UMBRAE · REFERENCE

Frequently Asked Questions

DLMM · DAMM · $U1 · Ignis Elite · Revenue · Security

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AUDIENCE	Holders, liquidity providers, NFT participants, and ecosystem partners
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HOW TO USE THIS FAQ

This document covers everything from the basics of Umbrae through advanced topics like DLMM vs DAMM mechanics, $U1 token utility, NFT tiering, and platform security. It is organized by section so you can jump straight to what you need. If something here conflicts with an official announcement or smart-contract behavior, the contract and the most recent official announcement take precedence.

CONTENTS

Sections

6. Rewards Distribution

- Where does platform fee revenue actually go?
- What are the tiers and how does revenue distribute across them?
- Can I stack tiers?
- How do booster mechanics work?
- Why does the Ignis Elite Pool exist as a separate allocation?
- How often are distributions paid?
- What counts as “platform revenue” for the $100K trigger?
- What network is the distribution paid on?
- If my tokens unlock a few days before a payout and I forget to relock, will I still qualify based on my previous locked status?

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7. Security

- Has Umbrae been audited?
- Does Umbrae have a bug bounty program?
- Who runs security at Ignis AI Labs?
- What promises about the platform are enforced in code, not just by the team?
- Is there an emergency pause function?
- How are smart contract upgrades handled?
- What infrastructure security exists beyond audits?
- How does Umbrae mitigate MEV?
- Someone DM’d me offering to help with my migration / wallet / NFT — is that real?

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1. The Basics

Q · What is Ignis AI Labs?

Ignis AI Labs is the US parent company that builds Umbrae. The company works across trading infrastructure, AI assistants, coding tools, and AI companions. Beyond Umbrae, the product roster — each at a different stage of development — includes:

- **SAGE** — AI engine for trading and on-chain analysis; in final development.
- **MSRA** — proprietary AI architecture intended to eventually power SAGE and other Ignis products; in development.
- **Shadow Clone** — autonomous AI development system; in final development.
- **Neuma** — AI companions platform; in development.
- ...and more in the pipeline.

Umbrae is the flagship and is where most users interact with the ecosystem today.

Learn more: https://www.ignislabs.ai

Q · What is Umbrae?

Umbrae is a hybrid DeFi/CeFi decentralized exchange offering on-chain trading through two complementary pool types: a Dynamic AMM (DAMM) and a Dynamic Liquidity Market Maker (DLMM) — the first DLMM on the Base chain. Beyond trading, Umbrae layers in MEV mitigation and professional market making services. The hybrid model combines the transparency of DeFi with the capability of centralized institutions, giving users the best of both worlds.

Explore the platform: https://www.umbrae.io

Q · Why "hybrid" — what does that mean in practice?

Umbrae operates two layers:

- **Layer 1 — fully permissionless.** Anyone can swap or provide liquidity without KYC, with self-custody enforced at all times.
- **Layer 2 — gated, advanced-features environment.** Automated rebalancing, AI-managed strategies, copy trading, and supported bot deployment. Access requires **both**: a locked Ignis Elite NFT, **and** completed KYC verification. Features that involve active fund management require compliance to ensure platform longevity, and the KYC layer doubles as a sovereignty filter that protects the integrity of the network.

You never have to use Layer 2 — Layer 1 is fully featured for traders and LPs, and remains permissionless and self-custodial regardless of whether you ever interact with Layer 2.

Q · What chain is Umbrae on?

Umbrae is live on **Base** (Ethereum L2). What makes this different from most DLMM platforms: Umbrae built the first DLMM engineered natively for EVM from the ground up. This is not a Solana-side port, and it is not a fork of Trader Joe's Liquidity Book. It is an original architecture — designed, audited, and penetration-tested as a deployable standard rather than a single-chain product. The same audited contracts can deploy to any EVM-compatible chain (Arbitrum, Optimism, BNB Chain, Avalanche, Hyperliquid, and future EVMs).

Expansion happens where volume, incentives, and community alignment make sense. Solana support follows once the EVM rollout is established — Base volume comes first.

Q · What happens to existing pools if Umbrae expands to new chains?

Nothing on existing pools. Pools on Base continue to operate exactly as they do today. When Umbrae expands to additional EVM chains, each new chain gets its own deployment of the same audited contracts. Each chain operates as its own independent venue with its own pools and liquidity — pools do not get migrated or merged across chains.

