



CZKI White Paper

Last Updated: August 25, 2025

This white paper was notified to the Czech National Bank (CNB) on April 14th, 2025 in accordance of Article 48 (5) and (7) of Regulation (EU) 2023/1114 and amended on August 25th, 2025.

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		<p>THE CLIMATE AND OTHER ENVIRONMENT-RELATED ADVERSE IMPACTS</p> <p>G.1 – Adverse impacts on climate and other environment-related adverse impacts</p>
I.01	Date of notification	This white paper was notified to the CNB on 2025-08-25.
I.02	Statement in accordance with Article 51(3) of 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)	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	<p>The e-money token CZKI ("CZKI") issued by Payment Corporation SE, company incorporated under the laws of Czechia with registration number 04863020 at the Registry of Commerce and Companies of Czechia and its registered office at Křižíkova 710/30, Karlín, 186 00, Prague ("Company") is not covered by the investor compensation schemes under Directive 97/9/EC.</p> <p>CZKI is not covered by the deposit guarantee schemes under Directive 2014/49/EU.</p>
SUMMARY		
I.05	Warning in accordance with Article 51(6), second subparagraph of Regulation (EU) 2023/1114s	<p>This summary should be read as an introduction to the White Paper. The prospective holder should base any decision to purchase CZKI on the content of the White Paper as a whole and not on this summary alone.</p> <p>The offer to the public of CZKI 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) 2017/1129 of the European Parliament and of the Council (36) or any other offer document pursuant to EU or national law.</p>
I.06	Characteristics of the crypto asset	CZKI is a crown-backed stablecoin issued by Company. Classified as electronic money token, CZKI is crypto asset that is designed to maintain a stable value equivalent to the Czech crowns. This stability is achieved through a pegging mechanism where each CZKI token is fully backed by equivalent reserves of

		<p>crowns. These reserves are duly managed under an extensive regulatory framework, which ensures that Designated holders of CZKI tokens can redeem their CZKI for crowns at a 1:1 ratio at the end of the Event without incurring fees.</p> <p>As part of the Proof-of-Concept (PoC) implementation, the CZKI stablecoin is technically issued using the Taproot Assets Protocol, which is an extension of the Bitcoin protocol that enables the issuance and transfer of additional digital assets (including stablecoins) on the Bitcoin blockchain. This protocol is developed by Lightning Labs and integrates with the Lightning Network (LN)—Bitcoin’s second-layer solution for fast and low-cost transactions.</p> <p>Role of BTC in the CZKI Infrastructure</p> <ul style="list-style-type: none"> • BTC (bitcoin) is not used as a medium of exchange, nor does it function as a reserve asset for CZKI. • BTC is used exclusively as a transport and anchoring layer for technical operations related to: <ul style="list-style-type: none"> ◦ anchoring minting transactions of CZKI to the Bitcoin blockchain, ◦ facilitating Lightning-based payment routing where necessary for asset transfers. • The value of CZKI is pegged 1:1 to the Czech crown (CZK) and is fully backed by CZK held in a dedicated reserve account, not by bitcoin. <p>Lightning Network and CZKI Transfers</p> <ul style="list-style-type: none"> • The Lightning Network (LN) is a decentralized payment network built on top of Bitcoin. It enables near-instant and low-fee transactions between participants. • Taproot Assets uses LN as follows: <ul style="list-style-type: none"> ◦ When a user sends CZKI over LN, the asset may be temporarily converted into BTC for routing through LN and then converted back into CZKI at the receiver’s end. ◦ If a direct channel denominated in CZKI exists between two parties, no conversion to BTC is needed. • This model allows for scalable, interoperable, and low-latency transfers of CZKI while preserving its 1:1 CZK backing.
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I.07	Right of redemption	<p>Only merchants as Designated holders of the e-money token have a right of redemption at the end of the Event and at par value.</p> <p>To initiate a redemption, holders need to either have an account with Company or its designated partners or, if applicable, fill and submit the "EMT Redemption form". Redemption requests can only be submitted through these designated platforms provided by Company or its designated partners and are either processed within five (5) business days, or if not, the person who initiated the redemption shall be notified of any delays and their respective reason(s).</p> <p>There will not be any fees associated with the redemption of CZKI under typical day-to-day circumstances, as is required by the Markets in Crypto-Assets Regulation, (EU) 2023/1114, (MiCA) of the European Union, under which CZKI is regulated.</p> <p>All redemption requests are subject to compliance reviews, which are used to ensure regulatory adherence, ensuring that the redemption process is secure and compliant with all relevant legislation and other regulatory obligations Company is subject to.</p>

		<p>Redemptions must be done directly through Company, although some designated parties - authorized and stringently reviewed third parties may be used to facilitate the process. The right of redemption, including its conditions and processes, shall be clearly stated in the terms and conditions found within the Event or Website.</p>
I.08	Key information about the offer and or admission to trading	<p>CZKI is an e-money token (EMT) issued by the Company and operated exclusively under the limited network exception, as defined below.</p> <p>Under this exemption, CZKI is not offered to the general public, but is used solely within a clearly defined, functionally limited ecosystem.</p> <p>This limited network has been explicitly defined for the purposes of the ChainCamp Conference, held in September 2025 in Ostrava - Poruba, Czech Republic (https://www.chaincamp.cz/) („Event“). The network includes:</p> <ul style="list-style-type: none"> • Registered attendees of the conference as Holders, • Merchants physically present at the Event as Designated holders and • The Company as the issuer and operator of the CZKI token. <p>CZKI will be distributed exclusively through the Bitlifi application, which serves as the sole platform for holding, storing, and transferring CZKI during the Event. The Company will issue CZKI from its own funds, and distribute them to Holders free of charge, with no monetary payment required from Holders or Designated holders.</p> <p>The total supply of CZKI for this use case is capped at 60,000 units. These tokens may only be used by Holders for purchasing goods and services offered by merchants physically present at the conference.</p> <p>To ensure compliance with the limited network exemption, the following restrictions and operational rules apply:</p> <ul style="list-style-type: none"> • Each Holder is entitled to a single, non-rechargeable allocation of CZKI. Once this balance is spent, Holders cannot top up their Bitlifi account again. • Recharging, repurchasing, or external acquisition of CZKI by Holders and Designated Holders is not permitted. • Holders may freely send and receive CZKI between each other within the Bitlifi app,

