for digital signatures and Blake2b-256 for hashing) with the economic safeguards of the DPoS model. Validators must maintain substantial collateral in VET, aligning their financial incentives with honest behavior and network stability. Delegators retain the ability to withdraw or reallocate their stake if Validators act improperly, creating a dynamic accountability mechanism. In addition, the randomization features introduced under PoA 2.0 (VRF-based randomness and the Finality with One Bit gadget) remain embedded in the architecture, complementing DPoS by ensuring unpredictability and irreversible finality of transactions.. Scalability and Efficiency: **t**he Hayabusa upgrade has significantly improved the scalability of VeChainThor. By shifting from static to dynamic VTHO issuance under VIP-254, transaction costs are aligned with actual network usage while preventing fee volatility. The DPoS mechanism sustains high throughput and low latency, allowing VeChainThor to process thousands of transactions per second with predictable costs. This makes the blockchain suitable for enterprise-scale applications such as supply chain tokenization, cross-border trade, and the management of digital assets. Governance and Sustainability: DPoS embeds governance directly into the protocol: validator performance and reliability determine their long-term viability, as Delegators continuously reassess where to allocate their stake. This market-driven governance fosters competition, transparency, and responsiveness to community needs. Moreover, VeChainThor maintains a low environmental footprint by design, as consensus does not rely on energy-intensive computations. This aligns the network with ESG (environmental, social, and governance) principles, supporting its role as a sustainable infrastructure for global enterprises. Through this combination of features, VeChainThor demonstrates how DLT can serve as a secure, transparent, and sustainable backbone for next-generation digital ecosystems, ensuring both technological efficiency and compliance with emerging regulatory frameworks such as MiCAR.

H.8	Audit	Yes.
H.9	Audit outcome	Slow Mist Security Team conducted smart contract security audit and concluded that the contract does not have Overflow, The Race Conditions issue. The audit has shown no critical, high, medium and low issues. Information on the outcomes of the audit can be found at https://github.com/slowmist/Knowledge-Base/blob/master/open-report/VeChainThorNodeToken-Smart-Contract-Security-Audit-Report.md
Part I — Information on risks		
I.1	Offer-Related Risks	VET Tokens will be admitted to trading on third party crypto-assets service providers. This entails a number of trading risks specified below. Price fluctuations: The price of VET Tokens on third-party crypto-asset service providers and their liquidity may not develop as expected. In particular, market trading volumes on these platforms may increase or decrease unexpectedly, resulting in sudden price swings, reduced liquidity, or price drops. Supply dynamics under VIP-254: following the Hayabusa upgrade, VTHO issuance is dynamic and linked to staked VET rather than passively accruing to all VET holders. Changes in the aggregate staking rate, Validator/Delegator participation and network activity can increase or decrease effective VTHO issuance over time, which may affect circulating supply and market pricing. In addition, protocol fee consumption (burn) permanently destroys a portion of VTHO used as gas, introducing deflationary pressure that may also influence price formation. Staking-related distribution flows: rewards earned by Validators and Delegators are paid in VTHO; subsequent sales, if any, by market participants may create additional supply on secondary markets from time to time. Reward levels are variable and not guaranteed and depend on network conditions and Validator policies. Access, custody and withdrawal limits: CASPs may impose KYC/AML requirements, trading limits, withdrawal delays or maintenance windows that can affect the timing of deposits/withdrawals or the availability of self-custody. Not all CASPs support on-chain features equally (e.g., staking, specific wallet

		formats), which may impact a holder's ability to transfer or use VTHO as expected. Delisting / Suspension from trading: Third-party crypto-asset service providers or the issuer may decide, at their discretion, to delist VET Tokens in total or in part, resulting in reduced market liquidity and difficulties in selling the tokens. Additionally, certain third-party crypto-asset service providers on which the issuer intends to list VET Tokens may decide not to apply for a MiCAR license, be denied a MiCAR license, or lose the license at a later stage. This could result in a potential temporary or definitive closure of trading of VET Tokens on those platforms. Jurisdictional limitations: Third-party crypto-asset service providers may also decide to limit the trading of VET Tokens or products having VET Tokens as underlying assets for certain customers due to jurisdictional restrictions.
I.2	Issuer-Related Risks	VeChain, the issuer of VET Token, is subject to several risks that could impact the stability,reliability and perception of VET Tokens. These risks include, but are not limited to, the following: Governance and Protocol Risks. Decisions adopted through VeChain Improvement Proposals (VIPs) or other governance processes may materially impact the protocol's economic model and operational parameters. While designed to enhance security and efficiency, such modifications could unpredictably alter the expectations of users and token holders, for example in relation to fees, rewards distribution, or token issuance. Consensus-Specific Risks (VIP-253 – Delegated Proof of Stake). o *Concentration of stake and validator dominance: t*he Delegated Proof of Stake (DPoS) model relies on Validators maintaining a minimum collateral of 25 million VET and on Delegators entrusting their stake to Validators. Excessive concentration of stake with a limited number of Validators may reduce effective decentralization and raise risks of influence capture. o *Validator misconduct and collusion:* validators could theoretically collude, mismanage delegated stake or act opportunistically in the distribution of rewards to Delegators, creating uncertainty in returns and undermining confidence in the fairness of the network.

