

USDM EU Issuer White Paper

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- This crypto-asset white paper has not been approved by any competent authority in any Member State of the European Union. The issuer of the crypto-asset is solely responsible for the content of this crypto-asset white paper.

Statement

The management body of Norwegian Block Exchange confirms that this crypto-asset white paper complies with Article 51 of REGULATION (EU) 2023/1114 and to the best of the knowledge of the management body, the information presented in this crypto-asset white paper is complete, fair, clear and not misleading and that this crypto-asset white paper makes no omission likely to affect its import.

Summary

- This summary should be read as an introduction to the crypto-asset white paper.
- You should base any decision to purchase USDM on the content of the crypto-asset white paper as a whole and not on this summary alone.
- The offer to the public of USDM does not constitute an offer or solicitation to purchase financial instruments and that 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 or any other offer document pursuant to Union or national law.
- Holders of USDM that are residents of the EEA have a right of redemption at any time and at par value. Conditions and processes for redemption of USDM are detailed in this White Paper.

The USDM token is a USD-backed e-money ensuring a 1:1 peg with USD reserves. USDM is issued in the EEA by NBX as the co-issuer of Moneta. Minting and redemption are carried out via the Cardano blockchain using decentralized oracles (Charli3) for transparency. Reserves are held in segregated bank accounts, money market funds, and other assets to guarantee security and full backing of the token. NBX complies with REGULATION (EU) 2023/1114 (MiCA) and e-money regulations, ensuring token holders' rights to redeem their tokens for USD while maintaining financial stability and customer protection.

Please note

- USDM is not covered by the investor compensation schemes under Directive 97/9/EC
- USDM is not covered by the deposit guarantee schemes under Directive 2014/49/EU
- Any significant new factor, any material mistake or any material inaccuracy that is capable of affecting the assessment of USDM shall be described in a modified crypto-asset white paper drawn up by the issuers, notified to the competent authorities and published on the issuers' websites.

Amendment notice

This updated version of the USDM White Paper includes clarifications regarding the dual-issuer structure, reserve segregation and redemption mechanics.

The amendments are made in accordance with Article 51(12) of Regulation (EU) 2023/1114 (MiCA) and do not alter the fundamental characteristics of USDM.

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1 Introduction

USDM is a USD-backed e-money token issued by Norwegian Block Exchange AS (NBX) under the e-money institution license granted in Norway and passported across the EEA. The token is designed for use on the Cardano blockchain, ensuring a 1:1 peg to USD through secure reserves held in compliance with regulatory requirements.

NBX ensures full segregation of client funds, with separate bank accounts established to safeguard e-money reserves as per Norwegian financial regulations.

1.1 Definitions

USDM: Refers to the US dollar-backed electronic money issued either by Norwegian Block Exchange AS (NBX) within the European Economic Area (EEA) or by Moneta Digital LLC outside the EEA.

USDM issued by NBX and USDM issued by Moneta constitute legally distinct issuance obligations, each backed 1:1 by separate and independently held reserves.

NBX is solely responsible for the issuance, maintenance, and redemption of USDM issued within the EEA and backed by the EU NBX USDM Reserve. Moneta is solely responsible for the issuance and redemption of USDM issued outside the EEA and backed by the Moneta USDM Reserve.

No cross-liability exists between the EU NBX USDM Reserve and the Moneta USDM Reserve.

Minting: The process of creating new USDM tokens. This process is subject to strict verification and reserve management protocols to ensure that each USDM token is fully backed by an equivalent USD value in the USDM reserve.

Redemption: The process by which holders of USDM tokens can exchange the tokens for USD.

USDM in Circulation: The total amount of USDM across all addresses (UTXOs) at a given block height (specific time) on the Cardano blockchain.

USDM Reserves: A collective term for the Moneta USDM Reserves and the EU NBX USDM Reserves, consisting of a collection of bank accounts, money market funds, and other assets held by Moneta and NBX to fully back the USDM tokens in circulation. USDM issued by NBX will be backed 1:1 in the EU NBX USDM Reserve and under NBX's custody. USDM issued by Moneta will be backed 1:1 in the Moneta USDM Reserve and under Moneta's custody.

Platform: The digital infrastructure and services provided by NBX for trading, issuing, and redeeming USDM.

Account money: The client's fiat currency stored on the NBX platform where the funds are secured on a segregated client account.

Charli3 Oracle: Oracles on blockchains are tools designed to help blockchain networks access real-world data in a secure and reliable manner. Blockchains, which are essentially decentralized and secure digital ledgers, typically do not have a direct way to obtain information from the outside world. Oracles act as a bridge between the blockchain and the external environment. They gather necessary data from various sources, verify it, and then deliver it to the blockchain. This allows smart contracts to use real-world information to perform their functions correctly. The Charli3 Oracle is a decentralized and neutral third-party oracle system on the Cardano blockchain used to attest that the USD in Moneta's reserves is equal to or greater than the number of USDM in circulation after minting. This attestation is required by the smart contract before USDM can be minted.

2 The issuer of USDM

The European issuer of USDM is Norwegian Block Exchange AS (NBX) in cooperation with Moneta Digital LLC (Moneta). NBX is responsible for issuing, maintaining, and redeeming USDM in the EEA and in accordance with MiCA regulations.

2.1 About NBX

Name of issuer: Norwegian Block Exchange AS (NBX)

Legal Form: Limited Liability Company (Limited Liability Companies Act)

Listing: Publicly listed on Euronext Growth, Oslo Børs

Organization number: 920 245 676

LEI: 5493004WNVZP9EMYI834

Business address: Arnestein Arnebergs vei 30, 1366 Lysaker, Norway

Contact number: +47 91 92 17 81

Contact email address: notifications@nbx.com

Chairman of the board: Nils Sundling

Chief Executive Officer: Stig Aleksander Kjos-Mathisen

Conflict of interest disclosure: No conflict of interests have been identified as of today in relation to the issuance of USDM.

NBX is licensed as an e-money institution under the Act on financial institutions and financial groups 2015 § § 3-2 cf. § 2-11

NBX is licensed as a Virtual currency service provider by Finanstilsynet.

Competent Authority: Finanstilsynet (FSA, The Financial Supervisory Authority of Norway)

2.2 About Moneta

Name of issuer: Moneta Digital LLC

Legal Form: Limited Liability Company (Limited Liability Company Act of the State of Delaware as a single member LLC)

Business address: 1281 Win Hentschel Blvd Suite 1300, 47906 West Lafayette, IN, USA

Contact number: +1-203-632-9807

President of Moneta Digital LLC: Jillian Plomin

Competent Authority and License: Moneta Digital LLC is Federally regulated by Financial Crimes Enforcement Network as a Money Service Business.