		<p>enabling peer-to-peer transaction among Holders For purpose of purchasing goods and services from Designated Holders.</p> <ul style="list-style-type: none"> The Company remains the sole issuer of CZKI for this Event. <p>After the conference concludes:</p> <ul style="list-style-type: none"> Unused CZKI held by Holders will be automatically refunded after the end of the conference to the Company without reciprocal value for respective Holder Designated holders who accepted CZKI as payment will be reimbursed in CZK (Czech crowns) within five (5) business days, on a 1:1 basis and free of charge. <p>CZKI obtained from unauthorized sources or outside of the defined limited network will not be recognized or supported by the Company.</p>
PART A - INFORMATION ABOUT THE ISSUER OF THE E-MONEY TOKEN		
A.1	Name	Payment Corporation SE
A.2	Trading Name	Stable Labs
A.3	Legal form	Societas Europaea
A.4	Registered address	Křižíkova 710/30, Karlín, 186 00, Prague
A.5	Head office	Not applicable
A.6	Registration Date	2017-01-26
A.7	Legal entity identifier	315700IJDQF91J9C8B68
A.8	Other identifier required pursuant to applicable law	Not applicable
A.9	Contact telephone number	+420 774 057 574
A.10	E-mail address	compliance@paycorp.cz
A.11	Response Time (Days)	5 business days
A.12	Parent Company	Koa & Huria, osoba rizikového kapitálu s.r.o.
A.13	Management	<p>František Vinopal (Member of the Board and CEO): Křížkovského 354/24, Horka-Domky, 674 01 Třebíč</p> <p>Milan Kolomazník (Member of the Board and COO): Olgy Havlové 2874/6, Žižkov, 130 00 Praha 3</p>
A.14	Business Activity	Company is an issuer of electronic money registered with the CNB and authorized to provide issuing, distribution and redemption of electronic money within Czech Republic.

		<p>Company as issuer of CZKI is focused on developing and providing secure, efficient, and compliant digital financial solutions primarily related to e-money tokens (EMTs). Therefore, the company's primary business revolves around the issuance and management of these e-money tokens, which are always fully backed by equivalent reserves in the currency of the face-value of the specific EMT.</p> <p>The principal and only market where Company operates is Czech Republic. The company's primary revenue-generating activities are derived from the issuance of EMTs and the subsequent interest generated by the asset-reserves backing these issued EMTs.</p> <p>The Company's success is currently particularly dependent on the adoption and utilization of CZKI within limited network, although all other EMTs and/or crypto-assets Company issues/may issue in the future will always be of great importance to Company.</p> <p>Key customers of Company include natural persons and entities adopting crypto-assets or digital currencies for their daily transactions.</p> <p>By leveraging advanced blockchain technology and robust security measures, Company aims to position itself as a leader in the digital finance sector by being committed to innovation, transparency, and regulatory compliance.</p> <p>This comprehensive approach ensures that Company remains a reliable partner in the evolving landscape of digital finance.</p>
A.15	Parent Company Business Activity	Asset management company.
A.16	Conflicts of Interest Disclosure	No conflict of interest detected.
A.17	Issuance of other crypto assets	<p>False</p> <p>As of the date of writing this White Paper, Company does not issue any other crypto asset.</p>
A.18	Activities related to other crypto assets	<p>False</p> <p>As of the date of writing this White Paper, Company has no other activities related to other crypto asset.</p>
A.19	Connection between the issuer and the entity running the DLT	False

A.20	Description of the connection between the issuer and the entity running the DLT	<p>There is no connection between Company and the entity operating the distributed ledger technology used to issue and circulate the crypto asset.</p> <p>CZKI circulates on public blockchain within limited network.</p>																																				
A.21	Newly Established	False																																				
A.22	Financial condition over the past three years	<p>Company operated between 2021 and 2023 primarily as an issuer of electronic money and as a provider of payment services within a limited network connected with prepaid solution business. The company’s business model was designed to maintain a stable balance between revenues and costs, generally resulting in neither significant losses nor profits.</p> <p>Development and Performance in 2021–2023</p> <p>In 2021, the company reported total revenues of CZK 4.2 million, with an operating loss of CZK -1.1 million. However, thanks to strong financial income—particularly from other financial revenues—the company achieved a net profit after tax of CZK 1.15 million.</p> <p>Table 1: Selected Financial Data (CZK '000)</p> <table><tr><th>Item</th><th>2021</th><th>2022</th><th>2023</th></tr><tr><td>Revenue from products & services</td><td>400</td><td>0</td><td>18</td></tr><tr><td>Operating profit/loss</td><td>-1,096</td><td>-1,344</td><td>-294</td></tr><tr><td>Financial profit/loss</td><td>2,245</td><td>1,302</td><td>-107</td></tr><tr><td>Profit/loss before tax</td><td>1,149</td><td>-42</td><td>-401</td></tr><tr><td>Profit/loss after tax</td><td>1,149</td><td>-42</td><td>-401</td></tr><tr><td>Net turnover</td><td>4,187</td><td>2,533</td><td>52</td></tr></table> <p>In 2022, the company maintained a minor loss while increasing its total assets to CZK 8.8 million and equity to CZK 3.1 million.</p> <p>2023 marked a period of restructuring. Total assets declined to CZK 0.77 million due to the divestment of long-term financial investments (shares in affiliated entities). The company recorded an operating loss of CZK -0.29 million and a total annual loss of CZK -0.4 million. Equity fell to CZK 0.68 million, reflecting the recognition of a capital reserve of CZK -2.0 million due to valuation adjustments related to corporate restructuring</p> <p>Table 2: Key Balance Sheet Metrics (CZK '000)</p> <table><tr><th>Item</th><th>2021</th><th>2022</th><th>2023</th></tr><tr><td>Total assets</td><td>7,687</td><td>8,809</td><td>770</td></tr></table>	Item	2021	2022	2023	Revenue from products & services	400	0	18	Operating profit/loss	-1,096	-1,344	-294	Financial profit/loss	2,245	1,302	-107	Profit/loss before tax	1,149	-42	-401	Profit/loss after tax	1,149	-42	-401	Net turnover	4,187	2,533	52	Item	2021	2022	2023	Total assets	7,687	8,809	770
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		<p>Total equity 3,159 3,117 680</p> <p>Cash and cash equivalents 1,364 850 0</p> <p>Long-term liabilities 1,116 2,323 79</p> <p>Short-term liabilities 3,412 3,369 11</p> <p>Strategic Shift and Outlook</p> <p>During 2024, Company has shifted its full focus to the issuance and management of e-money tokens in anticipation of stronger demand for digital forms of money across the European market. This strategic transition is expected to enhance scalability, efficiency, and profitability.</p> <p>The company will continue to monitor both financial and non-financial key performance indicators (KPIs), including transaction volumes, token issuance and circulation, and regulatory compliance milestones. Management believes this focused approach will result in stronger financial performance in the years ahead, including positive operating results and sustainable capital growth.</p> <p>Looking ahead to 2025, Company will refocus its efforts solely on the area of e-money tokens. This strategic shift is based on the expectation of increased profitability within this sector. The company anticipates that the transition to a more streamlined and tokenized model will enable greater scalability, efficiency, and revenue generation, while maintaining a strong emphasis on stability and regulatory compliance.</p> <p>We anticipate that with the refocus on e-money tokens, Company will enter a more profitable phase, with clearer financial direction and expected growth in both short-term and long-term capital resources.</p>
A.23	Financial condition since registration	Not applicable
A.24	Exemption from authorisation	<p>True</p> <p>Company, as an issuer of electronic money tokens for limited network, is exempt from authorisation in accordance with Article 48 (5) of Regulation (EU) 2023/1114.</p> <p>CZKI is an e-money token (EMT) issued by the Company and operated exclusively under the limited network exception, as defined below.</p>