		o *Churn and continuity: t*he dynamic entry and exit of Validators and fluctuations in delegated stake may temporarily affect throughput, latency, and network stability. Tokenomics Risks (VIP-254 – Dynamic VTHO Issuance): the issuance of VTHO is no longer based on a fixed rate but is dynamically linked to the level of staked VET and the activity of the network. This may result in reduced predictability of supply growth. Depending on staking participation and transaction demand, issuance may be lower or higher than historical benchmarks, while the burn mechanism for transaction fees simultaneously exerts deflationary pressure. This interplay can create supply-demand imbalances and affect VTHO market value. Operational Risks: VeChain's operations rely on robust internal processes, adequate staffing and quality assurance. Failures in these processes, including human error, system malfunction or weaknesses in internal controls, could negatively affect protocol maintenance and the transferability of tokens. Regulatory Risks: the crypto-assets regulatory landscape in constantly evolving in many jurisdictions including EU. Compliance with varying regulatory requirements across different jurisdictions can be complex and may lead to operational challenges or legal liabilities if not properly managed. Third-party Risks: VeChain relies on third parties to provide services that are important to VeChain Thor Blockchain and VET Tokens. Potential disruptions, cyber incidents, or contractual non-compliance issues may arise with such third parties. Operational Risks: the efficient functioning of VeChain relies on robust internal processes and systems. Any failures or disruptions in these processes, including human errors, system failures, or inadequate internal controls, could adversely affect the issuance and transferability of VET Tokens. Technological Risks: the technology underlying VET Tokens, including smart contracts and VeChainThor Blockchain, is subject to vulnerabilities, cyber threats or potential delays in transactions' processing. Although VeChainThor Blockchain and its consensus mechanism is designed to reduce to the maximum extent possible the risk of malicious attacks being successful, there is always a risk that this may happen.

		Financial Risks: any financial instability of VeChain, such as liquidity issues or insolvency, shall not impact the VET Tokens directly but in any case, affect their value in consequence of the possible discontinuation of the project. Reputational Risks: any negative publicity, whether due to regulatory actions, security breaches, or operational failures, could harm the company's reputation and reduce confidence among token holders and the broader market. Compliance Risks: ensuring ongoing compliance with any and all applicable legislation is essential for legal and operational integrity. Failure to effectively implement and monitor compliance procedures could result in legal penalties and damage to VeChain's reputation. Environmental, Social, and Governance (ESG) Risks: regulatory attention to ESG factors is constantly increasing worldwide. Even though VeChain takes into careful account ESG compliance and the Proof of Authority consensus mechanism governing VeChainThor Blockchain significantly reduces environmental impact, any failure to adhere to sustainable and ethical practices could impact the reputation and operations of VeChain, including the operations effected on VeChainThor Blockchain. governance practices.
I.3	Crypto-Assets-related Risks	VET Tokens entails a number of risks attached, namely: Redemption: The issuer does not guarantee the right of redemption of VET Tokens versus fiat currency or other crypto-assets. Potential delisting or limitations in trading on third party crypto-assets service providers may increase holding periods and expose holders to price fluctuations. Moreover, VET Tokens may not be immediately payable. Price Volatility and Market Risks: VET Tokens are freely traded on third-party platforms, where price formation is driven by supply and demand dynamics. Market fluctuations can be significant, as VET functions both as a store of value and as the staking asset underpinning the Delegated Proof of Stake (DPoS) consensus. External factors, such as variations in staking participation, overall market sentiment, or regulatory developments, may trigger rapid and unpredictable changes in the value of VET. Inflationary/Deflationary Pressures: The value of VET is indirectly influenced by its role in generating VTHO under VIP-254. High levels of staking participation may increase VTHO issuance, potentially diluting returns for VET holders, while intense network activity can accelerate the burning of VTHO,