Your LP position on Base stays on Base. Your locked $U1 on Base stays on Base. Your NFT participation tracks platform-wide regardless of which chain generates the revenue.

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2. Pool Types — DAMM and DLMM

> **The short version.** Umbrae offers two ways to provide liquidity. DAMM is the simple, hands-off option — deposit and earn. DLMM is the active option — you choose a price range and earn more per dollar of capital. Both run on the same platform, on the same pairs.

Q · What is a DAMM?

DAMM stands for **Dynamic AMM**. It is the simpler of the two pool types. You deposit two tokens into a pool and earn a share of the swap fees from every trade that passes through it. The "dynamic" part means the fee adjusts based on how active the market is. When the market is calm, fees are low and competitive. When the market gets volatile, fees rise automatically to compensate liquidity providers for the higher risk.

DAMM is the right choice if you want to deposit, walk away, and let the pool work. It is the closest experience to traditional AMMs like Uniswap V2 — easy to use, no active management required.

Q · What is a DLMM?

DLMM stands for **Dynamic Liquidity Market Maker**. It is the more advanced of the two pool types. In a regular AMM your liquidity is spread across every possible price, even prices the token will probably never hit. Most of your capital sits idle.

DLMM lets you concentrate your liquidity in a specific price range around where the token is actually trading. The result: your capital earns fees on a much larger share of real trades instead of

sitting idle at price points that never get touched. If the token is trading between $1.00 and $1.10, you can park your liquidity right there and let it work.

DLMM is the right choice if you want to be more hands-on and earn more per dollar of capital — at the cost of paying attention to where the price is moving.

Q · Why does Umbrae offer both, and which should I use?

Different users want different things. The right pool depends on how active you want to be as an LP:

- **Want to deposit and forget about it?** Use DAMM. Simpler, hands-off, dynamic fees do the work.
- **Want to set a tight price range and maximize fee earnings?** Use DLMM. More capital-efficient, but requires attention.
- **Running a strategy or making markets professionally?** DLMM gives you the most control.

You can also split capital across both — they are not mutually exclusive. Either way, the platform wins: both pool types running side-by-side on the same pairs creates more total liquidity, tighter prices, and more competitive trading for everyone.

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3. Liquidity Provision

Q · What is a liquidity pool and a liquidity provider?

A liquidity pool is a smart contract holding two tokens that allows traders to swap between them without needing a traditional buyer and seller on the other side. The pool itself provides the liquidity, automatically pricing trades based on its internal state.

A liquidity provider (LP) is anyone who deposits tokens into a pool. In return for supplying that liquidity, LPs earn a share of every fee generated by swaps through the pool. The more volume the pool does, the more fees LPs collect.

Q · What fees do LPs earn on Umbrae?

LPs keep **95% of every fee** generated by their pool at launch. The protocol takes 5%, and that percentage drops as cumulative platform volume grows — to a permanent floor of **3% at $10B cumulative volume**. These reductions are irreversible and enforced at the contract level.

Cumulative platform volume	Protocol take	LP retention
$0 (launch)	5%	95%
$500M	4.5%	95.5%
$2B	4%	96%
$5B	3.5%	96.5%
$10B	3%	97%

For context, the industry norm is much higher: Uniswap V3 takes 20%, Trader Joe takes roughly 17%. Umbrae starts at 5% and only goes down from there.

Q · Are there any fees on managing my LP position?

No. LP entry, exit, and repositioning are all **zero-fee** operations on Umbrae. You only pay network gas. This applies to both DAMM and DLMM pools. The reasoning is simple: an LP who can reposition freely is an LP who can defend their position against volatility — and an active LP is good for the platform.

Q · What is impermanent loss and how does Umbrae handle it?

Impermanent loss (IL) happens when the price of your deposited assets shifts away from the ratio you deposited at, meaning you would have been better off just holding. It is a real risk with any liquidity provision, and we don't pretend otherwise.