FinCEN MSB Registration number 31000296483332

3 USDM Overview

3.1 Definition and characteristics of USDM (e-money token)

USDM is fully backed by an equivalent amount of USD-denominated assets held by Moneta and NBX with regulated financial institutions in segregated accounts separate from Moneta's and NBX's corporate funds, on behalf of, and for the benefit of, USDM holders (the "USDM Reserves"). This means that for every USDM issued by Moneta or NBX and remaining in circulation, Moneta and NBX will hold on behalf of holders either one USD or an equivalent amount of USD-denominated assets in its Segregated Accounts (the "USDM Reserves").

Although USDM may circulate on the same blockchain network and share a common asset identifier, each unit of USDM is traceable to its issuing entity through internal issuance controls and reconciliation mechanisms.

The issuance origin determines the applicable reserve backing and the entity responsible for redemption. The EU NBX USDM Reserve exclusively backs USDM issued by NBX, and the Moneta USDM Reserve exclusively backs USDM issued by Moneta.

As a minimum, the EU NBX USDM Reserves are independently reviewed by an external auditor annually, providing confirmation that they match or exceed the USDM in circulation issued by NBX. USDM is not designed to create returns for holders, increase in value, or otherwise accrue financial benefit to USDM holders.

3.2 How USDM operates on the Cardano blockchain

Minting and burning

USDM is issued and burned as a Cardano Native Token (CNT) through a smart contract that only allows minting and burning when signed by controllers under certain conditions, the specific elements of these conditions can be altered by initiating a protocol change using a 5-of-7 multi-signature governance action from a Cardano address holding an owner non-fungible token (NFT):

1. For minting the reserves verification mechanism must calculate at least a 1:1 ratio of USD:USDM after considering the impacts of the mint transaction. This mechanism compares the reserves value from the oracle (Charli3) against the minting amount, plus the total USDM outstanding. The total outstanding is contained in a datum on the “counter utxo.”
2. The transaction must be properly constructed. It must properly “spend” the counter UTXO in the transaction to add (mint) or subtract (burn) the minted or burned amount from the “counter UTXO” datum. The signature must come from an address holding a controller non-fungible token (NFT) as evidence of control to be able to sign minting and burning transactions.
3. Any input UTXOs must not contain USDM.
4. For minting the destination address for the mint tx must be a specific address as defined by the smart contract.
5. The protocol must not be in a lockdown state. This Fifth condition is a failsafe to prevent minting or burning if the protocol has been compromised in some way.

Transactions

USDM does not use smart contracts to be transferred on the Cardano network as this is done natively with the UTXO model of the ledger, and USDM can be traded on any Cardano address when paying a transaction fee in the Cardano blockchain currency ADA. This has a few noteworthy implications:

1. Transfer logic cannot be customized due to being handled by the Cardano blockchain itself and will follow the transaction logic of the blockchain itself.
2. There are no special fees on transfers set by a smart contract, only the Cardano blockchain fees in ADA that are set by the Cardano blockchain protocol parameters.
3. There is no need for additional logic to track transfers as these are tracked by the Cardano blockchain itself.
4. There is no chance of variable over- and under-flow vulnerabilities from smart contract errors as the transaction happens through the Cardano Blockchain and it does not use fixed-sized integer variables.

We note that in the future there might be new technical standards (Babel fees) allowing payment of transaction fees with user-defined tokens such as USDM but this is not a current capability of the Cardano blockchain.

USDM identification on the Cardano blockchain

USDM official Policy ID on the Cardano blockchain is:
c48cbb3d5e57ed56e276bc45f99ab39abe94e6cd7ac39fb402da47ad

The USDM asset name is 0014df105553444d with asset fingerprint
asset12ffdj8kk2w485sr7a5ekmjdyecz8ps2cm5zed.

4 The offer to the public of USDM

Information about the offer to the public of the e-money token.

4.1 Offer to the public

This White Paper concerns the offer to the public of USDM from Moneta and NBX including availability of USDM on various crypto-asset trading platforms that may admit USDM to trading and/or provide certain crypto-asset services in relation to USDM such as custody services and sale or purchase of USDM against legal tender or other crypto-assets.

4.2 Customer verification for minting and redeeming USDM

Only verified and fully onboarded customers of NBX have access to mint or redeem USDM on the NBX platform.

4.3 Minting

NBX may, at its sole discretion, use an internal USDM liquidity pool to provide a smooth and fast user experience when minting. Whether the liquidity pool is used or actual blockchain-based minting is performed depends on internal platform logic and available reserves. Customers may fund their USDM purchases using USD account money or, where applicable, through fiat currencies or digital assets that are converted into USD at prevailing NBX platform exchange rates.

NBX may suspend minting in certain circumstances, including in response to regulatory interventions.

Minting Process on the NBX Platform

When a customer chooses to buy USDM on the NBX platform, the following process applies:

1. USDM Mint Request:

The customer initiates a minting request by selecting the desired amount of USDM to be acquired.

2. Liquidity Pool Assessment and Minting:

- i. NBX first assesses the availability of USDM in its internal liquidity pool.
- ii. If the USDM balance in the liquidity pool is insufficient to fulfill the customer's request, NBX initiates a minting transaction. The customer's NBX account is debited in USD account money or, where applicable, in an amount of fiat currency or digital assets that is converted into USD at prevailing platform exchange rates.

A matching amount of USD is transferred from a segregated NBX platform account to the EU NBX USDM Reserve, thereby maintaining the required 1:1 backing. Minting is only permitted if the reserve balance equals or exceeds the USDM to be issued, as validated by the Charli3 oracle.

- iii. If sufficient USDM is available in the internal liquidity pool, the customer's account is debited in USD account money or, where applicable, in an

equivalent amount of other fiat currency or digital assets converted into USD at prevailing platform exchange rates. The corresponding amount of USDM is drawn from the liquidity pool to be credited to the customer in step 3. In this scenario, the total supply of USDM and the balance of the EU NBX USDM Reserve remain unchanged.

3. USDM Token Provision:

The requested amount of USDM tokens is credited to the customer's NBX account. These tokens are fully transferrable on the Cardano blockchain and can be used for payments or external transfers by the customer.