		<p>Under this exemption, CZKI is not offered to the general public, but is used solely within a clearly defined, functionally limited ecosystem.</p> <p>This limited network has been explicitly defined for the purposes of the ChainCamp Conference, held in September 2025 in Ostrava - Poruba, Czech Republic (https://www.chaincamp.cz/) („Event“). The network includes:</p> <ul style="list-style-type: none"> • Registered attendees of the conference as Holders, • Merchants physically present at the Event as Designated holders and • The Company as the issuer and operator of the CZKI token. <p>CZKI will be distributed exclusively through the Bitlifi application, which serves as the sole platform for holding, storing, and transferring CZKI during the Event. The Company will issue CZKI from its own funds, and distribute them to Holders free of charge, with no monetary payment required from Holders or Designated holders.</p> <p>The total supply of CZKI for this use case is capped at 60,000 units. These tokens may only be used by Holders for purchasing goods and services offered by merchants physically present at the conference.</p> <p>To ensure compliance with the limited network exemption, the following restrictions and operational rules apply:</p> <ul style="list-style-type: none"> • Each Holder is entitled to a single, non-rechargeable allocation of CZKI. Once this balance is spent, Holders cannot top up their Bitlifi account again. • Recharging, repurchasing, or external acquisition of CZKI by Holders and Designated Holders is not permitted. • Holders may freely send and receive CZKI between each other within the Bitlifi app, enabling peer-to-peer transaction among Holders For purpose of purchasing goods and services from Designated Holders • The Company remains the sole issuer of CZKI for this Event. <p>After the Event concludes:</p> <ul style="list-style-type: none"> • Unused CZKI held by Holders will be automatically refunded to the Company without reciprocal value for respective Holder
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		<ul style="list-style-type: none"> Designated holders who accepted CZKI as payment will be reimbursed in CZK (Czech crowns) within five (5) business days, on a 1:1 basis and free of charge.
A.25	Asset Token Authorisation	
A.26	Authorisation Authority	
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	
A.28	Persons other than the issuer offering to the public or seeking admission to trading of the e-money token in accordance with Article 51(1), second subparagraph, of Regulation (EU) 2023/1114	<p>CZKI may be offered to the public by certain trustworthy and carefully selected third parties that additionally have received a written consent from Company to act as offerors of CZKI, and possibly any other EMTs issued by Company as well.</p> <p>Currently, the only third parties that are authorized to offer CZKI to the public within limited network are members of Czech Crypto association mainly, although this situation may be subject to changes.</p> <p>An up-to-date list of all persons that have been in authorized to offer all or some electronic money tokens issued by Company is following:</p> <ul style="list-style-type: none"> - MP Developers s.r.o., Business Identifier: 070 55 285, located at Křižíkova 710/30, Karlín, 186 00, Prague as a Bitlifi application operator
A.29	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	Public offering within limited network on established platforms helps build trust and credibility among potential Holders or Designated holders, demonstrating Company's commitment to transparency of lightning network. Such offering also allows for broader market participation and the potential for increased adoption of CZKI as a tool of payment.
PART B – INFORMATION ABOUT THE E-MONEY TOKEN		
B.1	Name	CZKI Stablecoin

