

Quantoz Payments B.V.

EURD White Paper

(Articles 51 to 53 of [MiCA regulation](#))

This white paper was notified to *De Autoriteit Financiële Markten (AFM)* on August 1st, 2024, and amended on October 10th, 2024.

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I.01	Date of notification	<p>2024-08-01. This white paper was notified to <i>De Autoriteit Financiële Markten (AFM)</i> on August 1st, 2024, and amended on October 10th, 2024.</p>

I.02	Regulation (EU) 2023/1114	This e-money token (" EMT ") white paper (" White Paper ") has not been approved by any competent authority in any Member State of the European Union (" EU "). The issuer of the crypto-asset is solely responsible for the content of this White Paper.
I.03	Compliance statement in accordance with Article 51(5) of Regulation (EU) 2023/1114	This White Paper complies with Title IV of Regulation (EU) 2023/1114 and to the best of the knowledge of the management body, the information presented in the White Paper is fair, clear and not misleading and the White Paper makes no omission likely to affect its import.
I.04	Warning in accordance with Article 51(4), points (a) and (b) of Regulation (EU) 2023/1114	The e-money token EURD (" EURD ") issued by Quantoz Payments B.V. (" Quantoz Payments ") is not covered by the investor compensation schemes under Directive 97/9/EC. EURD is not covered by the deposit guarantee schemes under Directive 2014/49/EU.

	Executive Summary	
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I.05	Warning in accordance with Article 51(6), second subparagraph of Regulation (EU) 2023/1114s	<p>This executive summary should be read as an introduction to the White Paper.</p> <p>The prospective holder should base any decision to purchase EURD on the content of the White Paper as a whole and not on this summary alone.</p> <p>The offer to the public of EURD does not constitute an offer or solicitation to purchase financial instruments and any such offer or solicitation can be made only by means of a prospectus or other offer documents pursuant to the applicable national law.</p> <p>This White Paper does not constitute a prospectus as referred to in Regulation (EU)</p>
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		2017/1129 of the European Parliament and of the Council (36) or any other offer document pursuant to EU or national law.
I.06	Characteristics of the crypto-asset	<p>EURD is a euro-backed stablecoin issued by Quantoz Payments. It is classified as both electronic money and an electronic money token, designed to maintain a stable value equivalent to the euro. This stability is achieved through a pegging mechanism, with each EURD token fully backed by equivalent euro reserves. To ensure that the funds are segregated from Quantoz Payments's assets, the funds are held by Stichting Quantoz (hereafter Quantoz Foundation), a bankruptcy remote setup which will ensure that customer funds are fully ringfenced from any potential liquidation. Quantoz Payments and Quantoz Foundation are subject to prudential supervision by DNB, subject to the EMI license of Quantoz Payments.</p> <p>EURD is issued on the Algorand blockchain as a Algorand Standard Asset (ASA) token.</p>
I.07	Right of redemption	<p>Holders of the EURD e-money tokens have the right of redemption at any time and at par value, under the conditions that the holder signed up to create an account with Quantoz Payments and provided valid KYC/AML and bank details. Redemptions can only be done through Quantoz Payments by using the Quantoz Payments applications. The Quantoz Payments applications can be used at no costs.</p> <p>Quantoz Payments distinguishes between business users and consumer users. Business users are merchants that supply goods/services paid for by consumer users with EURD. Business users may redeem any amount in EURD for fiat money, including EURD not obtained by them directly from Quantoz Payments (but obtained from consumer users or other business users). Where consumers wish to redeem more EURD than they have acquired directly from Quantoz Payments, the redemption process may be subject to additional KYC and AML controls. Consumers will be notified by the Quantoz Payments applications when additional information, such as passport or source of funds declarations are required.</p>

		The right of redemption, including its conditions and processes, is stated in the terms and conditions found on the Quantoz Payments website: https://quantozpay.com/terms/
I.08	Key information about the offer and/ or admission to trading	<p>EURD is an e-money token (EMT) issued exclusively by Quantoz Payments. Pursuant to Article 48(2) MiCA, all EMTs representing the value of an official currency of a Member State of the European Union are automatically deemed to be offered to the public upon issuance. Therefore, EURD is always considered to be offered to the public, regardless of where a potential holder might purchase or receive it.</p> <p>There is a cap on the total amount of EURD available to the public of 10.55T EURD. The issue price of EURD is always set at a 1:1 ratio with the euro, meaning each EURD token is priced at one euro. Quantoz Payments does not charge fees for issuing and a fixed one-euro fee for the EURD payout to cover banking costs.</p> <p>The specific maximum acquiring, and redemption limits depend on the KYC, AML and financial information provided by the holder and are described in par 28 of our terms and conditions https://quantozpay.com/terms/</p>