Minting process through Moneta

NBX constructs and signs a minting transaction based on current issuance needs. This transaction is securely transmitted to Moneta, who applies the required co-signature, completes the minting process, and delivers the USDM tokens to NBX's designated Cardano blockchain address.

The full issuance flow when minting through Moneta involves four steps:

1. NBX issues a "mint" instruction to Moneta via secure API. This can be for a specific minting amount or for a total daily issuance cap.
1. Simultaneously, NBX transfers the corresponding USD amount to the EU NBX USDM Reserve.
2. NBX transmits transaction details for the USD transfer to Moneta for verification.
3. Once Moneta confirms receipt of funds and validates the transfer, it signs the minting transaction and delivers the USDM tokens to NBX's registered Cardano address.

4.4 Redemption

Customers may redeem USDM by transferring tokens back to NBX. Upon redemption, the customer receives the equivalent amount in USD account money, or, where applicable, in an amount converted from other fiat currencies or digital assets into USD at prevailing NBX platform exchange rates. The redeemed USDM tokens are either held by NBX or permanently burned, depending on the redemption path employed.

NBX may suspend redemptions temporarily in response to operational needs or external factors, such as liquidity constraints or blockchain disruptions. In addition, the Financial Supervisory Authority of Norway (Finanstilsynet) has the authority to order NBX to suspend redemptions if required by applicable regulations.

Redemption Process on the NBX Platform

When a customer initiates redemption of USDM for USD on the NBX platform, the following process applies:

1. USDM Redemption Request

The customer submits a request to redeem USDM through the NBX platform.

2. Liquidity Pool Assessment and Token Handling

- i. NBX first assesses the USD liquidity available within its internal liquidity pool.
- ii. If the available liquidity is insufficient to fulfill the redemption request, NBX initiates a burn transaction, thereby permanently removing the redeemed USDM tokens from circulation.

The customer's NBX account is debited the requested amount in USDM. In parallel, an equivalent amount in USD is transferred from the EU NBX USDM Reserve to the NBX platform account used for holding customer account balances.

- iii. If sufficient USD liquidity is available, the customer's account can be credited directly with USD account money in step 3. The equivalent USDM amount is debited from the customer's account and absorbed into NBX's internal holdings. In this case, neither the overall circulation of USDM nor the EU NBX USDM Reserve is affected.

3. USD Provision

The credited amount in USD account money — or, where applicable, the converted equivalent from other fiat currencies or digital assets — is made available to the customer within their NBX platform account.

Redemption Process through Moneta

When NBX executes redemptions through Moneta, the following four-step process applies:

1. NBX initiates a redemption order via secure API to Moneta, requesting the exchange of USDM for USD.
2. NBX transfers the USDM to a Cardano address provided by Moneta in response to the API request.
3. Simultaneously, NBX places a corresponding sell order against the EU NBX USDM Reserve and transmits the transaction details to Moneta for validation.
4. Once the USDM tokens have been received and verified against the transaction record, Moneta approves the redemption and performs a burn transaction to remove the tokens from circulation.

In cases where USDM identified as issued by Moneta (i.e., minted outside the EEA) is transferred to NBX for redemption, such redemption is contractually and operationally conditioned upon prior receipt by NBX of the corresponding USD amount from the Moneta USDM Reserve.

NBX will not execute redemption of Moneta-issued USDM before the corresponding reserve funds have been credited to the EU NBX USDM Reserve or otherwise received by NBX in cleared funds.

Accordingly, redemption of Moneta-issued USDM does not create any liquidity exposure for the EU NBX USDM Reserve.

Inter-Reserve Settlement Mechanism

Where USDM issued by one issuer is presented for redemption to the other issuer, an inter-reserve settlement process is triggered.

Such settlement requires that the reserve corresponding to the issuing entity transfers the equivalent USD amount to the receiving issuer before redemption is executed.

This mechanism ensures that each issuer maintains full 1:1 reserve backing of its outstanding USDM at all times and eliminates cross-reserve liquidity exposure.

4.5 Supply

The supply of USDM is not limited to any fixed amount within its minting smart contract. There is no limitation in terms of the number of USDM to be offered to the public or admitted to trading.

As of 26 June 2025, USDM has an outstanding supply of 11.32 million USDM, all issued by Moneta. For more information regarding USDM circulating supply, balances, and periodic issuance and redemption, please refer to the Moneta Website.

4.6 Trading platforms

USDM is currently listed for trading on the NBX platform, which is a registered virtual asset service provider and licensed electronic money institution operating in the EEA. The following trading pairs are available: ADA/USDM, PALM/USDM, HOSKY/USDM, BTC/USDM, USDM/EUR, and USDC/USDM.

NBX reserves the right to add new trading pairs involving USDM or to remove existing pairs at its sole discretion, based on factors such as market demand, liquidity, or regulatory requirements. The addition or removal of a trading pair does not affect USDM holders' rights to redeem their tokens for fiat currency, nor does it impact the minting or burning process, which NBX will continue to honor for as long as it acts as issuer within the EEA.

Outside of the NBX platform, USDM is not currently supported by other major global regulated digital asset service providers operating in the EEA. However, as a Cardano Native Token, USDM may be traded on decentralized exchanges (DEXs) within the Cardano ecosystem. These include, but are not limited to, Wingriders, Minswap, Sundaeswap, VyFi, Genius Yield, Splash, and Satrunswap. Trading on decentralized platforms occurs independently of NBX, and such platforms are not subject to the same regulatory oversight within the EEA.

4.7 Jurisdiction

The offer to the public of USDM in the EEA shall be governed by and interpreted in accordance with the laws of Norway (the "Applicable Laws").

4.8 Competent Court

Any dispute with the offer to the public of USDM in the EEA shall be brought exclusively in the District Court of Ringerike, Asker and Bærum (Ringerike, Asker and Bærum Tingrett), Norway except where prohibited by Applicable Laws.

5 The rights and obligations attached to USDM

5.1 Holders rights and obligations

USDM issued by NBX is an EMT subject to MiCA regulation and Applicable Laws. Under these regulations, EMT means a type of crypto-asset that purports to maintain a stable value by referencing the value of one official currency.

Holding USDM tokens does not provide rights to USDM holders other than those rights provided within this White Paper, as well as under the MiCA Regulation and Applicable Laws.

USDM holders understand that sending USDM to another address automatically transfers and assigns to the owner of that address, and any subsequent USDM holder, the right to redeem USDM for USD funds so long as the USDM holder is eligible to.

