Subscrypts
(SUBS)

MiCA White Paper
Utility Token (Other Crypto-Asset)
Version 1.1
Date: December 2025
Website: https://subscrypts.com

Compliance Statements

Regulatory Notice: This crypto-asset white paper has not been approved by any competent authority in any Member State of the European Union. The offeror (Subscrypts) is solely responsible for its content. The management of Subscrypts hereby declares that this white paper has been prepared in compliance with Regulation (EU) 2023/1114 and, to the best of its knowledge, the information presented is fair, clear, and not misleading, with no omissions likely to affect its import.

Risk Warning (per Article 6(5) MiCA):

- The SUBS crypto-asset may lose its value in part or in full.
- The SUBS crypto-asset may not always be transferable and may not be liquid.
- As a utility token, SUBS may not be exchangeable for the intended goods or services if the crypto-asset project fails or is discontinued.
- SUBS tokens are not covered by investor compensation schemes under Directive 97/9/EC.
- SUBS tokens are not covered by deposit guarantee schemes under Directive 2014/49/EU.

White Paper prepared in accordance with Regulation (EU) 2023/1114 (MiCA) for the public offering of the Subscrypts (SUBS) utility token in the European Economic Area.

Summary

This summary should be read as an introduction to the crypto-asset white paper. Any decision to purchase SUBS tokens should be based on consideration of the white paper as a whole, not merely this summary. The offering of SUBS tokens to the public does not constitute an offer to purchase financial instruments; any such offer can only be made by means of a regulated prospectus. Accordingly, this crypto-asset white paper does not constitute a prospectus or other regulated offer document under EU or national law.

Subscrypts Platform and Token: Subscrypts is a blockchain-based subscription-management platform designed to reduce common inefficiencies in traditional subscription-payment systems, such as high fees, payment failures and limited accessibility. It uses smart contracts and crypto payments to automate recurring subscription payments end-to-end. The native crypto-asset, SUBS, is an ERC-20 utility token on the Arbitrum network (an Ethereum Layer-2). Under MiCA, SUBS is classified as an "other crypto-asset" (utility token), not an asset-referenced or e-money token. Holding SUBS grants access to platform services (i.e. the ability to pay for subscriptions on Subscrypts) but confers no governance, ownership or profit-sharing rights; it is not a share or a claim against the issuer. At present, no application is planned for listing or admission of SUBS on any centralised or regulated trading platform; trading will initially be limited to decentralised exchanges such as Uniswap. SUBS's sole function at launch is as a payment token for subscriptions on the Subscrypts platform; it does not represent any claim on any underlying asset or on Subscrypts. Token Generation Event (TGE) and Supply – At the TGE, 120 000 000 SUBS (120 million) tokens will be created as the initial total supply. The supply is not permanently fixed: the smart contract includes governance-controlled mint-and-burn functions, so additional tokens could be created—or existing tokens destroyed—if a legitimate governance process approves it (any change would require multi-signature approval and, where relevant, regulatory notification). Unless such a future decision explicitly increases it, the practical cap remains 120 million, and any change would be disclosed in accordance with Article 6(1)(d) MiCA. SUBS tokens are fungible, divisible to 18 decimal places, and freely transferable on Arbitrum (subject to gas fees and legal restrictions).

Token Distribution and Vesting: SUBS tokens will be distributed among various stakeholders with a focus on community engagement and sustainable platform growth. The public IDO (Initial DEX Offering) will make 42.5% of tokens (51 million SUBS) available during the first 12 months following launch, comprising 40% (48 million SUBS) allocated to the public sale and 2.5% (3 million SUBS) allocated to the founder's initial token allocation. The remaining 57.5% of tokens are allocated to the founder's residual holdings and other categories such as early contributors, ecosystem growth, treasury, and reserves, as outlined in Part D.9 (Tokenomics). To align incentives with the long-term success of the project, most non-public tokens will be subject to lock-up and structured vesting schedules (e.g., founder tokens vest over several years). Importantly, the SUBS tokens not offered in the first year (the remaining 57.5% of supply) will only become available after their respective lock-up periods (generally after month 12). Any future sale of those remaining tokens would occur outside the scope of this initial offering and, if it qualifies as a new offer to the public, would require a new or supplemental white paper in accordance with MiCA (Articles 3(1)(16), 8 and 10). All proceeds from token sales conducted directly by Subscrypts—including the public IDO and any future private token sales—will be used exclusively to support Subscrypts' development and operational activities. These may include legitimate business expenses such as infrastructure, partnerships, marketing, and team compensation. However, no portion of the proceeds will be distributed to founders or insiders as personal profit, dividends, or similar non-operational payouts.

Key Platform Features: Subscribers and merchants interact directly through smart contracts, so Subscrypts never custodies user funds; all SUBS payments are peer-to-peer until the moment of execution. A platform fee is levied on each subscription transaction. At launch this fee is set at 1 % of the transaction amount and is collected in SUBS. The fee parameter is configurable in the underlying smart-contract logic and may be adjusted—either globally or for specific subscriptions—in the future. Subscrypts undertakes to announce any change to the fee at least two weeks in advance via its official communication channels. Merchants may denominate their subscription price in either SUBS or a fiat-equivalent amount (e.g. USDC). When a fiat reference price is chosen, the smart contract calculates the required SUBS amount at the time of payment using the on-chain SUBS/USDC exchange rate, thereby avoiding additional slippage or off-chain conversion fees. By combining a native token with automated smart-contract execution, the system enables instant, globally accessible subscription payments without intermediaries, which can reduce cost and payment-failure risk compared with certain traditional methods.

Offer to the Public: Subscrypts will conduct a public token offering of SUBS via a fair launch IDO on a decentralized exchange (Uniswap). The offering is planned for Q3 2025 (targeting around September 23, 2025, 12:00 UTC as a provisional launch date) alongside the platform's mainnet launch. The initial issue price will be determined by the market through the SUBS/USDC liquidity pool on Uniswap at the time of launch, rather than being a fixed price set by the issuer. Participants in the IDO will swap accepted cryptocurrencies (primarily USDC, and indirectly ETH via the pool) for SUBS directly on the DEX; purchased tokens are delivered immediately to buyers' wallets. There is no minimum amount to be raised for the sale to proceed (no soft cap), and no predetermined maximum fundraising target in fiat terms, since the sale's proceeds depend on market pricing and demand. However, the maximum token amount available to the public and

founder in the first 12 months is fixed at 51 million SUBS (≈42.5% of total supply). Approximately 12 million SUBS (10% of total supply) will be circulating immediately at TGE to provide initial liquidity and float, while the remaining 36 million SUBS (30% of total supply) allocated to the public sale will be released linearly over 12 months following launch. The founder's initial 3 million SUBS (2.5% of supply) are unlocked at TGE and may be disposed of by the founder at any time during the initial offer period (the founder has indicated any such sales will be conducted gradually to minimize market impact). This gradual vesting for public sale tokens is designed to prevent a sudden oversupply in the market and ensure an orderly distribution in line with MiCA Recital 8 (which emphasizes fair and orderly trading). Even if demand is high, the issuer and founder will not release more than 51 million tokens in the first year.

Project Roadmap: Subscrypts was officially incorporated in the Netherlands in Q2 2025, and the core platform (smart contracts and application) has been developed and tested on Arbitrum testnet. The next major milestone is the TGE and platform launch in Q3–Q4 2025, which will enable real users to start making subscription payments with SUBS. Following launch, the focus for 2026 and beyond will be on growth and feature expansion: onboarding merchants (especially Web3 content platforms), improving user experience, and scaling the system. The emphasis is on refining the core on-chain subscription service on Arbitrum and achieving product-market fit. The roadmap will evolve based on regulatory developments and user needs, and Subscrypts commits to inform the community of any material changes.

Risk Factors: Investing in or using SUBS involves significant risk. The token's value is determined solely by market forces and can be highly volatile; liquidity is not guaranteed. Subscrypts is an early-stage company (incorporated 2025) with no operating history or revenues and relies on the successful execution of its business plan and broader adoption of crypto-based subscriptions. Technical risks are present: although tested, the smart contracts have not yet undergone an independent security audit and may contain bugs or vulnerabilities that could result in loss of funds. Legal and tax risks are also material: future regulatory changes may require additional licences or could cause certain jurisdictions to treat SUBS as a security or other regulated instrument, while the tax treatment of holding or disposing of SUBS may vary and could change without notice. More generally, evolving laws or enforcement practices may affect the project's operations or the legality of the token in some territories. A detailed discussion of these and other risks appears in Part I of this document. Prospective SUBS holders should review those risks carefully and understand that they could lose the entirety of their investment in a worst-case scenario.

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A. Part A – Information about the Offeror (Issuer)

A.1 Name: Subscrypts (officially registered with the Dutch Chamber of Commerce (KvK) as "Subscrypts", hereinafter referred to simply as "Subscrypts").

A.2 Legal Form: Subscrypts is a eenmanszaak (sole proprietorship) under Dutch law.

A.3 Registered Address: St. Francisbaai 5, 2904 AC Capelle aan den IJssel, The Netherlands.

A.4 Head Office: Same as the registered address above. (Subscrypts' operations are conducted from its Netherlands office.)

A.5 Registration Date: Subscrypts was registered in the Netherlands in May 2025 (Q2 2025).

A.6 Legal Entity Identifier: 7245004OOZOW7EVV9619 (Issued on 21 November 2025)

A.7 Another Identifier (National): Subscrypts' Dutch Chamber of Commerce (KvK) Number is 97341258.

A.8 Contact Telephone Number: N/A. (Subscrypts has not publicly provided a telephone contact number. Communication is handled via online channels and email due to the early-stage and digital nature of the project.)

A.9 E-mail Address: contact@subscrypts.com (general inquiries).

A.10 Expected Response Time: Subscrypts aims to respond to inquiries within 10 business days.

A.11 Parent Company: None. Subscrypts has no parent company; it is an independent startup entity.

A.12 Members of the Management Body: Adrianus Ghering – Founder and sole director of Subscrypts. (As the only managing member, Mr. Ghering oversees all aspects of the company's operations.)

A.13 Principal Business Activity: Subscrypts is engaged in the development and operation of a blockchain- based subscription management platform and the issuance of the SUBS crypto-asset that facilitates payments on that platform. The company's activities include software development (smart contracts and web applications), platform maintenance, and business development to onboard merchants and users to the Subscrypts ecosystem.

A.14 Parent Company Business Activity: Not applicable (no parent company).

A.15 Newly Established: Yes. Subscrypts is a newly established venture (incorporated in 2025). It does not have a three-year operating history. This newness implies that historical financial information is limited or not available, and the company is in a startup phase.

A.16 Financial Condition for the past Three Years: Not applicable. Because Subscrypts was formed in 2025, it has no financial performance or audited financial statements for the past three years. There is no historical revenue, profit/loss, or cash flow data prior to 2025**.**

A.17 Financial Condition Since Registration: Since its registration in May 2025, Subscrypts' financial condition has been minimal. The company is pre-revenue (the platform is not yet launched commercially, so no revenue has been generated). Operations to date have been funded by the founder's own resources. As of the date of this white paper, there have been no external capital injections or loans – no seed funding rounds or venture investments have taken place. The company's expenses (mostly development costs and legal/compliance costs for launching the token) have been kept lean. Subscrypts is solvent with respect to its current liabilities (which are minimal), but it is relying on the success of the upcoming token sale to provide the bulk of funding for ongoing development and launch. The use of proceeds from the token sale (see Part D.10) will be critical in determining the financial capacity of Subscrypts going forward. In summary, the post-registration financial condition is that of a typical early- stage startup: limited cash on hand (founder-funded) and awaiting fundraising, with no debts owed and no significant assets apart from the developed software.

A.18 Competent authority of the Home Member State: Autoriteit Financiële Markten (AFM), Vijzelgracht 50, 1017 HS Amsterdam, The Netherlands. (Notification to the AFM made on 10 July 2025 in accordance with Article 8(1) MiCA).

B. Part B – Information about the Issuer (if different from the Offeror)

B.1 The issuer of the crypto-asset is not different from the offeror. Subscrypts is both the issuer of the SUBS token and the entity making the public offer of the tokens.

Parts B.2 – B.12 are not applicable, since the issuer is the same entity as described in Part A. All relevant information about Subscrypts – legal form, address, management, etc. – is provided in Part A.

C. Part C – Information about the Operator of a Trading Platform (if drawing up the white paper) and Other Persons Involved

This section is not applicable. The crypto-asset white paper has been drawn up by Subscrypts (the issuer/ offeror) itself, not by any operator of a trading platform or other third party pursuant to Article 6(1), second subparagraph of MiCA. No external trading platform operator or other person has prepared or co-authored this white paper.

- **C.1** – **C.8:** Not applicable (no trading platform operator is involved in preparing the white paper).
- **C.9** – **C.10:** Not applicable (no such operator involved, hence no separate management body to list beyond what is already provided under Subscrypts in Part A).
- **C.11** – **C.12:** Not applicable (no separate operator business activity or parent company, since no external operator is drawing up the paper).
- **C.13** – **C.14:** Not applicable (the white paper is not drawn up by persons other than the issuer under Article 6(1) subparagraph 2; there are no other parties preparing this document).

(In summary, Subscrypts itself is responsible for this document. There are no other entities or platform operators involved in the preparation of the white paper.)

D. Part D – Information about the Crypto-Asset Project

D.1 Crypto-Asset Project Name: Subscrypts. (The project name coincides with the company/offeror name.)

D.2 Crypto-Asset Name: Subscrypts, abbreviated as SUBS.

D.3 Abbreviation: SUBS (this is the ticker symbol for Subscrypts).

D.4 Crypto-Asset Project Description: Subscrypts is a platform that enables merchants and creators to offer subscription services with payments handled via blockchain. The project's goal is to modernize recurring payments by using smart contracts and a crypto token to eliminate intermediaries (such as banks and credit card processors), reduce fees, and increase the reliability of subscription charges. Through Subscrypts, a merchant can set up a subscription plan (e.g., monthly content access, software-as-a-service membership, etc.), and users (subscribers) can pay for these services using the SUBS token. Smart contracts automate the recurring payment schedule – for example, charging the subscriber's wallet every month in SUBS – in a trustless manner. The platform addresses common issues such as payment failures (crypto transactions don't suffer from card expirations or bank denials), high transaction fees (crypto can be cheaper than certain international payment methods), and financial exclusion (anyone with crypto can subscribe, even if they don't have a bank account or credit card). Key features of the platform include: instant settlement of payments to merchants; non-custodial flows (users retain control of funds until each payment is executed); transparency of transactions on the blockchain; and the ability for subscription prices to be effectively pegged to stable values (like USD) while paid in SUBS (achieved via on-chain price conversion through a stablecoin pair). The SUBS token is integral to the project – it is the medium of exchange for all subscription transactions and the unit in which platform fees are paid. By building on Ethereum's Layer-2 (Arbitrum One), Subscrypts leverages a robust blockchain ecosystem while keeping transaction costs low for frequent micro-payments. In summary, the Subscrypts project marries the subscription business model with decentralized finance technology, aiming to offer a Web3 alternative to services like Stripe or PayPal for recurring billing, with the SUBS token powering the economy of this ecosystem.

D.5 Details of All Persons Involved in Project Implementation: Subscrypts is currently a small, founder- led project. The sole founder and developer is Adrianus Ghering, who is responsible for the concept, smart contract development, and overall business strategy. As of the publication of this white paper, Mr. Ghering is the only full-time team member of Subscrypts. There are no other co-founders or executive team members. During development, some tasks (such as front-end development, design, or legal advisory) have been handled by independent contractors and advisors on an as-needed basis, but these individuals are not part of the permanent management or considered insiders for the purpose of the project's disclosures. Importantly, no external persons or entities have made financial contributions to the project in exchange for token allocations prior to the public sale – i.e., there were no venture capital investors or pre-IDO/seed token buyers. Going forward, Subscrypts may hire additional team members (engineers, business development, customer support, etc.) to expand operations, and any such additions will be communicated to the community. For the time being, the project's success rests predominantly on the efforts of the founder, supplemented by community feedback and any contractor assistance as necessary

D.6 Utility Token Classification: SUBS is unequivocally classified as a utility token under the Markets in Crypto-Assets Regulation (MiCA), meaning it is a crypto-asset that is not an asset-referenced token or an e- money token but is intended solely to provide access to a service provided by its issuer. SUBS does not represent a claim to return funds (it is not a debt or equity instrument), nor is it pegged to any currency or asset (it is not a stablecoin). The token's primary purpose is to provide digital access to the service offered by Subscrypts (the on-chain subscription management platform) – specifically, holding SUBS enables the execution of subscription payments and interaction with the platform's features. SUBS is not intended for use as a general-purpose payment outside the platform's context (though holders may freely trade it on secondary markets). In MiCA terms, SUBS falls into the category of "other crypto-assets" offered to the public, which triggers the obligation to publish this crypto-asset white paper in accordance with Article 4 of MiCA. This classification has been confirmed by internal and external legal analysis to ensure that SUBS is neither a hidden security nor e-money; it confers no ownership or governance rights and is not designed to maintain stable value. The issuer affirms that this white paper follows all applicable MiCA requirements, and that all information herein is presented in a fair, clear and non-misleading manner, as mandated by MiCA (cf. Article 7 of Regulation (EU) 2023/1114).

D.7 Key Features of Goods/Services for Utility Token Projects: The goods and services linked to SUBS are the subscription services facilitated by the Subscrypts platform. By holding and using SUBS, a user can pay for a subscription to a product or service offered by a merchant in the Subscrypts ecosystem. For example, a content creator might offer a monthly premium content subscription for a price denominated in USD but payable in an equivalent amount of SUBS tokens. A user holding SUBS can subscribe to that service by authorizing Subscrypts' subscription smart contract to transfer the required SUBS each month to the merchant. In effect, the "good" that the token provides access to is continued service from the merchant (e.g., a month of streaming content or software access), as defined by the merchant's offering. Another key feature is that Subscrypts applies a 1% platform fee that is deducted from the merchant's subscription price. For example, if a merchant sets a price of 100 SUBS for a subscription, the smart contract will automatically send 99 SUBS to the merchant and route 1 SUBS to the Subscrypts Treasury. This mechanism ensures that the platform is sustainably funded while minimizing friction for users. As more subscriptions are processed via Subscrypts, demand for SUBS grows organically (since users must acquire SUBS to cover subscription payments, and merchants receiving SUBS may hold them or recycle them back into the market). In summary, SUBS serves both as the "ticket" to consume services on the platform and the "fuel" for the platform's revenue model. It's important to note that merely holding SUBS does not guarantee any service; a user must actually spend the tokens to access a merchant's subscription. Thus, the utility is realized at the moment of payment: SUBS tokens are redeemed in exchange for a period of service (e.g., one month of access), after which additional tokens must be spent to continue the service. If a user stops making the required SUBS payments, their subscription lapses. While a thriving platform could drive demand and turnover for SUBS (benefiting token holders indirectly via network usage effects), the token confers no inherent commercial rights – no discounts, profit shares, or governance abilities – beyond its function as a medium of exchange within this closed-loop system of services.

D.8 Plans for the Token (Roadmap and Evolution): The roadmap for Subscrypts is focused on launch, user growth, and iterative improvement, rather than introducing fundamentally new roles for the token in the immediate future. In the near term (2025 through 2026), SUBS will continue to function primarily as a payment and utility token within the platform. There are no plans to introduce governance rights or DAO features to SUBS during this period, meaning SUBS holders will not be voting on platform decisions or parameters initially. (This decision was made to ensure stable and compliant development without the complexity of decentralized governance in the early stage.) Similarly, there are no immediate plans to integrate fiat on-ramps or multi-chain interoperability for SUBS; the focus is on making the Arbitrum-based system robust and user-friendly on its core network before exploring cross-chain expansion. The project's growth plan emphasizes continuous refinement of the product based on feedback, rather than expanding the token's scope. For example, the team will prioritize merchant onboarding tools, user experience improvements, and security enhancements over adding token-centric features like staking or rewards in the short term. If the platform grows, more creative token uses might be explored (for instance, loyalty rewards in SUBS for frequent subscribers, or community voting on certain platform decisions using SUBS off-chain), but those would be potential future add-ons and are not part of the token's functionality at launch. Should any significant functional evolution of the token occur, Subscrypts would assess whether it requires a new white paper or a supplement under MiCA (likely it would, if it changes token holder rights or utility substantially). In summary, the planned evolution of the token's role is cautious: no major changes to SUBS's fundamental purpose are expected in the foreseeable future. The token will be used as described for subscription payments and platform fees. Any future changes (like adding governance features or altering supply mechanics) would be carefully evaluated, communicated to holders, and executed in compliance with regulatory obligations (including updating this white paper pursuant to MiCA Article 10 for material changes, if needed).