	PART F - INFORMATION ON THE RISKS	
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F.1	Issuer-Related Risks	<p>Regulatory Risk</p> <p>The legal and regulatory landscape surrounding e-money tokens is still evolving, potentially subjecting customers to uncertain or fluctuating rules and requirements. To mitigate this risk, Quantoz Payments is committed to maintaining transparent communication with relevant regulatory authorities and advisors, seeking guidance and clarification on evolving regulations. By closely monitoring regulatory changes, Quantoz</p>
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		<p>Payments can stay informed about any new rules or requirements that may impact its operations. In addition, there is also a risk of potential regulatory arbitrage, wherein competitors may exploit differences in regulatory requirements across jurisdictions to gain a competitive advantage. This could pose challenges for Quantoz Payments in terms of maintaining a level playing field. To address this risk, Quantoz Payments will closely monitor regulatory developments in various jurisdictions and proactively engage with regulatory authorities to ensure compliance with the current regulations. Quantoz Payments will assess the regulatory frameworks to identify any potential gaps or inconsistencies that could be exploited by competitors and will take appropriate measures to mitigate such risks. Quantoz Payments engages reputable independent legal counsel to seek advice and ensure continued compliance with applicable regulations.</p> <p>Conflict of Interest risk</p> <p>In addition to EURD, Quantoz Payments issues two other electronic money tokens, EURQ and USDQ, which may lead to potential conflicts of interest between the tokens. The introduction of more e-money tokens in the future could further amplify these risks. To address this, Quantoz Payments must ensure careful management and balance of its commitments, so that the interests of each token holder are fairly represented.</p> <p>Bankruptcy risk</p> <p>Although the risk is very small given that Quantoz Payments and the financial partners it works with are supervised by DNB and meet strict prudential requirements, Quantoz Payments could go bankrupt, or face problems if one of its partner banks goes bankrupt. The management team runs the company in a professional manner, acts honestly and fairly and is assessed by the supervisory board and has implemented procedure to monitor financial performance of the company and its financial partners.</p> <p>Treasury Risk</p>
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		<p>Treasury risk encompasses the potential for adverse financial impacts resulting from fluctuations in interest rates, foreign exchange rates, credit spreads, and other financial variables. For e-money issuers, treasury risk primarily relates to the management of their asset portfolios and exposure to various financial instruments. Given that Quantoz Payments is required to comply with MiCAR requirements regarding the safeguarding of funds received in exchange for e-money tokens, Quantoz Payments may only invest in secure, low-risk assets that qualify as highly liquid financial instruments with minimal market risk, credit risk and concentration risk and denominated in Euro. However, for instance, fluctuations in interest rates could impact the value of such financial instruments (including bonds), potentially resulting in situations where instruments will be sold at a loss. This risk is particularly pertinent during scenarios like a bank run, where customers seek to liquidate all of their EURD simultaneously. In such instances, Quantoz Payments may be forced to liquidate the relevant assets at a loss or temporarily set daily redemption limits.</p> <p>Reputation Risk</p> <p>There exists the potential for negative public perception or a loss of trust in Quantoz Payments or EURD itself, which could adversely affect its reputation and credibility. To mitigate this risk, Quantoz Payments maintains a robust governance framework and adheres to high ethical standards across all aspects of its business operations. This includes a commitment to transparency and full compliance with all relevant regulations, ensuring accountability and trustworthiness in its practices. Quantoz Payments engages reputable third-party auditors to conduct regular audits, verifying its adherence to industry standards and best practices. This not only adds credibility to the Issuer but also enhances its reputation in the eyes of stakeholders. Furthermore, Quantoz Payments recognizes the inherent risks associated with conducting business with customers or third parties engaged in money laundering or corrupt practices. Such associations can significantly damage Quantoz Payments' reputation and credibility. To mitigate this risk effectively, Quantoz Payments has implemented rigorous Know Your Customer (KYC) and Anti-Money Laundering (AML) rules and practices.</p>
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		<p>Compliance Risk</p> <p>In the context of banking and financial services, compliance risk encompasses various regulatory requirements related to anti-money laundering (AML), know-your-customer (KYC) rules, counterterrorism financing (CTF), consumer protection laws, data privacy regulations, and other applicable statutes. To mitigate compliance risk, Quantoz Payments implements robust compliance programs, including regular monitoring, risk assessments, and the establishment of effective control mechanisms. Additionally, maintaining open communication with regulators, staying abreast of regulatory developments, and conducting periodic compliance audits are essential components of managing compliance risk effectively. When using public blockchains each transaction on a new block requires a small transaction fee in the native blockchain currency. The fees are collected by the mining/validator nodes. Based on the used decentralized protocol, in theory the mining of a new block could be done by a sanctioned entity. In that case these transaction fees are paid to a sanctioned entity. This risk is very low in a blockchain with good governing foundation and a consensus protocol using known validator nodes, especially when those nodes require whitelisting.</p> <p>Counterparty Risk</p> <p>Counterparty risk refers to the risk that one party in a financial transaction may default or fail to fulfil their obligations, leading to financial losses for the other party. If Quantoz Payments would become insolvent, the EURD backed fiat currency remains available in Quantoz Foundation. The Quantoz Foundation is exposed to banking risk for the fiat euro deposits held on the bank, wherein its operations rely on the bank's ability to meet its obligations. To mitigate such risk, the Issuer has accounts with multiple banks and conducts regular audits and thorough due diligence of its counterparties to assess their financial stability and risk profiles, ensuring engagement only with reliable and trustworthy entities. Professional legal advisors are also engaged to establish or review contractual agreements with counterparties, clearly outlining terms, conditions, and dispute resolution mechanisms in case of defaults or insolvencies. These measures form part of a comprehensive risk management framework established to identify, monitor,</p>
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		<p>and mitigate counterparty risk, including the development of contingency plans for potential defaults or insolvencies.</p> <p>Third party Risk</p> <p>Quantoz Payments relies on various external service providers, such as banks, to perform essential functions like safeguarding assets and facilitating settlements. This reliance means that if these third parties encounter issues, it could directly impact Quantoz Payments ability to operate effectively. If a third-party service provider fails to deliver its services (e.g., due to technical problems, insolvency, or regulatory issues), this could hinder Quantoz Payments ability to issue, manage, or redeem EURD. This creates a vulnerability where Quantoz Payments operations are contingent on the performance of others.</p> <p>Market Risk</p> <p>Regarding investments (excluding the fiat reserves of at least 30% which are held with credit institutions), their value may vary according to market conditions. As a result, there is a possibility that the 1:1 coverage may no longer be assured. EURD reserves may consist of assets that are not guaranteed to be readily realisable, including certain short-term financial assets. Consequently, if there is an unusually high demand for EURD redemptions, Quantoz Payments may not be able to meet all redemption requests within the timeframe set out in the Redemption Policy.</p> <p>Technology Risk</p> <p>The technology behind EURD, including the blockchain network, might be exposed to potential vulnerabilities and cyber threats. While independent audits have validated the security of these systems, unforeseen vulnerabilities or cyber-attacks could still pose risks to EURD’s integrity. Quantoz Payments conducts regular security audits, continuously monitors for vulnerabilities, and utilizes advanced cybersecurity measures to safeguard the system.</p>
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		<p>Risk of privacy/GDPR breach</p> <p>Personal data of Quantoz Payments customers may be leaked or stolen due to a security breach.</p> <p>Operational Risk</p> <p>Quantoz Payments' efficient operation depends on strong internal processes and systems. Failures or disruptions, such as human errors, system breakdowns, or insufficient internal controls, could negatively impact the issuance and redemption of EURD tokens. Mitigation strategies include regular audits, comprehensive employee training programs, and the deployment of advanced internal control systems.</p> <p>Environmental, Social, and Governance (ESG) Risk:</p> <p>With the growing global focus on ESG factors, failing to uphold sustainable and ethical practices could harm Quantoz Payments' reputation and operations. This encompasses the environmental impact of blockchain activities, social responsibility, and governance standards. To address these risks, Quantoz Payments will adopt sustainable business practices, maintain transparency in governance, and actively engage in social responsibility initiatives.</p>
F.2	Token-Related Risks	<p>Liquidity Risk</p> <p>Liquidity risk refers to the possibility that an e-money issuer may encounter difficulties in meeting its short-term financial obligations due to a lack of sufficient liquid assets or marketability of its assets. For an e-money issuer, liquidity risk primarily arises from the need to fulfil redemption requests from customers who want to convert their e-money tokens back into fiat currency. As Quantoz Payments holds the backed e-money in assets like Euro-backed bonds, in addition to funds that are deposited in separate accounts in credit institutions (amounting to at least 30% of the funds received, as required by MiCAR), there may be challenges in quickly liquidating these bonds to fulfil withdrawal</p>

requests from customers simultaneously. However, government bonds issued by stable governments in major currencies like the Euro are typically highly liquid and can be sold swiftly in active markets.

Risk of Under-Collateralisation

The Risk of Under-Collateralisation refers to the possibility that the assets backing EURD become insufficient to meet redemption obligations when the reserves intended to support its value fall below the total amount issued and in circulation. This situation may arise due to factors such as fraud, where malicious activities like embezzlement or financial manipulation led to improper reporting or depletion of reserves, and mismanagement, where poor financial practices by Quantoz Payments or its third-party providers result in inadequate oversight of the backing assets. If the market perceives that Quantoz Payments might fail to redeem EURD at its promised value, it could trigger a loss of confidence, causing the market value of EURD to drop significantly and creating a disparity between its issued value and trading price. Ultimately, insufficient collateral could prevent Quantoz Payments from redeeming EURD holders at the promised rate or within a reasonable timeframe, resulting in dissatisfaction and eroded trust among users.

Technological Risk

Any technical issues, vulnerabilities, or failures in the Algorand blockchain network could affect the functionality and transferability of EURD tokens. Quantoz Payments continuously monitors the performance of the Algorand network.

Market Risk

EURD value and demand may be affected by overall market conditions and may affect the liquidity and stability of EURD.

Taxation Risk

		<p>The taxation regime that applies to EURD transactions will depend on each holder's jurisdiction. Transactions involving EURD may have tax consequences.</p> <p>Scam Risks</p> <p>EURD holders may suffer scam or fraud actions including phishing, identity theft, fake EURD tokens from malicious actors.</p>
F.3	Technology-Related Risks	<p>Reliance on third-party infrastructure</p> <p>EURD relies on third-party blockchain networks and service providers to operate. Disruptions, outages, or security breaches in these third-party services could impact EURD's functionality and security. Forging strong partnerships with reputable third-party providers and developing contingency plans to address potential disruptions mitigates these risks.</p> <p>Blockchain Risk</p> <p>The most important risk Quantoz Payments is subject to is blockchain risk. Blockchain risk for an e-money issuer refers to the potential challenges, vulnerabilities, and uncertainties associated with utilizing blockchain technology in the issuance, management, and transfer of e-money tokens.</p> <p>The blockchain risk consists of several components:</p> <ul style="list-style-type: none"> • <i>Operational availability:</i> As any technology application a blockchain could experience technical issues that disrupt availability. However, because of the distributed nature (preventing cyberattacks) and strict review process on the source code (preventing software bugs) blockchains in general show a very robust availability. In practice blockchain applications are typically more reliable than traditional banking applications (availability >> 99,9%).