		creating deflationary pressure. These interconnected tokenomics introduce risks of misalignment between supply, demand, and market expectations. Dependence on Staking Activity: The economic relevance of VET is closely tied to its role in securing the network through staking. Reduced staking participation may undermine network security and weaken the incentives for validators and delegators, while excessive concentration of VET in staking pools may limit liquidity in secondary markets. Both scenarios can adversely affect the value and usability of VET. Financial Returns: Holding VET Tokens grants VTHO tokens, but these are not guaranteed financial returns. The issuer may limit or suspend VTHO token assignments, which are also subject to price fluctuations. Loss of Access to Tokens: Secure management of private keys is essential for accessing cryptocurrencies. Users should therefore rely on proven wallets and custody services to minimize the risk of loss. Trading and Liquidity Risks: Third-party crypto-asset service providers may suspend, delist, or otherwise restrict trading of VET Tokens, including in the event of regulatory changes or licensing issues under MiCAR. Such actions may prolong holding periods, limit exit strategies, and negatively affect liquidity. Validator and Delegator Risks: under DPoS, VET holders may choose to delegate their tokens to validators in order to participate in staking rewards. This introduces additional risks, such as reliance on validator performance, potential mismanagement of delegated stakes, or conflicts of interest among validators. Delegators may also face reduced returns if validators engage in collusion, apply unfavorable reward distribution policies, or fail to operate reliably, leading to penalties or exclusion from the validator set. Governance Risks: participation in DPoS involves governance features such as voting for validators. While this increases decentralization and user involvement, it may also expose VET holders to governance manipulation, vote buying, or concentration of power among a small number of validators. These risks could affect the fairness and long-term credibility of the consensus mechanism, indirectly impacting the value and utility of VET Tokens.
I.4	Project Implementation-Related Risks	The issuer is a leading ICT player in the blockchain ecosystem, having developed a proprietary public blockchain named VeChainThor Blockchain which has been used since 2015 to support blockchain-based business applications offering real economic and social value. The issuer considers existing the following risks related to the project:

		Adoption Risks**:** The long-term value and utility of VET Tokens are strictly dependent on the continued adoption of the VeChainThor Blockchain by enterprises, developers, and users. While the protocol has historically secured strong partnerships and enterprise use cases, there is no assurance that this pace of adoption will continue. A slowdown in new projects, or reduced activity from existing stakeholders, could undermine the demand for VET and, in turn, weaken its role as the fundamental staking and governance asset of the ecosystem. Transition to Delegated Proof of Stake (DPoS): The ongoing migration from Proof of Authority (PoA) to DPoS consensus introduces both opportunities and risks. While DPoS increases decentralization and economic security, it also makes project implementation dependent on active community participation through validator and delegator engagement. Insufficient staking activity or low validator performance could undermine the efficiency, speed, or resilience of the network, potentially reducing its attractiveness for enterprise adoption. Dependence on Ecosystem Development: The success of VeChainThor Blockchain is closely linked to the growth of complementary tools, decentralized applications, and services. If third-party developers and ecosystem partners fail to deliver or maintain innovative and secure solutions, the utility of the network could be significantly diminished. Technological Evolution and Competitiveness: the blockchain sector is characterized by rapid innovation and high competition. If VeChainThor Blockchain fails to keep pace with technological advancements such as cross-chain interoperability, scalability solutions, or regulatory-driven requirements (e.g., compliance with MiCAR standards), it may lose competitiveness compared to other blockchain platforms.
I.5	Technology-Related Risks	VeChainThor blockchain risks: VET Tokens are transacted on VeChainThor Blockchain only, which – similarly to other blockchains - may be subject to technical vulnerabilities and be exposed to attacks (*i.e.* for example 51% attack and creation of untrue forks) that could potentially undermine the transactions being processed or alter the history of the transactions. Consensus Mechanism Risks: with the transition from Proof of Authority to Delegated Proof of Stake (DPoS), the security of the network depends on both Validators and Delegators. While DPoS enhances decentralization and economic security, it may also concentrate influence in Validators with larger VET stakes or create governance frictions between Delegators and Validators. Insufficient participation or collusion among Validators could undermine the fairness and effectiveness of block production.