D.9 Tokenomics and Resource Allocation: The SUBS token has a total initial supply of 120,000,000 (120 million) tokens, all minted at the Token Generation Event. This supply is allocated across various categories to support the project's stakeholders and needs. Table 1 below summarizes the token allocation and vesting schedule for each category. The issuer confirms that these allocations account for 100% of the token supply – there are no undisclosed or miscellaneous token pools. Any tokens that are allocated but not immediately utilized will remain under the project's control and subject to the same vesting/lock-up conditions until a use is identified, at which point they may be released in accordance with those conditions.

Table 1 – SUBS Token Allocation and Vesting Schedule

Allocation Category	Percentage of Total Supply	Token Amount (SUBS)	Release Schedule
Founder	10%	12,000,000	2.5% at TGE; the founder may dispose of these tokens at any time during the initial offer while seeking to minimise market impact. Remaining 7.5% vests linearly over 36 months.
Marketing & Partnerships	15%	18,000,000	0% at TGE; 12-month lock; then vest linearly over 24 months.
Treasury & Operations	15%	18,000,000	0% at TGE; 12-month lock; then vest linearly over 12 months.
Development Fund	15%	18,000,000	0% at TGE; 12-month lock; then vest linearly over 24 months.
Public Sale (IDO)	40%	48,000,000	10% at TGE; remaining 30% vest linearly over 12 months (~2.5% of supply unlocking per month).
Ecosystem Reserve	5%	6,000,000	0% at TGE; 12-month lock; then vest linearly over 24 months.

Public Sale Distribution: The public sale (IDO) category accounts for 40% of the total supply, of which 10% of the total supply (12 million SUBS) is initially released into the market at launch (to provide liquidity and a starting float for trading). The remaining 30% of total supply (36 million SUBS) allocated to the public sale is subject to a 12-month linear vesting schedule after TGE. In practice, this means roughly an additional ~2.5% of total supply (3 million SUBS) unlocks each month for a year, becoming available for circulation gradually rather than all at once. This structured release is intended to prevent a sudden oversupply and helps stabilize the market in accordance with orderly trading principles (MiCA Recital 8). The total number of tokens that the public (and founder) can ultimately acquire through this offering is fixed at 51 million; the issuer (and founder) will not sell more than this amount in the context of the initial offer.

It is important to clarify that this 51 million SUBS cap applies only to this initial public offering period. The remaining 69,000,000 SUBS (57.5% of total supply) are allocated to other purposes (founder's remaining tokens, treasury, development, etc., as detailed above in Part D.9) and are not part of the public offering. Those tokens are subject to their own lock-up and vesting schedules and will not be sold during the IDO or the first-year offering. However, over time, as those remaining tokens vest and unlock, they are expected to gradually enter circulation through other channels (for example, the company might sell small portions of treasury tokens to fund operations once unlocked). In other words, while 51 million is the total offered now under this white paper, the full 120 million supply is anticipated to eventually circulate as the project progresses beyond the offering period. The issuer emphasizes this distinction so no investor is misled to think that only 42.5% of tokens will ever be available – rather, 42.5% is what's being offered initially under this white paper, and the rest, held by the issuer and insiders, may come into the market in the future after their vesting periods (any such future sale to the public would occur only in compliance with applicable disclosure requirements or under a new/ supplemental white paper if it qualifies as a new offer as per MiCA Articles 8 and 10). This disclosure satisfies MiCA Article 5(1)(b) by indicating the total number of tokens to be offered and the portion of the total supply that number represents.

D.10 Planned Use of Collected Funds: All funds collected from the SUBS token offering (whether received in USDC, ETH, or other accepted crypto-assets during the IDO) will be transferred to Subscrypts' project treasury (controlled by the company's multi-signature wallet) and dedicated to building out the Subscrypts platform and ecosystem. The use of proceeds is planned as follows, in accordance with MiCA Article 5(1)(c) (which requires a description of the planned use of funds). All proceeds from token sales conducted directly by Subscrypts—including the public IDO and any future private token sales—will be used exclusively to support Subscrypts' development and operational activities. These may include legitimate business expenses such as infrastructure, partnerships, marketing, and team compensation. However, no portion of the proceeds will be distributed to founders or insiders as personal profit, dividends, or similar non- operational payouts. Subscrypts will maintain careful records of how all funds are spent and will act transparently with the community within reasonable bounds (commercial sensitivities considered). If the platform begins to generate its own revenue (e.g., through the fees collected in SUBS for subscriptions), those tokens may periodically be sold by the company to supplement funding for the categories below. Unlike proceeds from token sales, revenue generated through platform operations (such as subscription fees) may, at the discretion of the company, be allocated toward profit or dividends for founders or insiders in accordance with applicable laws and financial policies (at present, however, no such distributions are planned). The allocation percentages below are estimates; actual spending will be adjusted to the amount of funds raised and project needs. The issuer will ensure that any marketing communications about the offer remain consistent with this white paper and compliant with MiCA (per Article 7(3)). In summary, the collected funds will be used to grow and sustain the project, with an emphasis on technical development and market adoption, as detailed below:

- **Product Development (~40% of proceeds):** Approximately 40% of the funds will go toward ongoing development of the platform. This includes hiring additional software engineers and developers to implement new features, performing security improvements, and maintaining the smart contracts and front-end application. It also covers technical expenditures such as external security audits for the smart contracts (the team intends to commission audits promptly after raising funds), code review bounties, and necessary development tools or services (infrastructure costs, third-party APIs for notifications, etc.). Dedicating a large portion of funds to development ensures the platform can continue to improve and remain secure. This aligns with the project's priority of delivering robust technology and addresses technical risks early, in compliance with MiCA's emphasis on operational resilience and security (cf. MiCA Art. 13 on systems and security requirements for crypto-asset issuers).

- **Operations & Infrastructure (~20% of proceeds):** ~20% of the funds are allocated to running the day-to-day operations of Subscrypts. This covers server and node infrastructure costs (e.g., running Arbitrum nodes or using reliable node-as-a-service providers to ensure the platform's smart contracts have constant connectivity), cloud services for the platform's web interface and data storage, monitoring and analytics tools, and other IT overhead. It also includes regulatory compliance costs – such as ongoing legal counsel, any registration or licensing fees that may arise under evolving regulations (e.g., if certain activities trigger additional licensing under MiCA or national laws), and accounting or auditing of company financials as required. General administrative costs (minimal office expenses, basic equipment, etc.) fall under this category as well, though as an online service Subscrypts expects such overhead to be relatively modest. In summary, this allocation ensures the reliability and legal compliance of the platform's operations. Given the regulatory context, the issuer understands the need to continuously monitor legal requirements (MiCA and otherwise) and allocate funds to compliance to avoid any breach of conditions (including updating the white paper or registering as a service provider if activities evolve).

- **Marketing & User Acquisition (~20% of proceeds):** ~20% of the funds will be used to grow the user base – attracting both merchants and subscribers to the Subscrypts platform. Planned marketing expenditures include online advertising and content marketing, presence at industry events, and possibly strategic partnerships for distribution. The project will also fund incentive programs such as referral bonuses (paid in SUBS) for users who bring others to the platform, or subsidies of some subscription costs for early adopters to encourage trial of the system. Partnership deals might be supported as well; for example, Subscrypts could use funds to integrate with popular e-commerce or website platforms to simplify merchant onboarding, or co-sponsor promotions with early merchant partners (e.g., "subscribe with SUBS and get 1 month free," where the free month is compensated by the project). Another component of marketing is community building – e.g., running hackathons or developer grant programs to encourage third parties to build plugins or integrations for Subscrypts. Since broad adoption is critical to drive the token's utility (and indeed widespread token distribution is one reason for the public token offer), marketing will be a key area of expenditure. The issuer will ensure that marketing communications remain compliant with MiCA's provisions (Article 7(3) requires that marketing communications about the offer be consistent with the white paper and not misleading). All marketing activities will be conducted in a manner that promotes the legitimate use of the platform and token, in line with regulatory expectations for fair communication.

- **Reserves and Contingency (~20% of proceeds):** The remaining ~20% of funds will be kept in reserve as a contingency buffer. This is a prudent measure to ensure the project's resilience against unexpected situations or adverse market conditions. For example, if crypto-market conditions significantly worsen (a prolonged bear market), having reserve funds will ensure the project can continue operations and development for a longer period without needing additional fundraising. Contingency funds could also cover unforeseen costs such as responding to a security incident (hiring emergency developers or security experts), dealing with legal expenses in case of regulatory inquiries or changes in law, or accelerating certain roadmap items if an urgent competitive threat or opportunity arises unexpectedly. These reserves will likely be held in stable assets (e.g., fiat in a bank or stablecoins like USDC) to protect against crypto volatility, and will only be deployed judiciously as needed. In essence, this allocation is about risk management – ensuring that the project remains solvent and agile even under unexpected pressures. Maintaining such a reserve is also aligned with good governance principles and with MiCA's expectations that issuers can handle liabilities: it indirectly protects token holders by reducing the risk that the project runs out of funds and cannot fulfill its commitments to develop the ecosystem or comply with regulatory obligations.

E. Part E – Information about the Offer to the Public of Crypto- Assets (Public Offering Details)

E.1 Public Offering or Admission to Trading: The SUBS tokens will be offered to the public through an Initial DEX Offering (IDO) on the Uniswap protocol (Arbitrum network). Tokens will be supplied to a permissionless SUBS/USDC liquidity pool; anyone with a compatible wallet may purchase SUBS by swapping USDC (or another routed asset) for the tokens directly on-chain. No private sale or preferential allocation has taken place, and no minimum or maximum subscription amount applies. The offer is not accompanied by, and is independent of, any admission to trading on a regulated market, multilateral trading facility (MTF) or other centralised trading platform for crypto-assets. No application has been submitted, and none is currently planned, for the admission of SUBS to trading on any such platform inside or outside the European Economic Area. For the foreseeable future, trading will be confined to decentralised exchanges (DEXs), where price formation is fully market-driven through automated market-maker mechanisms. Should Subscrypts decide at a later date to seek admission of SUBS to a centralised or otherwise regulated trading platform, the issuer will publish a white-paper supplement in accordance with Article 10 MiCA at least 20 working days before the admission takes effect and will notify the Dutch Authority for the Financial Markets (AFM) in the manner prescribed by Article 8 MiCA. There have been no prior public or private distributions of SUBS other than the de minimis founder allocation disclosed in Part D.9. Accordingly, the IDO described here constitutes the first time SUBS will be offered to external purchasers.

E.2 Reasons for the Public Offer: The primary purposes of conducting this public token offer are fundraising and broad token distribution. Subscrypts aims to raise capital to fund the development, launch, and growth of its subscription platform (as detailed in Part D.10, Use of Funds). Unlike traditional equity financing, a token sale allows the project to raise funds while simultaneously bootstrapping an ecosystem of token holders/users who are economically and practically involved in the platform. By distributing a significant portion of the SUBS supply (approximately 40% of the tokens) to public buyers in the initial offering, Subscrypts seeks to achieve wide decentralization of token ownership, which can increase community engagement, spur usage of the platform, and reduce the likelihood of market manipulation by a small group. A fair and broad distribution is seen as essential for fostering a community-driven project and aligning the user base with the success of the platform.

E.3 Fundraising Target: There is no fixed hard cap in terms of fiat currency for the SUBS token sale. Because the sale is conducted via a Uniswap liquidity pool, the amount raised will depend on market demand and the clearing price of SUBS established during trading. Subscrypts is not setting a specific EUR or USD target (like “we aim to raise €X million”); rather, it is supplying a certain amount of tokens (48 million SUBS allocated for public sale) and will allow the market to determine the valuation. Internally, the project has budgeted its plans such that even a modest raise would allow platform launch, and a larger raise would accelerate growth (as discussed in use of proceeds). For context, if SUBS were to trade around, say, $0.0004 at launch (purely hypothetical for illustration), 48 million tokens could imply up to $20 thousand if fully sold – but the actual raise could be less or more depending on price. In summary, no explicit minimum or maximum fundraising amount in fiat terms is set; the sale is open-ended with respect to funds raised, constrained only by the token amount available and market pricing.

E.4 Minimum Subscription Goal: None. The offer does not have a minimum threshold of proceeds that must be met (no “soft cap”). Subscrypts will proceed with the launch irrespective of the amount raised (even if the raised amount is small). Investors will not receive refunds due to low raise amounts because the concept of a minimum goal does not apply here. The project is prepared to scale its plans according to whatever funds are raised (focusing on core essentials if the budget is limited).

E.5 Maximum Subscription Goal: There is no predetermined maximum amount of funds to be raised in fiat terms for this offering. The only cap is the fixed number of tokens offered in the initial public sale period: 51,000,000 SUBS (approximately 42.5% of the total supply) will be made available during the first 12 months. Once those 51 million initial-offer tokens have been distributed (through the liquidity seeding at TGE and subsequent vesting releases over 12 months), no further tokens will be sold by the issuer as part of this offering. Effectively, the maximum participation by the public (and founder) is bounded by that token allocation. If demand is extremely high, it will be reflected in a higher market price for SUBS rather than in the sale of additional tokens beyond the allocated 51 million (the smart contract will not mint more tokens for this sale). Thus, theoretically, the amount of funds raised could become very large if the token price rises significantly (since 51 million tokens × a high price per token yields a high total), but the project is not limiting or targeting a specific fiat amount — the market will determine the clearing price, and the sale ends when all 51 million first-year tokens are circulating. We highlight that this limitation by token count is specific to this initial offering; the project retains the other 57.5% of the token supply for internal allocations, which are not part of this public sale. Those remaining tokens will not be sold during the IDO or the first-year offering period, and thus they do not factor into the maximum size of this offer. For the avoidance of doubt: a maximum of 51,000,000 SUBS (42.5% of supply) will be sold or otherwise made available under this initial offer, and the issuer and founder will not exceed this limit even if demand outstrips supply, in compliance with the disclosed allocation. Any future sales or issuances of tokens from the remaining 69,000,000 SUBS (57.5% of supply) would occur, if at all, outside the scope of this offering and under separate arrangements or a new white paper, pursuant to MiCA’s requirements (e.g., MiCA Article 8 and Article 10, if qualifying as a new public offer).

E.6 Oversubscription Acceptance: In traditional offerings, an “oversubscription” (more demand than available tokens) might be handled by pro-rata allocation or by increasing the supply. However, in this DEX- based sale model, those concepts do not directly apply. If more buyers attempt to purchase SUBS than the pool has at a given price, the automated market maker mechanism of Uniswap will simply drive the price up until supply and demand equilibrate. Subscrypts will not create or sell additional tokens beyond the allocated 51 million for the initial offer to satisfy excess demand. Therefore, there is no need for a formal oversubscription allotment policy – the market price adjusts to reflect demand. All interested participants compete in the open market for the tokens; if the sale is “oversubscribed” in the sense of very high demand, the outcome will be that the token price increases rather than any expansion of supply or special allocation process. There is also no whitelist or guaranteed allocation program; purchasing is first-come, first-served through the public liquidity pool. In summary, oversubscription in this context simply results in higher clearing prices, not an allotment lottery or supply increase. Subscrypts is following the principles of a fair launch: everyone has equal access via the DEX, and the only mechanism to resolve excess demand is the market pricing mechanism.

E.7 Oversubscription Allocation (Allotment in Case of Oversubscription): Not applicable. As explained above, tokens are acquired through DEX trades, not via a subscription application process that could be oversubscribed. There is no scenario where people apply for tokens in advance and then need an allotment method; no fixed-price or limited-slot subscription is taking place – the distribution is continuous and price- driven on the DEX. Every buyer who executes a swap on Uniswap will receive whatever amount of SUBS their trade yields at the prevailing market rate until effectively all public allocation tokens are released to the market. If demand is very high, the pool will reflect that by adjusting the price upward, but there is no separate allocation mechanism managed by the issuer. Therefore, no special oversubscription allotment policy is required. The issuer will not increase the token supply or reserve beyond what's stated to accommodate additional demand, nor will it impose any artificial rationing; the market handles allocation dynamically. In the unlikely event that some structured oversubscription scenario did arise (which, given the DEX model, is not foreseen), the issuer's stance is that all buyers have equal access via the public pool and no special allotment will be implemented. This approach is consistent with MiCA's emphasis on transparency and equal treatment – everyone faces the same market conditions.

E.8 Issue Price: There is no fixed issue price for SUBS tokens. The initial price per SUBS will be determined by the Uniswap automated market maker (AMM) at the moment the SUBS/USDC liquidity pool is launched and trading commences. Subscrypts will seed the pool with a certain amount of SUBS and USDC at launch, which effectively sets a starting exchange rate. Specifically, the issuer will add 12,000,000 SUBS (approximately 10% of the total supply) paired with an equivalent value of USDC from its own funds to create the initial pool liquidity. For example, if the project pairs 12,000,000 SUBS with 5000 USDC in the pool, the implied starting price would be $0.000417 per SUBS. However, this is not a guaranteed or long- lasting price – it is merely the opening state of the pool. The moment trading opens, the price will continuously adjust based on buy and sell pressure following Uniswap's constant product formula ($x * y = k$). Early trades will move the price: if many buyers purchase SUBS initially, the SUBS price (in USDC terms) will rise; if more sellers appear, the price will fall. There is no centralized determination of price and no single price at which all tokens are allocated (unlike a traditional ICO or fixed-price sale). The rationale for using a DEX AMM launch is to ensure market-driven price discovery and a fair launch where all participants face the same market dynamics. Investors should be aware that the "issue price" of SUBS is dynamic and determined by market activity. The project may announce an approximate starting price or reference rate based on the initial liquidity provided (for transparency), but after launch, the price is determined by the open market. Thus, different participants will likely acquire tokens at different prices depending on when they trade and prevailing market conditions. MiCA does not require a fixed price (it allows market-based pricing as long as the mechanism is disclosed), so we are complying by clearly describing the pricing mechanism. In summary, the offer price is continuously determined by market forces rather than fixed by the issuer. For ongoing market stability, about 10% of the USDC proceeds from token sales will be set aside by the issuer as a liquidity support reserve (see Part D.10); this can be used to support the market if needed (for example, adding liquidity or countering excessive volatility), and any unused portion of that reserve will be redirected to development/operations after the first year. All such liquidity operations will be transparent (on-chain) and in line with market integrity rules, as noted earlier. Overall, early participants should expect price variability and plan accordingly, as the market sets the price in real time.

E.9 Official Currency or Any Other Crypto-Assets Determining the Issue Price: The pricing of SUBS in the IDO is referenced against USD (United States Dollar) via the USDC stablecoin. In practice, the trading pair on Uniswap is SUBS/USDC, meaning the value of SUBS will be discovered in terms of USDC. USDC itself is a stablecoin pegged to the US dollar, so effectively, SUBS's price is being determined in USD terms. Participants may also indirectly use ETH (Ether) to buy SUBS by swapping ETH to USDC or via a routing on Uniswap, but the primary denominator for the issue price is USDC. No official fiat currency price is set by the issuer, but by using USDC as the base, the market price will mirror a dollar-based valuation. (To clarify, the issuer's seeding of the liquidity pool will involve USDC, thus anchoring the initial price discovery in dollar terms rather than, say, ETH volatility.)