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| | <ul style="list-style-type: none">• <i>Algorand blockchain hack:</i> Although the risk is very low, a hack of the Algorand blockchain would lead to a loss of trust in the Algorand foundation and its technology. It would also hinder Quantoz Payments's operations, but no information or value would get lost. The fiat money is in the trusted bank account of the Quantoz Foundation, and the user's balances and transactions are available in the Nexus system.• <i>Discontinuation of service:</i> Theoretically a public blockchain could lose community support with decreasing development effort and foundation funding, and a decreasing number of validator nodes as result. The public blockchain consensus will no longer be reliable. Two possible exit scenarios could be to start running the blockchain privately (Quantoz Payments forks the public blockchain and starts running private blockchain nodes) or to migrate to an alternative blockchain (Quantoz Payments "burns" the tokens on the original blockchain and re-issues the tokens on the new blockchain). The transaction history remains available in the Nexus database of Quantoz Payments, independent of the used blockchain.• <i>Risk of malicious use of software bugs:</i> The core code of the blockchain nodes is open source and follows a strict review process before being published for production. At the same time a bug in a blockchain can be very attractive for hackers and there will be continuous attempts to find weaknesses. As a result, blockchain applications are the best tested and best reviewed software in existence, and all stakeholders have incentives and means to check, prevent and fix vulnerabilities. Almost all known past blockchain exploits have not been on the core blockchain code, but in smart contract applications running on the core. Quantoz Payments uses no smart contracts for the EURD e-money token issuing and payment transactions but applies blockchains with native support for tokenized assets in the core code.• <i>Risk of blockchain scalability and economics:</i> Public blockchains have a limitation on the maximum transaction throughput. When a blockchain is very |
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popular it could reach its technical limits. This will result in rising transaction fee costs for getting transactions on the next blockchain block. This risk is mitigated by the fact that Quantoz Payments by default uses blockchains that have a high throughput to start with (hundreds/thousands of transactions per second without history of congestion). Furthermore, Quantoz Payments technically supports multiple blockchains and can decide to migrate to an alternative blockchain or sidechain.

- *Risk of stolen private keys:* When the private key of a customer account is stolen, it can be used to transfer the e-money tokens from that customer to other accounts. However, as Quantoz Payments only allows tokens to exist on addresses of known customers, and the tokens in itself do not represent a value (as the real value is safely stored on a trust bank account), the stolen tokens cannot "disappear" or being cashed-out outside of the supervision of Quantoz Payments.
- *Loss of keys by customers:* When consumers or merchants do manage their own keys, as they do with self-managed accounts, a loss of their private key can be handled by Quantoz Payments by closing their account and re-issuing their e-money tokens to a new account.
- *Loss of keys by Quantoz Payments:* Quantoz Payments has certified security and backup procedures in place. Keys are only accessible by security assigned personnel. Furthermore, Quantoz Payments uses deterministic key generation. Therefore, the original (offline held) seed codes can be used to reconstruct all private keys. Integrity and confidentiality of seed codes breached: The seed codes of the used primary keys are protected using the Azure key vault service. This provides extreme secure storage. When the integrity and confidentiality of the seed codes would still be breached, the consequences are limited and can be mitigated. Using the seed codes, a transaction of an internal customer account

directly on the blockchain could be created. However, as all transactions would normally be created through Quantoz Payments, such an act is detectable.

- *Risk of privacy/GDPR breach:* Quantoz Payments only stores payment transactions and no transaction containing personal data of its users on the blockchain. On top of that, Algorand separates erasable from non-erasable data and guarantees the post-erasure integrity of a block by separately storing the hash of any erasable data. This makes Algorand a GDPR compliant blockchain protocol. Theoretically it is possible to use big data analytics to follow the transaction flows on public blockchains. By knowing their own blockchain account address and following their own transactions when interacting with other known customers, malicious customers of Quantoz Payments could in time map specific addresses on the blockchain with specific merchants and/or consumers. To prevent such analytics, Quantoz Payments has multiple options to enhance privacy.
- *Risk of 51% attack:* At all-time a "51%-attack" needs to be prevented where a single entity dominates the validation and can influence the addition (and rejection) of new transactions. This risk is small for the reputational blockchains with a well-established governing foundation, active and diverse user community and substantial transaction volume. In that case all blockchain participants and stakeholders are motivated to support the consensus model. During the last 10 years of blockchain applications no successful 51%-attack on such blockchain is known of.
- *Risk of double-spending/orphan transactions:* Some consensus models store confirmed transactions on the blockchain which are not immediately 100% firm, but theoretically could still be overruled (double-spending) in the next few blocks. As a result, the receiver of such transaction should wait up to an hour before being sure of owning the received tokens. This is not practical for an e-money payment system. Therefor Quantoz Payments only uses blockchains with a consensus model where transactions are final at first confirmation on a new

		<p>block. With such models there is no risk of double-spending or orphan transactions.</p> <ul style="list-style-type: none"> • <i>Risk of token usage outside of the whitelisted customer community:</i> The e-money tokens of Quantoz Payments may only be owned or used by customers that are onboarded by Quantoz Payments through an appropriate customer due diligence procedure. Therefore, it should be not possible to send the e-money tokens to blockchain addresses that are not whitelisted by Quantoz Payments as being owned by a specific customer. To mitigate this risk Quantoz Payments uses blockchains that support such functionality on their core protocol level. • <i>Risk of continued use of tokens by blacklisted customers:</i> The e-money tokens of Quantoz Payments may not be used from accounts of customers that have been blacklisted or followed the exit procedure. Therefore it should be possible for Quantoz Payments to freeze the e-money tokens on such accounts and preferably also to be able to clawback these tokens to the issuing account of Quantoz Payments itself. To mitigate this risk Quantoz Payments uses blockchains that support such functionality on their core protocol level. <p>The Algorand blockchain has an excellent reputation, with a 100% uptime since its launch. The use of the Algorand blockchain, combined with our robust risk mitigation measures, allows Quantoz Payments to minimize potential blockchain risks listed above.</p>
F.4	Mitigation measures	<p>Regarding the different risks identified in Sections F.1, F.2 and F.3, Quantoz Payments implements appropriate measures to mitigate these risks and protect EURD holders:</p> <p>Mitigation measures concerning issuer-related risks</p> <ul style="list-style-type: none"> • In the event of Quantoz Payments's bankruptcy, EURD holders' rights are protected by law, ensuring that EURD reserves remain untouched by other creditors and will be refunded during bankruptcy proceedings.