How DAMM and DLMM handle IL is different, and it matters:

- **DAMM** — your liquidity is spread across the full price range, so you are always "in range" earning fees no matter where the price moves. IL still happens when prices shift, but the dynamic fee structure helps offset it — during volatile periods (when IL risk is highest), fees scale up automatically so LPs earn more per swap to compensate.
- **DLMM** — because you concentrate liquidity in a tight range, you earn far more fees per dollar when the price stays inside your range — but you stop earning entirely if the price moves outside it, and IL can be sharper because your position is more concentrated. The trade-off is higher reward for active management. Since repositioning is free on Umbrae, active DLMM LPs can move their range as the market moves to stay in the fee-earning zone.

IL is never eliminated. It is a structural property of providing liquidity. Anyone telling you otherwise is selling something. The right choice between DAMM and DLMM depends on how much time you want to spend managing your position.

Q · How is volume coming into the platform?

Volume comes from multiple sources working in parallel:

- **Live pools on Umbrae.** WETH/USDC (DLMM) is the primary pair driving volume today. cbBTC/USDC is also live, and $U1/WETH runs on both DLMM and DAMM. More token pairs are planned over time as the platform expands.

- **Data platform listings.** Indexing on DefiLlama, DEX Screener, and GeckoTerminal is on the roadmap. These platforms make Umbrae's pool data visible to the broader DeFi ecosystem — a prerequisite for everything else.
- **DEX aggregators.** Integration with major DEX aggregators (KyberSwap, Odos, 0x, 1inch) is on the roadmap. Once those integrations land, external trading volume routes to Umbrae automatically wherever traders execute — through Coinbase Wallet, MetaMask Swap, Rabby, and every interface that uses aggregator infrastructure.
- **Proprietary arbitrage bot.** Our in-house arbitrage system generates consistent volume by capturing price differences across DEXs on Base.

Q · Can the team lock my funds or change fee parameters after I deposit?

No. LP withdrawal is always permissionless — no admin function exists that can lock your funds. Fee parameters are immutable once a pool is deployed; nobody can change them after the fact. These are contract-level guarantees, not promises. If a pool ever needs to be deprecated (compromised, obsolete config), LPs retain full withdrawal rights — deprecation does not freeze funds.

Q · Can I create my own pool on Umbrae?

Swapping and adding liquidity to existing pools is fully permissionless — no permission needed. Pool *creation* is different. It is permissioned by design to prevent griefing: bad actors can otherwise create pools with valid parameters but garbage initial prices, permanently locking up configuration slots at near-zero cost. Permissioned creation makes this attack impossible.

On Umbrae, only authorized deployers can create pools. Every pool visible in the UI is factory-registered, properly configured, and legitimate. If you are a project or market maker who needs a pool spun up for a specific pair, contact the team directly to discuss scope and committed liquidity.

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4. The $U1 Token

> **Migration status.** The $U1 migration from Solana to Base is complete. $U1 is an ERC-20 on Base, with $U1/WETH pools live on both DAMM and DLMM. There is no longer a Solana side — any unmigrated Solana-side $U1 is no longer eligible for migration. $U1 is available exclusively on Base going forward.

Q · What is $U1?

$U1 is the native token of the Umbrae ecosystem. It is a fixed-supply, non-inflationary ERC-20 on Base, designed as a value-capture mechanism rather than a farm token. There are multiple ways to participate with $U1 — locking it to earn a share of platform fees, providing it as liquidity, and contributing to the Compounding Liquidity Flywheel that deepens $U1 liquidity over time. Each path is a different way to align with the platform's growth.

Property	Detail
Total supply	5,000,000 $U1 (fixed, non-inflationary)
Circulating	4,000,000 $U1 (80%)
Protocol LP (total)	1,000,000 $U1 (20%) — two-part permanent liquidity
— Active LP	150,000 $U1 — paired against WETH in the locked $U1/WETH DAMM pool
— Reserve LP	850,000 $U1 — held in the Reserve contract, only direction is into Active LP
Trading pairs	$U1/WETH on Base — available on both DAMM and DLMM
Decimals	18
Network	Base (chain ID 8453)
Contract	`0x14a4e80d633aF55Ace1160c320f5a36D41CCEd3E`

Q · Where can I see the $U1 contract address?

The official $U1 contract address on Base is `0x14a4e80d633aF55Ace1160c320f5a36D41CCEd3E` (also listed in the properties table above). Always verify the address directly from https://umbrae.io or https://ignislabs.ai before interacting with $U1 — never trust an address sent in a DM or posted in a non-official channel. Scammers commonly deploy fake tokens with similar names to trick holders into approving malicious contracts.