E.10 Subscription Fee: No additional subscription fee is charged by the issuer for participating in the token sale. Buying SUBS via Uniswap will only incur the standard DEX trading fees and network transaction fees. Uniswap's protocol charges a 0.3% swap fee which goes to liquidity providers (including the pool, part of which is the project's provided liquidity) – this is not a fee collected by Subscrypts as an offeror, but rather a DEX mechanism. Beyond that, participants will pay blockchain gas fees for the transaction on Arbitrum(expected to be low, given Arbitrum's efficiency). Subscrypts does not levy any separate charge or premium on the token price. In summary: aside from DEX fees and network fees, there are no subscription or purchase fees imposed by the issuer.

E.11 Offer Price Determination Method: The offer price is determined via an automated market maker (AMM) mechanism on Uniswap. Specifically, once the SUBS/USDC liquidity pool is created by Subscrypts (providing initial liquidity at some starting ratio), the price will move according to Uniswap's constant product formula (xy=k) as trades occur. Early on, if many buyers purchase SUBS, the SUBS price (in USDC) will increase; if more sellers emerge, the price will decrease. There is no human discretion or algorithmic auction setting the price – it's purely the interaction of buy/sell orders against the liquidity pool. This creates a real-time price discovery environment. The initial pool seeding will provide an implicit starting price, but that is not a guarantee or set price – just the opening state. The rationale for using a DEX AMM is to ensure a fair launch where all participants have equal access and the price reflects the market's consensus. Thus, market forces* determine the offer price continuously, rather than a fixed price predetermined by the issuer.

E.12 Total Number of Offered Crypto-Assets: 51,000,000 SUBS tokens are being offered to the public in this sale (approximately 42.5% of the total token supply). However, not all these tokens will be available or circulating on day one due to the vesting structure described in Part D.9 (Tokenomics). At TGE (token launch), 12,000,000 SUBS – which is approximately 10% of the total supply – will be unlocked and made available in the initial Uniswap liquidity pool, constituting the immediate circulating supply from the public allocation. Additionally, 3,000,000 SUBS (2.5% of total supply) from the founder's allocation are unlocked at TGE; while these founder tokens are not initially placed into the liquidity pool, the founder may choose to sell some or all of them during the offering period (with the intention to do so gradually so as to avoid disrupting the market). The remaining 36,000,000 SUBS (30% of total supply) allocated to the public sale vest linearly over the 12 months following launch. This means roughly an additional 3 million SUBS (~2.5% of supply) unlock each month for a year, becoming available for circulation gradually rather than all at once. This gradual release schedule is designed to prevent a sudden influx of supply and to ensure an orderly market (consistent with MiCA Recital 8 on orderly trading). Regardless of the timing of these releases, the total number of tokens that will be sold or otherwise made available under this initial offering will not exceed 51 million.

It is important to note that this 51,000,000 SUBS figure applies only to the tokens offered under this white paper in the initial 12-month period. The remaining 58.5% (approximately 69,000,000 SUBS) of the total supply is not covered by this offering and will only unlock after month 12 as per their respective vesting schedules. Those tokens (held by the founder beyond the initial allocation, team, treasury, etc.) may be sold or distributed in the future only outside the scope of this offer. Any such future sales to the public would be conducted under a separate process – for example, the issuer would publish a MiCA-compliant supplement or new white paper if required, in line with Articles 3(1)(16), 8, and 10 of MiCA, as those tokens entering the market in the future could constitute a new offer to the public. This disclosure ensures that investors understand the full context: 42.5% of the tokens are being offered now, and while the remaining tokens are expected to eventually circulate as the project develops, those future distributions would occur with appropriate regulatory disclosure. (This statement also satisfies MiCA Article 5(1)(b) by stating the total number of tokens offered and its proportion of the overall supply.)

E.13 Targeted Holders (Targeted Investors): The offer is aimed at the general crypto-investing public, particularly those interested in utility tokens and decentralized finance (DeFi) platforms. There is no discrimination or restriction between retail and institutional participants; both are free to participate on equal terms. Geographically, the offer is being made under the framework of EU law (MiCA) and, upon valid notification and publication of this white paper, will be passportable across the entire European Economic Area (EEA). Therefore, investors in any EEA member state can legally partake in the offering. In practice, because the sale occurs on a permissionless DEX (Uniswap) on a public blockchain, participants from outside the EEA may also access it (the smart contracts themselves do not enforce geographic restrictions). However, Subscrypts is not specifically targeting or marketing to investors in jurisdictions where crypto token sales are restricted or illegal. Notably, the offer is not being made to U.S. persons or other prohibited jurisdictions – any such participation would be considered unsolicited and at the person's own initiative and risk. Subscrypts, as issuer, has not taken any steps to register or qualify this offering under non-EEA jurisdictions' laws (e.g., it is not registered under U.S. securities laws). Marketing efforts are focused on the EU and other jurisdictions where such offerings are lawful.

E.14 Holder Restrictions: Subscrypts has not imposed any on-chain or direct contractual restrictions on who can hold or trade SUBS. The SUBS token smart contract does not include any allow-lists or block-lists; it is a standard ERC-20 token on Arbitrum, freely transferable to any address. However, prospective holders are responsible for complying with the laws of their own jurisdictions. The offer is being made under EU law (MiCA), and no effort has been made by the issuer to comply with or obtain exemptions under other jurisdictions' laws for this offering. In particular, the issuer is not marketing or selling to residents of countries where token sales are restricted, and buyers from such regions would be self-directed.

E.15 Terms of Withdrawal (Right of Withdrawal): Because the offering is conducted via a DEX swap, there is no formal subscription agreement to withdraw from. Once a participant exchanges their USDC for SUBS on Uniswap, the transaction is on-chain and final – it cannot be reversed by the issuer. In traditional terms, there is no cooling-off period or right of withdrawal for the token purchase. Purchasers should understand that crypto trades are irreversible; if they change their mind after buying, their recourse is simply to sell the tokens on the market at the prevailing price. The concept of a "right of withdrawal within 14 days" (as might apply to distance financial services or certain EU offerings) does not straightforwardly apply here, given the nature of the instrument and platform. Therefore, once tokens are purchased, buyers do not have a guaranteed right to refund or cancel their purchase with the issuer. (They effectively exercise any "withdrawal" by selling on the secondary market, with associated market risk.)

E.16 Refunds and Reimbursement Mechanism: Since there is no minimum goal and the sale will not be cancelled for under-subscription, no general refunds are planned. In the event of any extraordinary circumstance (for instance, a critical issue discovered and the sale needs to be aborted early by the project), the issuer would announce procedures if any. But as per the current design, any USDC or ETH spent by participants to buy SUBS is immediately swapped for SUBS in the pool; the issuer doesn't hold individual investor funds in custody that it could "reimburse" – the funds are in the liquidity pool and become part of the project's treasury/liquidity. Thus, there isn't a mechanism for a participant to claim a refund from Subscrypts after the fact. The only scenario of reimbursement would be if the project itself decided to cancel the offering and withdraw liquidity, in which case it might snapshot who bought and attempt manual refunds – but this is highly unlikely and not planned. In summary, participants should not expect any refund from the issuer once they have traded for SUBS.

E.17 Timeframe for Token Delivery: Token delivery is immediate upon purchase. When a participant buys SUBS on Uniswap, the smart contract transfer of SUBS to their wallet happens in the same transaction. There is no waiting period or distribution period beyond the blockchain confirmation time (a few seconds to minutes depending on network conditions). For the portion of tokens that are vested (i.e., the ones not initially unlocked at TGE), those are technically held in the vesting mechanism and will be released on a rolling basis (likely via a vesting contract that can be claimed monthly). The initial 12 million SUBS allocated for public sale and unlocked at TGE will already be in the liquidity pool or otherwise readily available, so early buyers effectively get their tokens instantly from that circulating supply. For investors who might be part of any structured distribution (if any launchpad or similar was used, hypothetically), their vesting schedule would govern when they receive tokens. But under the described IDO approach, once you swap, you have your tokens. Therefore, there is no extended delivery timeline; it's on-chain settlement at purchase.

E.18 Offer Period / Phases: The public sale does not have multiple phases like pre-sale, public sale, etc., beyond the vesting schedule which restricts distribution over time. Effectively, the offer period begins at TGE (the launch date) and continues until all allocated public tokens are in circulation (which will be one year after launch, when vesting completes). However, unlike an ICO with a defined subscription window, here the token becomes freely tradable as soon as the pool is live. We can consider the "primary distribution" phase to coincide with the first moments/days of trading when the project's tokens are moving from the initial pool into the hands of buyers. After that, any further buying/selling is secondary market activity. The project will not close a subscription at a certain date – the sale flows directly into open trading. In summary, there's a single launch phase after which the market is continuous; no discrete phases like Early Bird, Pre-sale with discounts, etc., are being used.

E.19 Early Purchase Discounts: None. There are no discounts or preferential terms for early purchasers. All public buyers acquire SUBS from the same Uniswap pool at whatever the prevailing market price is. Because there were no private or pre-sales, no investor obtained SUBS at a lower price prior to the public launch. Every participant in the public sale is effectively on equal footing, buying at market-determined prices. (This is evidenced by the token allocation: there were no tokens allocated at a discounted rate to pre-sale investors. The "Seed & Early Contributors" allocation remains unused as of the token launch, meaning no one has purchased tokens at a special price in advance.) Thus, there are no early-bird bonuses, volume discounts, or similar schemes in this offering. All purchasers face the same pricing mechanism. This ensures fairness and prevents dilution or immediate arbitrage that could happen if some participants had a lower entry price.

E.20 Time-Limited Offer: The offer is not time-limited in the traditional sense. There is no predefined closing date or subscription period after which tokens can no longer be bought from the issuer, because once trading begins, the tokens can be bought or sold freely on the market. As described above, the distribution of the public sale tokens continues automatically via the vesting over 12 months. We do not set a cutoff date where the sale "ends" – instead, after TGE, the market takes over. One could say the offer period ends when all the tokens intended for public sale have been released (approximately one year post-launch), but practically, since trading is continuous, the token can be acquired by the public indefinitely thereafter. We formally state that the offer to the public commences at TGE and has no specific end date, other than the full vesting of the initially offered tokens by around Q3/Q4 2026. After that point, any further issuances or sales by the issuer (from retained tokens) would be outside the scope of this white paper and, if conducted, would follow applicable regulations at that time (likely requiring a new or updated white paper if it constituted a new offer to the public).

E.21 Subscription Period Start: The offering to the public (subscription period) is expected to start on the TGE date, which is planned for Q3 2025. We are targeting a provisional launch date of September 23, 2025 at 12:00 UTC, subject to change. This date will be confirmed closer to the event through official channels (such as Subscrypts' website and social media) once all preparatory steps are complete. Per MiCA, the white paper will have been notified to the Dutch AFM (Autoriteit Financiële Markten) at least 20 working days prior to the commencement of the offer (Article 8(1) compliance).

E.22 End of the Offer Period: There is no fixed end date for the offering since, as explained, the offering merges into continuous trading. If one were to specify an "offer period" in terms of primary distribution, one might say it technically ends when all the publicly allocated tokens have been released (i.e., after the 12-month vesting completes, roughly mid-2026). By that point, all 48 million public tokens will have entered circulation to public purchasers. However, functionally, the IDO "event" is at launch; after that, the token is on the open market. So there isn't an official closing date where the sale stops and you can't buy from the issuer anymore – the issuer doesn't directly sell tokens after initial launch; the tokens find their way out via the liquidity mechanism and vesting. Therefore, a clear end date isn't applicable. If needed for formal purposes: the offer can be considered open-ended, concluding when the supply allocated to the public has fully distributed (approximately one year post-launch).

E.23 Delivery and Safeguard of Collected Funds: Funds collected (USDC) from the token sale will be under the control of Subscrypts' treasury management. Specifically, proceeds from the IDO will mostly remain in the Uniswap liquidity pool initially – for example, when participants buy SUBS, they put USDC into the pool which the project can later withdraw its share of (removing liquidity gradually or leaving it to maintain market stability). The portion of funds that the project withdraws for use will be held in secure multi- signature wallets owned by Subscrypts. The treasury wallet will likely be a multi-sig requiring multiple approvals (e.g., the founder plus a trusted third party or two) to execute transactions, adding security. Subscrypts plans to safeguard the crypto assets by using hardware security modules or hardware wallets for key management, and by distributing keys among signers to mitigate single-point failure. Funds may be converted in part to stablecoins or fiat as needed for expenses, but generally USDC (the primary raised asset) is itself a stablecoin which will be retained for stability of treasury value. The project will also implement internal controls for treasury usage – e.g., budgeting and tracking of disbursements – to ensure funds are used according to the plans described. In terms of external safeguards: since the funds are crypto, they aren't held by a third-party custodian or bank deposit scheme, but the multi-sig and prudent treasury management acts as the safeguard. If, for example, a very large amount is raised, the project might split funds across multiple wallets or convert a portion to fiat and keep it in a company bank account (subject to banking with a crypto-friendly institution) for diversification and additional security under traditional financial protections. All these measures aim to protect the collected funds from loss, theft, or misuse, thereby ensuring they are available for the project's needs.

E.24 Payment Methods Accepted: Participants can purchase SUBS tokens using cryptocurrency on the Arbitrum network. The primary accepted asset is USDC (USD Coin), as that is the paired asset in the Uniswap pool. Participants may also effectively use ETH or other tokens by routing through Uniswap – for instance, a buyer could swap ETH for SUBS in one transaction (Uniswap would swap ETH -> USDC -> SUBS under the hood). But from the perspective of the pool, USDC is the direct counterparty. No fiat currency (like EUR or USD via bank transfer) is accepted directly by the smart contract, since this is an on-chain DEX offering. Users need to already have crypto in their wallet. Additionally, if other Arbitrum-compatible stablecoins or assets are commonly used, those can be swapped via routing as well, though USDC provides the price benchmark. In summary, crypto payments are required – primarily USDC or ETH – and no off- chain payment methods are part of the sale.

E.25 Conditions for Reimbursements: Not applicable. Since there is no planned scenario for refunds or cancellations, there is no method for reimbursing participants (as per E.16). Purchasers who wish to exit their position can sell their tokens on the market; there isn't a refund mechanism from the issuer.

E.26 Right Not to Proceed with Offer / Withdrawal of Offer: Subscrypts reserves the right to cancel or postpone the token offering before it starts if unexpected circumstances arise (for example, unfavorable market conditions, a regulatory objection, or a discovery of a critical bug requiring fixing before launch). If such a decision were made prior to TGE, any announcements and white paper notifications would be updated or withdrawn accordingly. However, once the offering has begun (once the pool is live and trades happening), Subscrypts cannot unilaterally "withdraw" the offer without extreme actions like pulling liquidity (which would itself just leave the market with whatever tokens buyers have already bought). Given the decentralized nature, after launch the offer cannot be cleanly retracted. Therefore, any decision not to proceed would have to occur before the tokens become available to the public. In that event, any funds in the pool (if liquidity was added and then pulled) would be returned to the treasury and potentially returned to initial liquidity providers (which is basically the project's own contribution). But since participants wouldn't have been able to buy yet (if cancelled before start), there's no public reimbursement needed. In conclusion, while the project currently has full intention to proceed with the token sale as scheduled, it retains a precautionary right to not proceed or to adjust timing if required. Once underway, no general withdrawal right applies to participants beyond their ability to trade out of their position.

E.27 Transferability of Purchased Tokens: Purchased SUBS tokens are transferred immediately to the buyer's wallet upon execution of a swap on the DEX. These tokens are freely transferable thereafter, subject to the technical and market constraints of the Arbitrum blockchain. Holders can send their SUBS to other addresses, trade them on other exchanges (if listings occur), or use them within the platform. There are no lock-up restrictions imposed on tokens acquired by public buyers (aside from those portions that were meant to vest, which wouldn't be in buyers' wallets until they vest). In other words, any SUBS in one's wallet can be transferred without limitation. The only potential limitations are general ones: needing to pay gas fees, and ensuring compliance with any legal restrictions (e.g., one shouldn't transfer to sanctioned parties, etc., but the smart contract won't prevent any particular transfer). So practically, SUBS can be moved or sold by the holder at any time after purchase. The platform's usage of SUBS will also involve transfers – for example, a subscriber will transfer SUBS to a merchant when paying for service – and the token is designed to facilitate these peer-to-peer transfers seamlessly.

E.28 Transferability Timeframe: As explained, tokens delivered to buyers are transferable immediately upon receipt. There is no additional holding period after the purchase. For tokens that come via vesting, once each tranche is released to the holder, those tokens too are immediately transferable. For instance, if a public sale participant is subject to monthly vesting claims, each time they claim their monthly unlocked SUBS, those claimed tokens have no further restrictions. From the first block of trading onward, SUBS exists as a standard token; the only difference is some tokens are still locked in the vesting contract until their time. But from a buyer's perspective: if you bought at TGE, those tokens you got are yours and can be transferred right away. Therefore, the timeframe is just the confirmation time of the transaction – essentially instant transferability following purchase.

E.29 Technical Requirements for Purchasers: Buyers will need a compatible crypto wallet and an Internet connection to participate in the IDO. Specifically, a wallet that supports the Arbitrum One network and can interface with Uniswap (for example, MetaMask, Coinbase Wallet, Trust Wallet, or similar Ethereum-compatible wallets) is required. The wallet must be configured to use the Arbitrum network (which can be done by adding Arbitrum RPC details to MetaMask or using a wallet with Arbitrum pre- configured). Additionally, purchasers will need to have a small amount of ETH on Arbitrum to pay for gas fees for the transaction. Even though the purchase asset might be USDC, gas fees on Arbitrum are paid in ETH, so having some ETH (the amount required is modest, likely on the order of less than 0.0001 ETH for a trade, depending on network conditions) is necessary to execute the swap. The user should also have USDC (or other crypto) in their wallet ready to swap. They might acquire USDC on Arbitrum by bridging from Ethereum mainnet or through an exchange that supports Arbitrum withdrawals. In summary, the technical steps a purchaser must take include: installing a Web3 wallet, adding Arbitrum network to it, funding the wallet with USDC (or ETH to swap to USDC) and some ETH for gas, and then using a front-end (like the Uniswap web interface or another DEX interface) to execute the swap for SUBS. No specialized hardware or software beyond a standard Web3 wallet and browser (or mobile app) is needed. The process is permissionless, but users should ensure they interact with the official token contract address for SUBS (which will be provided by Subscrypts) to avoid scams.

E.30 Crypto-Asset Service Provider Involved: The primary "service provider" facilitating the sale is the Uniswap decentralized exchange protocol (specifically on the Arbitrum network). Uniswap is an automated, non-custodial protocol and not a traditional service provider in the sense of a brokerage, but it is the platform enabling the swapping of assets. There is no centralized exchange or broker-dealer involved in distributing SUBS. Subscrypts itself is not a licensed CASP (crypto-asset service provider) like an exchange or custodian; it is just the issuer. Participants may optionally use certain interfaces or aggregators (like Uniswap's official interface, or others such as 1inch, etc.) to access the pool. Those interfaces are not selling on behalf of Subscrypts; they merely connect users to the smart contract. So, in MiCA terms, if a CASP is considered involved, one could mention Uniswap Labs (the developer of the Uniswap interface) though they are not directly involved with or endorsing this token sale. For thoroughness: if the token later gets listed on any centralized exchange, those would be CASPs for secondary trading, but not for the initial offer. At launch, it's purely a DEX offering.

E.31 CASP Identifier: Not applicable in the traditional sense, because Uniswap as a decentralized protocol does not have a company registration or identifier like a company would (and it's not (yet) a regulated CASP under MiCA). If needed, one might say "Uniswap (no legal entity, decentralized protocol, website: uniswap.org)". There is no LEI or regulatory license number for Uniswap protocol. Therefore, we can state: CASP Identifier: N/A – the offering is executed on a decentralized exchange (Uniswap) which is not a centralized service provider with an identifier.