		Smart contract risks: smart contracts are commonly used on VeChainThor Blockchain. Similarly to other blockchains, smart contracts may be exposed to technical vulnerabilities and exploitations that could lead to losses for holders. Settlement finality and irrevocability transactions: VET Tokens transactions may be irreversible. Holders sending VET Tokens to non-existing addresses, unwilled or wrong addresses or addresses of an entity not in possession of the private keys may lose in whole or part VET Tokens and be unable to reverse the transaction or recover VET Tokens. System continuity: in some limited case, when no validator node is active, the VeChainThor Blockchain may experiment an halt in processing transactions. Cybersecurity and Attack Risks: as a public blockchain, VeChainThor is a potential target for cyberattacks, including Distributed Denial of Service (DDoS), validator collusion, or sophisticated exploits targeting the DPoS process. While the economic cost of attacking the network is significantly increased by staking-based consensus, risks cannot be fully eliminated.Unanticipated Risks: blockchain technology and tokens are a relatively new and untested technology. In addition to the risks included in this section, there might be other risks that cannot be foreseen. Additional risks may also materialize as unanticipated variations or combinations of the risks discussed within this section.
I.6	Mitigation measures	VeChain has set up a professional team to identify, assess, monitor and mitigate risks associated with its business activities, operations, and blockchain technologies. Regulatory Risks: continuous monitoring of regulatory changes and maintaining a robust team to ensure compliance across EU and other jurisdictions. Third-party Risks: third party management process is in place to ensure specific clauses in agreements with third party providers aiming at minimizing the risk of sudden discontinuation of services. Operational Risks: comprehensive training programs for employees, and the implementation of advanced internal control systems. Technological Risks: The transition to Delegated Proof of Stake (DPoS) strengthens economic security by requiring Validators to stake a minimum of 25M VET and distributing rewards with Delegators. This model enhances decentralisation and reduces the risk of validator collusion or malicious control.

		Dynamic VTHO issuance further aligns incentives by rewarding only active stakers, mitigating inflationary pressures. The transition to Delegated Proof of Stake (DPoS) strengthens economic security by requiring Validators to stake a minimum of 25M VET and distributing rewards with Delegators. This model enhances decentralisation and reduces the risk of validator collusion or malicious control. Dynamic VTHO issuance further aligns incentives by rewarding only active stakers, mitigating inflationary pressures. Cybersecurity Risks: the protocol employs advanced cryptographic standards (ECDSA, Blake2b-256) and continuously monitors for vulnerabilities. Validator competition under DPoS incentivises operational excellence, reducing risks of downtime or misconduct. Financial Risks: maintaining a robust reserve management strategy and professional financial management to ensure transparency and stability. Reputational Risks: proactive public relations strategies and effective communication channels to manage and mitigate any negative publicity. Compliance Risks: regular compliance reviews and stringent internal compliance protocols. Environmental, Social, and Governance (ESG) Risks: Implementing sustainable business practices, ensuring transparency in governance, and actively participating in social responsibility initiatives. Proof of Authority consensus mechanism governing the validation process on VeChainThor Blockchain has a very low environmental impact in that it does not require computational effort on the part of validating nodes. Lack of or insufficient businesses utilizing VeChainThor Blockchain: VeChain destines a significant number of resources to advertisement and marketing activities, by also sponsoring major sport events. This should allow VeChain to keep a high visibility on the market. Through this multi-layered approach, VeChain aims to minimise systemic, operational, and technological risks while maintaining resilience, transparency, and sustainability across its blockchain ecosystem.
J — Information on the sustainability indicators in relation to adverse impact on the climate and other environment-related adverse impacts		

J-1	Adverse impacts on climate and other environment-related adverse impacts	VeChain monitors and discloses the environmental impact of the VeChainThor blockchain and the associated VTHO tokenomics. The following data reflects the network's energy consumption and environmental footprint prior to the full transition to the Delegated Proof of Stake (DPoS) consensus model under VIP-253: Energy - Energy consumption 23,329.95 kWh - Renewable energy consumption 26.6% - Energy intensity 0.000023 kWh GHG emissions - Scope 1 – Controlled 0 - Scope 2 – Purchased 9.97t - GHG intensity: 0.0000096161 kg Waste production - Generation of waste electrical and electronic equipment (WEEE): 0.286t - Non-recycled WEEE ratio: 58.75% - Generation of hazardous waste: 0.00014t Natural resources - Impact of the use of equipment on natural resources: 142.96 kiloliters water usage