Q · Why pair against WETH instead of USDC?

USDC has issuer-level freeze authority — Circle can blacklist any address holding USDC at any time. WETH has no issuer, no freeze function, and no centralized entity that can interfere with our liquidity. Pairing against WETH is the sovereign choice, consistent with the principles this platform is built on.

Q · How does $U1 protocol-owned liquidity work?

20% of total supply (1,000,000 $U1) is allocated as **permanent protocol-owned liquidity**, deployed through a two-part model (see the properties table above for the Active/Reserve split). The purpose is to build deeper, more reliable liquidity over time — which benefits every participant in the ecosystem. Deeper liquidity means less slippage on trades, more consistent fee income for LPs, a stable price floor for the token, and reliable trading revenue for the protocol. As a structural byproduct, the design also makes it mathematically impossible for the team to dump the protocol's allocation, because none of it is withdrawable.

- **Active LP** — deployed directly into the locked $U1/WETH DAMM pool. The LP tokens themselves are permanently locked — they cannot be withdrawn by anyone. This liquidity earns trading fees on every swap, which the protocol claims for operational use.
- **Reserve LP** — held in a smart contract whose only function is to feed Active LP. Tokens here cannot be withdrawn, sold, or transferred — the only direction they can move is into the permanently locked Active pool. Every time the protocol commits more WETH to Active LP, a proportional amount of Reserve $U1 activates and joins it.

The pool can only grow. It can never shrink. This is verifiable on-chain — the Reserve LP contract has no withdrawal function.

Q · How do I earn from holding $U1?

The 5% $U1 ecosystem pool (5% of all platform fees) is designed to reward participation. As long as you are actively participating in some way, you qualify. Weekly payouts begin once the platform reaches the $100,000 cumulative revenue milestone (see Section 6). Two ways to earn from the pool today, with more planned:

- **Lock $U1.** Lock your $U1 on the Umbrae platform and earn a proportional share of the $U1 ecosystem pool, paid weekly. Locking is a time lock — you choose the duration, and your tokens cannot be unlocked until the timer expires. Formula: your weekly reward = (your locked $U1 / total locked $U1) × 5% of weekly platform fees.
- **Provide liquidity.** Pair $U1 with WETH in the live $U1/WETH DAMM or DLMM pools. LP participants both earn LP fees on every swap AND qualify for a share of the 5% $U1 ecosystem pool.
- **More participation paths.** Additional ways to participate and earn from the 5% pool are planned over time. The system rewards active engagement, not passive holding.

What does *not* qualify: simply holding $U1 in a wallet and doing nothing with it, or actively trading it for short-term gains. The pool rewards committed participation, not speculation.

All of these paths feed the Compounding Liquidity Flywheel — see the dedicated question below.

Q · What else can $U1 do beyond earning?

$U1 is designed to become the utility backbone of the Umbrae ecosystem. Beyond the earning paths above, planned and active utility includes:

- **SAGE compute credits.** Use $U1 to pay for advanced AI analysis, strategy backtesting, and other SAGE features (in development).
- **Ecosystem alignment.** $U1 holders are the financially aligned participants behind Umbrae's growth — every platform feature is designed with that alignment in mind.

The full utility roadmap publishes as each piece finalizes. Every piece of utility being built is tied to objective value — not narrative inflation.

Q · What is the Compounding Liquidity Flywheel?

The Compounding Liquidity Flywheel is the mechanical loop that builds permanent, growing liquidity for $U1 — and rewards the participants who help build it. It works in three steps:

1. **Fee collection.** 5% of all platform fees route to the $U1 ecosystem pool.
2. **Distribution.** The pool is distributed weekly in USDC to qualifying participants — locked $U1 holders and $U1 liquidity providers both qualify, with more participation paths planned. The LP path matters especially: every $U1 LP earns a share of the 5% pool on top of their normal LP fees, which directly incentivizes deeper $U1/WETH liquidity.

3. **Protocol LP growth.** The permanent two-part Protocol LP keeps deepening over time. Every time the protocol commits more WETH to Active LP, a proportional amount of Reserve $U1 activates and joins the permanently locked pool (see protocol-owned liquidity above).