USDM transactions are not reversible. Once USDM holders send USDM to an address, USDM holders accept the risk that they may lose access to, and any claim on, that USDM indefinitely or permanently. For example, (i) an address may have been entered incorrectly and the true owner of the address may never be discovered, (ii) USDM holders may not have (or subsequently lose) the private key associated with such address, (iii) an address may belong to an entity that will not return the USDM, or (iv) an address belongs to an entity that may return the USDM but first requires action on their part, such as verification of USDM holders' identity. For the avoidance of doubt, NBX is not obligated to track, verify or determine the provenance of USDM balances for USDM holders, including any form of security interests claimed thereon unless otherwise stated in the Applicable Laws.

Holders of USDM issued by NBX within the EEA have a legal claim against NBX as the EU issuer of such USDM. These holders are entitled to request redemption of USDM issued by NBX from NBX at any time and at par value, subject to successful completion of applicable Anti-Money Laundering ("AML") checks.

NBX's redemption obligation applies exclusively to USDM issued by NBX and backed by the EU NBX USDM Reserve.

Holders of USDM issued by Moneta are entitled to redemption from Moneta in accordance with Moneta's applicable terms and regulatory framework.

- Collection of relevant Know Your Customer documents
- Verification of identity and screening versus international sanctions lists
- Verification of bank details

- AML department validation

While NBX may hold the USDM Reserves in interest-bearing accounts or other yield-generating instruments, USDM holders acknowledge that they are not entitled to any interest or other returns earned on such funds. USDM does not itself generate any interest or return for USDM holders and only represents your right to redeem USDM for an equivalent amount of USD as provided in the present White Paper.

The holding of USDM will not result in: (i) the creation or imposition of any lien upon any property, asset, or revenue of NBX; or (ii) the creation of any shareholding or ownership interest in NBX, or any of NBX respective affiliates.

By holding, using, or accessing USDM, USDM holders further represent and warrant that:

- they are holding and using USDM in compliance with this White Paper and Applicable Laws
- they are at least 18 years old, are not a Restricted Person (as defined in the NBX USDM Terms of Service), and are not holding USDM on behalf of a Restricted Person; and
- they will not be using USDM for any illegal activity including, but not limited to, illegal gambling, money laundering, fraud, blackmail, extortion, ransoming data, terrorism financing, other violent activities or any prohibited market practices. For more details, please consult NBX USDM Terms of Service.

USDM holders accept that NBX reserves the right to block certain USDM addresses that it determines, in its sole discretion, may be associated with illegal activity or activity that otherwise violates NBX USDM Terms of Service and/or this White Paper ("Blocked Addresses"). In the event that a USDM holder sends USDM to a Blocked Address, or receives USDM from a Blocked Address, NBX may freeze such USDM. In certain circumstances, NBX may deem it necessary to report such suspected illegal activity to relevant law enforcement agencies and holders of USDM may forfeit any rights associated with their USDM, including the ability to redeem USDM for USD. NBX may also be required to freeze USDM and/or surrender associated USD held in segregated accounts in the event it receives a legal order from a valid government authority requiring it to do so.

USDM holders shall hold and use USDM exclusively for their own account and shall in no case be considered as nominees or agents of NBX, unless otherwise expressly agreed in written by NBX.

USDM holders are duly informed that NBX's liability (and its affiliates, its respective officers, directors, agents, joint venturers, employees, and suppliers) is limited to what is expressly provided in the Applicable Laws and the present White Paper. In particular but not limited to, USDM holders are duly informed and acknowledge that NBX shall bear no liability with regard to i) their use of USDM ; (ii) claims or issues concerning the cost of procurement of substitute goods and services resulting from any goods, data, information, or services purchased or obtained or messages received or transactions entered into involving USDM; or (iii) unauthorized access to or alteration of USDM holders transmissions or data incurred by the use of USDM.

In this respect, to the full extent permissible by Applicable Laws, NBX disclaims all warranties, express or implied, including, but not limited to, implied warranties of merchantability and fitness for a particular purpose. To the full extent permissible by Applicable Laws, NBX shall not be liable for any damages of any kind arising from the use of USDM, including, but not limited to direct, indirect, incidental, punitive, and consequential damages.

5.2 Amendments on rights and obligations

The rights and obligations associated with USDM and applicable to EEA holders are available in the NBX USDM Terms of Service available on NBX's Website.

NBX 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 or the NBX USDM Terms of Service on NBX's Website, or through any other channel of communication considered valid, including on NBX's Website.

As provided by Article 51 of the MiCA regulation, any significant new factor, any material mistake or any material inaccuracy that would be capable of affecting the assessment of USDM will be described in a modified version of this White Paper and notified to the competent authorities and published on NBX's Website, except when these modifications are related to the implementation by NBX of its Recovery Plan or Redemption Plan (please refer to Sections 5.4 and 5.5 below).

5.3 Insolvency

NBX has implemented high standards for safe and sound financial management of its business. In a situation of financial duress or in periods of economic uncertainty, NBX has established contingency plans to prevent any impact on its activities, including the issuance of USDM, or the rights of USDM holders.

Where NBX is not able to fulfill its obligations or in case of insolvency, the USDM Reserves are duly protected in compliance with the Applicable Laws. In particular, the funds received in exchange for issuance of USDM are protected against any recourse by other creditors of NBX, including in the event of enforcement proceedings or insolvency proceedings against NBX.

If a situation of financial duress or insolvency were to occur, NBX will implement its Recovery and/or Redemption Plan to allow USDM holders to exercise their redemption rights on USDM as further specified in Sections 5.4 and 5.5 below.

5.4 Recovery Plan

NBX's Recovery Plan will be filed with the FSA within six months of the date of the offer to the public or admission to trading as mentioned in the Article 55 of MiCA. This Section 5.4 may be updated following the Recovery Plan notification.

Depending on the specific circumstance(s) under which the Recovery Plan is triggered, NBX may have to impose one or more specific restrictions on the redemption of USDM.

Holders will be duly informed about any such restrictions on NBX's Website. Customers will also be informed via their NBX Account or another valid means of communication between NBX and the Customer. For instance, NBX may temporarily impose:

- liquidity fees on redemptions
- limits on the amount of USDM that can be redeemed on any working day – such limit will be set both at aggregate levels (e.g. as a percentage of the entire amount of tokens issued) and at wallet levels
- and/or suspension of redemptions, as a last resort

These restrictions will be implemented during periods of market stress and NBX will work to restore normal operating conditions – subject to regulatory requirements – in collaboration with the FSA.