E.32 Form of Placement: The placement of tokens is done in decentralized exchange mode via direct listing. There is no underwriter or book-building. The issuer will place a portion of its tokens into a Uniswap liquidity pool contract in exchange for USDC (and provide matching USDC), allowing market participants to swap. Essentially, this is a self-directed placement on a DEX. It's not a firm commitment underwriting, nor a best-efforts by a third party; it is simply the issuer making tokens available in a liquidity pool and the public buying them peer-to-pool. So the form can be described as an IDO (Initial DEX Offering) via automated market maker, a subset of direct DeFi placement.

E.33 Trading Platform(s) for Secondary Trading: Initially, the primary trading venue for SUBS will be Uniswap (Arbitrum network), as that's where the liquidity is provided at launch. This is the main platform where SUBS can be traded from the moment of TGE. Beyond that, SUBS tokens, being standard ERC-20 tokens, may become traded on other platforms over time. Potential secondary trading platforms include other decentralized exchanges on Arbitrum (e.g., SushiSwap if deployed on Arbitrum, or any Arbitrum- based DEX aggregator) and possibly centralized exchanges if they choose to list SUBS. As of the launch, no centralized exchange listing is guaranteed or announced. Therefore, the known trading platform is Uniswap (decentralized trading platform). We expect that soon after launch, the community might set up liquidity pools on other networks or DEXes or seek listings, but those are speculative. So to be precise: initial trading platform – Uniswap. Future trading platforms – to be determined by market (could include exchange XYZ if listing occurs).

E.34 Market Identifier Code (MIC) of Trading Platform: Uniswap, being a decentralized protocol, does not have an official MIC (which are typically assigned to regulated trading venues or exchanges). There is no MIC for "Uniswap Arbitrum." If needed for reporting, one might use a generic code like "UNISWAP" or "DEX" but those aren't part of the standard ISO MIC list. Thus, this is not applicable in the classic sense. No MIC can be provided for the initial trading venue.

E.35 Access to Trading Platform: Access to Uniswap on Arbitrum is open to anyone with an Internet connection and a compatible wallet. To trade on Uniswap, a user can go to the Uniswap web interface (https://app.uniswap.org) and select the Arbitrum network, or use another front-end that supports Uniswap's Arbitrum pools. There is no registration or account needed; access is permissionless. Users must connect their crypto wallet (like MetaMask) to the interface and ensure they have Arbitrum network selected. If using Uniswap's official interface, one may need to add the SUBS token contract address manually to see it or import it (Subscrypts will publish the contract address, which users can paste). Some third-party sites might list the token as well for easier selection. In summary, access is via any Web3-enabled browser or app – by connecting the wallet, one can directly interact with the smart contract. If a user is not familiar with direct DeFi use, they can also access via some centralized aggregators (some exchanges offer DEX access) but fundamentally, any user can participate by using the appropriate software.

E.36 Costs for Purchasers: When buying SUBS, purchasers will incur the following costs: - Network Gas Fees: A small amount of ETH on Arbitrum is spent as gas for the transaction. Arbitrum's fees are much lower than Ethereum L1, but not zero. For example, a swap might cost fractions of a dollar in ETH (depending on network usage at that time). - Uniswap Liquidity Provider Fee: This is a 0.3% fee on the trade value, which is automatically taken by the protocol from the trade. Essentially, if a buyer spends 1000 USDC to buy SUBS, 3 USDC (0.3%) goes to the pool's liquidity providers as a fee, and 997 USDC effectively goes into the pool to swap for SUBS. This fee is already factored into the price they get (it results in a slightly worse rate than mid-market to account for it). - Price Impact/Slippage: This isn't exactly a "fee", but if a buyer places a large order relative to pool liquidity, the price they get may be worse due to slippage (they move along the bonding curve). We mention it as a cost consideration: large buys pay more per token than small buys, due to the AMM curve. - No Additional Issuer Fees: As stated, Subscrypts does not charge anything on top of what the DEX charges. So no platform fee for participating, no handling fee, etc.

In summary, the direct monetary costs to purchasers are the blockchain transaction fee and the DEX trading fee (0.3%). Indirectly, one could consider the need to possibly bridge assets to Arbitrum (if one's funds are on Ethereum mainnet or elsewhere) – some bridging might incur fees, and exchanging into USDC might have a spread – but those are external costs depending on each user's starting point. Once on Arbitrum with USDC/ETH, the costs are minimal. For instance, bridging $1000 to Arbitrum might cost a few dollars on Ethereum gas, but that's preparatory. From the perspective of the token sale itself, the environment is quite cost-efficient compared to typical ICOs that might have bank wiring fees or higher slippage; here, everything is on-chain with transparent small fees.

E.37 Expenses Charged to the Offeror: Conducting the token offering via a DEX entails relatively low direct expenses for Subscrypts. The issuer will incur: - Liquidity Provision Capital: Subscrypts will commit some of its funds (both SUBS tokens and USDC stablecoins) to seed the liquidity pool. This isn't exactly an expense (since the assets remain in the pool and can later be withdrawn in part), but it is a capital allocation needed for the offering. For example, if the project seeds $X in USDC and equivalent in SUBS, that $X is effectively locked as liquidity and at risk of impermanent loss while in the pool. - Smart Contract Deployment Fees: Deploying the SUBS token contract and any auxiliary contracts (like vesting contracts) on Arbitrum costs gas. These are minor one-time costs likely on the order of a few dollars or tens of dollars worth of ETH. - Legal and Compliance Costs: The preparation of this MiCA white paper and notifying it to the Dutch authority involve legal review and possibly fees. There might be fees charged by the regulator or cost of translations if needed, etc. Also, ongoing compliance or legal advice is an expense. (This is not directly "charged by the offering platform" but is part of doing the offering in a compliant way.) - Marketing and Launch Expenses: To ensure a successful offer, Subscrypts will likely incur marketing expenses (announcements, community building, possibly listing fees if any exchange listing is sought). For example, while listing on Uniswap is free, if the project decides to list on a centralized exchange in parallel, that might require legal or listing fees. For now, we assume pure DEX route, so no listing fees. – Operational Overhead: During the offering, the team will be monitoring and supporting the launch (which could involve personnel time, community support, etc., but those are internal costs).

No separate fees are paid to an underwriter or broker (since none exists). Uniswap does not charge the issuer anything to create a pool (just the same trading fees on swaps). The project might pay a small fee to a platform like Unicrypt or Gnosis if it used any launchpad or locking service for liquidity, but as of plan, it's directly on Uniswap. Arbitrum currently doesn't have fees for listing assets. In sum, the costs to the issuer for this offering are mainly internal and preparatory (legal, marketing) and the commitment of liquidity funds. These have been accounted for in the use of proceeds and project budget. They are not passed to buyers; rather, they reduce the net funds raised that go into development (but are necessary for the raise to happen). The issuer estimates these offering-related expenses to be relatively modest compared to the total raise (for instance, legal and compliance might be a few tens of thousands of EUR, marketing around launch similarly, etc., depending on scope).

E.38 Conflicts of Interest: Subscrypts has identified some potential conflicts of interest in the context of the token offering: - Insider Token Holdings: The founder hold a significant allocation of SUBS tokens (Founder 10% allocation). This means insiders have an interest in the token's market performance. There is an inherent conflict in that the founder could benefit personally from a high token price and thus might be incentivized to focus on short-term market value. To mitigate this, those tokens are largely locked/vested for an extended period, aligning the founder's incentive with long-term project health and not just immediate price spikes. Nonetheless, the presence of insider holdings is disclosed so that participants know a portion of supply is controlled by insiders who could eventually sell. - Liquidity Provision: The project itself will act as a liquidity provider in the SUBS/ USDC pool. This dual role (issuer and LP) could be seen as a conflict: Subscrypts might have to decide between actions that benefit liquidity stability (like keeping funds in pool) versus actions that benefit the company treasury (like withdrawing liquidity to secure more funds). For example, if price surges, the project could be tempted to pull some liquidity (taking out USDC profits) but that might hurt market stability for remaining traders. Subscrypts acknowledges this and commits to handling liquidity in a way that prioritizes a healthy market for token holders over short-term gain. There's no formal mechanism forcing that, so trust and transparency are relevant. - No Advisory Fees or Kickbacks: There are no external advisors or underwriters taking a fee in tokens or a cut of proceeds, which means we avoid conflicts like an underwriter pushing the sale for commission. Also, no family members of management or related parties have gotten special token deals that are undisclosed. - Decision Making Centralization: Because the founder controls the project and also benefits from it, decisions around the token offering (like timing, pool parameters, etc.) are made by a party who has an interest in the outcome. This is somewhat unavoidable in startups, but the conflict is noted. Regulatory compliance attempts to check that the information is fair and complete, mitigating any temptation to skew disclosures. At present, no other specific conflicts of interest are known. There are no outstanding loans or arrangements where, say, proceeds from the token sale would be used to repay a debt to an insider. All proceeds are slated for project use. Subscrypts has no parent or subsidiary companies that could have misaligned incentives regarding the token sale. The founder's entire focus is on this project. In the future, if Subscrypts were to engage in a secondary sale of tokens or partner with a market maker that holds tokens, those could introduce conflicts (like preferential information or trading). As of this offering, nothing of that sort is in place – it's a straightforward launch.

Conclusion: The main conflict of interest to be aware of is that the project insiders stand to gain from the token's success (like most token projects). Vesting schedules and transparency are how we address it. Buyers should also note that the project's interest is to create a stable, growing platform, which in theory aligns with token holders' interest, but there could be moments where, for example, adding supply to the market (from vested tokens) benefits the project (by raising funds or distributing tokens for adoption) but could put downward pressure on price – a conflict between company funding needs and market price maintenance. Subscrypts will endeavor to manage token releases responsibly to minimize such conflicts impacting token holders.

E.39 Governing Law: The terms of the SUBS token offering, and any related matters not covered by blockchain operation, are governed by the laws of The Netherlands. As Subscrypts is a Dutch incorporated entity, the offering is made under the framework of EU law (MiCA) and specifically notified in The Netherlands, making Dutch law applicable to contractual and commercial aspects. Any legal agreements or notices associated with this offering (including the representations made in this white paper) should be interpreted in accordance with Dutch law and relevant EU regulations. It's noted that transactions themselves occur on a decentralized network and are not contracts under national law per se, but the relationship between the offeror and token purchasers, and the disclosures and responsibilities herein, are rooted in the legal jurisdiction of The Netherlands. Additionally, to the extent MiCA mandates certain rights or disclosures, those create obligations enforceable under EU law through national implementation. In summary, Dutch law (and applicable EU law) governs the offer and the issuer-offeree relationship.

E.40 Competent Court: In the event of any dispute, claim or legal action arising out of or in connection with the SUBS token offering or this white paper, the competent courts will be those of The Netherlands, likely the district court in which Subscrypts has its registered office (for instance, the Rotterdam District Court, given the company's address in Capelle aan den IJssel, near Rotterdam). Subscrypts will recognize the jurisdiction of Dutch courts for resolving disputes with token holders or regulatory authorities concerning the offering. Note that this does not preclude a token holder from potentially bringing a claim in their own local jurisdiction if consumer protection rules allow, but the expected agreed jurisdiction is the Netherlands. By participating in the token sale, purchasers are generally agreeing that any legal disputes will be settled in the courts of the issuer's home member state. Therefore, The Netherlands (competent court of Rotterdam) is the forum for litigation.

F. Part F – Information about the Crypto-Asset (SUBS Token)

F.1 Type of Crypto-Asset: Utility Token (Crypto-asset other than ART or EMT): SUBS is a fungible token that serves a specific utility on the Subscrypts platform. It is not an asset-referenced token (stablecoin pegged to assets) and not an e-money token (not pegged to a single fiat currency). It falls under the category of "other crypto-assets" as per MiCA, intended for usage within a service ecosystem (the subscription platform). It has no stable value mechanism and is not intended as a store of value or payment outside the platform's context (though it can be freely traded).

F.2 Token Functionality: The SUBS token's functionality is centered on enabling payments and transactions on the Subscrypts subscription platform. Key functionalities include: - Medium of Exchange: SUBS is the required currency in which subscription fees are paid by users to merchants on the platform. Each recurring payment is made in SUBS. - Fee Payment: The platform's 1% service fee on transactions is collected in SUBS. This means SUBS also functions as the unit in which platform usage is "paid" to Subscrypts (the company collects these fees, possibly sending them to a treasury wallet). - Access Token: In effect, holding SUBS allows a user to access services on Subscrypts (since they need SUBS to pay), so it acts as a gate to platform features. If a user has no SUBS, they can't subscribe to services on the platform unless they acquire some. - Value Transfer: SUBS is an ERC-20 token, so it inherently has the standard functionalities of transfer, balance check, etc. It can be transferred peer-to-peer outside of the subscription use-case as well. - Governance (not active): The token currently has no governance or voting function. It is technically possible that the token could be used in governance in the future (e.g., by snapshot voting if the project ever introduces a DAO), but at launch, SUBS does not confer governance rights, and no on-chain voting features are implemented. - No Redemption/Claim: SUBS does not give a right to redeem any asset or service from the issuer directly. It's not a coupon or claim token that can be exchanged with the company for cash or any fixed product. Its use is indirect – redeemable for services only via transactions with merchants who accept it.

The token's smart contract also includes management functions (accessible only by the project's multi-sig) such as mint and burn (supply adjustment) and fee parameter tuning. These are not functionality for token holders, but rather administrative functions. From a holder's perspective, the functional use-cases of SUBS revolve around spending it for subscriptions.

F.3 Planned Functionality Applications: At launch, the planned application of SUBS's functionalities is straightforward: to facilitate subscription payments on the Subscrypts platform. Users will utilize an application interface (web or mobile) to agree to a subscription; under the hood, this will involve the SUBS token being approved and transferred at set intervals to the merchant's address. The platform's smart contracts handle scheduling and checking if the user has sufficient SUBS for each period. If the user does, the contract transfers the correct amount (plus fee) from the user to the merchant (and fee to the treasury). If not, the subscription might lapse. Other planned uses in the near term: - Merchant Payouts: Merchants receiving SUBS may either hold them or convert them to stablecoins (through the platform or on an exchange). Subscrypts might eventually integrate a feature to auto-swap SUBS to USDC for merchants who want stable revenue. But initially, merchants will just receive SUBS and can manually swap. - Platform Revenue Usage: The fees collected in SUBS by the platform – those might be periodically sold by the company to fund operations, or potentially burned (there is no plan to burn at the moment; likely they'll be kept as revenue). If the company decided to adopt a burn mechanism (some projects burn fees to reduce supply), that could become an application of SUBS, but again not currently planned. - Future potential functionalities: While not in the immediate roadmap, the architecture allows that SUBS could later be used in additional ways such as staking (e.g., merchants might stake some SUBS as a security deposit for reliability, or users might stake to earn rewards from platform fees). However, no such staking or reward program is active at launch. In summary, the current and planned near-term application of SUBS's functionalities is solely in-service-of the subscription payment use case: enabling transfers from subscribers to merchants, and capturing fees for the platform. There are no hidden or undeclared features of the token beyond that. If the platform grows, more creative uses might be explored (like loyalty rewards in SUBS for frequent subscribers, etc.), but those would be add-ons, not fundamental changes to token functionality.

F.4 Type of White Paper: This document is a Crypto-Asset White Paper for an “other crypto- asset” (utility token) as defined under MiCA Article 6. It is a mandatory disclosure document prepared for a public offer of a crypto-asset that is not an asset-referenced token or e-money token. The white paper follows the format and content requirements specified by MiCA and related ESMA technical standards. Specifically, it addresses a utility token offering (SUBS) that seeks to be admitted for trading on decentralized platforms and offered broadly in the EU. This white paper is being notified to the Dutch Financial Markets Authority (AFM) under the MiCA regime. It is not a voluntary white paper – it is produced because Subscrypts is making a public offer above the regulatory thresholds, thus required by law. Therefore, it can be classified as a MiCA-compliant crypto-asset white paper (Article 6, Article 8).

F.5 Type of Submission: This white paper submission is an initial notification of a crypto-asset white paper under MiCA Article 8(1). It is not a resubmission or a supplement; it’s the first time Subscrypts is notifying a white paper for SUBS. The submission is being made to the Dutch Authority for the Financial Markets (AFM), which is the competent authority of our home Member State (the Netherlands). We are following the procedure for new offers of an “other crypto-asset” (utility token) by submitting the white paper at least 20 working days before publication (and thus before the offer begins). We confirm that this is a full disclosure as required by MiCA, not a simplified or exempt document. There is no previous submission for this token to reference. The notification will include all required attestations and a legal opinion as needed to accompany the submission (per MiCA Article 8(7), a legal opinion is typically provided stating why the token is not a security, etc., which we have obtained separately and will provide to the AFM). In plain terms, this document is an initial MiCA-compliant crypto-asset white paper for a public offer of a utility token (SUBS).

F.6 Crypto-Asset Characteristics: SUBS has the following technical and functional characteristics: It is a fungible ERC-20 token on the Arbitrum One network (an Ethereum Layer-2). The token contract will be deployed at a specific address on Arbitrum, which will be made public at launch (the contract address and source code will be verified and disclosed for transparency). SUBS uses 18 decimal places, meaning it can be divided into increments as small as 0.000000000000000001 SUBS. The contract includes standard ERC-20 functions (name, symbol “SUBS”, totalSupply, balances, transfers, approvals, etc.). Additionally, the token contract is upgradeable (Subscrypts uses a proxy pattern for upgradeability), which means the logic can be updated by the multi-signature admin if needed (for example, to patch a bug or adjust to new protocol standards). However, this upgradeability is intended only for fixes and is not meant to alter fundamental characteristics like supply or token rights without proper procedure (and any such material change would trigger a new white paper or at least a holder notification). At launch, the total supply is set at 120,000,000 SUBS, all of which are minted to the issuer’s control (with vesting smart contracts in place for locked allocations). There is no ongoing minting schedule (no inflation mechanism); the entire supply exists from TGE. The contract’s mint function, is under multi-sig governance control and would only be used if a future governance decision or contract migration required it (none is planned at launch). The contract also has a burn capability (as is common in OpenZeppelin ERC-20 implementations), meaning the owner (issuer) can burn tokens it holds. We have no plan to burn tokens at launch, but the function exists and could be used in the future, for example, if tokenomics adjustments are desired or excess tokens from some category are retired. Any such mint or burn action would be subject to governance approval and disclosed in advance as required by MiCA Article 6(1)(d) (changes in supply). In terms of network, Arbitrum inherits Ethereum’s security but introduces a 7-day challenge period for withdrawals. For users, SUBS transactions on Arbitrum are near-instant and final for practical purposes, with the underlying security anchored to Ethereum’s consensus. Using Arbitrum ensures low transaction fees and fast throughput, which is crucial for a high-frequency use case like subscriptions. The reliance on Arbitrum’s infrastructure is noted as a technical consideration (see Part I risks), but overall this network choice allows SUBS to function efficiently as a micro-payment token.

F.7 Commercial Name/Trading Name: The token's commercial and trading name is "SUBS". It may be referred to as Subscrypts in descriptive text, but on exchanges and trackers it will be denoted by the ticker symbol SUBS. We have ensured that this ticker is unique enough to avoid confusion with other assets (to our knowledge, no major token uses "SUBS" as of now). The brand name of the platform and token are aligned (Subscrypts and SUBS). In communications, we might style it in all-caps as SUBS. This is the name that will appear on interfaces like Uniswap, CoinGecko, etc., once listed. (If any alternate name or code is needed for internal systems, it would still revolve around "subs".) There is no ISIN or CUSIP or other traditional identifier for this token; SUBS is the moniker it will be recognized by in the crypto markets

F.8 Issuer's Website: The official website for Subscrypts is *https://subscrypts.com*. This site contains information about the platform for both merchants and subscribers, as well as links to the web application (Subscrypts app) and blog updates. Important announcements, including information on the token launch and documentation, will be published on the website. Additionally, Subscrypts maintains a social media presence (such as on X/Twitter and possibly community forums like Discord or Telegram), but those are supplementary to the main website. For the purposes of reference, subscrypts.com is the primary domain. Also, once the token is launched, relevant info or a link to this white paper will be accessible on that site.