The result: liquidity depth increases, the price floor is mechanically raised, and lower slippage attracts larger volume — which generates more fees and restarts the cycle. The more participants engage (locking, providing liquidity), the stronger the flywheel spins. As a structural byproduct, the design also makes mercenary capital — short-term liquidity that extracts value and leaves — far less viable than committed participation.

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5. Ignis Elite NFTs

> **The short version.** 777 fixed licenses. Three phases (Phase 1 and Phase 2 sold out, Phase 3 still minting). Lock them on the Umbrae platform to qualify for Umbrae rewards described in this document. Tier matters, boosters compound, and the system rewards committed participation. Ignis Elite NFTs may also serve as participation seats for future Ignis AI Labs products — those product economics are defined per-product when each launches and are not pre-committed here.

Q · What are Ignis Elite NFTs?

Ignis Elite NFTs are participation tokens within the Ignis AI Labs ecosystem. There are 777 fixed licenses total — never more. They act as “seats” granting holders access to:

- Rewards from **Umbrae** under the 40% community allocation described in this document. **The 40% community split, the tier structure, and the booster mechanics in this document apply to Umbrae only.** Other Ignis AI Labs products (Neuma, Shadow Clone, MSRA-powered services, and others in the pipeline) may launch with entirely different revenue structures, and any participation by Ignis Elite NFT holders in those products is defined per-product at the time each one launches. No specific cross-product split is pre-committed, and the economics for products beyond Umbrae may differ entirely from the Umbrae model.
- Exclusive access to Umbrae’s **Layer 2** advanced features: automated DLMM rebalancing, AI-managed strategies, copy trading, and supported bot deployment. These are gated to Ignis Elite holders only — non-holders cannot access Layer 2 even with KYC.
- Priority support and white-glove service for higher-tier holders.

The system is deliberately limited and participation-based. Rewards on Umbrae requires the NFT to be **locked on the platform** — full mechanics in the locking question below. The integrity of a decentralized network depends on the quality of who holds these seats, not the quantity.

Q · Where do I buy an NFT?

Ignis Elite NFTs are available through the Ignis AI Labs website at https://www.ignislabs.ai/elite. Phase 1 and Phase 2 are sold out at primary. Phase 3 is currently minting at **1.0 ETH**. Once Phase 3 sells out, entry is only possible through secondary markets.

Q · How does NFT locking work?

Locking activates your NFT for rewards distributions. Unlike $U1 locking, NFT locking is **not a time lock** — you can lock and unlock your Ignis Elite NFTs freely. Only locked NFTs earn from the rewards pools. Unlocking pauses your earnings; re-locking resumes them.

Ignis Elite NFTs remain on Ethereum mainnet and are not affected by the $U1 migration to Base. The locking system bridges your Ethereum-side NFT holdings to your Base-side platform participation.

Important: locked NFTs must stay in the same wallet to keep earning. Moving them, listing them for sale, or unlocking them removes them from the distribution pool until they are locked again.

Q · How do I check what tier I qualify for?

Connect your wallet to the Umbrae platform. The dashboard displays your current tier (Triple OG, Double OG, OG, or Ignis Elite) based on the NFTs held in your connected wallet. The tier displayed is the tier you qualify for, and it updates automatically as your holdings change.

If you want to verify manually: count your NFTs against the qualification table in Section 6. Triple OG = Phase 1 + Phase 2 + Phase 3 in one wallet. Double OG = Phase 1 alone OR (Phase 2 + 3× Phase 3). OG = Phase 2 alone OR (3× Phase 3 alone). Ignis Elite = any Phase 3 holder who does not qualify for higher.

Q · Can I combine NFTs from different wallets to qualify for a higher tier?

No. Tier qualification is **per-wallet**. All NFTs required for a tier must be held in the same Ethereum wallet. NFTs spread across multiple wallets each qualify only for the tier their individual wallet composition meets.

Example: If you hold a Phase 1 in Wallet A and a Phase 2 + Phase 3 in Wallet B, neither wallet qualifies as Triple OG. Wallet A qualifies as Double OG (Phase 1 alone), and Wallet B qualifies as OG (Phase 2 alone — the additional Phase 3 acts as a booster within the OG tier, but does not promote the wallet).