5.5 Redemption Plan

In accordance with Article 55 of MiCA, NBX will provide a Redemption Plan to the FSA within six months of the date of making USDM available in the EEA. The Redemption Plan is an operational plan to support the orderly redemption of USDM in circulation. This section may be updated following filing of such a Redemption Plan.

The Redemption Plan will be triggered upon a decision by the FSA, if NBX is unable or likely to be unable to fulfill its obligations, including in the case of insolvency, resolution, or the withdrawal of authorisation of NBX as an E-Money Institution. The processes set forth in the Redemption Plan will be established with a view of ensuring the equitable treatment of all holders and the protection of the right of redemption attached to USDM as described above.

If the FSA triggers the implementation of the Redemption Plan, any individual claim under Section 5.1 above will be suspended. Instead, NBX will commence the orderly redemption for all token holders in an equitable manner, subject to the Redemption Plan and in collaboration with the FSA.

As part of this process, a notice will be published informing all USDM holders about the process and timelines to submit their redemption claim. Specifically, the notice will describe the main steps of the redemption process, including the exact date and time when the redemption plan has been activated, the minimum information necessary to file a redemption claim, where the claim should be filed, and the time frame within which USDM holders are required to file their claim. The notice will also contain important information regarding redemption conditions and technical support.

Redemption requests will be subject to certain eligibility criteria described in the NBX USDM Terms of Service, and as further specified in the Redemption Plan, including their identity, their token holdings, AML/CFT compliance, their bank account details, and other information required to file their redemption request.

5.6 Complaints & Disputes

Customer support

If you have a complaint, please first contact NBX at support@nbx.com, or visit the NBX Support Portal.

Description of the complaints-handling procedures

Holders can file a complaint by leaving a message at the contact number or filing it through the customer support email address or NBX Support Portal. Upon receiving a complaint, the Customer Support Team member will log the case and escalate it to a Customer Support Manager. The Customer Support Manager is responsible for reviewing the details of the complaint. If appropriate, all details and data will be compiled and escalated to the Compliance Officer. When such an escalation occurs, Compliance is responsible for investigating the case and working towards closure. If escalated to Compliance, all communications with the customer will be instructed by the Compliance team.

The Customer Support Team will remain actively involved in any customer complaint or service requirement and serve as a first line of support and an advocate for customers prior to any internal escalation.

	1st level	2nd level escalations	3rd level escalations
Customer Complaints	Customer Support Team	Customer Support Manager	Compliance Department
Complaints For Fraud	Customer Support Team	Customer Support Manager	Compliance Department
Technical Issues	Customer Support Team	Tech Support	Tech Manager
Claim Management	Customer Support Team	Customer Support Manager	CFO

5.7 Protection scheme

Protection of the value of the USDM

As a MiCA compliant regulated e-money token, USDM tokens issued in the EU are fully backed by an equivalent amount of USD-denominated assets held by NBX with regulated financial institutions in segregated accounts apart from NBX's corporate funds, on behalf of, and for the benefit of, USDM holders.

Applicable Law

The rights and obligations of EEA residents arising out of the use or ownership of USDM will be governed by the laws of Norway.

Competent court

Any dispute concerning the rights and obligations of EEA residents arising out the use or ownership of USDM shall be brought exclusively to the District Court of Ringerike, Asker and Bærum (Ringerike, Asker and Bærum Tingrett), Norway except where prohibited by Applicable Laws.

6 The underlying technology

6.1 Distributed Ledger Technology

Distributed Ledger Technology ("DLT") refers to a digital system for recording transactions in which the transactions and their details are recorded in multiple places at the same time. Unlike traditional databases, distributed ledgers have no central data store or administration functionality. Instead, the ledger is decentralized, and consensus on the transactions is achieved through a process that involves multiple nodes, each maintaining its own copy of the ledger. The benefits of DLT include increased transparency, enhanced security, improved traceability, and greater efficiency of transactions.

One of the most well-known forms of DLT is a blockchain, which is a subtype characterized by its use of a chain of blocks to manage the ledger. Each block contains a list of transactions and is cryptographically linked to the previous block, ensuring that the data once recorded, cannot be altered retroactively without altering all subsequent blocks. Blockchains also introduce features like smart contracts used by Moneta, notably to automate and enforce pre-defined transactions and logic through code, thereby reducing the need for intermediaries and further boosting efficiency.

Blockchains offer significant benefits for consumer choice and interoperability as well. Consumers have the advantage of accessing the open-source code of these blockchains such as Cardano, allowing them to review, verify, and select the platform that best suits their needs. This transparency empowers users to make more informed decisions. Additionally, the open nature of blockchains promotes interoperability, meaning that any type of application that follows the same technical standards can integrate with the blockchain without anyone's permission. This flexibility enables a wide range of applications to work seamlessly together, fostering innovation and making it easier for different services to connect and interact within the blockchain ecosystem.

6.2 Protocols and Technical Standards

Moneta, which has developed USDM on the Cardano blockchain, is also the owner of the smart contracts that form the basis for USDM.

USDM is created and destroyed on the blockchain using smart contracts and a set of rules called the Minting Policy. The smart contracts ensure that everything occurs according to the rules. On the Cardano blockchain, the ledger itself tracks USDM movements as well as token creation. This makes the entire process of creating and managing USDM efficient, transparent, and secure.

In summary, these smart contracts constitute an automated system that generates new USDM when the necessary security is in place and ensures that each USDM is fully backed.

- The Control Validator contract manages changes from the owner, such as upgrades to the smart contracts.

- The Count Validator contract keeps track of and regulates the USDM in circulation. This contract uses an oracle (Charli3) to verify that the total number of USDM after a minting/release matches or is less than the sum of USD in the USDM Reserve.

NBX does not have any ability or obligation to prevent or mitigate attacks or resolve any other issues that might arise with the Cardano blockchain. Any such attacks or delays might materially delay or prevent USDM holders from sending or receiving USDM, and NBX shall bear no responsibility for any losses that result from such issues.

In certain circumstances, including, but not limited to, a copy or fork of the Cardano blockchain or the identification of a security issue with it, NBX may be forced to suspend all activities relating to USDM (including tokenizing USD for USDM, redeeming USDM for USD, or sending and receiving USDM) for an extended period of time until such downtime is over and USDM Services can be restored (the "Downtime"). This Downtime will likely occur immediately upon a copy or fork of the Cardano blockchain, potentially with little to no warning, and during this period of Downtime USDM holders may not be able to conduct various activities involving USDM.