F.9 Start Date of Offer to the Public: The offer to the public is scheduled to commence in September 2025 (Q3 2025). A provisional date might be given as, for example, 23 September 2025 at a specific time (to be confirmed closer to the event and communicated via official channels). This is contingent on completing the notification process and market preparedness. The exact block or timestamp will be announced when final. If there are any changes to this schedule (due to unforeseen delays), those will be promptly communicated. For now, stakeholders should expect the launch in September 2025.

F.10 Publication Date of White Paper: This crypto-asset white paper is dated 10 July 2025 (publication date), corresponding to its notification to the regulator and public release. It is published online accessible via Subscrypts' website and whichever official filing repository required by the regulator. This date indicates when the information was last updated and is important for reference – all information herein is true and accurate as of July 10, 2025. If any significant new facts or errors come to light after this date but before the offer, Subscrypts would issue an updated version or supplement. Otherwise, this document is expected to remain valid through the launch period.

F.11 Other Services Provided by Issuer: Besides the crypto-asset project described, Subscrypts does not currently provide any additional services unrelated to the SUBS token or the subscription platform. The entire business of the company is focused on developing and running the Subscrypts platform andecosystem. It is not, for example, simultaneously running a crypto exchange or offering consulting on the side. Subscrypts is a single-project entity at this time. As the platform matures, the company might explore adjacent offerings (for instance, maybe offering integration services or analytics for merchants), but those would still be under the umbrella of the subscription platform. Right now, every service (the merchant dashboard, the subscriber app, the recurring payment smart contracts) is part of the one integrated offering that uses SUBS. Therefore, there are no distinct separate services like custody, staking services, etc., provided by Subscrypts outside of what has been described.

F.12 Trading Platform Operator Identifier: Not applicable – the token will initially trade on Uniswap, which is a decentralized protocol without a corporate operator. If required, we could mention Uniswap's deployment address or so, but that's not an "identifier" in the regulatory sense.

F.13 Language of the White Paper: This white paper is published in English. English is used given its acceptance as a common language in the crypto community and the technical nature of terms. The Netherlands (home Member State) permits English documentation for such offers (assuming that's acceptable; if not, a Dutch summary or version might be needed, but presumably English is fine). If needed for any host state, translations might be provided, but the official notified version is in English. All disclosures herein are made in English, and that is the authoritative text for regulatory purposes.Stakeholders not fluent in English should seek a translation, but that would be unofficial unless provided by Subscrypts with notice.

F.14 Digital Token Identifier (DTI) Code: As of this writing, there is no Digital Token Identifier (DTI) assigned to SUBS. (The DTI is a relatively new concept being developed for identifying crypto tokens, akin to ISIN for securities. If in the future a DTI registry assigns a code to SUBS, that code would be provided. But currently, since SUBS is a new token, no DTI exists pre-launch.) We will monitor developments and if a DTI becomes available (for instance, if there's a procedure to obtain one upon or after launch), we will update stakeholders. For now, identification relies on contract address and ticker symbol.

F.15 Functionally Fungible Group DTI: Not applicable. SUBS is a single token, not part of a series of fungible tokens in different groups. Functionally fungible group DTIs might refer to grouping of tokens – no such group identification is relevant here.

F.16 Voluntary Data Flag: No. This white paper does not contain any data that is labeled as voluntary beyond what's mandated. All data points are either required by regulations or provided to enhance clarity. (If this refers to a technical XBRL flag, we assert that required fields are filled and we haven't omitted or added unstructured voluntary info beyond what is needed. Alternatively, if we have included info not strictly required (like some competitor analysis or extra technical details), one could mark those as voluntary disclosures. For simplicity: we will say that the white paper adheres to required content and any additional info is complementary. So yes, we have included some additional explanatory content beyond the bare minimum, but nothing that needs special flagging in a technical sense. So the answer: No special voluntary data flag applicable.

F.17 Personal Data Flag: Yes. This white paper does include personal data in the form of identifying a natural person (the founder's name, Adrianus Ghering, in Part A.12). That is personal data (a person's name associated with their role). We include it because it's required for transparency. Also the address given is a business address but may be associated with the person. Under GDPR, this is minimal and necessary for compliance. We flag that indeed a small amount of personal data is present (the management body member's name). We will handle it in accordance with data protection laws (it's published with the consent/ understanding of that person as part of regulatory compliance). No sensitive personal data (like private contact details beyond an official address, or ID numbers) is included. So yes, personal data flag = true (because a person is named).

F.18 LEI Eligibility: The issuer, Subscrypts, is a legal entity and is eligible to obtain a Legal Entity Identifier (LEI) should it be necessary (for instance, some trading venues or regulatory filings might eventually require an LEI for the issuer). As of the publication, Subscrypts does not yet have an LEI (see A.6). However, if needed (for example, if certain host states or future exchange listings demand an LEI for identification), Subscrypts can register for one. So yes, LEI eligibility: Yes (the entity is capable of getting an LEI, since it's a registered company). In terms of the token, tokens themselves don't get LEIs (that's what DTI is for). But the question likely pertains to whether the issuer has/needs an LEI. We confirm eligibility and willingness to obtain one if required. (If the question meant is the token eligible for DTI or something, that's a different matter, but likely it's about issuer LEI.)

F.19 Home Member State: The home Member State for this crypto-asset offering is The Netherlands. Subscrypts is incorporated in the Netherlands and is notifying this white paper to the Dutch Authority for the Financial Markets (AFM), making the Netherlands the jurisdiction of origin under MiCA. Thus, under MiCA's passport regime, the Netherlands is considered the home member state, and once the white paper is approved (or rather, validly notified since formal approval isn't needed under MiCA, just notification), Subscrypts can offer across the EEA. All regulatory correspondence primary happens with the Dutch authority.

F.20 Host Member States: Subscrypts intends to make the offer accessible throughout the European Economic Area (EEA) following the proper notification procedure. Upon successful notification in the Netherlands (home state), Subscrypts will utilize the MiCA passport to offer the SUBS token to the public in other Member States of the EU. In practical terms, that means individuals in all EU countries (and EEA countries if they follow MiCA) can legally be offered the token. We do not have a specific list of target countries because the distribution is via the internet and not geofenced – effectively, any jurisdiction where such an offer is allowed by MiCA will be served. Therefore, host Member States are "all other EEA member states". No additional notification beyond the passport will be required to allow trading/offer in those states. We emphasize that outside the EEA, such as in the US or other non-EEA countries, those are not covered by this white paper (and we are not actively offering there; those would be considered out-of-scope or restricted). But within Europe, yes, every EU country plus possibly Iceland, Liechtenstein, Norway (EEA states) are in scope as hosts. If any member state imposes a language requirement or so, we'd address that, but as of now, we rely on the passport that an English white paper from NL covers others.

G. Part G – Information on Rights and Obligations Attached to the Crypto-Assets

G.1 Nature of the Token and Rights: SUBS is a pure utility token. Holding SUBS does not provide any rights to profit, dividends, interest, or any form of yield. It carries no governance or voting rights in the Subscrypts project or any related entity. It does not represent a share, equity interest, or debt obligation of the issuer. The sole intended use of SUBS is to access and pay for subscription services on the Subscrypts platform and to pay associated platform fees. In other words, the only "right" attached to holding SUBS is the ability to use it as a medium of exchange for a specific service (subscription payments within the platform). Holders are not entitled to any redemption or repayment by the issuer (SUBS is not redeemable for fiat or any asset by the company). There are also no built-in rights to refunds or claims in case of platform failure – users participate in the ecosystem at their own risk (subject to the terms of service of the platform, which do not guarantee compensation for token value loss). If the project becomes successful, holders may benefit from increased utility or demand for SUBS, but this is an indirect effect and not a contractual right. Likewise, if the project fails or demand wanes, holders have no recourse to claim value from the issuer. In summary: SUBS grants no rights or obligations beyond its utility function; its value and usability are determined by the adoption and operation of the Subscrypts platform and the broader market's perception.

G.2 Applicable Law and Jurisdiction: As a utility token, SUBS and any related rights are not governed by a specific financial law regime beyond general contract and consumer protection laws. Transactions in SUBS are executed on a blockchain (Arbitrum/Ethereum) and do not easily fall under a single national jurisdiction. However, the issuer (Subscrypts) is a Dutch entity, and any legal disputes between token purchasers and the issuer (to the extent they are not purely peer-to-peer market transactions) would likely be governed by Dutch law, with Dutch courts having jurisdiction, unless otherwise mandated by consumer protection rules in the purchaser's country. That said, by participating in the token sale on a decentralized exchange, purchasers generally do not enter into any direct contract with the issuer beyond accepting the terms of this white paper and any related terms of use. Subscrypts has published terms and conditions on its website which specify applicable law and dispute resolution (the laws of the Netherlands are indicated, and disputes are to be settled in the competent courts of the Netherlands). Participants should be aware that their rights are limited to those of any regular customer of a service; there is no special legal framework protecting SUBS purchases aside from MiCA's disclosure regime.

G.3 Rights in Case of New Issuance: If the issuer were to create additional tokens in the future (beyond the initial 120 million), holders of existing SUBS do not have pre-emption or anti-dilution rights (unlike shareholders in a company). However, any such new issuance would require updating this white paper or issuing a new one as per MiCA, and would be subject to governance approval. Existing holders would have no right to claim a portion of newly issued tokens or to block such issuance, aside from any influence they may have as community members or via governance mechanisms if introduced. As of now, no governance voting mechanism exists for SUBS, so this is purely at the issuer's discretion, bounded by regulatory disclosure requirements.

G.4 Enforcement of Rights: Since SUBS does not grant special rights, there are no specific enforcement mechanisms (no dividends to enforce, no voting to tally, etc.). The "right" to use SUBS on the platform is enforced simply by the technology – the smart contracts will accept SUBS for payments. If a user holds SUBS, they can spend it for service access; if they do not, they cannot. There are no third-party rights or interest attached to SUBS that need enforcement. Any disputes, such as a user claiming they did not receive service after paying SUBS to a merchant, would be handled under platform user agreements or directly between user and merchant, not through any ownership right in the token itself.

G.5 Modifications to Rights: Because SUBS has no inherent rights beyond utility, there are no rights that can be modified, suspended, or cancelled by the issuer. The issuer cannot, for instance, revoke someone's SUBS tokens or prevent them from transferring them (the smart contract does not allow arbitrary freezing of tokens by the issuer). The only modifications possible to the token relate to technical parameters (via contract upgrades) or supply (via mint/burn), which have been addressed elsewhere. If in the future any governance features or other rights were contemplated for SUBS, those would be new features and would trigger a supplemental disclosure.

G.6 Confirmation of Utility Token Classification: As reiterated earlier, SUBS is a utility token. It does not confer any claims, nor is it designed to maintain value relative to a currency or basket (so not a stablecoin). It is used to obtain a service (subscription management/payments) within the Subscrypts ecosystem. According to MiCA, we confirm SUBS falls under the category of crypto-assets that are neither asset-referenced tokens nor e-money tokens, and thus this white paper is provided in line with Article 4 for an "other crypto-asset". The classification is based on the token's characteristics (no redemption right, volatile value, functional use). By confirming this classification, we also note that the regulatory treatment in the EU is accordingly as a utility token – meaning after this white paper is notified and published, we can offer it across the EU and platform participants can use it, while abiding by any applicable restrictions (like if it inadvertently became considered a security somewhere, which we argue it shouldn't be). There's no expectation of profit from holding it primarily (though trading might result in profit/loss), which further solidifies it as a non-security, pure utility token.

G.7 Key Features of Goods/Services of Utility Tokens: The main service accessible by the SUBS token is the ability to create and manage subscription payments on-chain. Let's illustrate a typical use-case scenario, which highlights the token's utility: - A merchant (content creator, SaaS provider, etc.) signs up on Subscrypts and sets up a subscription plan priced at, say, 100 SUBS per month. - A user who wants to subscribe will need to have at least 100 SUBS in their wallet for the first payment (and ensure they can get future amounts, possibly by acquiring more or budgeting their holdings). - Using the Subscrypts dApp, the user approves the subscription smart contract to pull 100 SUBS from their wallet every month. - Upon approval and initialization, the service is activated for the user. The merchant provides access (for example, unlocks premium content for that user). - Each month, the smart contract automatically transfers 100 SUBS from the user to the merchant's address. It simultaneously takes a 1% platform fee (which would be 1 SUBS in this case) and routes that to the platform's treasury. The merchant effectively receives 99 SUBS (which they may keep or convert to stablecoin via Uniswap). This continues until the user cancels, or fails to have enough SUBS at a payment time (in which case the payment fails and the subscription is halted). From this example: The good the user receives is the subscription service (e.g., digital content) and the token facilitated the transaction for it. The service the merchant receives is automated billing and access to crypto users who can pay with SUBS. In essence, the token's key function is to unlock and maintain access to ongoing services. If a user doesn't hold SUBS, they can't start a subscription; if they run out of SUBS, their service stops. That makes SUBS integral to enjoying the product being offered on Subscrypts. Other features: Global Reach: Because it's crypto, a user from anywhere can subscribe to a merchant anywhere without worrying about banking compatibility. SUBS and Ethereum provide borderless payments. Non-Custodial Subscription: Unlike handing your credit card details to a service that can charge you (custodial model by the merchant), here the user retains control they pre-approve the smart contract, and can revoke that approval anytime to stop further charges. It's a new paradigm of control for subscribers (this is a feature of the service more than the token, but the token enables it because you can limit allowances). Transparency: Every payment in SUBS is visible on-chain. Both users and merchants have a clear audit trail of subscription transactions. This fosters trust – a merchant can prove how many subscribers they have (by showing the token flows), etc., and a user can verify they were charged correctly. Programmability: Because the token is on Ethereum/Arbitrum, others could integrate with it. For instance, a third-party wallet might provide a feature: "Auto-swap some ETH to SUBS monthly for your subscription" or an analytics tool could track one's SUBS expenses. The token being standard allows the ecosystem to build around it.

So in summary, the goods/services accessible by SUBS revolve around digital subscriptions – anything from streaming content, newsletters, software licenses, to even physical services if a merchant chose (like membership clubs). The token's role is to mediate access to those goods/services by being the required payment unit for them.

G.8 Redemption of Utility Tokens for Goods/Services: SUBS tokens are not “redeemed” in a formal sense by the issuer, but they are spent in exchange for services from merchants on the platform. When a subscriber pays SUBS to a merchant, they are effectively redeeming the value of those tokens for the service period they get. - However, it’s important to note that this transaction is between user and merchant. The merchant is not obligated by the token contract to provide service – but they are obligated by the terms of the platform and their arrangement with the user. The platform facilitates it. If a merchant defaults (takes the SUBS and doesn’t provide service), the token system itself doesn’t automatically refund the user. That would become a dispute. - There is no mechanism where a holder can come to Subscrypts (the company) and redeem SUBS for something (like the company won’t give you money or any product for your SUBS directly). The only “redemption” is using it as intended in the platform’s market. - If the project fails entirely (platform shuts down), SUBS holders unfortunately have no service to redeem the token for at all – they are left holding tokens that have no use, which likely will collapse in value. That’s a key risk of utility tokens (hence the earlier warning in 6(5)(d) that the utility token might not be exchangeable for the promised service if the project fails). Holders must be aware of that scenario.

On a day-to-day basis: redeeming SUBS for a service is as simple as using the platform’s interface and confirming a transaction. The user doesn’t physically hand tokens to someone for a ticket; it’s all digital and automated. Merchants essentially “redeem” tokens for their own revenue. After receiving SUBS, a merchant can trade those for stablecoins or other currency to realize income (unless they want to hold SUBS speculatively). So in that sense, merchants redeem SUBS for fiat/other crypto via the market – but that’s not a guarantee, it depends on liquidity and demand on exchanges.

Finally, no promises are made of buy-back or conversion by the issuer. Subscrypts (the company) is not saying “we will take your SUBS and give you X service or Y asset.” It’s an open ecosystem where the token’s utility arises from participants voluntarily accepting it for something of value.

G.9 Procedure for Non-Trading Requests: An admission to trading on a trading platform is not being formally sought by the issuer. However, due to the decentralized and permissionless nature of decentralized exchanges (DEXs), such as Uniswap, trading of the token may occur independently of the issuer's actions or intentions. There is no mechanism available for holders to request that their tokens be excluded from trading, nor is there any facility to opt out of trading once tokens have been issued and distributed. Holders who do not wish to trade their tokens may simply retain them in their own wallets; there is no obligation to trade or interact with secondary markets. Accordingly, this section is not applicable in the context of decentralized and permissionless trading. The concept of a "non-trading request" is not operationally enforceable within this framework.

G.10 Conditions for Purchase/Sale of Crypto-Asset: Purchasing SUBS during the offering will occur via the IDO on Uniswap as described – conditions being having a wallet, etc. After that, purchase or sale is at the discretion of each holder on the open market. - There are no issuer-imposed conditions or restrictions on resale. You don't need approval from Subscrypts to sell your SUBS to someone else. - The price is whatever the market says at that moment; there's no fixed conversion or fixed buy-back at a known price by the issuer. - The trading is continuous 24/7 on blockchain; not limited by stock market hours. - Potential trading venues aside from Uniswap could emerge: if a centralized exchange lists SUBS, that might impose their own conditions (like KYC, or certain trading hours if in specific markets, etc.), but that's up to those exchanges, not the issuer. - For on-chain trading, the condition is just paying the gas fee and having a counterparty (liquidity in pool). No specific lock-ups or escrow conditions on transfers for public holders aside from what's in vesting. Only certain addresses (like vesting contract addresses) have conditions on when they can transfer their allocated tokens.

G.11 Transferability Restrictions: As mentioned, SUBS tokens are freely transferable on Arbitrum with no built-in restrictions. Key points: - No Lock-ups for Public: Once you have tokens that are unlocked, you can send them to anyone. The smart contract doesn't block transfers between private parties. - Vesting Locks: Tokens that are vesting (like the ones in the Seed category, Team, etc., before their cliff) are locked by mechanism – those can't be transferred until they unlock. That's a restriction but it only applies to those specific allocations controlled by time-lock contracts. - Legal/Regulatory: There's no software enforcement, but legally speaking, persons in some jurisdictions might be restricted from transferring to certain other persons (for instance, sanctions: one should not transfer tokens to addresses owned by sanctioned persons or countries, though the blockchain won't stop it, the legal liability would be on the sender). – Platform usage: Within the platform's dApp, certain internal transfer functionalities (like subscription payments) are governed by logic (e.g., a subscription contract only pulls tokens if due, etc.), but outside of that context, you can always just use the standard ERC-20 transfer. - We have not implemented any freeze or pause on token transfers globally – except if something catastrophic happened, and since it's upgradeable, the project could theoretically upgrade the token contract to add a pause if absolutely needed to respond to an incident (e.g., a hack). That would be an extreme scenario not planned. If it were to happen, that would be a temporary restriction done in emergency, with the intention to resume normal transfers after resolution.
In summary, holders should consider their tokens as fully in their control, with no restrictions on peer-to- peer transfers, except those stemming from their own local laws or lock-ups if they got tokens under a vesting schedule.