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| | <ul style="list-style-type: none">• The company conducts extensive vendor assessments for third-party service providers per ISO 27001 standards.• Despite market volatility, EURD redemptions are guaranteed according to the Redemption Policy.• EURD holders retain their redemption rights even if the company incurs losses, with contingency plans in place for extreme situations.• To combat AML/CFT risks, transactions are limited to known wallets, with the ability to freeze suspicious transactions as per legal requirements.• Quantoz Payments also adheres to GDPR, ensuring the security and integrity of personal data against unauthorized access or damage. |
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Mitigation measures concerning EURD-related risks

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| | <ul style="list-style-type: none">• Quantoz Payments has outlined several key risks associated with the use of EURD.• To ensure financial stability, our internal procedures aim to maintain reliability under all market conditions.• In cases of under-collateralization, measures from the Quantoz Payments Recovery or Redemption Plan will be implemented to resolve any deficits, potentially by strengthening our capital position.• A Redemption Policy addresses liquidity risks by ensuring prompt redemption, even under extreme demand and unfavorable market conditions.• While Quantoz Payments cannot prevent scams, our terms specify no liability for losses due to fraud, though we can freeze affected EURD. |
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		<ul style="list-style-type: none"> • Taxation risks are the responsibility of individual EURD holders, who should seek independent advice, as Quantoz Payments does not provide legal, tax, or accounting guidance. <p>Mitigation measures concerning technology-related risks</p> <ul style="list-style-type: none"> • Blockchain related Risks. While risks exist for all blockchain networks, the Algorand network is recognised for its high level of security. There is no smart contract risk. • The NEXUS technology is developed and managed by subsidiaries of the Quantoz group with short communication channels.
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	PART A - INFORMATION ABOUT THE ISSUER OF THE E-MONEY TOKEN	
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A.1	Statutory Name	Quantoz Payments B.V.
A.2	Trading Name	Quantoz Payments
A.3	Legal form	54M6 - Besloten Vennootschap
A.4	Registered Address	Europalaan 100, 3526 KS Utrecht, The Netherlands

A.5	Head Office	Europalaan 100, 3526 KS Utrecht, The Netherlands
A.6	Registration Date	September 30, 2021
A.7	Legal Entity Identifier	7245008P1HPUPVM7XL94
A.8	Another Identifier	Company Registration Number: 84071745
A.9	Contact telephone number	+31 30 2272621
A.10	Contact email address	contact@quantozpay.com
A.11	Response time (days)	7
A.12	Parent Company	Quantoz N.V., having its registered office located at Europalaan 100, 3526 KS Utrecht, The Netherlands
A.13	Members of the management body	<p>Quantoz Payments has a Board of Directors consisting of four directors being the decision makers for the Company:</p> <p>A. Star Busmann <i>CEO (General Management)</i> N. Haasnoot, <i>CFRO (, Finance, HR, Legal, Compliance)</i> H. de Jong, <i>COO (Business Development, Marketing and Sales)</i> G. Hendriks, <i>CTO (Technology, Systems and Operations)</i></p>

		<p>Quantoz Payments has installed a Supervisory Board, consisting of two members: one independent expert in the field of payments and related regulations, and one representing the shareholders.</p> <p>R. Berndsen, the independent expert, chairs the Supervisory Board. E. Dekkers, represents the shareholders</p> <p>The Supervisory Board oversees the functioning of Quantoz Payments and its Board of Directors.</p> <p>All members of the Quantoz Payments Management team and the Quantoz Payments shareholders have been non-objected and passed fit & proper assessments by the DNB. The shareholders have DNOs (declarations of no objection) granted by DNB.</p> <p>The business address of the members of the Board of Directors and the members of the Supervisory Board is: Europalaan 100, 3526 KS Utrecht, The Netherlands.</p>
A.14	Business Activity	<p>Quantoz Payments has an E-money license in the EEA with De Nederlandsche Bank (DNB) and issues EMTs under this license, and specializes in developing and delivering secure, efficient, and compliant digital financial solutions, for these EMTs.</p> <p>Every EMT is pegged to one official currency. The funds received by Quantoz Payments in exchange for the e-money tokens are safeguarded in compliance with the relevant requirements under MiCAR article 54. At least 30 % of the funds received are always deposited in separate accounts in credit institutions to meet anticipated redemptions. The remaining funds received are invested in secure, low-risk assets that qualify as highly liquid financial instruments with minimal market risk, credit risk and concentration risk and are denominated in euro.</p> <p>The funds are safeguarded through a bankruptcy-remote structure in the form of the Quantoz Foundation. Such a structure is common in the Netherlands for electronic money institutions and payment service providers. Reference is made to the DNB register, in which the Quantoz Foundation is mentioned in relation to the registration of</p>

		<p>Quantoz Payments, with the following explanation: “Stichting Quantoz is as escrow party related to Quantoz Payments and in that matter supervised by De Nederlandsche Bank”.</p> <p>The European Economic Area is Quantoz Payments’ principal market. The company’s primary revenue-generating activities are derived from the interest generated by the asset-reserves backing the issued EMTs along with offering additional services related to EMTs.</p> <p>Besides EURD, Quantoz Payments issues two other electronic money tokens, EURQ and USDQ,</p> <p>EURD is used for Payments. For payment applications, involving payment ecosystems of traditional corporate entities, users of the tokens typically do not touch or own cryptocurrencies and prefer to limit token distribution to whitelisted blockchain accounts only.</p> <p>The primary goal of EURQ and USDQ is to offer a digital alternative to traditional money that is more efficient, secure, and accessible. Quantoz Payments envisions EURQ and USDQ to have applications ranging from online transactions and cross-border payments to trading liquidity and decentralized finance (DeFi) solutions.</p> <p>Key customers of Quantoz Payments include financial institutions, Crypto Asset Service Providers, Market Makers, and businesses improving their operations by using regulated programmable EMTs.</p> <p>By leveraging advanced blockchain technology and robust security measures, Quantoz Payments aims to position itself as a leader in the digital finance sector by being committed to innovation, transparency, and regulatory compliance.</p>
A.15	Parent Company Business Activity	<p>Quantoz N.V. is the holding company for the three entities of the Quantoz group:</p> <p>Quantoz Technology BV employs most of the staff and develops the NEXUS platform, a gateway between fiat money and public and private blockchains. Through NEXUS,</p>

		<p>Quantoz Technology's partners can manage their custom token ecosystem without the need to deal with the technical aspects.</p> <p>Quantoz Blockchain Services BV operates the blockchain platform NEXUS, developed by Quantoz Technology BV, as a SaaS to third parties. Quantoz Blockchain Services BV facilitates both internal (intragroup) and external partners.</p> <p>Quantoz Payments, issues Electronic Money Tokens under its EMI license with DNB.</p>
A.16	Conflicts of Interest Disclosure	<p>The entities in the Quantoz group are interdependent and reliant on each other, but also have external customers and their own (corporate) responsibilities. Should these relationships have a direct impact on the activities of Quantoz Payments, the impact would be identified, disclosed and managed transparently to avoid any undue influence on operations.</p> <p>Quantoz Payments issues two additional electronic money tokens, EURQ and USDQ, which may lead to potential conflicts of interest in terms of resource allocation, marketing focus, and strategic direction between the tokens.</p> <p>In order to describe how Quantoz Payments identifies and manages possible Conflicts of Interest within its organization, a 'Conflicts of Interest Policy' has been adopted. This policy applies to everyone working for, or on behalf of, the Company.</p>
A.17	Issuance of other crypto-assets	<p>Yes. The Company also issues USDQ, a US dollar backed EMT, and EURQ a Euro-backed EMT within the EEA.</p>
A.18	Activities related to other crypto-assets	<p>The Company provides similar services to EURQ and USDQ as it does to EURD.</p>