USDM holders are informed that NBX and Moneta reserve the right to migrate USDM to another blockchain or protocol at their reasonable discretion, including for security, scalability, or regulatory compliance reasons. In such cases, USDM holders will be duly informed via the NBX Website and provided with clear instructions on how to migrate their USDM holdings to the updated list of USDM Supported Blockchains. NBX shall not be liable for any damages, losses, costs, fines, penalties, or expenses of any kind, whether or not foreseeable, resulting from a holder's failure to complete such a migration within the specified timeframe.

In addition, NBX and Moneta reserve the right to issue USDM on additional blockchains in parallel with Cardano, thereby enabling multi-chain issuance. In such cases, USDM holders will be provided with detailed information regarding supported networks, applicable issuance processes, and any blockchain-specific redemption or operational considerations. This information will be disclosed in accordance with Article 6(7)(c) of Regulation (EU) 2023/1114 (MiCA), either through an updated version of this White Paper or via a separate public notice published on the official NBX website and submitted to the Financial Supervisory Authority of Norway as required. Where relevant, operational guidance will also be provided through users' NBX platform accounts.

7 Risks

7.1 Issuer-Related Risks

As part of the USDM issuing process, NBX is exposed to several risks:

Bankruptcy Risks: This is the risk of NBX going bankrupt, which could result from the insolvency of NBX as part of its activities, the failure of a bank, or other systemic financial risks that could impact the operations and financial solvency of NBX.

Contract termination risk: The risk that the contract between Moneta and NBX is terminated and NBX ceases to function as issuer of USDM in the EEA.

Conflict of Interest Risks: USDM is issued in a dual-issuer structure, with Norwegian Block Exchange AS (NBX) acting as the issuer within the European Economic Area (EEA) and Moneta Digital LLC issuing USDM outside the EEA, including in the United States.

Although NBX and Moneta currently cooperate under a coordinated operational framework, there remains a potential for future conflicts of interest to arise. These may include, but are not limited to:

- Diverging commercial incentives between NBX and Moneta in relation to the issuance, redemption, or pricing of USDM;
- Operational disagreements affecting minting, burning, or liquidity provisioning processes;
- Strategic decisions by one issuer that may impact the token's stability, reputation, or redeemability under the control of the other;
- Legal or regulatory actions in one jurisdiction potentially affecting obligations or liabilities of the other issuer.

NBX has established internal controls, governance procedures, and contractual frameworks intended to mitigate the risk of misalignment or conflict. However, such risks cannot be eliminated entirely. Should a material conflict arise, NBX will act in accordance with applicable EEA law and prioritise its regulatory obligations under MiCA and national financial legislation, including the protection of USDM holders' rights within the EEA.

Structural Segregation Risk Mitigation:

The dual-issuer structure operates with fully segregated reserves and distinct legal redemption obligations. The EU NBX USDM Reserve is not available to satisfy redemption claims relating to USDM issued by Moneta, and vice versa.

Operational procedures ensure that any cross-issuer redemption request is settled through prior inter-reserve transfer before execution, thereby preventing liquidity contagion between issuer reserves.

Third-Party Risks: This is the risk NBX faces in its business relationships with one or more third parties. The ability of NBX to properly carry out its activities relies on the functioning of services provided by several third parties, such as banks providing safeguarding and settlement accounts. The inability by these third party service providers to carry out their activity could affect NBX's ability to properly issue, manage, and redeem USDM. Third parties can elect to support USDM on their platforms without any authorization or approval by NBX or anyone else. As a result, USDM support on any third-party platform does not imply any endorsement by NBX that such third-party services are valid, legal, stable or otherwise appropriate. NBX is not responsible for any losses or other issues you might encounter using USDM on non-NBX platforms.

Market Risks: This is the risk that USDM Reserves may include assets that are not guaranteed to be readily saleable (such as certain short-term financial securities). In that case, if there is an exceptionally high demand for redemption of USDM, NBX may not be able to fulfill all the redemption requests within the timeframe provided by the NBX USDM Terms of Service.

Risk of Loss: This is the risk of loss caused by fraud, theft, misuse, negligence, or improper administration of USDM or USDM Reserves.

Anti-Money Laundering/Counter-Terrorism Financing Risks: This is the risk that crypto-asset wallets holding USDM or transactions in USDM may be used for money laundering or terrorist financing purposes or identified to a person known to have committed such offenses.

Personal Data Risks: This is the risk that the personal data of NBX customers may be leaked or stolen due to a security breach.

Risks Related to NBX's Business Activities and Industry: This is the risk that results from NBX operating in a rapidly changing, regulatorily fragmented and highly competitive industry.

Legal and Regulatory Risk: NBX is subject to numerous laws and regulations, and may fail to comply with such laws and regulatory requirements of the jurisdictions that we operate in, we could be subjected to investigations, enforcement actions, and penalties. NBX could also be subject to private litigation.

Internal Control Risk: Any failure to develop or maintain effective internal controls or any difficulties encountered in the implementation of such controls or their improvement could harm NBX's business, causing NBX to have to report such failures and lead to a loss of trust in the business.

Environmental, Social, and Governance Risks: NBX issues USDM on the Cardano blockchain. Cardano use Proof-of-Stake in which the environmental impacts are very limited compared to Proof-of-Work. In the future, environmental regulations affecting consensus mechanisms may restrict NBX's ability to issue USDM if sustainability impact is considered too negative.

7.2 Token-Related Risks

The USDM token also exposes its holder to several risks:

Secondary Market Price Dislocation Risk: This is the risk that the market value of USDM on any future secondary markets is not stable compared to the USD. This price dislocation could be caused by various factors, such as the under-collateralization risk and the liquidity risk (see below).

Risk of Under-Collateralisation: This is the risk that, due to fraud or mismanagement (by either NBX or a third-party provider), the reserve of assets that guarantees the redeemability

of USDM becomes lower than the outstanding quantity of USDM. That risk would likely cause a price dislocation of the market value of USDM (see above) and affect the ability of NBX to redeem holders at par or in a timely manner.

Liquidity Risk: This is the risk that the USDM Reserves may include assets that are not readily liquidated (such as certain short-term financial securities). In that case, if there is an exceptionally high demand for redemption of USDM, NBX may not be able to fulfill all the redemption requests within the timeframe provided by the Redemption Policy. Such risk could also cause a secondary market price risk (see above).