B.2	Abbreviation	CZKI
B.3	Details of all natural or legal persons involved in design and development	<p>People Involved in the Implementation of the CZKI crypto-asset project:</p> <p>Legal Team:</p> <ul style="list-style-type: none"> GPP advokátní kancelář - law firm, located at Křižíkova 710/30, Karlín, 186 00, Prague <p>Compliance Team:</p> <ul style="list-style-type: none"> GPP and GPP audit - Czech compliance and audit consulting firm, located at Křižíkova 710/30, Karlín, 186 00, Prague <p>Technical Team:</p> <ul style="list-style-type: none"> Stable Labs - Internal technical and smartcontract development Develit.io - Czech company specialising in crypto-assets and IT development, located at Kurzova 2222/16, Stodůlky, 155 00 Praha 5 <p>Management Team:</p> <ul style="list-style-type: none"> Koa & Huria - Czech company located at Křižíkova 710/30, Karlín, 186 00, Prague
<p>A DESCRIPTION OF THE CHARACTERISTICS OF THE E-MONEY TOKEN, INCLUDING THE DATA NECESSARY FOR CLASSIFICATION OF THE CRYPTO-ASSET WHITE PAPER IN THE REGISTER REFERRED TO IN ARTICLE 109, AS SPECIFIED IN ACCORDANCE WITH PARAGRAPH 8 OF THAT ARTICLE</p>		
B.4	Type of white paper	EMTW
B.5	The type of submission	MODI
B.6	Crypto-assets characteristics	<p>CZKI is a Czech crown-backed regulated stablecoin under MiCA regulation.. CZKI is fully backed by equivalent reserves in Czech crowns. CZKI can be used either as funds or as a crypto-asset in multiple different transactions and use-cases within limited network.</p> <p>CZKI is always issued at par value, which practically means that it is always "sold" to prospective holders at a 1:1 ratio of CZKI to crown. Designated holders of CZKI (even those who did not get CZKI directly from Company) can always redeem CZKI at any point in time and at par value without any fees, which practically means that holders can always "return" CZKI to Company, subsequently receiving back an equivalent amount in crowns without any cost.</p>
B.7	Website of the Issuer	https://stablelabs.co/

B.8	Starting date of offer to the public or admission to trading	September 20, 2025
B.9	Publication Date	September 20, 2025
B.10	Any other services provided by the Issuer	Company's additional activity is the issuance and redemption of electronic money in small scale (up to EUR 5.000.000) and CZKI under Article 48 (4) of Regulation (EU) 2023/1114.
B.11	Language or languages of the white paper	English
B.12	Digital Token Identifier Code used to uniquely identify the crypto-asset or each of the several crypto assets to which the white paper relates, where available	NZ27XDL11
B.13	Functionally Fungible Group Digital Token Identifier, where available	Not applicable
B.14	Personal data flag	True
B.15	LEI eligibility	True
B.16	Home member state	Czech Republic
B.17	Host member states	Not applicable
PART C - INFORMATION ABOUT THE OFFER TO THE PUBLIC OF THE EMONEY TOKEN OR ITS ADMISSION TO TRADING		
C.1	Public Offering or Trading	OTPC
C.2	Number of units	<p>Company has structured the issuance of CZKI with a fixed cap of 60,000 CZKI units as part of the primary issuance. This finite issuance model within a limited network ensures that the supply of CZKI remains controlled and predictable, while still aligning with the 1:1 reserve backing principle—each CZKI unit is fully backed by one Czech crown held in reserve.</p> <p>The number of units in circulation will be transparently limited to the initially issued 60,000 CZKI, providing Holders or Designated holders with clarity and confidence in the token's supply integrity. Reserve attestations and public disclosures will be conducted on a regular basis to ensure accountability, transparency, and continued trust in the stability of CZKI.</p>

C.3	Trading Platforms	Not applicable
C.4	Trading Platforms Market Identifier Code (MIC)	Not applicable
C.5	Applicable law	The offer to the public of CZKI in the EEA shall be governed by and interpreted in accordance with the laws of Czech Republic (the " Applicable Laws ").
C.6	Competent court	Any dispute with the offer to the public of CZKI in the EEA shall be brought exclusively in the Czech courts, except prohibited by Applicable Laws.

PART D - INFORMATION ON THE RIGHTS AND OBLIGATIONS ATTACHED TO E-MONEY TOKENS

D.1	Holder's rights and Obligations	<p>CZKI, issued by Company, is an e-money token (EMT) that operates under the limited network exemption pursuant to Article 48(5) of Regulation (EU) 2023/1114 (MiCA). As such, Company is not required to be authorised as an e-money token issuer under MiCA, provided that CZKI is only used within a clearly defined and functionally limited ecosystem.</p> <p>This limited network has been explicitly defined for the purposes of the Event.</p> <p>The CZKI ecosystem is limited to:</p> <ul style="list-style-type: none"> • Registered attendees of the conference, as Holders; • Merchants physically present at the Event, as Designated holders; and • The Company, as issuer and system operator. <p>CZKI tokens are distributed free of charge through the Bitlifi application, which serves as the sole platform for holding, storing, and transferring CZKI during the Event. The total issuance is capped at 60,000 units, issued entirely from the Company's own funds.</p> <p>Each Holder is entitled to a single, non-rechargeable CZKI balance. Recharging or repeated top-ups are not allowed, and CZKI cannot be obtained outside the limited network. However, peer-to-peer transfers between Holders within the Bitlifi app are allowed, enabling Holders to send and receive CZKI freely during the Event for purpose of purchasing goods and services from Designated holders</p> <p>Unused CZKI will be automatically refunded to the Company after the Event without reciprocal value for respective Holder. Designated holders who accepted CZKI as payment will be reimbursed in CZK (Czech</p>
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		<p>crowns) within five (5) business days after the end of the Event, on a 1:1 basis and free of charge.</p> <p>Rights and Limitations of CZKI Holders</p> <p>Holding CZKI does not provide any rights beyond those clearly described in this White Paper and those derived from MiCA and other applicable laws. Holders understand that:</p> <ul style="list-style-type: none"> • Sending CZKI from Holder to Designated holder within Bitlifi account automatically transfers the right of redemption (if applicable), subject to eligibility and status within the limited network. • CZKI transactions are reversible due to the nature of the limited network and internal rules of the Bitlifi system. • Holders do not have a legal right to redeem CZKI for fiat currency. • Only Designated holders have a legal right of redemption for CZKI at the end of the Event and at par value of 1 CZK per 1 CZKI. <p>Designated holders may initiate redemptions without the need for a prior contractual relationship with the Company. Redemption is handled through:</p> <ul style="list-style-type: none"> • A registered account with the Company or its partners, or • Submission of a designated EMT Redemption Form. <p>Redemptions are processed within five (5) business days, unless otherwise communicated with justification. The Company reserves the right to reject repetitive or abusive redemption requests, especially if used to disrupt operations, but will act in good faith and always provide a clear explanation.</p> <p>While Company may hold the CZKI Reserves in interest-bearing accounts or other yield-generating instruments, CZKI holders acknowledge that they are not entitled to any interest or other returns earned on such funds. CZKI does not itself generate any interest or return for CZKI holders and only represents your right to redeem CZKI for an equivalent amount of crowns as provided in the present White Paper.</p>
D.2	Conditions of modifications of rights and obligations	<p>Company 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 on Company's Website, or through any other channel of communication considered valid, including on the Event.</p>