To qualify for a higher tier, consolidate the required NFTs into a single wallet before locking.

Q · Can I resell my NFT?

Yes. Ignis Elite NFTs are tradeable assets and you can sell on secondary markets at any price the market supports. Two things to know:

- Listing an NFT for sale removes it from revenue eligibility until delisted. You can either earn from holding or sell — not both at the same time.
- Listing below mint price is a bannable offense. We do not allow the floor to be eroded by holders looking to flip cheap.

Q · Are there any rewards beyond platform fees that flow to NFT holders?

Yes. Umbrae's proprietary arbitrage system — live on Base mainnet — allocates **35% of the value it captures** as additional rewards to locked Ignis Elite NFT holders, separately from the platform-fee rewards pool. The arb bot runs 24/7 scanning for price differences across DEXs on Base. When it captures value, locked holders earn alongside the protocol. This is an additive rewards stream — it does not replace or reduce platform-fee rewards; it stacks on top.

Like all other NFT rewards, NFTs must be locked to qualify.

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6. Rewards Distribution

> **The first payout milestone.** The first rewards distribution will go out when the platform generates **$100,000 in cumulative platform revenue**. That milestone is the trigger — once hit, weekly distributions begin and continue from there. The rewards distribution contract is audited separately before the first payout goes live.

Q · Where does platform fee revenue actually go?

Every dollar of platform fee revenue is split across three buckets — community, treasury, and operations:

Allocation	%	Purpose
Community total	40%	Returned to holders (see breakdown below)
— OG Tier Pool	30%	Distributed across the three OG tiers (Triple OG, Double OG, OG)
— Ignis Elite Pool	5%	Distributed to standard-tier Ignis Elite NFT holders (those who don't qualify for OG or higher)
— $U1 Pool	5%	Distributed to qualifying $U1 participants — locked holders and $U1 LPs
Treasury	30%	Bounties, audits, legal defense, overhead
Operations	30%	Development, infrastructure, salaries, growth

The 40% community rewards allocation is enforced at the smart contract level. It is not a policy that can be changed by a future team decision. Distributions are paid weekly in USDC.

Q · What are the tiers and how does revenue distribute across them?

The 40% community rewards allocation splits across four tiers. You qualify for **one** tier based on your NFT composition, and you earn only from the pool tied to that tier — pools do not stack. Higher tiers represent earlier commitment to the ecosystem and receive a larger share of the community allocation:

Tier	How you qualify	Pool
Triple OG	Phase 1 + Phase 2 + Phase 3 (one wallet)	50% of the 30% OG Tier Pool
Double OG	Phase 1 alone OR (Phase 2 + 3× Phase 3)	30% of the 30% OG Tier Pool
OG	Phase 2 alone OR (3× Phase 3)	20% of the 30% OG Tier Pool
Ignis Elite	Any Phase 3 holder who does not qualify for OG or higher	5% Ignis Elite Pool (shared equally)

Worked example. If the platform generates $100,000 in fees in a week, $30,000 goes to the OG Tier Pool and $5,000 goes to the Ignis Elite Pool. Within the OG Tier Pool, Triple OG holders split $15,000, Double OG holders split $9,000, and OG holders split $6,000. The $5,000 Ignis Elite Pool is split equally among standard-tier holders.

Q · Can I stack tiers?

No. Pools do not stack. You qualify for exactly one tier based on your NFT composition, and you earn only from that tier's pool. A Triple OG holder earns from the 50% slice of the OG Tier Pool — they do not also earn from the Ignis Elite Pool. An Ignis Elite holder earns from the 5% Ignis Elite Pool — they do not also earn from the OG Tier Pool.

The tier system is mutually exclusive by design. This concentrates rewards within each tier rather than diluting them across all NFT holders. Higher tiers reward earlier commitment with a more concentrated share. Standard-tier holders earn from a dedicated pool that exists specifically for them.

Boosters work **within your tier**, not across tiers. Additional Phase 3 NFTs beyond what's required for your tier increase your share of your tier's pool, up to the 5-NFT booster cap. They do not promote you to a higher tier or grant access to a different pool.

Q · How do booster mechanics work?