A.19	Connection between the Issuer and the entity running the DLT	No																
A.20	Description of the connection between the Issuer and the entity running the DLT	No																
A.21	Newly Established	No																
A.22	Financial conditions for the past three years.	<p>Quantoz Payments has consistently maintained a robust and regulatory-compliant reserve. All EMTs issued by Quantoz Payments are fully backed by equivalent reserves held in regulated financial institutions. These reserves are kept separate from Quantoz Payments' own funds to protect the assets of the EMT holders, ensuring their security even in the event of Quantoz Payments' insolvency.</p> <p>Quantoz Payments has maintained capital reserves ensuring robust backing for its organisation. As Quantoz Payments is in early stage, modest starting costs dominated the profit & loss account. The license was granted in October 2023. Before that time revenue was not allowed.</p> <table><tr><td>Year</td><td>2021</td><td>2022</td><td>2023</td></tr><tr><td>Revenue</td><td>0</td><td>0</td><td>0</td></tr><tr><td>Equity (Tier 1 capital)</td><td>502</td><td>430</td><td>592</td></tr><tr><td>Capital requirement</td><td>350</td><td>350</td><td>350</td></tr></table> <p>All values 1.000 €</p>	Year	2021	2022	2023	Revenue	0	0	0	Equity (Tier 1 capital)	502	430	592	Capital requirement	350	350	350
Year	2021	2022	2023															
Revenue	0	0	0															
Equity (Tier 1 capital)	502	430	592															
Capital requirement	350	350	350															

		<p>Remarkable events:</p> <ul style="list-style-type: none"> 2021 30th September: Foundation of the company to enable the application for an EMI license. 2022 Year dedicated to license application Installation of Supervisory Board Engagement of external advisor 2023 13th October: License granted by the Dutch Central Bank <p>The company has ample liquidity and sufficient capital resources from its existing shareholders, with financial statements detailing its performance reported to authorities without issues. Quantoz Payments' commitment to transparency, regulatory compliance, and sound financial practices has positioned it well in the digital finance sector, particularly with EMTs. The company focuses on innovation, expansion, financial health, and stakeholder value.</p>
A.23	Financial conditions since registration	N/A
A.24	Exemption from authorisation	No

A.25	E-money Token Authorisation	Electronic Money Institution license (EMI) License granted: 13 October 2023 License relation number: R186418
A.26	Authorisation Authority	De Nederlandsche Bank (DNB). <i>Dutch Central Bank</i>
A.27	Persons other than the issuer offering to the public or seeking admission to trading of the e-money token according to Article 51(1), second subparagraph of Regulation (EU) 2023/1114	Currently, no third-party is authorized to offer EURD to the public. This situation may be subject to changes in the future.
A.28	Reason for offering to the public or seeking admission to trading of the e-money token by persons referred to in Article 51(1), second subparagraph of Regulation (EU) 2023/1114	N/A

	PART B - INFORMATION ABOUT THE E-MONEY TOKEN	
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B.1	Name	Quantoz EURD							
B.2	Abbreviation	EURD							
B.3	Details of all natural or legal persons involved in design and development	<table><tr><td>Legal</td><td>Finnius Advocaten. Jollemanhof 20 A, 1019 GW Amsterdam, The Netherlands</td></tr><tr><td></td><td></td></tr><tr><td>Technology</td><td>Quantoz Technology B.V. Europalaan 100, 3526 KS Utrecht, The Netherlands Quantoz Blockchain Services B.V. Europalaan 100, 3526 KS Utrecht, The Netherlands</td></tr></table>		Legal	Finnius Advocaten. Jollemanhof 20 A, 1019 GW Amsterdam, The Netherlands			Technology	Quantoz Technology B.V. Europalaan 100, 3526 KS Utrecht, The Netherlands Quantoz Blockchain Services B.V. Europalaan 100, 3526 KS Utrecht, The Netherlands
Legal	Finnius Advocaten. Jollemanhof 20 A, 1019 GW Amsterdam, The Netherlands								
Technology	Quantoz Technology B.V. Europalaan 100, 3526 KS Utrecht, The Netherlands Quantoz Blockchain Services B.V. Europalaan 100, 3526 KS Utrecht, The Netherlands								
B.3	Partners	<p>Design and development of EURD was done by subsidiaries of Quantoz NV.</p> <p>The relevant business entities of Quantoz N.V. are:</p> <ul style="list-style-type: none">Quantoz Technology BV, employs most of the staffQuantoz Blockchain Services BV, providing the backend platform (“NEXUS”) as a SaaS solution to its partnersQuantoz Payments BV, issuer of the EURD and providing a licensed e-money solution <p>All business entities within the Quantoz NV group are ISO 27001 certified.</p>							
B.4	Type of white paper	EMTW (Electronic-Money Token White Paper)							
B.5	The type of submission	MODI (modified)							

B.6	Crypto-Asset Characteristics	<p>EURD classifies as a crypto-asset under Art. 3(1)(7) of MiCAR, more specifically the category of electronic money tokens or e-money tokens (EMTs).</p> <p>EURD is a euro-backed regulated stablecoin issued by Quantoz Payments. Quantoz Payments is supervised by the Dutch Central Bank. EURD is fully backed by equivalent reserves in euros, managed by the independent Quantoz Foundation and is legally considered as electronic money and as an EMT.</p> <p>EURD is programmable money and facilitates peer-to-peer payments among consumers, businesses, and devices, thereby enhancing financial inclusion and democratizing access to finance. It ensures efficient and compliant settlement of payments, meeting the requirements of emerging business models such as the Internet of Things, DeFi, and Web3.</p> <p>The Quantoz Payments web portal provides business customers (and professional consumers) additional functions besides the standard payment functionality of the mobile App. Customers can add additional blockchain wallets (“whitelist self-managed blockchain accounts”) and manage the private keys of these wallets themselves and create API keys for integration with the Quantoz Payments backend (for automation).</p> <p>This comprehensive ecosystem ensures the seamless integration of EURD as a trusted and efficient means of digital payment, facilitating secure and compliant transactions for all participants.</p> <p>EURD holders can always redeem their EMT at par value.</p>
B.7	Website of the Issuer	www.quantozpay.com
B.8	Starting date of offer to the public or admission to trading	2024-09-01

B.9	Publication date	2024-11-15
B.10	Any other services provided by the Issuer	No
B.11	Identifier of operator of the trading platform	N/A
B.12	Language or languages of the white paper	English
B.13	Digital Token Identifier Code	EURD's Digital Token Identifier is registered under DTI 3R9LGFRFP on the Digital Token Identifier Foundation website: https://dtif.org/token-registry-search/
B.14	Functionally Fungible Group Digital Token Identifier	Token Type: Auxiliary Digital Token Auxiliary Digital Token Mechanism: Algorand Standard Asset (ASA)
B.15	Personal data flag	YES
B.16	LEI eligibility	YES
B.17	Home Member state	Netherlands
B.18	Host Member states	Austria Belgium

	Bulgaria
	Croatia
	Cyprus
	Czech Republic
	Denmark
	Estonia
	Finland
	France
	Germany
	Greece
	Hungary
	Iceland
	Ireland
	Italy
	Latvia
	Liechtenstein
	Lithuania
	Luxembourg
	Malta

		Norway Poland Portugal Romania Slovakia Slovenia Spain Sweden
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	PART C - INFORMATION ABOUT THE OFFER TO THE PUBLIC OF THE E- MONEY TOKEN OR ITS ADMISSION TO TRADING	
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C.1	Public Offering or Trading	This White Paper concerns the offer to the public of EURD (OTPC)
C.2	Number of units	Quantoz Payments has implemented a predefined cap of 10550000000000 (10.55T) tokens, representing the Euro M1 Money Supply in October 2023, on the number of EURD units available for public offering or trading.