		<p>As provided by Article 51 of MiCA regulation, any significant new factor, any material mistake or any material inaccuracy that would be capable of affecting the assessment of CZKI will be described in a modified version of this White Paper and notified to the competent authorities and published on Company's Website or Event.</p>
D.3	Description of the rights of the holders	<p>General Rights of CZKI Holders</p> <p>CZKI is an electronic money token (EMT) issued by Company and designed to maintain a stable value by being fully backed 1:1 by Czech crowns (CZK). The rights of CZKI holders are strictly limited to those provided under:</p> <ul style="list-style-type: none"> • This White Paper, • Applicable provisions of Regulation (EU) 2023/1114 (MiCA), and • Other relevant legal and regulatory frameworks. <p>The scope of rights depends on the category of the holder, as further described below.</p> <p>Rights of Holders</p> <p>Individuals who receive CZKI as part of their participation in the Event are considered Holders. These holders are entitled to the following rights:</p> <ul style="list-style-type: none"> • Use of CZKI within the defined limited network for: <ul style="list-style-type: none"> ◦ Payments to Designated holders as merchants physically present at the conference, ◦ Peer-to-peer transfers to other Holders via the Bitlifi app. • Access to information, including: <ul style="list-style-type: none"> ◦ Transparency about token supply and circulation, ◦ Terms and conditions of use and operation of CZKI under this White Paper. • Reversibility of transactions: CZKI transactions are reversible due to the nature of the limited network and internal rules of the Bitlifi system. <p>Holders do not have a legal right of redemption of CZKI for fiat currency. Unused CZKI held by Holders after the Event will be automatically returned to the issuer without reciprocal value for Holder (Company)</p>

		<p>and cannot be retained or transferred beyond the scope of the Event.</p> <p>Rights of Designated holders</p> <p>Merchants participating at the Event are classified as Designated holders and have enhanced rights, including:</p> <ul style="list-style-type: none"> • Right to redeem CZKI for Czech crowns by the end of the Event and at par value (1 CZKI = 1 CZK), • No fees will be charged for redemption under normal operational circumstances. • No minimum redemption amount is required. • Redemption procedure is accessible through: <ul style="list-style-type: none"> ◦ An account with the Company or its designated partners, or ◦ Submission of an EMT Redemption Form. <p>Company reserves the right to reject repeated, unjustified, or disruptive redemption requests, provided such assessment is made in good faith, with a clear explanation given to the requester.</p>
D.4	Rights in implementation of recovery plan	Not applicable
D.5	Rights in implementation of redemption plan	<p>Not applicable</p> <p>Redemption Conditions and Transparency</p> <ul style="list-style-type: none"> • Redemption is free of charge • All redemption requests are subject to compliance and AML screening. • Redemptions must be made directly through the Company or vettred third-party facilitators. • The full redemption policy is outlined in the Company's Terms and Conditions available on its Website or within the Event. <p>This structure ensures that designated holders can always confidently redeem their CZKI into Czech crowns, with full transparency, legal certainty, and without incurring any fees.</p>
D.6	Complaint Submission Contact	<p>Holders can submit claims through three different channels:</p> <ul style="list-style-type: none"> • Send an email to: compliance@paycorp.cz • Call: +420 774 057 574 • Send a complaint at: Křižíkova 710/30 186 00 Karlín, Prague

D.7	Complaints Handling Procedures	<p>Holders can file a complaint by leaving a message at the contact number or filing it through the customer support email address stated above, designated party or Stable account. Upon receiving a complaint, the Customer Care Team member will log the case and escalate it to a Customer Care Manager. The Customer Care Manager is responsible for reviewing the details of the complaint. If appropriate, all details and data will be compiled and escalated to the Legal team. When such an escalation occurs, the Legal Department is responsible for investigating the case and working towards closure. If escalated to the Legal Department, all communications with the customer will be instructed by the Legal Department.</p> <p>The Customer Care Department will remain actively involved in any customer complaint or service requirement and serves as a first line of support and an advocate for customers prior to any internal escalation.</p>
D.8	Dispute Resolution Mechanism	<p>Any disputes arising from or in connection with the use of the Company's services shall be resolved by the competent courts of the Czech Republic.</p> <p>The Client acknowledges that the supervisory authority overseeing the Company's compliance with consumer protection obligations is the Czech Trade Inspection Authority (Česká obchodní inspekce).</p> <p>For out-of-court resolution of consumer disputes, the competent authority is the Czech Trade Inspection Authority, ID No.: 000 20 869, with its registered office at Štěpánská 796/44, 110 00 Prague 1, website: https://www.coi.cz/informace-o-adr/.</p> <p>A Client, who is a consumer, may also use the online dispute resolution platform established by the European Commission, available at: http://ec.europa.eu/consumers/odr/.</p>
D.9	Token Value Protection Schemes	True
D.10	Token Value Protection Schemes Description	CZKI will be fully backed by an equivalent amount of CZK-denominated assets held by Company with regulated financial institutions in segregated accounts apart from Company's corporate funds, on behalf of, and for the benefit of, CZKI holders.
D.11	Compensation Schemes	False
D.12	Compensation Schemes Description	Not applicable

D.13	Applicable law	The rights and obligations of holders arising out the use or ownership of CZKI will be governed by the laws of Czech Republic.
D.14	Competent court	Any dispute concerning the rights and obligations of holders arising out the use or ownership of CZKI shall be brought exclusively to the Czech courts, except were provided otherwise by the Applicable Laws.