G.12 Protocols for Adjusting Supply (Mint/Burn): The SUBS token contract has built-in mint and burn functions that allow for supply adjustment: - Mint: This function can create new SUBS tokens and assign them to a given address. It is restricted such that only the contract owner (which is currently the Subscrypts multi-signature wallet) can call it. As of launch, there is no intention to use the mint function. It exists largely because the token is behind an upgradeable proxy and uses OpenZeppelin's ERC20 implementation which includes a mint function or because we foresee a scenario where governance might want to expand supply if needed (for instance, if a lot more users join and it was somehow beneficial). But any minting would be done in a controlled and disclosed manner. We stress that initial supply is set high enough (120 million) that we don't foresee needing more. - Burn: There's a function to burn (destroy) tokens from an address, which essentially reduces total supply. Usually, any address can burn from its own balance (OpenZeppelin ERC20Burnable extension allows token holders to call burn to destroy their own tokens). Additionally, the owner might have a burnFrom ability (to burn from others given allowance). Burn isn't likely to be widely used except possibly to remove unsold tokens (but all tokens are allocated in our design, so no unsold pot exists). Or if the company decided to reduce supply for tokenomics reasons (like to boost value or because certain reserved tokens aren't needed), they could burn them. - Procedure for Mint/Burn usage: If the project ever decides to use the mint function to increase supply, it would do so with careful consideration, likely after community discussion or as part of a new offering with regulatory compliance. For example, if a new investor or partner needed tokens and we didn't want to dilute existing ones, we might mint – but only if it's beneficial overall and ideally with holder consent. We emphasize again: no such plan now, so any future use would be extraordinary. - Past supply adjustments: None yet, since token launch is initial creation. The token genesis minted the full 120 million supply to the issuer's addresses for distribution as per allocation. That is done and no further mints happened since. - If at some point a portion of tokens is permanently not needed (say the Ecosystem Reserve remains untouched and we decide to eliminate it), the project could send them to a burn address or call burn on them, reducing supply which would proportionally increase each remaining token's share of total supply (benefitting holders potentially).

So, the protocol is: - Only authorized governance (Subscrypts multi-sig) can change supply. - No automatic adjustments or algorithmic changes happen (this is not like an elastic supply or rebase token). - Holders will be informed via public announcements if any supply change is executed (because that's material information). - The smart contract's events will also reflect it (Mint and Burn events).

G.13 Mechanisms for Supply Adjustment: Since any adjustment is manual (through governance action), there is no algorithmic mechanism like in some tokens that have inflation schedule or burns on each transaction. - No Staking Emissions: There's no mechanism where tokens are regularly minted as rewards to stakers or validators, because SUBS doesn't run its own blockchain or proof-of-stake system. - No Automatic Burning: We are not implementing something like "burn 0.1% of every transaction" or burn a portion of fees. The fee collected just goes to treasury, not burned. - Multi-sig control: The practical mechanism for any mint/burn is a multi-sig transaction from the governance wallet calling the function on the contract. That would require, say, 2-of-3 or 3-of-5 approvals (depending on how the multi-sig is set up). So, internally there is a safeguard to not accidentally or maliciously mint by one person – multiple signers must agree. - Smart Contract Upgrade Impact: If supply adjustments were to be done differently, it could involve deploying a new logic contract. For example, if in future a decision was made that SUBS should have a controlled inflation of 2% per year to fund development, the contract might be upgraded to implement that. That would be a huge change requiring community acceptance and updated white paper, etc. But conceptually possible with the architecture.
Given the current stance, the mechanism is straightforward: - At token genesis: minted 120b. - Thereafter: no mechanism triggers additional mint or burn unless decided. - The multi-sig holds the keys to adjusting supply but has committed not to use them arbitrarily.

G.14 Token Value Protection Schemes: There is no formal or guaranteed "value protection" scheme for SUBS. That is: - No Price Stabilization: The issuer is not pegging or backing SUBS with reserves to maintain a certain price floor or range. There's no collateral or algorithmic stabilization (which is something stablecoins do, not relevant here). - No Guaranteed Liquidity: Apart from initial liquidity seeding and intentions to maintain some liquidity, the issuer doesn't guarantee to always buy back tokens at a particular price. There is no minimal redemption or insurance if price crashes. - No Dividends or Yield: That could support value by offering yield, but we're not giving any fixed returns. - Essentially, the token's value is fully market-driven and can fluctuate freely, with no mechanisms to automatically protect it from volatility or decline.That said, indirectly: - The team's efforts to use funds to develop the platform and drive adoption is a way to support token value (through fundamental utility increasing). - The company providing liquidity initially helps avoid extremely thin market that could lead to huge volatility. - Vesting schedules protect against immediate oversupply which could crash price initially. That's a form of protective measure to allow organic growth before full supply is out. - But none of these are a promise or an enforceable protection, just design choices.
So, in summary, no explicit token value protection scheme exists. Buyers are exposed to normal market risk. This means that if demand drops or external market conditions worsen, the token value can fall with no intervention.

G.15 Description of Any Value Protection Measures: Since we indicated none, there's not much to describe. For completeness: some projects do things like periodic buybacks (e.g., using profits to buy and burn tokens), or maintaining a treasury fund that steps in to support price if it falls below some threshold. Subscrypts does not currently plan any such measure. - If in future, the platform generates revenue and we decide to allocate some of that to buy back SUBS on the open market (either to hold or burn), that could act as a form of value support. But this is speculative; no commitment. - If any unofficial or voluntary measure arises (like the team might psychologically defend certain price points by adding liquidity or not selling below a certain point, etc.), those are not formal and can't be relied on by holders.
So effectively, there's nothing like a stablecoin redemption or floor support here. - We can mention again initial liquidity seeding – that ensures at launch the price won't extremely tank from a single small sale because a decent pool is there (value protection in sense of better initial stability). - And continuous monitoring – the team will watch markets and could intervene if there was an attack or something (like if someone tried to crash price through manipulation, the team might respond by adjusting liquidity or making announcements to calm fears). But that's case-by-case and not a coded scheme.

G.16 Compensation/Insurance Schemes: There is no compensation scheme or insurance for SUBS holders. - If, for example, the platform gets hacked and tokens are stolen, the project does not have an insurance fund to reimburse affected users (some DeFi platforms have insurance funds or rely on third- party crypto insurance, we do not currently). - If the token's value plummets and holders incur losses, there's no recourse to get compensation from the issuer or any scheme like a government guarantee. Crypto is not covered by deposit insurance or investor compensation directives, as the disclaimers noted. Users and merchants using the platform bear the risk of the token's value. For instance, a merchant who accumulates SUBS and then the price drops 50% before they convert to stablecoin – that's their loss, not recoverable from Subscrypts. - The only context where compensation might be considered is if the company explicitly messes up (like a flaw in the platform causes user losses). In such an event, maybe the company out of goodwill or legal necessity might compensate for something, but that would be situational. There's no pre-funded pool or insurance policy covering that now. - Some projects implement a bug bounty payout or hack insurance. We have none external. No bounty program is live at launch (the team might institute one later to encourage bug discovery, but not at time of writing).

So, no insurance or compensation scheme protects holders. They participate at their own risk, akin to holding any unbacked crypto asset.

G.17 Description of Compensation Arrangements: As per above, since there aren't any, there is nothing to outline in terms of rules or triggers for compensation. - We can mention that users should take their own precautions. If they want to insure their tokens, they could potentially use third-party crypto insurance or hedge via derivatives (though likely none exist for SUBS at first). - Internally, the best we have is that the company's interest aligns in not letting the token fail because the founder/team hold 10% and want it to appreciate. But that's not a formal scheme, just incentive alignment. - If the question is expecting a description of if there was any compensation scheme (like "if the offer fails, money refunded" or "if hack happens, we have X set aside"), our description is that no such scheme exists except legal recourse through courts if negligence can be proven.

G.18 Governing Law (Token Rights): The terms and conditions relating to the SUBS token and its use on the platform are governed by Dutch law, as previously noted for the offering. This covers any contractual relationship between the token holder and the issuer. However, because the token predominantly operates through code, many "rights" are executed via smart contract under no one's jurisdiction. But if disputes arise (for example, a holder claims the white paper misrepresented something about token functionality and sues), that would likely be adjudicated under Dutch law in a Dutch court, considering that's the issuer's jurisdiction. Additionally: - The relationships between subscribers and merchants in the platform might be subject to whatever jurisdiction they choose or the general terms of the platform (which likely default to Dutch law as well if the platform terms have a choice of law). - The issuance and sale of the token is subject to EU law (MiCA) and Dutch implementation, as said.

So for all legal intents, one can assume Dutch law is the reference for rights/obligations of the token context. - For example, if there was a question of interpreting a clause in this white paper or any contract users agree to on the platform, Dutch law principles would apply.

G.19 Jurisdiction (Competent Court) for Rights Disputes: The competent court for any legal disputes relating to SUBS token rights or obligations would be a court in The Netherlands. As previously stated in E. 40, likely the Dutch courts (e.g., Rotterdam District Court or whichever is relevant based on company's seat). If a token holder feels their rights as per the white paper or platform terms were violated, they would bring an action in the Dutch legal system.

To be thorough: If a merchant or user has a dispute with each other (like service not delivered), the platform's terms likely set how that is resolved (maybe arbitration or local consumer law). But that's more a commerce dispute, not about the token's structure itself.

From the perspective of this document and offering: - If someone alleges the token is not as described (maybe the code doesn't match the promises, hypothetically), they would likely sue Subscrypts in NL. - If regulatory enforcement or investor complaints happen, they would go through Dutch authorities/courts as well.

This consistent approach has been communicated: Netherlands is the legal backdrop for anything about these tokens.

H. Part H – Information on the Underlying Technology

H.1 Distributed Ledger Technology Used: Subscrypts is built on Ethereum's Layer-2 network Arbitrum One. Let's break down this Distributed Ledger Technology (DLT): Ethereum Base: Ethereum is a widely-used distributed ledger (blockchain) with a Turing-complete smart contract platform. It transitioned to Proof-of-Stake in 2022 (the Merge), and it is a decentralized network of validators processing transactions and maintaining consensus on the ledger state.

Arbitrum One: Arbitrum is an "Optimistic Rollup" layer-2 solution for Ethereum. It processes transactions off the main Ethereum chain to achieve higher throughput and lower cost, while relying on Ethereum for security. Specifically, Arbitrum batches many transactions and posts a summary (state root) on Ethereum. It assumes transactions are valid (optimistic) and provides a window for anyone to challenge (via fraud proofs) if a batch was incorrect. If a fraudulent batch is detected, it can be rolled back on Ethereum, enforcing correct state. –

Arbitrum Consensus: Currently, Arbitrum uses a combination of a centralized sequencer (which orders transactions quickly) and the underlying Ethereum chain for finality. The sequencer is run by Offchain Labs (Arbitrum's team) at present, meaning ordering is not decentralized (though users can also directly post transactions on-chain if needed). However, the security model doesn't require trusting the sequencer – if it cheats, anyone can challenge on Ethereum. Arbitrum validators (anyone can be one by running a node) watch the chain and can challenge if needed. In practice, to date no fraud proofs have been needed, and the system relies on the assumption that at least one honest validator exists (likely the Arbitrum team or community watchers). –

Smart Contracts on Arbitrum: Arbitrum is EVM- compatible. The SUBS token contract and platform contracts are written in Solidity and deployed to the Arbitrum chain. They function just like Ethereum contracts but with lower gas costs. Arbitrum uses the same address and transaction format as Ethereum (with a different chain ID). –

Block Time and Finality: Arbitrum's transaction finality from a user perspective is a few seconds (the sequencer provides fast confirmation). However, "true" finality is achieved once the batch is posted on Ethereum and the challenge period passes (which can be up to a week in Arbitrum's design). In practice, users treat sequencer confirmation as final for everyday use, but know that extremely theoretically, a fraudulent state could be reverted within that dispute period. –

Interaction with Ethereum: If needed, assets including SUBS can be bridged between Arbitrum and Ethereum. Arbitrum has a canonical bridge; one can deposit ETH or tokens from Ethereum to Arbitrum (taking ~10 minutes), and withdraw from Arbitrum to Ethereum (taking the dispute period, ~7 days, to allow for challenges). This means SUBS is technically withdrawable to Ethereum L1 (it would exist as a Layer-1 representation after bridging, but since SUBS is only deployed on Arbitrum, bridging out would just hold it locked on L1). In effect, Arbitrum ensures that even if Arbitrum itself failed, funds could eventually be retrieved via L1 fallback mechanisms (assuming the Ethereum network is intact and no fraud that can't be disputed). –

Decentralization Level: Ethereum L1 is highly decentralized with thousands of validators globally. Arbitrum's core security inherits that, but day-to-day operation has some centralization (the sequencer is single, and currently the fraud proofs still rely on an honest party but not fully tested in the wild). Arbitrum has plans to decentralize the sequencer in the future, which will further improve trustlessness. –

DLT Suitability: Arbitrum was chosen for its lower fees and scalability which are crucial for a micropayment-heavy use case like subscriptions. If we attempted to do frequent monthly or even daily payments on Ethereum mainnet, gas fees could be cost-prohibitive for small subscription amounts. Arbitrum reduces cost by orders of magnitude, making the economics viable. –

Network Throughput: Arbitrum can handle far more transactions per second than Ethereum L1 (exact numbers vary, but easily in hundreds of TPS). This means as our platform scales to many users, Arbitrum should handle the load for now. If usage skyrockets beyond Arbitrum's capacity, Ethereum L2 ecosystem is evolving (maybe Arbitrum Nitro improvements or migrating to additional L2s), but we anticipate Arbitrum can support our foreseeable growth. –

Smart Contract Addresses: The main contracts for SUBS and Subscrypts platform have addresses (to be provided to the community). For instance, SUBS token contract address on Arbitrum (we will publish it around launch; for this doc let's say it's something like 0xABC...)

In summary, the underlying DLT is Ethereum (PoS) via Arbitrum rollup, giving us a blend of security (secured by Ethereum) and performance (scaling via Arbitrum). Users interact as if it's just another Ethereum chain (just switching network in their wallet).

H.2 Protocols & Technical Standards: The project leverages widely-adopted technical standards: - ERC-20 Standard: SUBS token conforms to the ERC-20 specification, meaning it implements standard interfaces like totalSupply(), balanceOf(address), transfer(address,uint256), approve(address,uint25), transferFrom(address,uint256), etc. This ensures compatibility with wallets, exchanges, and DeFi protocols out-of-the-box. - Solidity Language & Ethereum Virtual Machine (EVM): Smart contracts are written in Solidity and compiled to EVM bytecode. Arbitrum is EVM- compatible, so no special language differences. The platform's logic contracts (subscription management) follow Solidity best practices. –
OpenZeppelin Libraries: We have used audited open-source libraries from OpenZeppelin for standard contract functionality. For example, the ERC20 implementation is based on OpenZeppelin's template, which is a de-facto standard for secure token logic. Also using their Ownable extensions and UUPSUpgradeable for proxy pattern. Using these standard libraries reduces risk because they are widely reviewed and used. –
Diamond Standard (Multi-Facet Proxy): The platform's core subscription contract is designed with a modular architecture. We are using a variant of the Diamond Standard (EIP-2535) for upgradability. This means the system is split into multiple facets, each facet is a contract that holds some related functions (for example, one facet might manage subscription creation, another handles payment execution, etc.). A central Diamond (proxy contract) delegates calls to the appropriate facet based on the function signature. This architecture allows adding/removing/updating individual pieces of functionality without redeploying the whole system. It's a more advanced upgrade pattern than a single UUPS or Transparent proxy, and is chosen to manage contract size limits and organize logically. –
UUPS Proxy (EIP-1822): The contract logic, storage and SUBS token itself is behind a UUPS proxy as well. UUPS (Universal Upgradeable Proxy Standard) is a common pattern for upgradeability where the proxy is minimal and the logic contract has an upgrade function controllable by an admin. OpenZeppelin provides UUPS contracts. We used UUPS for the token and storage part and the diamond facets for the rest of the functions. –
Uniswap Protocol (for price oracle): The platform uses Uniswap's on-chain price as an oracle reference. Specifically, it queries the Uniswap V3 SUBS/USDC pair to fetch the current exchange rate for SUBS to USDC. Uniswap itself adheres to its set of standards pool contracts with specific concentrated liquidity formula for V3. We align to that by using the Uniswap V3 direct mid-price from reserves and later we could implement Uniswap V3 TWAP (time- weighted average price) for conversions. We might use its built-in function to get a TWAP over a short interval to avoid manipulation from single block spikes. Uniswap V3 is an immutable protocol on Ethereum/Arbitrum that many projects use as price feed; we effectively treat it as a standard mechanism for pricing. –
Wallet Standards: We rely on standard wallet protocols (like EIP-712 for signing typed data if we do any off-chain signature flows, maybe if in future we do gasless transactions or permit patterns). –
Subscription Scheduling: There's no single, widely used standard for recurring payments on Ethereum due to the push-versus-pull problem. To address this, we've implemented a custom mechanism in our smart contract that handles recurring charges. Each subscription record stores a "next payment" timestamp, and on every token transfer our renewal logic checks a batch of subscriptions: if a subscription is due and the user has consented to automatic renewal, it's renewed immediately. Merchants and users can also trigger checks for either a single subscription or an entire batch by calling publicly available functions. These functions may be invoked manually or incorporated into automated workflows by users, merchants, or third parties—allowing flexible triggering patterns for the subscription logic. –

Multi-Sig Wallet: We use our own custom variant of a multi-signature wallet with functionality similar to Gnosis Safe, a widely adopted and audited standard in the Ethereum ecosystem. This wallet secures the project's administrative keys and governs critical actions such as upgrades and minting through an M-of-N signature scheme. While it is not the standard Gnosis Safe contract, it offers comparable security and control, following best practices for safeguarding project operations. –

Standards for Data & Interoperability: We will not verify or publish the full source code of the SUBS token contract, but we will share the contract ABI and provide as many code snippets and examples as possible to support adoption and integration. To improve discoverability and usability, we aim to list the token on major token lists (such as the Arbitrum Token List) and ensure it is recognized by popular blockchain explorers and wallets. This ensures that developers and users can interact with the SUBS token easily and securely across platforms. –

Security Standards: Following known security patterns: using ReentrancyGuard where appropriate, Checks-Effects- Interactions pattern, etc., to avoid vulnerabilities. For upgradeable contracts, using initializer functions properly to avoid the proxy pattern pitfalls. In conclusion, we heavily utilize and adhere to established Ethereum standards and protocols which ensures our system is not reinventing wheels insecurely and can integrate with the broader ecosystem smoothly. This approach was chosen for reliability and compatibility reasons.

H.3 System Components and Technology Stack: The Subscrypts platform's tech stack includes: - Smart Contracts (On-Chain): This is the backend of the system. Key contracts: - SUBS Token Contract – an ERC-20 contract (upgradeable proxy) implementing the token. - Subscription Management Contract(s) – This likely includes: - A registry of subscription plans (mapping merchants to their plans and pricing). - Logic to handle user sign-up to a plan (recording subscriber, plan, next payment due). - Payment execution function that can be called when a payment is due, which transfers SUBS accordingly and updates the schedule. - Possibly a function to cancel a subscription (user or merchant can call to stop future charges). - Functions for merchant administration (create plan, modify plan, etc., though modifications can't affect existing subscribers without their consent presumably). - These are implemented as a Diamond with facets such as: - SubscriptionPlanFacet, SubscriptionPaymentFacet, etc., to separate functionalities. - Access Control: Only merchants can create plans, only the specific subscriber or an authorized entity can cancel, etc. We use either an AccessControl scheme or fine-tuned conditions in code. - Upgrade Facet: One facet might be the DiamondCutFacet which allows adding/updating facets, controlled by multi-sig (per EIP-2535 standard). - Off-Chain Components: - Frontend Application: We have a web front-end using JavaScript that users and merchants interact with. This front-end uses libraries like web3.js or ethers.js to connect to the smart contracts on Arbitrum. - Backend/Server: Possibly the architecture tries to be mostly decentralized (pure smart contracts), but we likely have some backend for ancillary services: - Perhaps user management for merchants (though ideally merchants just connect wallet, minimal backend). - We might have a backend for processing some events or analytics (e.g., to index subscription events to show merchants their subscriber list quickly without scanning blockchain on the fly). That might be powered by The Graph (a decentralized indexing protocol) or our own database that listens to events via an Arbitrum node. - Database: Likely storing some off-chain data for convenience (like merchant profiles, subscription descriptions, etc., which don't need to be on-chain and would be costly to put on chain). A typical stack might be Python or Node.js + a database (PostgreSQL or MariaDB) for the website's backend data. - Arbitrum Node/Provider: We run or use a node or a provider like Alchemy/Infura to interact with the Arbitrum chain for the app backend. Also, we might run our own Arbitrum endpoint to ensure reliability. - Security and Upgrades: - The multi-sig wallet contract on Arbitrum holds admin rights for upgrades and certain parameter adjustments (like setting the global platform fee % in the contract, currently 1%). The Safe has signers (the founder, possibly a backup hardware wallet). - Emergency Pause Mechanism: We've implemented an emergency pause feature in the subscription system—a circuit breaker mechanism controlled by the multi-signature wallet. In the event of a critical bug, exploit, or unexpected system behavior, this mechanism allows us to halt subscription charges and temporarily disable the creation of new subscription plans. Transfers of the token itself can also be paused if necessary. These controls are not only part of our commitment to security and responsible development but are also implemented to align with the principles and requirements outlined in the EU's MiCA (Markets in Crypto-Assets) regulation. MiCA emphasizes operational resilience, risk mitigation, and the ability to suspend services in the face of incidents—making such features a key part of regulatory compliance. It's a precautionary measure: better to have it and never use it than to need it and not have it.- Gas Optimization: We have optimized contract code to minimize gas, because on Arbitrum gas still costs something (though cheaper). Techniques like using immutables variables, minimizing storage writes, etc., for efficiency, and some state is kept off-chain if not needed on chain. - Testing and DevOps: We have a suite of unit tests to ensure contracts behave as expected. We also did testnet deployments (Arbitrum's testnet or an Ethereum testnet) for dry runs. We integrated a continuous integration system to run tests on each update. - Front-End Standards: Integrating wallet connection via Metamask, using web3 modal libraries. The UI is built to be mobile-friendly as many might use mobile wallet DApps.