		The EURD token has 2 decimal positions (cents). The circulation of EURD is directly linked to the euros held in reserve, ensuring a 1:1 backing ratio. At any moment, the number of EURD in circulation and its holders can be verified through the Algorand Explorer at https://allo.info/asset/1221682136/token along with regular reserve attestations and public disclosures.
C.3	Trading Platforms name	N/A
C.4	Trading Platforms Market Identifier Code (MIC)	N/A
C.5	Applicable law	The use of EURD is subject to the laws of the Netherlands (the " Applicable Laws ").
C.6	Competent court	Any legal action or proceeding arising from using EURD shall be initiated before the District Court of Midden-Nederland in Utrecht, the Netherlands

	PART D - INFORMATION ON THE RIGHTS AND OBLIGATIONS ATTACHED TO E-MONEY TOKENS	
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D.1	Holder's rights and Obligations	Quantoz Payments distinguishes between business users and consumer users. Business users are merchants that supply goods/services paid for by consumer users with EURD. Both
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		<p>customer types undergo appropriate due diligence procedures to onboard into the EURD closed loop eco-system when they sign up with Quantoz Payments.</p> <p>Quantoz Payments may charge a fee to business users using the EURD service to maintain and improve the quality of the service, to ensure transparency, and to provide support to them for any questions they may have. An overview of these fees can be found on the Quantoz Payments website: https://quantozpay.com/fees/</p> <p>Customers can only fund their EURD account with transferring fiat euro from a euro bank account in their name. Both consumers and merchants can redeem EURD back to fiat euro, receiving the corresponding value in their registered bank accounts. Where consumers wish to redeem more EURD than they have acquired from Quantoz Payments, the redemption process may be subject to additional KYC and AML controls about which they will be informed through the Quantoz Payments applications. Business users may exchange any EURD back for fiat money. The Quantoz Payments applications can be used for redeeming EURDs.</p> <p>Holders of the EURD e-money token have the following rights:</p> <ul style="list-style-type: none"> • Redemption at par value: holders retain the right to redeem their tokens for the equivalent value in fiat currency at any time. To initiate a redemption, holders can initiate the Redeem function in the Quantoz Payments applications. • Use of the EURD mobile wallet app that provides personal account holders with a secure EURD wallet to fund, hold, redeem, receive and pay with EURD. The wallet app uses an Algorand blockchain account, of which the key is managed by Quantoz Payments. • Businesses can onboard a business account with Quantoz Payments via the Quantoz Payments webpage https://quantozpay.com/businesses/. • Use of the web portal of Quantoz Payments to add and manage additional wallets, of which the holder manage the private key themselves. Quantoz Payments does not pay
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		<p>the transaction fees of such wallets, and holders must take care of the Algorand blockchain transaction fee themselves.</p> <p>New personal customers by default have the Tier1 daily and monthly transaction limits. Higher Tier levels with higher transaction limits may require the customer to provide additional compliance information. The information the customer needs to provide is communicated to the customer through the Quantoz Payments App. The daily and monthly limits of the different levels are available at the web page of Quantoz Payments (https://quantozpay.com/terms/)</p> <ul style="list-style-type: none"> • Businesses may redeem any amount in EURD for fiat money, including EURD not acquired directly from Quantoz Payments (but obtained from other customers). • Where consumers wish to redeem more EURD than they have acquired from Quantoz Payments, the redemption process may be subject to additional controls. The following restrictions apply: Quantoz Payments accepts private customers with residence in the EEA, UK and Switzerland or businesses registered in the EEA, UK and Switzerland. • Quantoz Payments exclusively accepts payments from IBAN in the name of the user; cash transactions are not allowed. • Only fiat euro is accepted for funding; other fiat currencies are not accepted. • Bank accounts from outside the Single Euro Payments Area (SEPA) are not accepted for transactions. <p>Holders of the EURD e-money token have the following obligations:</p> <ul style="list-style-type: none"> • They will hold and use EURD in compliance with this white paper and the applicable laws. • They are not a restricted person, appearing on the OFAC, UN, EU or Dutch Sanction lists, and are not holding EURD on behalf of a restricted person.
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		<ul style="list-style-type: none"> • They will not offer, sell, trade, pledge, convert, transfer, or deliver, either directly or indirectly, EURD, at any time within the United States. • Only users with valid KYC/AML and verified bank details can redeem their EURD. Users are obliged to provide Quantoz Payments with adequate information in relation to Know Your Customer (KYC) and Anti-Money Laundering (AML) requirements. • In addition, all EURD holders must comply with all applicable laws, including, but not limited to, the strict and absolute prohibition of the use of EURDs for money laundering, terrorist financing or any other financial crime. Quantoz Payments is an Electronic Money Institution and will and must report unusual transactions to the relevant authorities (Financial Intelligence Unit in the Netherlands). <p>Quantoz Payments has the right to block EURD addresses in case of violation of the mentioned obligations. Quantoz Payments monitors the EURD transactions and tests them against the relevant legislation such as AML and Sanction Law.</p> <p>Although Quantoz Payments may place the EURD reserves in interest-bearing accounts or other yield-generating instruments, EURD holders agree that they have no claim to any interest or returns earned from these funds. EURD itself does not generate interest or returns for holders; it solely represents the right to redeem EURD for an equivalent amount in euros, as outlined in this white paper.</p> <p>EURD transactions are irreversible. Once a holder sends EURD to a specific address, they accept losing access to or any claim on that EURD. This may occur if, for example, (i) the address was entered incorrectly, (ii) the address belongs to an entity unwilling to return the EURD, or (iii) the entity may return the EURD but requires certain actions, such as verifying the holder's identity. To clarify, Quantoz Payments has no obligation to track, verify, or determine the origin of EURD balances or any associated security claims, unless required by applicable laws.</p>
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		<p>For more details regarding the rights and obligations of EURD holders, please refer to https://quantozpay.com/terms/.</p>
D.2	Conditions of modifications of rights and obligations	<p>Quantoz Payments reserves the right to periodically amend these rights and obligations. EURD holders will be informed of such changes via updates to this white paper, the Redemption Policy on Quantoz' website, or any other valid communication channel.</p> <p>The rights and obligations of EURD users may be subject to modification for example under the following conditions:</p> <ul style="list-style-type: none"> • Compliance with applicable laws and regulations: changes may occur to ensure adherence to the prevailing laws and regulations within the operational territory of Quantoz Payments. • Improvement of services: modifications may be made to enhance the quality and efficiency of services provided to EURD users, ensuring a better user experience and satisfaction. • Enhancing Security Measures: updates may be implemented to bolster security protocols, safeguarding user assets and data against evolving threats in the digital landscape. • A Force Majeure Event. As a result, it becomes impossible for Quantoz Payments to fulfil its obligations and the continuation of EURD becomes definitively impossible. <p>Proposed changes will be announced to holders with a 30-day notice period, allowing them time to review and prepare for the updates. However, if changes are required by a legally binding request from a competent authority or deemed necessary by Quantoz Payments to meet regulatory, legal, or compliance obligations, they will take effect immediately. Such immediate modifications will be communicated promptly, just as with other changes.</p>

D.3	Description of the rights of the holders	<p>Quantoz Payments upholds high standards for safe and sound financial management to mitigate risks of insolvency. In situations of financial distress or economic uncertainty, Quantoz Payments has established contingency plans to ensure the continuity of its operations, including the issuance of EURD, and to protect the rights of EURD holders.</p> <p>If Quantoz Payments is unable to meet its obligations or faces insolvency, EURD reserves are safeguarded in full compliance with applicable laws. Specifically, funds received in exchange for the issuance of EURD are shielded from any claims by other creditors of Quantoz Payments, including during enforcement or insolvency proceedings.</p> <p>In the event of financial distress or insolvency, Quantoz Payments will activate its Recovery and/or Redemption Plan, enabling EURD holders to exercise their redemption rights, as detailed in Sections D.4 and D.5 below.</p>
D.4	Rights in implementation of recovery plan	<p>Quantoz Payments might take the following measurements to execute the recovery plan.</p> <ul style="list-style-type: none"> • Restriction on Inflow of new customers <p>As part of the recovery plan, Quantoz Payments might limit the number of new customers. This will help Quantoz Payments manage its resources better and keep the operations stable during challenging times.</p> <ul style="list-style-type: none"> • Limitation on customer volume <p>Quantoz Payments has the contractual right to limit the amount of funding its customers can do. This helps Quantoz Payments to manage its financial responsibilities and reduce potential risks. Quantoz Payments is committed to quickly inform customers about any such limits to ensure transparency and support effective cooperation.</p> <p>Other measurements may include</p> <ul style="list-style-type: none"> • Liquidity fees on redemptions