Holding more Phase 3 NFTs beyond what is required for your tier compounds your share within that tier's pool. Extra Phase 3s act as boost multipliers on your weight in the distribution math. The booster cap is 5 Phase 3 NFTs per Ethereum address — additional Phase 3s beyond 5 do not provide further boost credit.

Boosters affect your share within your tier — they do not promote you to a different pool. To move tiers, you need to meet the qualification criteria above.

Q · Why does the Ignis Elite Pool exist as a separate allocation?

It was added through a community-approved vote to ensure Phase 3 holders who don't qualify for OG tiers still earn from platform growth. No existing allocation was reduced to fund it.

Q · How often are distributions paid?

Weekly on a fixed day, in USDC, beginning once the $100,000 cumulative revenue milestone is reached and the distribution contract audit is complete. After that, payouts run on a continuous weekly cadence.

Q · What counts as “platform revenue” for the $100K trigger?

Platform revenue is the total cumulative revenue generated by the Umbrae platform across all its fee-generating mechanisms. This includes the protocol’s take on swap fees on DAMM and DLMM pools, platform service fees (MEV mitigation, routed swaps, etc.), and SAGE compute credit purchases.

The $100K threshold is **cumulative** — it is not a recurring milestone or a weekly target. Once the platform crosses $100,000 in total platform revenue from launch, the trigger fires and weekly distributions begin. The trigger does not reset; weekly distributions then continue on a continuous cadence from that point forward — unless otherwise communicated. Current official announcements always take precedence over this document.

Q · What network is the distribution paid on?

Distributions are paid in USDC on Base. Recipients need a wallet capable of receiving Base-native USDC. For NFT holders: NFTs themselves remain on Ethereum mainnet, but distributions for locked NFTs are paid out to a designated Base address.

Q · If my tokens unlock a few days before a payout and I forget to relock, will I still qualify based on my previous locked status?

No. The 5% $U1 ecosystem pool rewards active participation, which means active locked status (or active LP position) at the time of the weekly snapshot. If your lock period expires and you do not relock before the snapshot, your tokens are not considered locked for that week’s distribution. Previous lock history does not count toward current-week eligibility.

Recommendation: if you want continuous rewards, relock immediately when your previous lock expires, or coordinate your lock duration so that unlocking falls before the snapshot is taken. The snapshot is taken every week on a fixed day.

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7. Security

Q · Has Umbrae been audited?

Yes. Audits are handled separately for each pool type:

- **DLMM** — audited by **HashLock**, with a follow-up audit completed for expanded functionality.
- **DAMM** — audited internally by the Ignis security team, reviewed against the same standards applied to the DLMM.
- **Rewards distribution contract** — will be audited separately before the first payout goes live.

Expanding external audit coverage is a priority. We plan to bring both DLMM and DAMM through additional audits with the major firms in the space — **Sherlock, HashLock, Halborn, Trail of Bits, and Certik**. The goal is layered third-party verification, not single-source assurance. Multiple independent eyes on the same code is the standard we hold ourselves to.

The $U1 token contract is additionally assessed via **SolidityScan**, with a current security score of **96.87 / 100** — zero Critical, zero High findings, with a small number of non-blocking Medium/Low items.

Q · Does Umbrae have a bug bounty program?

A formal bug bounty program is planned as part of Umbrae's expanding security posture. This sits alongside our broader plan to bring both DLMM and DAMM through additional external audits with major firms — multiple independent eyes on the same code is the standard we hold ourselves to.

Q · Who runs security at Ignis AI Labs?

Gowtham Naidu Ponnana is the Chief Security Officer. He is ranked **#38 globally on HackenProof** and **#420 on Immunefi**, with **$560M+ in identified vulnerabilities across 60+ platforms**. Zero high-severity findings exist in Ignis systems. He is a **DEFCON Delhi speaker**, former Head of Security at **CryptoForce** and **PayOnRamp** (India's fastest-growing crypto trading and on/off ramp platforms), and maintains security partnerships with TECHFUND Inc.

Security is architected into Ignis systems from day one — not bolted on after the fact. Any and all security findings have been addressed and will always be addressed.

Q · What promises about the platform are enforced in code, not just by the team?

This is one of the most important questions a sophisticated participant can ask, and Umbrae's answer is the entire thesis of the platform. Promises that depend on the team can be broken. Guarantees encoded in immutable smart contracts cannot. Umbrae was architected so that the most consequential commitments to the community are enforced at the contract level — not by leadership intent, not by policy, not by trust.