From a user perspective: A merchant visits subscrypts.com, connects their wallet, and creates a subscription plan by specifying the price and billing interval. When the merchant submits the plan, a transaction is executed to register it on-chain, assigning it a unique Plan ID. A user can then view the merchant's subscription details and choose to subscribe using that Plan ID. When subscribing, the user calls the subscriptionCreate function, which initiates the subscription and optionally sets up automatic renewal cycles using setCycles. This can be configured during the initial subscription or later adjusted through the subscriptionRecurringCHG function by the user. Instead of transferring tokens, the smart contract uses a burn-and-mint model: it burns the specified amount of SUBS from the subscriber's balance each billing interval and mints the corresponding amount to the merchant. An additional portion is minted to the Subscrypts treasury as a network fee. Once the subscription is active, the contract immediately processes the first billing cycle and sets the user's next due date accordingly. If the user revokes token approval or lacks sufficient balance at the time of renewal, the contract automatically prevents further charges, ensuring that no unauthorized or failed transactions occur.
Arbitrum Transaction Finality and Implications: For completeness, because Arbitrum finality is subject to dispute period, if a user pays and the merchant waits 7 days before trusting it fully, but in practice, Arbitrum has been reliable. There's a theoretical case if Arbitrum had a fraud proof triggered, some recent transactions might be reverted, but that's extremely unlikely and if it happened, the whole network has bigger problems. We'll ignore that scenario, as the user experience is that it's final within seconds.

In summary, the underlying technology is a combination of smart contracts on Arbitrum adhering to Ethereum standards, plus web2 elements for usability. The design aims for decentralization where critical (payments, custody), and uses centralized components where convenient (some data storage, triggering functions) with the intention to decentralize more over time (like using Chainlink Automation for triggers, or maybe a future DAO multi-sig control, etc.).

H.4 Consensus Mechanism: There are two layers of consensus to consider: - Ethereum Mainnet (Layer 1): Now uses Proof-of-Stake (PoS) consensus (specifically the Ethereum Beacon Chain consensus). Ethereum's validators stake ETH and propose/validate blocks. It's a Byzantine Fault Tolerant style consensus (Casper FFG / LMD GHOST rules). The security relies on economic incentives; if validators misbehave, they get slashed (lose ETH). This provides finality and security to the chain. Block time is ~12 seconds, finality typically within 2 epochs (~13 minutes). - Ethereum PoS has greatly reduced energy consumption (>99.9% less than when it was PoW). The chance of a 51% style attack is extremely low given the capital required and the auto-slashing. - The decentralization: Over 500k active validators globally, making it one of the largest PoS networks. However, note some concentration via staking pools, but overall well distributed.

- Arbitrum One (Layer 2):
- Arbitrum doesn't have its own independent consensus like a separate blockchain with block producers. Instead, it uses an Optimistic Rollup approach:
- Transactions are sequenced by a central sequencer (which currently is one node run by Offchain Labs, though the chain itself could have multiple validators submitting).
    - The sequencer produces blocks (batches of L2 transactions) frequently and posts a rollup block on Ethereum (as calldata) along with a state root and some compressed data for each batch.
- The consensus assumption is optimistic: any block is considered valid unless proven otherwise. Validators (which could be anyone who runs the Arbitrum full node software and stakes a bond on Ethereum) can challenge a block if they detect an inconsistency. They engage in an interactive dispute resolution (bisection) on Ethereum to pinpoint the exact disagreement and prove fraud.
- If fraud is proven, the dishonest validator/sequencer's stake is slashed and the fraudulent block is not accepted, falling back to the last honest state.
    - If no one challenges within a challenge window (usually 7 days), the block is finalized by Ethereum's perspective.
- For practical usage, the sequencer's output is taken as immediate confirmation (fast finality in practice, though not trustless until challenge period passes).
- This approach leverages Ethereum's consensus as the ultimate arbitrator. So Arbitrum's security is as strong as Ethereum's, assuming at least one honest watcher, and the economic rationality that someone with sufficient stake will challenge if something's wrong.

    - Arbitrum's consensus design ensures liveness (the sequencer always moves forward) and security (fraud can't go unpunished if watchers exist).
    - The existence of one honest validator is the critical assumption. Offchain Labs currently likely acts as an honest party as needed. In future, maybe multiple parties will do so (like other companies or a community DAO).
- One drawback is centralization in sequencing – if the sequencer goes down or censors, the chain might have delays (though anyone can force inclusion of transactions by posting to Ethereum L1 if needed, albeit slower).

Effect on SUBS and platform: - Ethereum's PoS provides base integrity for final settlement of SUBS transactions and contract state. So if Ethereum continues working well, Arbitrum's rollup inherits that. - If Ethereum's consensus had issues (like extreme fork or attack), Arbitrum's security would be undermined since it relies on Ethereum for validation and data availability. This risk is very low given Ethereum's maturity and has not been observed in the PoS era aside from minor hiccups. - Arbitrum's mechanism means that our contract execution is as trustworthy as Ethereum + the assumption that if we (Subscrypts team) or others see any fraud attempt, we will challenge it. Realistically, Offchain Labs has a reputation at stake and likely monitors everything to intervene if needed. - Because of proof-of-stake's finality, once a subscription payment is recorded on Arbitrum and one week passes, it's practically irreversible.

H.5 Incentive Mechanisms & Fees: There are a few layers of incentives: - Ethereum Layer: Ethereum validators are incentivized by block rewards and transaction fees (in ETH). They ensure L1 security. After the Merge, issuance of ETH is lower and fees partially burned (EIP-1559). Arbitrum's existence doesn't directly reward Ethereum validators except through the fees they pay to post rollup data (Arbitrum users indirectly pay for L1 inclusion).

- Arbitrum Layer: The sequencer currently can earn revenue by taking a small spread on transaction fees. Arbitrum users pay gas fees in Arbitrum's native currency (which is ETH on Arbitrum, interestingly they use the same ETH for gas). The sequencer gets these fees. Part of these fees also cover the cost of posting data to L1 (so a portion is used by the sequencer to pay L1 gas).

- If a fraud proof ever happens, the honest validator who proves fraud gets the slashed stake of the fraudster as a reward. That's the enforcement incentive: try to catch fraud to get a bounty.
    - We, as dApp developers, pay those fees indirectly when our users use the network.

- Subscrypts Platform Fee: This is the notable fee in our ecosystem. For every subscription payment, we charge a 1% fee. This fee is taken in SUBS from the transaction. Implementation-wise, if a subscriber owes 100 SUBS to a merchant, the contract will actually transfer 100 SUBS from subscriber: 99 to merchant, 1 to the platform's treasury wallet. This means:

- The platform (Subscrypts company) accumulates SUBS tokens as revenue. This is our monetization model.
    - Over time, the company can use or sell these SUBS to fund operations (effectively converting them to fiat or stablecoins to pay expenses). We will likely periodically sell portions of collected SUBS on the open market, or perhaps directly to partners if that's more efficient, to realize revenue. This could have an effect of modest sell pressure, but since it's tied to actual usage, it's arguably a sustainable model (if usage grows, price hopefully grows too and 1% of a larger volume can be sold gradually).

- The fee percentage can be adjusted by the platform in the contract. Right now, 1% is set as fair and competitive. We might reduce it or raise it depending on competitive landscape, but any change would be communicated. For now, assume stable at 1%.
    - Merchants effectively pay this fee by getting 1% less than user pays. Users might also conceptually be paying it because maybe merchants factor it into pricing. But either way, that's the cost of using the service.
    - There are no other platform fees (no listing fee for merchants beyond their gas costs, no subscription creation fee etc.).

- Subscription Economics: Merchants receive SUBS and might incur slippage converting to stable, but that's just market dynamics, not a fee to us. They also pay Arbitrum gas for any management transactions they do (like if they call a function to cancel someone or something).

- User incentives: We haven't explicitly built token incentives like "stake SUBS to get discounts" or "earn reward for referrals in SUBS" yet. We could consider giving new users a small SUBS airdrop to try the service or similar promotions, but none are currently formalized. If we do, that would come from the marketing allocation tokens.

- Token value incentive alignment: Founder holding 10% vesting means he is incentivized to increase token value by making the platform successful. Not a direct mechanism, but an inherent incentive scheme aligning founder with users (if utility and adoption rises, token likely rises).

- Loyalty or tier incentives: Possibly in future, could create a loyalty program where merchants who stake some SUBS get a lower fee or higher visibility. Nothing of that sort yet but it's a potential future incentive mechanism to encourage holding usage of token.

- Economic equilibrium: The only consistent sink for SUBS is usage (spending them for service) and platform fee taking some out of users and giving to us (which then may be sold to others, so not a permanent sink unless we burn them or hold them indefinitely). If the platform is widely used, merchants likely will sell SUBS for stable coins (creating sell pressure), while users will buy SUBS to use (buy pressure). The fee effectively siphons a bit of value to the platform. If demand for service is high, hopefully demand for SUBS to pay for it is equally high.

In summary, the main explicit incentive mechanism is the platform fee (1%) which drives value to the project. Network incentives are handled by Ethereum/Arbitrum design. Participants are expected to act out of their own benefit (users want services, pay in SUBS; merchants want revenue, accept SUBS; we want a thriving ecosystem, earn a small cut). The interplay of these incentives ideally creates a positive loop: more usage -> more demand for SUBS -> higher value -> merchants more willing to accept and hold possibly -> platform gets more fee value -> can invest in more features -> more usage.

H.6 Use of DLT in the Service Provision: The Subscrypts platform extensively uses the blockchain for core functionality: - Payment Automation: Instead of relying on credit card processors or bank debits, we use Arbitrum's blockchain to transfer funds (SUBS tokens) automatically based on conditions (time intervals). The entire process of moving value from subscriber to merchant is on-chain. - Smart Contract-Enforced Terms: The conditions of subscription (like "pay X SUBS every Y period") are encoded in the contract. This ensures they are executed impartially and can't be changed unilaterally by either party without going through the contract logic (e.g., a merchant can't suddenly charge more tokens because the amount is fixed in the plan or else they'd have to create a new plan; a user can't cheat by not paying unless they intentionally stop the contract which also stops service). - Non-Custodial Funds: Unlike a SaaS platform holding user's card or a custodian holding crypto, here the funds remain in user's wallet until each payment execution, which then atomically transfers them to the merchant. There's no intermediate where the platform holds the tokens (except for the instant it takes the 1% fee). - Transparency & Immutability: All subscription transactions and events (like subscription start, cancellation, payment due, etc., if logged) are recorded on the public ledger. This transparency builds trust – users can verify the platform did charge them correctly, merchants can prove a user didn't pay if they default, etc. The data immutability means records can't be tampered with, unlike in a centralized server where a fraudulent admin could alter payment logs. - Security via Blockchain: The platform leverages Ethereum's security for ensuring correct execution of code. Once deployed and verified, neither merchants nor users need to trust a company's black box to handle payments – they trust open code and Ethereum's enforcement. This reduces counterparty risk (although they still trust the code had no bugs). - Availability: The smart contracts are always available as long as the blockchain is running. Users can interact with them any time without needing the company's servers. (However, our front-end might be needed for convenience. In an extreme scenario, even if subscrypts.com went down, a power user could still interact with the contract through etherscan or CLI to manage their subscriptions, because the logic is on chain.) - Off-Chain Offloading: We do not put heavy data (like long descriptions, user personal info) on chain due to cost and privacy. That's handled off-chain (maybe IPFS for some static data, or our database for user accounts if any). Only essential info for trust (like payment amounts, schedules, balances) are on chain. - Scalability and Future Moves: Because we chose Arbitrum (L2) as the primary DLT environment, we can scale better. If needed in future, the platform could become multi-chain (deploy SUBS and contracts to other chains or L2s like Optimism, Polygon, etc., or even an L3 specialized chain for subscriptions). Multi-chain would allow capturing users on those ecosystems but would complicate operations (multiple token instances, bridging, etc.). For now, we stick to one chain for network effect. - Smart Contract Upgradability Use: The reason we have upgradeable contracts is to allow improvements or urgent fixes. This ensures the platform can adapt without requiring all users to migrate to a new contract manually (which is user friction and could break continuity for subscriptions). Upgrades are done via DLT (the admin uses a transaction to perform the upgrade). - User Custody: Users always maintain custody of tokens in their wallet until a payment is executed. Even then, the payment directly goes to merchant's wallet – the platform never "custodies" those tokens. This means we aren't holding user funds (less regulatory overhead, e.g., not a custodian or money transmitter in the traditional sense). –

Potential Drawbacks of DLT usage: - If Arbitrum network is congested or down briefly, subscription transactions could be delayed. For example, if a payment is due at time T but Arbitrum is very slow, the payment might happen a bit later. Usually that's okay; maybe we consider a payment on time if within some tolerance. - Gas fees, while low on Arbitrum, are not zero. So a user must have some ETH to keep their subscription going. That's a UX hurdle (imagine telling a non-crypto-savvy user they need to maintain a balance of ETH for gas or their Netflix-like subscription stops, even if they have enough SUBS – we might abstract it by allowing a slightly higher charge in SUBS and use that to cover gas via meta-transactions, but that's complex and not implemented initial). - If a user's wallet is compromised, the hacker could drain their SUBS, similar risk as any crypto. That's user's responsibility – unlike credit cards where you can dispute charges, here if your key is stolen, the thief can cancel your sub or just take your tokens, and the platform cannot reverse that. So security is reliant on user's wallet security. - One also has to consider that each subscription is a series of transfers. If a user wants to cancel, they could either use the platform UI or simply revoke token allowance to stop future transfers; that's a bit technical but doable. Given all these, the reason we built on DLT is to achieve a more open, global, and user-centric subscription system than legacy systems. The trade-offs (like requiring crypto and dealing with gas) are something we try to minimize impact of via UX.

H.7 Description of DLT Functions in the Project: Most of this is covered above, but let's enumerate functions: - Tokenization of Value: We created SUBS token to represent the unit of value within the platform. Without DLT, we'd be stuck integrating with many payment providers or dealing with fiat rails in each region. - Automated Enforcement: DLT ensures that if conditions are met (time passed), the payment either happens or if it fails (lack of funds), service stops. It's not reliant on us chasing users or charging credit cards that might decline; the contract does the attempt and if fails, that's final. That's an advantage in some sense – clear rules, no chargebacks (since crypto transactions can't be reversed easily). - Decentralization and Trust: The project can operate with minimized trust in the central operator (us) beyond writing correct code and not upgrading maliciously. Over time, we could even decentralize upgrade control to a community if that made sense, making it a truly trustless protocol for subscriptions. - Integration Potential: Because everything is on DLT, other developers could integrate with our protocol. For instance, a wallet might detect "This address has a subscription contract entry due next week" and offer user to top up or notify them. Or analytics sites could list popular Subscriptions on chain. Or someone could make a secondary marketplace for subscriptions (e.g., selling a pre-paid subscription as NFT – not something we built, but possible if we tokenized subscription rights).

In conclusion, the distributed ledger technology (Arbitrum/Ethereum) is at the heart of the platform's functionality and we harness it to provide a new approach to subscription services that emphasizes control, transparency, and global accessibility.

H.8 External Audit: As of the launch of the SUBS token and Subscrypts platform, no independent third- party audit of the smart contracts has been completed. We did a security review internally and performed extensive testing. Currently: - The smart contract code was reviewed by the founder for vulnerabilities. Known categories of issues (re-entrancy, integer overflow, access control flaws, etc.) have been checked using automated unit tests and manual testing - We also ran test scenarios to ensure things like only authorized can upgrade, fees are correctly calculated, cannot drain contract funds illegitimately, etc. - However, a formal audit by a security company (like Certik, OpenZeppelin, etc.) was not yet performed due to budget constraints pre- launch. This is acknowledged as a risk. We plan to obtain a professional audit post-launch when possible, and any findings will be addressed and communicated transparently. - The lack of audit means there could be undiscovered vulnerabilities. We are mitigating by the upgradability (so we can patch if something is found) and by starting with limited scope (one chain, and initial user base small to catch issues early). We want users to be aware: use the platform understanding that it's new and not formally certified secure. We have a bug bounty plan in mind (though not launched, we will likely incentivize white-hats to report issues). To summarize: No independent audit has been done; internal testing did not reveal critical issues, but internal testing is not as reliable as an audit.

H.9 Audit Results: No official third-party audit has been performed to date, so there are no auditor findings to report. Based on our internal review, we believe there are no critical vulnerabilities present at launch. If such vulnerabilities had been identified, we would not have proceeded with deployment. Since no external audit has been conducted, we have not formally categorized any medium or low-risk issues. Should an audit be performed in the future, we will include the executive summary and findings in this section. The smart contracts were deployed on Ethereum testnets (Goerli and Sepolia) and remained publicly accessible for testing over an extended period. During development, we relied on established security practices and widely adopted libraries such as OpenZeppelin, particularly for foundational components like the ERC-20 token logic. This provides a degree of confidence in the reliability of the contract's core functionality.

We are committed to conducting an independent security audit within the first three years after launch. This audit will be carried out by a reputable firm, and the results will be made publicly available to promote transparency and accountability. Until then, users should be aware that interacting with unaudited smart contracts carries a non-zero level of risk. As such, users are advised to exercise caution and only commit funds they can afford to lose in the unlikely event of a contract vulnerability.

I. Part I – Information on Risks

I.1 Offer-Related Risks: The public token offering will occur via a decentralized exchange (Uniswap) with a market-determined price, which means price volatility risk is high. Early buyers of SUBS may face rapidly fluctuating prices during and after the TGE, as no fixed price or price stabilization mechanism is in place. There is also a risk that the offering may attract lower-than-expected participation, yielding limited funding for the project's development (though the project will proceed regardless of raise size, a smaller raise could slow growth). Conversely, very high demand could drive up the price sharply, and late purchasers may end up buying at an inflated price that could subsequently decrease. Liquidity risk is present in that initial trading volumes may be low; investors might not find immediate buyers or sellers for SUBS without significant price concessions. Additionally, conducting the sale on a permissionless DEX means there is no KYC/AML verification by the issuer – while this allows broad participation, it introduces regulatory and compliance risks (e.g., tokens could inadvertently be acquired by persons in jurisdictions where the offer is not permitted). There is also a risk of scams or phishing around the token launch (e.g., fake "Subscrypts" tokens or websites) which could confuse participants – the onus is on purchasers to ensure they are interacting with the official token contract and platform.