		<ul style="list-style-type: none"> • Daily limits on the amount of EURD that can be redeemed, set both at an aggregate level (e.g., as a percentage of the total tokens issued) and at the individual wallet level • Suspension of redemptions, as a last resort <p>EURD holders will be promptly informed of any such restrictions via the Quantoz Payments website.</p> <p>The recovery plan will be published within six months after publication of this white paper. This white paper will be updated to reflect the approved recovery plan, once regulatory authorization has been received.</p>
D.5	Rights in implementation of redemption plan	<p>Depending on the specific circumstances under which the redemption plan is triggered, Quantoz Payments may need to impose restrictions on the redemption of EURD. EURD holders will be notified of any such restrictions on the Quantoz Payments website.</p> <p>The redemption plan will be published within six months after publication of this white paper. This white paper will be updated to reflect the approved redemption plan, once regulatory authorization has been received.</p>
D.6	Complaint Submission Contact	<p>Customers can file a complaint by sending an email to the following email address: support@quantozpay.com, with the word “complaint” in the subject. To handle complaints in the best possible way, the following information will be requested:</p> <ul style="list-style-type: none"> • Full name of the Customer • The Customer Account Code provided by the Quantoz Payments • E-mail address • A description of the complaint

D.7	Complaints Handling Procedures	<p>Upon receipt of a complaint the Staff involved with customer support will:</p> <ul style="list-style-type: none"> • Assess the information sent by the Customer and confirm receipt of the complaint by email and informs the Customer within which period the complaint will be dealt with (which timeframe will in principle be 15 working days from the date of receipt of the complaint, save in exceptional circumstances). • The confirmation of receipt may – if applicable – comprise a request for additional information required to complete and commence handling the complaint. In such case the timeframe will commence after Quantoz Payments has received the additional information. • The complaint will be analyzed by the Customer support desk and relevant departments of Quantoz Payments. • Ultimately within 15 working days from the date of receipt of the complaint (or receipt of the additional information as applicable), inform the Customer of the outcome thereof, including possible compensation of damages incurred. This period may be extended up to 35 working days (in total) in exceptional circumstances which are not a result of an act or omission by Quantoz Payments, provided the Customer has been informed on the reasons for extension of the response period and agreed thereto. • The Customer will be given the opportunity to respond to the outcome of the complaints process within 10 working days. In case such response requires additional research or analysis into the complaint, the complaint will be re-assessed taking into account the information provided by the Customer. Quantoz Payments will send a final response to the Customer within 10 working days after having received the Customer's response. • The Customer will be informed that Quantoz Payments has finalized handling the complaint and that the complaints handling procedure will be closed. The Customer
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		<p>will also be informed and about the possibility of initiating legal proceedings through a civil court.</p> <ul style="list-style-type: none"> • Close the complaint handling process and record the information and correspondence with respect to the complaint. <p>Quantoz Payments has a complaints procedure in place with a view to resolve complaints in an efficient, effective, and professional manner and to minimize complaints and claims. The complaints procedure is available on the Quantoz Payments's website: https://quantozpay.com/complaints/.</p>
D.8	Dispute Resolution Mechanism	<p>Quantoz Payments has a clear dispute resolution process for EURD holders. In the event of a dispute, holders should submit their concerns in writing via email or official channels. The dispute will be promptly acknowledged and documented by a designated team member and then thoroughly investigated with input from relevant departments.</p> <p>Quantoz Payments's goal is to provide an initial response within ten business days outlining the steps being taken. If further investigation is required, holders will be kept informed of progress and timelines. If dissatisfied with the initial resolution, holders may escalate the matter to senior management for further review, ensuring higher level involvement for a fair outcome.</p> <p>If internal efforts fail to resolve the issue, holders may seek external resolution through legal channels or alternative dispute resolution methods, such as arbitration or mediation, as set forth in Quantoz Payments' Terms and Conditions. Committed to transparency, fairness and efficiency, Quantoz Payments maintains detailed records of each dispute in order to improve service and address systemic issues. This structured approach ensures that all disputes are handled professionally and promptly, and that the rights and interests of EURD holders are protected.</p>
D.9	Token Value Protection Schemes	YES

D.10	Token Value Protection Schemes Description	<p>The amount of issued EURD has a 1:1 correspondence with the fiat euro amounts and backed by a 102% reserve of which at least 30% is always deposited in a trusted bank account managed by the Quantoz Foundation. The remaining funds are invested in secure, low-risk assets that qualify as highly liquid financial instruments with minimal market risk, credit risk and concentration risk, in accordance with Article 38(1) of MiCAR and are denominated in euro.</p> <p>In the event of insolvency or financial instability of Quantoz Payments, these reserves are specifically designated to meet EURD holders' redemption requests at par value, thereby protecting the value of the EURD. Regular certifications verify the adequacy of these reserves, increasing transparency and trust.</p>
D.11	Compensation Schemes	No
D.12	Compensation Schemes Description	N/A
D.13	Applicable law	The use of EURD is subject to the laws of the Netherlands (the " Applicable Laws ").
D.14	Competent court	Any legal action or proceeding arising from using EURD shall be initiated before the District Court of Midden-Nederland in Utrecht, the Netherlands.

	PART E - INFORMATION ON THE UNDERLYING TECHNOLOGY	
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E.1	Distributed ledger technology	<p>The EURD EMTs of Quantoz Payments are issued on the Algorand blockchain. The Algorand blockchain is a highly scalable, secure, and energy-efficient platform designed to support decentralized applications and a broad range of digital assets. It was founded by cryptographer and MIT professor Silvio Micali, with the goal of addressing the "blockchain trilemma"—achieving security, scalability, and decentralization simultaneously.</p> <p>Key Features of the Algorand Blockchain:</p> <ul style="list-style-type: none"> • Pure Proof-of-Stake (PPoS) Consensus: Algorand uses a unique consensus mechanism called Pure Proof-of-Stake, which ensures security and decentralization without sacrificing speed. PPoS relies on the random selection of network participants to propose and validate new blocks, making it highly resistant to malicious activity and reducing the computational burden compared to traditional Proof-of-Work systems. • Fast and Scalable Transactions: Algorand is known for its low transaction latency and high throughput, with the ability to handle thousands of transactions per second. Block finality is achieved within seconds, providing users with confidence that transactions are completed without delay or risk of reversal. • Energy Efficiency: Due to its PPoS mechanism, Algorand is environmentally friendly, requiring minimal energy compared to other blockchains like Bitcoin and Ethereum. This efficiency aligns with Algorand's commitment to a sustainable blockchain ecosystem. <p>Quantoz Payments may also decide to issue EURD on other distributed ledgers in the future. Quantoz Payments has neither the ability nor the obligation to prevent or address attacks or resolve any technical issues that may occur on any blockchain supporting EURD.</p>
E.2	Protocols and technical standards	<p>Algorand Standard Asset (ASA) tokens. ASA tokens are a framework within the Algorand blockchain for creating and managing on-chain assets. ASA tokens allow users to tokenize</p>