Scam Risks: This is the risk of loss resulting from a scam or fraud suffered by USDM holders from other malicious actors. These scams include – but are not limited to – phishing on social networks or by email, fake giveaways, identity theft of NBX or its executive members, creation of fake USDM tokens, offering fake USDM airdrops, among others.

Taxation Risks: The taxation regime that applies to USDM purchases and sales by either individual holders or legal entities will depend on each holder's jurisdiction. NBX cannot guarantee that conversions of fiat currency against USDM, or conversions of other crypto-assets against USDM, will not incur tax consequences.

Legal and Regulatory Risk: This risk stems from the fact that e-money tokens and crypto-asset services are unregulated in certain jurisdictions outside of the EU. There is also a lack of regulatory harmonization and cohesion globally which could lead to diverging regulatory frameworks globally and/or an evolution of EU e-money token and crypto-asset rules in the future.

7.3 Technology-Related Risks

Purchasing and using USDM may also expose the holder to technological risks.

Blockchain Risks: The Cardano blockchain network on which USDM is issued may be subject to technical vulnerabilities and be exposed to attacks that could lead to a general network disruption, such as unexpected pauses in transactions, inability to proceed with transfers of USDM, major losses for network participants, or unexpected liquidity movements.

Smart Contract Risks: The smart contracts deployed by Moneta to mint or burn USDM on the Cardano blockchain may be exposed to technical vulnerabilities that could lead to losses for USDM holders.

Settlement Finality or Irrevocability of Blockchain Transactions: Depending on the tools and services providers used to initiate it, USDM transactions may be irreversible. Once you send USDM to a blockchain address, you accept the risk that you may lose access to, and any claim on, that USDM indefinitely or permanently. For example: (i) a blockchain address may have been entered incorrectly and the true owner of the address may never be discovered, (ii) you may not have (or may subsequently lose) the private key associated with such address, (iii) a blockchain address may belong to an entity that will not return the

USDM, or (iv) a blockchain address may belong to an entity that may return the USDM, but first requires action on your part, such as verification of your identity.

Personal Data Risks: Pursuant to the General Data Protection Regulation ("GDPR"), NBX is required to take all necessary precautions: (i) with regard to the nature of the data collected and the risks presented by the processing of such data, (ii) to preserve the security of USDM holders' personal data and, (iii) in particular, to prevent such data from being distorted, damaged, or accessed by unauthorised third parties.

Unanticipated Risks: E-money tokens such as USDM 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.

8 Mitigation measures

Regarding the different risks identified in Sections 7.1, 7.2, and 7.3, NBX implements appropriate measures to mitigate these risks and protect its customers:

8.1 Mitigation measures concerning issuer-related risks

Bankruptcy Risks: While there is no legal precedent, NBX's bankruptcy should have no impact on the rights of USDM holders. If NBX goes bankrupt, the USDM Reserves are protected by Applicable Law and cannot be used to compensate NBX's other creditors. Bank accounts used by NBX for the USDM Reserves are safeguarded from NBX's creditors as provided by Applicable Law. Any USDM will be refunded to its holders as part of NBX's bankruptcy proceedings, without the holder necessarily having to file a claim for compensation.

Contract termination risk: If the contract between Moneta and NBX is terminated and NBX ceases to function as issuer of USDM in the EEA, NBX will announce this via press release and on our website. Customers holding USDM on their NBX-account will be informed directly via e-mail and/or push notification in the NBX App. Any holders of USDM issued by NBX may choose to redeem their USDM through NBX before the contract expires. USDM issued by NBX that are not redeemed before the contract expires must be redeemed directly through Moneta. At the time of expiration of the contract, NBX will transfer the remaining funds in the EU NBX USDM Reserve to the Moneta USDM Reserves, and halt all issuance and redemption of USDM.

Third-party Risks: When NBX relies on a third party to provide services that are important to USDM, NBX generally enters into an agreement containing specific clauses ensuring that the service provider cannot terminate the business relationship without notice. Some of these agreements (such as the agreements concerning the safeguarding accounts used to invest the USDM Reserves) are also subject to regulatory obligations. In addition, NBX implements internal procedures whose purpose is to limit disruption in case an important service provider terminates an agreement or becomes unable to provide its services to NBX.

Finally, third parties with whom NBX has contracts are subject to due diligence procedures to ensure their financial viability and to limit any other risks of non-compliance.

Conflict of Interest Risks: To mitigate the risk of conflicts of interest between NBX and Moneta, a formal cooperation agreement governs their respective roles, including issuance, minting, and redemption procedures. This agreement includes operational protocols, dispute resolution mechanisms, and coordination obligations designed to ensure alignment with the interests of USDM holders. Furthermore, NBX maintains internal governance controls to ensure that its duties under MiCA and Norwegian financial law are fulfilled independently of any commercial arrangements with Moneta. Should a material conflict arise, NBX will notify the Financial Supervisory Authority of Norway and implement any necessary steps to protect the rights of EEA-based USDM holders.

Market Risks: NBX's systems and procedures are set up in a way that ensures that USDM redemptions will occur in the timeframe set out in the NBX USDM Terms of Service, even if volatility in crypto-asset markets causes a significant increase in redemption requests.

Risks of Loss: The redemption right of eligible USDM holders remains even if NBX suffers a loss at the level of the safeguarded assets. In compliance with Applicable Law, NBX is well-capitalized and funded and, as an electronic money institution, NBX is subject to regulatory capital and own funds requirements. In case the loss exceeds NBX's ability to redeem the USDM holders, the Recovery Plan or a Redemption Plan will be triggered.

AML/CFT Risks: Each USDM redemption request to NBX or one of its distributors requires the holder to comply with the laws and regulations applicable to anti-money laundering and counter-terrorist financing in the EU. Moreover, if NBX determines that USDM transactions linked to public addresses are likely to be associated with criminal offenses, NBX may decide to blacklist such addresses and tokens associated with those. Also, if NBX receives an injunction from a competent authority to freeze NBX-accounts holding USDM, NBX will comply with such a request.

Personal Data Risks: Pursuant to GDPR, NBX is required to take all necessary precautions with regard to the nature of the data and the risks presented by the processing of such data, to preserve the security of USDM holders' personal data and, in particular, to prevent it from being distorted, damaged, or accessed by unauthorised third parties.