PART E – INFORMATION ON THE UNDERLYING TECHNOLOGY

E.1	Distributed ledger technology	<p>Underlying Technology</p> <p>The CZKI stablecoin is implemented on top of the Bitcoin blockchain using the Taproot Assets Protocol, a second-layer protocol developed by Lightning Labs that enables the issuance, management, and transfer of fungible and non-fungible assets on Bitcoin. Taproot Assets utilizes Bitcoin’s Taproot upgrade (BIP-340, BIP-341, BIP-342) and extends its capabilities to support additional asset layers while retaining full compatibility with the Bitcoin ledger.</p> <p>Blockchain Layer</p> <ul style="list-style-type: none"> • Base layer: The CZKI stablecoin is anchored to the Bitcoin mainnet, benefiting from the security, immutability, and decentralization of the Bitcoin blockchain. • Data anchoring: Each asset issuance (minting) is embedded in an on-chain Bitcoin transaction that includes the asset’s metadata (ticker, amount, decimals, etc.) and is publicly verifiable. • Transaction model: The protocol leverages Bitcoin’s UTXO (Unspent Transaction Output) model, ensuring transparency, non-interactive proofs, and reduced need for trust between participants. <p>Second-Layer Integration: Taproot Assets & Lightning Network</p> <ul style="list-style-type: none"> • Taproot Assets operates as an off-chain protocol, allowing asset transfers via regular Bitcoin transactions or over the Lightning Network (LN). • LN is used to enable instant, low-fee, and scalable payments by establishing payment channels between peers. In the case of CZKI, these channels can be denominated directly in the stablecoin. • In cases where routing requires asset conversion, the protocol allows atomic conversion between CZKI and BTC during transit, using a mechanism built into Taproot
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		Assets. However, this does not affect the 1:1 backing of CZKI to CZK.
E.2	Protocols and technical standards	<p>The e-money token CZKI, pegged 1:1 to the Czech crown, is implemented using Taproot Assets Protocol, an open-source protocol developed by Lightning Labs that builds upon the Bitcoin infrastructure. The following protocols and technical standards are used to enable the holding, storage, and transfer of CZKI:</p> <p>1. Base Protocols</p> <p>Bitcoin (BTC) Protocol – Layer 1</p> <ul style="list-style-type: none"> Blockchain Type: Bitcoin Mainnet Consensus Mechanism: Proof-of-Work (PoW) Transaction Format: UTXO-based model (Unspent Transaction Output) Key Technical Standards: <ul style="list-style-type: none"> BIP-32 / BIP-39 / BIP-44: Hierarchical deterministic wallets BIP-340 / BIP-341 / BIP-342 (Taproot): Scriptless scripts and data commitments SegWit (BIP-141): Lower transaction size and improved security <p>These standards allow for:</p> <ul style="list-style-type: none"> Immutable anchoring of asset issuance transactions. Cryptographic proof of issuance and ownership. Scalability via Taproot-enabled smart commitments. <p>2. Asset Layer – Taproot Assets Protocol</p> <p>Taproot Assets (formerly Taro)</p> <ul style="list-style-type: none"> Purpose: Enables the creation, issuance, and transfer of fungible/non-fungible assets on Bitcoin. Key Functionality: <ul style="list-style-type: none"> Asset minting via Bitcoin transaction Asset metadata stored as Taproot commitments Asset transfers conducted via Bitcoin or Lightning Network <p>Relevant Protocol Elements:</p> <ul style="list-style-type: none"> Asset Definition Standard: <ul style="list-style-type: none"> Unique Asset ID Ticker (e.g., CZKI) Number of decimals Group Key (for multi-batch issuance tracking) Universe Server:

		<ul style="list-style-type: none"> Public asset registry and metadata verifier Allows synchronization by wallets and clients Holding & Storage: <ul style="list-style-type: none"> Assets can be held in non-custodial wallets via cryptographic private keys (Taproot-compatible) Alternatively, custodial wallets may store and manage balances on behalf of Holders or Designated holders. <p>3. Payment Layer – Lightning Network LND (Lightning Network Daemon)</p> <ul style="list-style-type: none"> Purpose: Facilitates low-latency, off-chain payments for assets and BTC Used Protocols and Features: <ul style="list-style-type: none"> gRPC / REST API: Wallet and network operations Channel-based liquidity and routing Wumbo Channels: High-value transfers AMP (Atomic Multi-path Payments): For flexible routing SCID Aliases / Zero-Conf / Keysend: Enhanced compatibility and usability Taproot Assets Integration: <ul style="list-style-type: none"> Allows CZKI to be transferred via payment channels Optionally converts to BTC during transit and back into CZKI at the destination <p>4. Deployment and Interoperability Standards</p> <ul style="list-style-type: none"> Containerization: Docker-based architecture Server Environment: Debian GNU/Linux 12 APIs: <ul style="list-style-type: none"> Taproot Assets and LND expose interfaces via REST and gRPC for integration Security Standards: <ul style="list-style-type: none"> SSH with key-based authentication TLS encryption for web UI and APIs Static Channel Backup (SCB) for recovery Wallet Compatibility: <ul style="list-style-type: none"> Currently limited to early adopters running full nodes Custodial or semi-custodial mobile wallets are expected in future iterations
E.3	Technology Used	The protocols and technical standards used for holding, storing, and transferring any electronic money tokens issued by Company, such as CZK, will