What is contract-enforced and cannot be changed by any future team decision:

- **The 40% community rewards allocation.** Every dollar of platform fees splits per the contracted allocation. Leadership cannot reduce the community rewards to fund operations, treasury, or anything else.
- **Protocol take reductions (5% → 3%).** The schedule that reduces the protocol's take as cumulative volume grows is permanent and irreversible. Once the platform crosses a volume threshold, the new lower rate locks in. It cannot be raised back up.
- **Active LP tokens are permanently locked.** The 150,000 $U1 paired against WETH in the protocol's Active LP can never be withdrawn by anyone — including the team. No multisig, no governance vote, no admin function can release them.
- **Reserve LP has no withdrawal function.** The 850,000 $U1 in the Reserve contract can only flow one direction: into the permanently locked Active LP. It cannot be sold, transferred, or extracted. This is verifiable on-chain.

- **LP withdrawal is always permissionless.** No admin function exists that can lock user funds. Even if a pool gets deprecated, LPs retain full withdrawal rights at all times.
- **Fee parameters are immutable per pool.** Once a pool is deployed, nobody can change its fee structure — not the team, not the project that requested it. The terms LPs accept when depositing are the terms that stay.

This is what decentralization done right looks like. Most projects ask the community to trust them. Umbrae asks the community to verify the contracts — because the things that matter most are not promises, they are code.

Q · Is there an emergency pause function?

Yes — every contract that holds user funds has one, and it is deliberately built so that pause can never trap your money. The pool has two independent pause layers: a global emergency pause that halts every pair at once, and a per-pair pause. The migration, the lock vaults, and the OTC vault each have pause too. In every case, pause stops *new activity* (new deposits, new deals) — but withdrawals, reward claims, and unlocks stay open. You can always exit.

The $U1 token itself has **no pause and no admin function at all** — its supply is sealed at 5,000,000 and can never be minted, burned, or frozen.

Every pause is controlled by the governance Timelock with a **48-hour delay**. It is not a hot key any single person can flip silently — every action is announced on-chain in advance.

Q · How are smart contract upgrades handled?

Intentionally mixed. Some contracts are permanently immutable; others are upgradeable but only through a public, delayed governance process.

- **Permanently immutable** — the $U1 token, the migration contract, the Reserve LP, and the $U1 lock vault. What you see is what runs forever.
- **Upgradeable through governance only** — the trading pools (via a shared beacon) and the OTC vault (via a UUPS proxy). Every upgrade routes through the 48-hour Timelock. Upgrades are announced on-chain two days before they can take effect, governance can cancel a scheduled upgrade within that window, and users can exit their positions before any new code goes live.

There are no instant, silent, or unilateral upgrades anywhere in the system.

Q · What infrastructure security exists beyond audits?

Multi-signature treasury, active audit relationships with top-tier firms, and a dedicated CSO embedded since day one. As revenue scales, Umbrae is building toward fully private, owned infrastructure — private RPC node deployment is currently in progress — to eliminate dependency on third-party providers and reduce attack surface.

Q · How does Umbrae mitigate MEV?

Umbrae’s pool uses a **volatility-based dynamic fee** — not a private mempool. Every swap carries a base fee plus a variable fee that scales with how much recent price movement (volatility) the pool has seen. A sandwich attack works by pushing the price one way, letting a victim trade, then

pushing it back — but those rapid back-to-back moves spike the pool's volatility, which raises the fee the attacker pays on both of their own swaps. That makes sandwiching economically unattractive rather than technically impossible.

Two supporting details: volatility decays over time, so fees return to baseline during calm trading; and there is a minimum filter period that prevents anyone from gaming the volatility measure with rapid micro-swaps. The result is MEV mitigation through fee design — we make the attack cost more than it earns.

Q · Someone DM'd me offering to help with my migration / wallet / NFT — is that real?

No. Ignis AI Labs and Umbrae team members will never DM you first offering support. We do not ask for seed phrases, private keys, signatures on unfamiliar transactions, or to "verify" your wallet through a link. Every official channel is published on https://ignislabs.ai and https://umbrae.io. If you are unsure, post in the public community channels rather than engaging with a DM.

— End of FAQ —

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