8.2 Mitigation measures concerning the token-related risks

Secondary Market Price Dislocation Risk: NBX expects that any disparity between USDM price and USD on secondary markets would be promptly resolved by market participants (i.e. buying USDM for less than 1 USD on the secondary market and redeeming it at par value with NBX), as any participant will be entitled to redeem at par with NBX. Otherwise, if the price dislocation is caused by an inadequacy of the USDM Reserves or other liquidity issues, NBX will apply the measures set out in its Recovery Plan or Redemption Plan.

Risks of Under-Collateralisation: If the USDM Reserves become lower than the outstanding quantity of USDM in circulation, NBX will apply the measures set out in its

Recovery Plan or Redemption Plan. These plans include measures that could resolve the under-collateralization through (for example) a strengthening of NBX's capital position.

Liquidity Risk: NBX will implement a Redemption Policy designed to ensure the prompt redemption of USDM and to respond to scenarios of extreme demand for redemption in unfavorable market conditions.

Scam Risks: NBX cannot prevent attempts to defraud or scams in connection with USDM. The general terms and conditions relating to USDM issuance specify that NBX is not liable for this type of loss. From time to time, NBX will inform its clients of such risks through various channels.

Taxation Risks: The tax consequences of USDM transactions should be assessed at the level of each USDM holder. It is the sole responsibility of USDM holders to address taxation risks in consideration of their personal situation. NBX does not provide, nor accepts responsibility for, any legal, tax or accounting advice. If USDM holders are unsure regarding any of the legal, tax or accounting aspects of their situation regarding USDM, they should seek independent professional advice.

8.3 Mitigation measures concerning technology-related risks

Blockchain related Risks: While risks exist for all blockchain networks, the Cardano blockchain network used by NBX to issue USDM is recognized for its high level of security and have generally withstood major events without interruption to its normal functioning.

Smart Contract Risks: To reinforce the resilience of the smart contracts for USDM issuance, Moneta has released a thorough independent audit of its smart contracts. In the event of a modification to the source code, the smart contract is audited again to ensure that no potential security exploit can be used to fraudulently use the USDM mint or burn system or to circumvent its initial use by other means.

Settlement Finality or Irrevocability of Blockchain Transactions: NBX cannot prevent blockchain transactions from being irreversible and in many cases, will not be able to mitigate this risk, irrevocability being also a major security element of blockchain networks. NBX will not be held liable for this type of loss. From time to time, NBX will inform its clients of such risks through various channels of communication.

9 Identification of issuers and trading venues

USDM is issued by Norwegian Block Exchange AS (NBX) within the European Economic Area (EEA), under its license as an electronic money institution. Moneta Digital LLC acts as the issuer of USDM outside the EEA, including in the United States, and is not involved in the issuance of USDM in the EEA.

Within the EEA, NBX is the sole entity responsible for the issuance, redemption, and maintenance of USDM in accordance with Regulation (EU) 2023/1114 (MiCA).

USDM is currently listed for trading on the NBX platform. The following trading pairs are available: ADA/USDM, PALM/USDM, HOSKY/USDM, BTC/USDM, USDM/EUR, and USDC/USDM. NBX reserves the right to add or remove trading pairs involving USDM at its discretion. These actions do not affect the rights of USDM holders to redeem their tokens through NBX.

Beyond secondary market trading, NBX provides primary minting and burning functionality for USDM directly against USD account money. These functions are available to all eligible customers on the NBX platform and operate in accordance with the redemption and issuance procedures set out in this white paper.

Separately, as a Cardano Native Token (CNT), USDM is freely transferable on the Cardano blockchain and may be traded on decentralized exchanges (DEXs) within the Cardano ecosystem. These include, but are not limited to, Wingriders, Minswap, Sundaeswap, VyFi, Genius Yield, Splash, and Satrunswap. NBX does not control or oversee trading activity on decentralized platforms and does not endorse or assume responsibility for the listing or use of USDM on such services.

10 Climate and other environment-related adverse impacts

NBX acting as the issuer of USDM, is providing information on principal adverse impacts on the climate and other environment-related adverse impacts of the consensus mechanism used to validate transactions in USDM and to maintain the integrity of the distributed ledger of transactions. The consensus mechanism used by the Cardano blockchain is Proof of Stake (PoS), which is energy efficient compared to traditional Proof of Work systems and thus contributes to lower carbon emissions.

Data is based on the Cardano Sustainability 2024 report by Crypto Carbon Ratings Institute [CCRI](#). Data is only for the Cardano Blockchain as USDM is currently only available on Cardano:

Type	Adverse Sustainability Indicator	Metric
Energy	Energy consumption	0.191975 watt per TPS.
	Non-Renewable energy consumption	69.12% (assuming we can use statistics similar to rest of Cardano network)
	Energy Intensity	0.000168 kWh
GHG emissions	Scope 1 - Controlled	0 t
	Scope 2 - Purchased	244.448 t
	GHG intensity	0.0000597 kg
Waste production	Generation of waste electrical and electronic equipment (WEEE)	8.26 t
	Non-recycled WEEE ratio	51.93 %

	Generation of hazardous waste	0.004237 t
Natural resources	Impact of the use of equipment on natural resources	As per CCRI 2024 Cardano sustainability report: "Natural resources may include water usage, fossil fuels, or critical raw materials. Water usage is relevant for data center operations directly for cooling and indirectly through electricity consumption which is not based on wind or solar (Mytton 2021). Consequently, electricity consumed which is not based on wind or solar may also cause water usage during the production and disposal of hardware. Similarly, fossil fuel usage is relevant for the production, use and the disposal of hardware whenever electricity is used since electricity consumption from fossil fuels still accounts for over 60% of global electricity production (IEA 2023). Critical raw materials are specifically relevant in the production of hardware as electrical and electrical and electronic equipment typically depend on technology metals that are classified as critical (Chancerel et al 2015). Extensive data collection is required to quantify the impact on water usage, fossil fuel usage, and critical raw materials of the devices of DLT network nodes. Thus, the impact on natural resources, such as water, fossil fuels, and critical raw materials of the production, the use and the disposal of the devices of the DLT network nodes is influenced by the amount of energy consumed, by the type of sources used to generate electricity and by the amount of hardware required by the network. For instance, the water consumption during the use phase of the Cardano network amounts to 3,646.37 kiloliters."

As of 27. June 2025, according to public data of the blockchain through [Adastat.net](https://adastat.net), there have been 268086 transactions of USDM on the Cardano blockchain. This is equivalent to roughly 45 kWh of energy usage (number of transactions times energy intensity). Of these transactions, 138 have been minting or burning transactions. This is the equivalent of roughly 0.023 kWh of energy usage.