		always include a combination of industry-standard cryptographic techniques, stringently reviewed blockchain technologies, and secure digital wallets. CZKI operates on technology described in section E.2.
E.4	Purchaser's technical requirements	<p>To gain control over CZKI tokens, purchasers must fulfil following technical requirements.</p> <p>Firstly, they need a designated and compatible digital wallet or similar technology that supports the blockchain standards on which CZKI operates, such as Bitlifi wallet. As CZKI operates within limited network, no transaction fees need to be covered form Holders or Designated holders.</p>
E.5	Consensus Mechanism	<p>Bitcoin network serves as the consensus layer, using the Proof-of-Work (PoW) mechanism.</p> <p>All Taproot Asset activities that require on-chain anchoring (minting, burning) are validated by the Bitcoin network's existing consensus rules. Off-chain transfers (via LN or Taproot Assets state updates) are validated by participating nodes without affecting the underlying Bitcoin ledger.</p> <p>Bitcoin uses the Proof of Work (PoW) consensus mechanism. PoW is a method of securing the network by requiring participants, known as miners, to solve complex mathematical puzzles to validate transactions and add blocks to the blockchain. The process requires significant computational power and energy consumption, but it ensures the integrity and decentralization of the network. The advantage of PoW is its robustness and resistance to attacks, as altering the blockchain would require an immense amount of computational resources. However, its main drawback is the high energy consumption compared to alternative mechanisms like Proof of Stake (PoS). To address Bitcoin's scalability and transaction speed issues, the Lightning Network was introduced as a second-layer solution. The Lightning Network enables faster, cheaper transactions by creating off-chain payment channels between Holders and/or Designated holders. These channels allow participants to conduct numerous transactions without recording each one on the main Bitcoin blockchain, significantly reducing congestion and transaction fees. This makes it possible to perform microtransactions or instant payments at a fraction of the cost of on-chain transactions.</p> <p>Consensus Mechanisms is applicable only for minting a redeeming activity as CZKI operates in the limited network framework.</p>

E.6	Incentive Mechanisms and Applicable Fees	<p>The incentive mechanisms to secure transactions for CZKI vary depending on the underlying blockchain used.</p> <p>Bitcoin (Main Chain – PoW): Miners are rewarded with newly minted Bitcoin (block reward) and transaction fees for validating transactions and securing the network through Proof of Work. The process is energy-intensive but highly secure.</p> <p>Bitcoin (Lightning Network): Participants (node operators) earn routing fees for forwarding transactions through payment channels, and users may pay small transaction fees for these off-chain payments.</p> <p>Incentive Mechanisms and Applicable Fees are applicable only for minting a redeeming activity as CZKI operates in the limited network framework.</p>
E.7	Use of Distributed Ledger Technology	False
E.8	DLT Functionality Description	Not applicable
E.9	Audit	False
E.10	Audit outcome	Not applicable

PART F – INFORMATION ON THE RISKS

F.1	Issuer-Related Risks	<p>As part of the CZKI issuing process, Company is exposed to several risks:</p> <ol style="list-style-type: none"> 1. Bankruptcy Risks. This is the risk of Company going bankrupt, which could result from the insolvency of Company as part of its activities, the failure of a bank, or other systemic financial risks that could impact the operations and financial solvency of Company. 2. Third-Party Risks. This is the risk Company faces in its business relationships with one or more third parties. The ability of Company 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 Company's ability to properly issue, manage, and redeem CZKI. Third parties can elect to support CZKI on their platforms without any authorization or approval by Company or
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		<p>anyone else. As a result, CZKI support on any third-party platform does not imply any endorsement by Company that such third-party services are valid, legal, stable or otherwise appropriate. Company is not responsible for any losses or other issues you might encounter using CZKI on non-Stable platforms.</p> <ol style="list-style-type: none"> 3. Market Risks. This is the risk that CZKI 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 CZKI, Company may not be able to fulfill all the redemption requests within the timeframe provided by the Redemption Policy. 4. Risk of Loss. This is the risk of loss caused by fraud, theft, misuse, negligence, or improper administration of CZKI or CZKI Reserves. 5. Anti-Money Laundering/Counter-Terrorism Financing Risks. This is the risk that crypto-asset wallets holding CZKI or transactions in CZKI may be used for money laundering or terrorist financing purposes or identified to a person known to have committed such offenses. 6. Personal Data Risks. This is the risk that the personal data of Company customers may be leaked or stolen due to a security breach. 7. Risks Related to Company's Business Activities and Industry. This is the risk that results from Company operating in a rapidly changing, regulatorily fragmented and highly competitive industry. 8. Legal and Regulatory Risk. Company 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. Company could also be subject to private litigation. 9. 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 Company's business, causing Company to have to
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		<p>report such failures and lead to a loss of trust in the business.</p> <p>10. Environmental, Social, and Governance Risks. Company issues CZKI on various public blockchains which use different consensus algorithms. Each public blockchain, depending notably on its consensus algorithm, has certain environmental impacts. Please see Section below for sustainability disclosures for CZKI on each individual blockchain. CZKI is currently not issued on blockchains using the most energy-intensive proof-of-work consensus mechanism, and the blockchains currently supported by Company generally use Proof-of-Stake (or a modified version of that mechanism), the environmental impacts of which are very limited compared to Proof-of-Work. In the future, environmental regulations affecting consensus mechanisms may restrict Company's ability to issue CZKI on individual public blockchains if their sustainability impact is considered too negative.</p>
F.2	Token-Related Risks	<p>The CZKI token also exposes its holder to several risks:</p> <ol style="list-style-type: none"> 1. Risk of Under-Collateralisation. This is the risk that, due to fraud or mismanagement (by either Company or a third-party provider), the reserve of assets that guarantees the redeemability of CZKI becomes lower than the outstanding quantity of CZKI. That risk would likely cause a price dislocation of the market value of CZKI and affect the ability of Company to redeem holders at par or in a timely manner. 2. Liquidity Risk. This is the risk that the CZKI 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 CZKI, Company may not be able to fulfil all the redemption requests within the timeframe provided by the Redemption Policy. 3. Scam Risks. This is the risk of loss resulting from a scam or fraud suffered by CZKI 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 Company or its executive members,