		<p>almost any type of asset directly on the Algorand blockchain, including stablecoins. ASA features include:</p> <ul style="list-style-type: none"> • Customizable Asset Parameters: ASA creators can define parameters such as asset name, total supply, decimals, and asset metadata. They can also configure permissions like freezing, clawback (reclaiming assets), and whether the asset is divisible or not. • Native Layer-1 Support: ASAs are native to the Algorand Layer-1 protocol, meaning they're built directly into the blockchain's base layer. This integration ensures security, high-speed transactions, and low fees. • Permissioned and Permissionless Options: ASAs can be configured to suit different needs, supporting both permissionless (open to all) and permissioned (restricted access) assets, which is useful for regulatory compliance. • Flexible Asset Management: ASAs can be managed by designated accounts, enabling functions like minting, freezing, or clawback, giving issuers control over the asset's lifecycle. • High Throughput and Scalability: Built on Algorand's Pure Proof-of-Stake (PPoS) blockchain, ASAs benefit from Algorand's high-speed, scalable, and energy-efficient platform.
E.3	Technology Used	<p>EURD uses Quantoz Institutional-grade ISO 27001 certified and ISAE 3402 compliant NEXUS technology, a resilient cost -efficient SaaS infrastructure, developed by Quantoz Technology and managed by Quantoz Blockchain Services that has been in production since 2016. It has processed more than 1 million accounts, more than 10 million transactions with a transaction volume exceeding 5 billion euros. The NEXUS platform manages the execution of EURD transactions on the Algorand blockchain for Quantoz Payments applications.</p> <p>NEXUS enables businesses to easily integrate blockchain infrastructure into their existing financial applications and to manage multiple tokens like tokenized assets and digital money,</p>

		<p>without the need to deal with the technical aspects involved. NEXUS manages customers, digital wallets and fiat- and blockchain transactions.</p> <p>Using NEXUS, Quantoz Payments has defined a “virtual private payment network” (VPPN) for EURD, in an permissionless blockchain environment. A VPPN enables payments <i>only</i> between users that have signed up with Quantoz Payments and prevents that unknown users can hold EURD. This is to comply with EMD and is also known as a whitelisting of accounts.</p> <p>Quantoz Payments' backend, web portal, APIs and mobile app are propriety applications of Quantoz Payments.</p> <p>Personal EURD users can utilize the Quantoz Payments App for holding, storing, paying receiving, and redeeming EURD. Quantoz Payments manages the Apps' private keys.</p>
E.4	Purchaser’s technical requirements	<p>For users to onboard with a personal account and start using the EURD, Quantoz Payments publishes a mobile EURD wallet app (on Android and iOS). This app provides a secure custodian EURD wallet to fund, hold, redeem, receive and pay with EURD. The user does not need to know anything about blockchain and does not need to own any cryptocurrency to pay the blockchain transaction fee as Quantoz Payments takes care of paying the blockchain fees through a dedicated wallet, owned and managed by Quantoz Payments.</p> <p>To secure the wallet the user has a username (email address) and a password. The mobile device is whitelisted by Quantoz Payments. The wallet can be funded with EURD by making a euro bank transfer with the account code provided during sign-up as description. The user can convert the EURD back to euros on their bank account by creating a redemption/payout transaction in the wallet app.</p> <p>The purpose of Quantoz Payments’ mobile wallet app is to provide a simple EURD wallet for consumers and to enable professional users and businesses to securely login to their accounts in Quantoz Payments’s web portal. Portal.quantozpay.com</p> <p>It is also possible to hold and control EURD tokens in self-managed blockchain accounts of which the user holds the private key. Self-managed EURD accounts enable the use of 3rd party</p>

		<p>applications or build new ones that unlock all features of the blockchain used, but users are responsible for managing the key and also must pay the blockchain transaction fee. Self-managed accounts can be created and whitelisted by users in the Quantoz Payments web portal.</p>
E.5	Consensus Mechanism	<p>The Algorand blockchain uses a decentralized Byzantine Agreement protocol that leverages pure proof of stake (Pure PoS).</p> <p>The decentralized Byzantine Agreement protocol is a method for multiple computers (nodes) in a network to agree on a single truth, even if some nodes are faulty or malicious. Each node shares information and votes on the consensus. Through multiple rounds of communication and majority voting, honest nodes eventually converge on the same agreement, ensuring the system's reliability and security despite potential disruptions or false information from some participants. This means that it can tolerate malicious users, achieving consensus without a central authority, as long as a supermajority of the stake is in non-malicious hands. This protocol is very fast and requires minimal computational power per node, giving it the ability to finalize transactions efficiently.</p> <p>More information about the consensus mechanism is available on the Algorand website.</p>
E.6	Incentive Mechanisms and Applicable Fees	<p>The Algorand blockchain uses a decentralized Byzantine Agreement protocol that leverages Pure Proof of Stake (PPoS). In PPoS, users are randomly selected to propose and validate blocks based on their stake in the network. This ensures a decentralized and secure transaction validation process.</p> <p>As for fees, Algorand employs a fee model that is designed to be low-cost and predictable. The standard transaction fee on the Algorand network is a fraction of Algos, the native cryptocurrency of the network, and it typically remains constant regardless of network congestion. The transaction fees of payments executed through the Quantoz Payments</p>

		applications are covered by Quantoz Payments. For self-hosted accounts, or wallets, the user must pay the Algorand blockchain transaction fee (currently 0,001 Algo).
E.7	Use of own Distributed ledger technology	No
E.8	DLT Functionality Description	N/A
E.9	Audit	<p>The EURD e-money tokens of Quantoz Payments are issued on the Algorand blockchain, a decentralized platform known for its high performance, security, and scalability. As part of Quantoz Payments's commitment to ensuring the integrity and reliability of its e-money system, a comprehensive audit of the Algorand blockchain technology was conducted. The audit verified that Algorand's layered architecture, and cryptographic primitives ensure the confidentiality, integrity, and availability of transactions and data on the blockchain.</p> <p>A more comprehensive risk analysis of the Algorand blockchain is provided in section 6.3.</p> <p>Since 2020, Quantoz is an ISO/IEC 27001 certified company. As such an external audit for the NEXUS technology is performed every year. With this ISO certificate, Quantoz demonstrates that it has implemented an information security management system in which all processes and procedures have been carefully designed and tested according to the international ISO standards.</p>
E.10	Audit outcome	A publication about the blockchain assessment is available on the Quantoz Technology website https://quantoz.com/publications/which-ledgers-fit-for-token-applications/

	PART G - INFORMATION ON THE SUSTAINABILITY INDICATORS IN RELATION TO ADVERSE IMPACT ON THE CLIMATE AND OTHER ENVIRONMENT-RELATED ADVERSE IMPACTS	
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G.1	Adverse impacts on climate and other environment-related adverse impacts	<p>Quantoz Payments is committed to providing clear and detailed information on the environmental impacts of its operations. In the period October 23, 2023, the issuance date of the first EURD token, until June 1, 2024, the completion date of the Quantoz Payments MiCAR white paper, a total of 74 EURD transactions on the Algorand blockchain were recorded. These transactions resulted in a total energy consumption of 0,000592 kWh *).</p> <p>*) The estimate for the electricity consumption per transaction for contemporary throughput of Algorand consensus is 0,000008 kWh/transaction. The calculation method is available on the Algorand website: https://algorandtechnologies.com/news/sustainable-blockchain-calculating-the-carbon-footprint Quantoz Payments' EURD token is available on the Algorand blockchain, which uses a Proof of Stake (PoS) consensus mechanism.</p>
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	Table 1. Climate and other environment related indicators for EURD	
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Type	Adverse Sustainability Indicator	EURD on Algorand
Energy	Energy consumption	Total amount of energy used in kWh, for the period October 23, 2023, the issuance date of the first EURD token, until June 1, 2024, the completion date of the Quantoz Payments MiCAR white paper for the validation of transactions and the maintenance of the integrity of the distributed ledger of transactions: 0,000592 kWh.