		<p>creation of fake CZKI tokens, offering fake CZKI airdrops, among others.</p> <p>4. Taxation Risks. The taxation regime that applies to CZKI purchases and sales by either individual holders or legal entities will depend on each holder's jurisdiction. Company cannot guarantee that conversions of fiat currency against CZKI, or conversions of other crypto-assets against CZKI, will not incur tax consequences. In addition, holders of CZKI should be warned that, based on the current provisions of MiCA, CZKI could qualify as a crypto-asset. Which legal classification prevails might vary amongst national competent authorities and will likely impact the tax treatment of CZKI transactions within the EEA.</p> <p>5. 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</p>
F.3	Technology-Related Risks	<p>Purchasing and using CZKI may also expose the holder to technological risks.</p> <p>1. Blockchain Risks. Blockchain network on which CZKI 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 CZKI, major losses for network participants, or unexpected liquidity movements.</p> <p>2. Personal Data Risks. Pursuant to the General Data Protection Regulation ("GDPR"), Company 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 CZKI holders' personal data and, (iii) in particular, to prevent such data from being distorted, damaged, or accessed by unauthorised third parties.</p> <p>3. Unanticipated Risks. E-money tokens such as CZKI 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</p>

		materialize as unanticipated variations or combinations of the risks discussed within this section.
F.4	Mitigation measures	<p>Regarding the different risks identified in Sections above, Company implements appropriate measures to mitigate this risks and protect its customers:</p> <ol style="list-style-type: none"> 1. <u>Mitigation measures concerning issuer-related risks</u> <ol style="list-style-type: none"> 1.1. Bankruptcy Risks. While there is no legal precedent, Company's bankruptcy should have no impact on the rights of CZKI holders. If Company goes bankrupt, the CZKI Reserves are protected by Applicable Law and cannot be used to compensate the Company's other creditors. Any CZKI will be refunded to its holders as part of Company's bankruptcy proceedings, without the holder necessarily having to file a claim for compensation. 1.2. Third-party Risks. When Company relies on a third party to provide services that are important to CZKI, Company generally enters into an agreement containing specific clauses ensuring that the service provider cannot terminate the business relationship without notice. Some of these agreements are also subject to regulatory obligations. In addition, Company implements internal procedures whose purpose is to limit the disruption in case an important service provider terminates an agreement or becomes unable to provide its services to Company. Finally, third parties with whom Company contracts are subject to due diligence procedures to ensure their financial viability and to limit any other risks of non-compliance. 1.3. Market Risks. Company's systems and procedures are set up in a way that ensures that CZKI redemptions will occur in the timeframe set out in Section I.07, even if volatility in crypto-asset markets causes a significant increase in redemption requests. 1.4. Risks of Loss. The redemption right of eligible CZKI Designated holders remains even if Company suffers a loss at the level of the safeguarded assets. In compliance with Applicable Law, Company is well-capitalized

		<p>and funded. In case the loss exceeds Stable Europe's ability to redeem the CZKI holders, the Redemption Plan will be triggered.</p> <p>1.5. AML/CFT Risks. CZKI redemption request to Company or one of its distributors may require the Designated holder and Holder to comply with the laws and regulations applicable to anti-money laundering and counter-terrorist financing in the EU. Moreover, if Company determines that CZKI transactions are likely to be associated with criminal offenses, Company may decide to freeze the associated CZKI (temporarily or permanently). Also, if Company receives an injunction from a competent authority to freeze CZKI, Company will comply with such a request.</p> <p>1.6. Personal Data Risks. Pursuant to GDPR, Company 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 CZKI holders' personal data and, in particular, to prevent it from being distorted, damaged, or accessed by unauthorised third parties.</p> <p>2. <u>Mitigation measures concerning the token-related risks</u></p> <p>2.1. Risks of Under-Collateralisation. If the CZKI Reserves become lower than the outstanding quantity of CZKI in circulation, Company will apply the measures set out in its Redemption Plan. These plans include measures that could resolve the under-collateralization through (for example) a strengthening of Company's capital position.</p> <p>2.2. Liquidity Risk. Company will implement a Redemption Policy designed to ensure the prompt redemption of CZKI and to respond to scenarios of extreme demand for redemption in unfavourable market conditions.</p> <p>2.3. Scam Risks. Company cannot prevent attempts to defraud or scams in connection with CZKI. The general terms and conditions relating to CZKI issuance specify that Company is not liable for this type of loss. From time to time, Company will inform its clients of such risks through various channels.</p>
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<p>PART G - INFORMATION ON THE SUSTAINABILITY INDICATORS IN RELATION TO ADVERSE IMPACT ON THE CLIMATE AND OTHER ENVIRONMENT-RELATED ADVERSE IMPACTS</p>		
G.1	Adverse impacts on climate and other environment-related adverse impacts	<p>Company is committed to providing transparent and comprehensive information regarding the environmental impact of its operations. Therefore, it should be highlighted that the Delegated Regulation regarding these sustainability indicators, that is mandated inter alia under Article 51 of the Markets in Crypto-Assets Regulation (EU) 2023/1114.</p> <p>The following information contains Company's approach regarding the identification and disclosure of adverse impacts on the climate and the environment linked to the use of consensus mechanisms to validate transactions in crypto-assets,</p>

		<p>notably in relation to the use of energy, renewable energy and natural resources, as well as the production of waste and greenhouse gas (GHG) emissions. Additionally, the creation and amount of waste electrical and electronic equipment (WEEE) shall be assessed.</p> <p>In terms of energy consumption:</p> <p>Bitcoin – approx.. 110 billion kWh annually</p> <p>In terms of gas emissions:</p> <p>Bitcoin – approx.. 45 mil tons of CO2 equivalent annually</p> <p>In terms of waste production:</p> <p>Bitcoin – due to lack of information, Company does not currently have this data</p> <p>Due to the limited network mechanisms of CZKI, Company is able to reduce the carbon footprint and optimise resource use, requiring minimal specialised hardware and promoting scalable, sustainable infrastructure.</p> <p>Company continues to closely monitor the finalization of regulations related to negative sustainability indicators. Once the final texts are published by the authorities, Company will update this document accordingly and will regularly inform stakeholders about the impact of its activities, as well as the issuance and circulation of CZKI.</p>
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