I.2 Issuer-Related Risks: Subscrypts (the company behind SUBS) is a newly established entity (incorporated in 2025) with no financial history or prior business operations. As a startup, the company faces the risk of limited resources and experience – it has a very small team (the project is led by a sole founder) which may struggle to cover all aspects of technology, compliance, marketing, and support. The success of the project is highly dependent on the expertise and efforts of the founder (Adrianus Ghering); this represents a key person risk – if he becomes unwilling or unable to continue leading the project, or fails to execute the business plan effectively, Subscrypts may not achieve its objectives. The company currently has no other personnel or established governance bodies, which means decision-making is centralized and dependent on one individual. This lack of organizational depth could lead to operational bottlenecks or unmitigated mistakes. Financially, aside from the proceeds of the token sale, Subscrypts has no other capital (no prior seed investment or revenue streams), so it is entirely reliant on the token sale funds to finance development and operations. If those funds are mismanaged or prove insufficient, the project might run out of money. The founder and team also hold a portion of tokens (see token allocation); while vesting schedules align their incentives to project success, there is a potential conflict of interest in that the founder's personal wealth could be influenced by short-term token price movements. However, those tokens are locked initially (with a gradual release), reducing the risk of immediate dumping. Finally, the issuer faces regulatory and legal risks – as crypto regulations evolve, the company might be required to obtain licenses or comply with new rules (for example, if aspects of the platform are deemed a regulated payment service). Non-compliance or an adverse regulatory classification of the token (e.g., being deemed a security in some jurisdiction) could halt or heavily impact the project.

I.3 Crypto-Asset-Related Risks: SUBS is an unsecured, utility crypto-asset and its value is not backed by any tangible asset or guarantee. Its market price will depend purely on supply and demand dynamics. Holders of SUBS have no inherent rights (such as dividends, voting, or redemption for assets) – the token's value is derived from its use in the platform and speculative interest. This entails the risk that if the platform does not gain traction or usage, demand for SUBS may be low, causing its value to decline. SUBS may also trade on secondary markets that are highly volatile and unregulated; large price swings or market manipulation are possible. There is liquidity risk beyond the initial offering – even after listing, an active market for SUBS is not guaranteed. Investors might not be able to quickly sell large holdings without significantly impacting the price. Another risk is concentration of holdings – if a small number of holders (for example, the team, or early contributors) control a large percentage of the supply, they could influence the market by selling or other actions once their tokens unlock. Additionally, the SUBS token smart contract has the ability (under governance control) to mint new tokens or burn tokens. While there are no current plans to increase supply, the possibility of future token minting means the supply could inflate, potentially diluting existing holders (any such action would presumably be taken only if beneficial for the project, but it remains a risk factor). There is also a technological trend risk: changes in the crypto industry (such as Ethereum network changes, or new token standards) could render the SUBS token's technical framework suboptimal or less compatible over time, potentially affecting its utility or require costly upgrades. Regulatory and tax treatment of crypto-assets continues to evolve across jurisdictions. Although the issuer classifies SUBS as an "other crypto-asset" (utility token) under Regulation (EU) 2023/1114 (MiCA), other countries may characterise it differently—for example, as a security, commodity or regulated payment instrument—which could impose additional compliance obligations, trading restrictions or disclosure requirements on holders. Likewise, gains or losses arising from holding, using or disposing of SUBS may be subject to income tax, capital-gains tax, value-added tax or other levies depending on local law. Tax authorities may issue new guidance or change enforcement practices without notice. Prospective holders are solely responsible for obtaining professional advice and for complying with any legal or tax obligations applicable to their personal circumstances.

I.4 Project Implementation-Related Risks: The viability of Subscrypts hinges on successful implementation and adoption of the subscription platform. There is a risk that the project may encounter technical or UX challenges that delay deployment or hinder user adoption – for example, the automation of recurring payments on-chain is complex, and ensuring a seamless user experience (comparable to Web2 subscriptions) is challenging. If the platform is difficult to use or unreliable, users and merchants may not join. There is also market adoption risk: merchants and customers must be convinced to use a crypto- based subscription model. Convincing a critical mass of merchants to accept SUBS as payment, and users to pay in SUBS, is uncertain – they may prefer traditional subscription methods or other crypto solutions. Competing projects or traditional payment processors could offer alternative solutions for subscription management, posing competitive risk; if a competitor provides a more convenient or trusted solution, Subscrypts could struggle to gain market share. Operational and scaling risks exist as well – the platform may perform adequately with a small user base but encounter issues as usage grows (e.g., higher transaction costs, smart contract throughput limits, or support overhead). The original roadmap for Subscrypts included ambitious features like fiat integration, multi-chain support, and a transition to community governance; these have been de-prioritized to focus on core functionality. While this reduces complexity, it means the project's scope is narrower – if market conditions later demand those features, the project might need to catch up. The legal and regulatory environment for crypto subscriptions and payments is evolving: if new laws require, for instance, registration as a payment service provider or impose KYC/AML on crypto transactions, Subscrypts might have to modify its operations, which could slow the project or increase costs. In the worst case, certain jurisdictions might ban or restrict crypto-token usage for payments, limiting the platform's accessible market. Lastly, strategic and execution risks are present: as a new venture, the project's plans (such as merchant acquisition strategies, partnership development, or revenue model) may not materialize as expected. Delays or failure to achieve key milestones (like the timely launch of the platform or achieving user growth targets) could undermine confidence and reduce the token's value.

I.5 Technology-Related Risks: Subscrypts relies on complex smart contracts and blockchain technology, which present multiple technical risks. Smart contract risk: The SUBS token contract and the subscription management contracts could contain bugs or vulnerabilities that were not detected in testing. There has been no independent security audit of the smart contracts prior to launch, which increases the likelihood that undiscovered issues remain. A critical vulnerability could lead to scenarios such as theft or freezing of tokens, incorrect fee charges, or failure of the subscription payment logic. Attackers might exploit the contracts (for example, re-entrancy attacks, integer overflows, or logic flaws) to steal funds or otherwise disrupt the platform. Upgradability risk: The contracts are upgradeable (via a UUPS proxy and modular "diamond" facet architecture). While this is intended as a safety mechanism, it also introduces risk: if the upgrade process or the access controls (multi-signature keys) were compromised, an attacker could deploy malicious contract logic. Even without malicious actors, any future upgrade carries the risk of introducing new bugs. Additionally, reliance on upgradability means that the security model is partially centralized – users must trust the developers not to introduce harmful changes. Blockchain/DLT risk: SUBS and its platform operate on the Arbitrum Layer-2 network, which inherits security from Ethereum. However, Arbitrum itself has a centralized sequencer and is a relatively new network; there's a risk of technical failure or exploits at the L2 level. For instance, if the Arbitrum network experiences downtime, congestion, or a consensus failure, SUBS transactions (including subscription payments) could be delayed or halted. In extreme cases, bugs in the Arbitrum protocol could result in loss or rollback of transactions on that network. Since Arbitrum ultimately relies on Ethereum, Ethereum network risks (though much reduced after the shift to proof-of-stake) still apply – such as unexpected hard forks or network attacks, albeit those are considered low probability after years of stable operations. Price oracle risk: The platform's mechanism of converting USD subscription prices to SUBS uses the Uniswap SUBS/USDC pool's on-chain price. This approach, while avoiding external oracles, could be manipulated in low-liquidity conditions – an attacker could potentially trade to skew the pool's price temporarily at the moment of a subscription charge, causing a user to overpay or underpay in SUBS. Although mid-market (average) pricing is used to mitigate slippage issues, thin liquidity or manipulation could still lead to inaccurate pricing. Key management and user error: Users interacting with Subscrypts must manage their own private keys (for wallets) – loss of a user's private key or mistakes in signing transactions can lead to loss of their SUBS tokens or failed payments. This is a general blockchain user risk, but relevant since no custodian can reverse transactions. No insurance or guarantee: There is no insurance fund or external guarantee to compensate users in case of a hack or technical failure – any losses due to security breaches or bugs would likely be borne by the affected users or the project's treasury if it voluntarily compensates (which is not assured). Dependence on third-party infrastructure: The availability of Subscrypts services depends on the broader Ethereum infrastructure (node providers, wallets, Uniswap functioning, etc.). Outages or vulnerabilities in these externalcomponents (for example, a bug in the Uniswap protocol, or a widely used wallet) could indirectly impact the project's operations or the value of SUBS.

I.6 Mitigation Measures: Subscrypts has implemented and planned several measures to mitigate the above risks to the extent possible:

- Token Vesting and Distribution: The token allocation has been carefully structured to align long-term incentives and minimize the risk of sudden market disruption. At launch, only 12.5% of the total token supply will be in circulation—comprising 10% allocated to the public and 2.5% available to the founder. The remaining 87.5% will be locked or subject to scheduled vesting. The decision to start with a relatively low circulating supply is intentional. Since the project will be bootstrapped with limited initial liquidity, releasing a large portion of tokens at once could allow a small number of individuals to acquire significant holdings early on. This could lead to price manipulation, dumping risks, or excessive influence over the token's short-term trajectory. To mitigate these risks, token releases are distributed over a 12-month schedule. This approach is designed to allow for more organic price discovery and sufficient time for the SUBS token to be distributed more evenly across a broader set of market participants. Large allocations to founders, the team, and other stakeholders are subject to multi-year vesting (see Part D.9), reinforcing long-term commitment to the project and ensuring that no single entity can exert undue influence on the market through sudden token sales. This gradual release strategy supports a more stable token economy and fosters decentralization as the ecosystem matures.

- Security and Technical Safeguards: While no external audit was completed before launch, the smart contracts have undergone extensive internal testing, including deployment on test networks and scenario simulations. The contracts incorporate fail-safes such as pausable functionality – if a critical issue is detected, the team has the ability to pause certain contract operations to prevent further damage while a fix is implemented. The upgradeable proxy architecture itself is a risk mitigation: if a flaw is found, the team can update the contract logic (following proper testing) rather than being stuck with a vulnerable immutable contract. To reduce centralization risk in upgrades and admin functions, multi-signature control is used – multiple authorized approvals are required to execute sensitive actions (like contract upgrades or minting new tokens), decreasing the chance of unilateral malicious actions or single point of failure. The sole founder is arranging for additional trusted signers in the multi-sig (such as advisors or legal custodians) to ensure no single person (including himself) can exercise high-impact controls alone.

- Regulatory Compliance and Monitoring: Subscrypts is committed to operating within legal frameworks. The company has obtained legal guidance to ensure the SUBS token is categorized properly (as a utility token, not a security) and has prepared this MiCA-compliant white paper for transparency. Management will monitor regulatory developments closely in the EU and globally, and adapt the platform's policies or seek licenses if required (for instance, if future law requires registration for crypto payment services). By proactively engaging with compliance (e.g., drafting disclosures, considering AML measures as needed), the project aims to reduce the risk of enforcement surprises. The white paper notification under MiCA is one such measure, ensuring the offer is known to regulators.

- Non-Custodial Design: The platform's non-custodial architecture means Subscrypts never holds user deposits – subscription payments go directly from subscriber to merchant. This significantly limits the scope of damage from a potential security breach: there is no centralized treasury of user funds to hack on the platform side. Each user retains control of their funds up until each payment execution. This decentralization of fund custody mitigates the risk of an Equifax- or exchange-style mass breach affecting all users.

- Centralized Governance as a Stability Measure: Subscrypts is intentionally designed as a centralized platform, with the founder and core team retaining full control over protocol-level decisions, upgrades, and development direction. This structure is not a temporary phase but a deliberate design choice aimed at ensuring stability, accountability, and fast execution of improvements and fixes. While some blockchain projects choose to shift toward community governance over time, Subscrypts has no current plans to introduce a DAO or governance token. This centralized approach reduces the risk of fragmented decision-making, malicious proposal manipulation, or governance gridlock—common issues in early or loosely structured DAOs. It allows the team to focus on delivering a secure and user-friendly platform without compromising on execution speed or security oversight.

- Community and Support: To mitigate operational risks, the project plans to allocate resources to community support and developer documentation. A knowledgeable community can act as an additional set of eyes to spot issues and propose improvements. Although the source code is currently private, Subscrypts may consider open-sourcing parts of the codebase in the future once any competitive advantage concerns subside, as a way to gain community trust and input on
security (this is not immediate, but a potential mitigation for code risk later on). In the interim, bug bounty programs may be launched post-TGE to incentivize independent security researchers to examine the deployed contracts for rewards – providing an informal audit mechanism even without a pre-launch audit.

- Performance and Scalability: Recognizing potential scaling issues, Subscrypts has chosen Arbitrum (a Layer-2) for lower-cost, higher-throughput transactions compared to Ethereum mainnet. This choice mitigates the risk of prohibitive fees or slow performance for users. The platform's design offloads recurring logic to on-chain code and minimal off-chain infrastructure; this simplification mitigates many failure points. However, to handle growth, the team is prepared to optimize contracts and potentially integrate Layer-2 improvements if transaction volume grows dramatically. The roadmap's focus on incremental improvements (e.g., UX enhancements and merchant tools) is a strategy to mitigate the risk that early usability issues hamper adoption – by continuously refining the product based on feedback, the project can address pain points that might otherwise slow growth.

Despite these measures, all risks cannot be eliminated. Prospective token holders should carefully consider the risks outlined above in light of their own risk tolerance. Subscrypts will strive for transparency and will publish updates if new significant risks emerge or if existing risks manifest in events affecting the project.

J. Part J – Sustainability Indicators (Environmental Impacts)

Subscrypts does not specifically pursue any environmental or societal objectives with the SUBS token, and the project has not claimed any particular sustainability or ESG (Environmental, Social, Governance) goals. The operation of the Subscrypts platform and the SUBS token does not inherently have significant adverse environmental impacts beyond those associated with typical blockchain usage. Notably, SUBS is launched on Arbitrum (an Ethereum Layer-2 network). Ethereum's recent transition to Proof-of-Stake consensus has dramatically reduced its energy consumption compared to Proof-of-Work, and Arbitrum transactions add only a minimal incremental energy cost on top of Ethereum. Therefore, transactions in SUBS are relatively energy-efficient, and the platform's design (being non-custodial and smart-contract-based) does not involveresource-intensive computations beyond standard blockchain interactions. Subscrypts encourages digital, automated processes which, in some cases, could reduce the need for paper-based billing or inefficient legacy payment infrastructure, but these marginal benefits are not a core focus. In terms of social and governance factors, the project's aim is financial inclusion (by allowing anyone with crypto access to participate in subscription services globally), which could be seen as a positive social factor. However, no formal metrics or pledges on sustainability are made. There are no known negative sustainability impacts unique to SUBS – aside from general blockchain considerations – and no specific mitigation measures are needed or provided in this regard. In summary, there are no special environmental or social sustainability claims or features for SUBS, and the token's life-cycle (generation, distribution, usage) is not expected to produce significant adverse sustainability effects. The issuer will, of course, monitor any future regulatory requirements regarding environmental disclosures and will comply as necessary, but at present Subscrypts does not report any sustainability-related information beyond this statement.

J.1 Principal Adverse Climate/Environmental Impacts (Mandatory): While Subscrypts is a software platform and SUBS is an ERC-20 token, there are environmental considerations tied to the blockchain infrastructure it uses (Ethereum/Arbitrum). We address the key sustainability indicators for climate and environment: - Energy Consumption of Consensus: Ethereum's current Proof-of-Stake consensus is highly energy-efficient compared to Proof-of-Work. According to the Crypto Carbon Ratings Institute (CCRI), Ethereum's energy usage dropped by over 99.9% after the merge, with an estimated consumption of around 0.0026 kWh per transaction . This is extremely low – for context, that's roughly the energy consumed by an LED light bulb in one second. Even a year of Ethereum PoS operation globally is on the order of a few tens of MWh, which is trivial compared to say Bitcoin or many industrial processes. – Carbon Footprint: The carbon emissions associated with Ethereum PoS are similarly drastically reduced. CCRI estimated annual CO2 emissions for Ethereum PoS in the range of ~870 tons of CO2 (depending on validator node energy sources) . Per transaction, CCRI suggests emissions are on the order of 0.000001 mt CO2 (a tiny fraction of a gram of CO2) – basically negligible. - Arbitrum's Impact: Arbitrum transactions add a small overhead on top of Ethereum. The Arbitrum network itself runs a sequencer (which is just a server) and validator nodes (very few). The incremental energy for Arbitrum's off-chain operations is minimal (comparable to running a few computers/servers). Each Arbitrum transaction does cause a bit of data to be posted on Ethereum (increasing Ethereum's gas usage slightly). However, Arbitrum batches many transactions into one Ethereum transaction. This amortization means the per-transaction impact on L1 is small. In effect, using Arbitrum significantly reduces the per-transaction energy and carbon footprint relative to if those transactions all occurred on Ethereum L1 directly (because Arbitrum compresses them).

Comparison to Traditional Finance: It's worth noting that even pre-Merge Ethereum's footprint per transaction, albeit high, was comparable or less than the banking system per transaction when considering the entire system. Now with PoS, Ethereum (and thus Arbitrum) is far more efficient than the status quo. For example, Visa's network has been cited as ~0.001 kWh per transaction. Ethereum PoS is in that same order of magnitude (some estimates say Ethereum PoS is ~0.0026 kWh as above, which is close to or possibly even lower than Visa if end-user device and data center overhead included). So SUBS token transactions are on par with or slightly more energy than swiping a credit card, which is a huge improvement from earlier crypto. - Renewable Energy Use: A portion of Ethereum validators run on renewable energy. Ethereum doesn't intrinsically require high power, so many validators use cloud servers or home servers which may be powered by clean grids. There isn't a definitive stat for Ethereum PoS renewables usage, but since consumption is low, the overall carbon is small as mentioned. Arbitrum's sequencer likely runs in a data center (possibly AWS or similar); if that data center uses renewable energy or offsets, that further reduces footprint. AWS has a goal of 100% renewable by 2025; many regions are already mostly renewable. - E-Waste: PoS eliminates the need for specialized mining hardware, thus drastically cutting down on electronic waste compared to Proof-of-Work mining rigs. Validators run on regular servers. So the e-waste associated with SUBS operations is minimal (just normal server refresh cycles). - Scaling Efficiency: As usage of Subscrypts grows, the marginal environmental cost of extra transactions remains very low. Ethereum can handle many more transactions with negligible increase in energy per tx (since most energy is from baseline node operation, not number of tx). Arbitrum similarly can scale by adding more hardware but again modest power use. So the system has good energy scalability – meaning 10x more transactions does not equal 10x more energy, likely much less. - Principal Adverse Impact Metrics: In line with MiCA Article 6(9) and any forthcoming regulatory standards like ESMA's templates, the key metrics would be: - Energy consumption (kWh) per transaction: approx 2.6×10^{-3} kWh/tx for Ethereum PoS. Arbitrum's added overhead is maybe a few percent of that (negligible difference). - Carbon footprint per transaction: It depends on grid mix, but given e.g. 0.233 kg CO_2/kWh global average, 0.0026 kWh would be ~0.0006 kg CO_2 (0.6 grams CO_2) per transaction. Even if that's off by an order, it's still less than 1 gram. So <1g CO_2 per SUBS transaction as an estimate. - Total annual energy use of network relative to baseline: Ethereum PoS ~ trivial relative to any national scale (<0.1% of a country's energy, probably much less). - These are dramatically lower than Bitcoin or Ethereum pre-merge figures. So principal adverse impacts like high energy usage and heavy carbon emissions do not apply strongly to SUBS's underlying chain. The impact is small but not zero. - Other Environmental Factors: - There's no direct link to resource consumption like water or land with running nodes, aside from the minor indirect usage data centers have. - Arbitrum/Ethereum doesn't produce hazardous waste or emissions beyond electricity consumption. - One possible environmental benefit: by digitizing subscriptions, we might reduce some paper or physical processes, but that's marginal. Hard to quantify but maybe less snail-mail billing if any context. Conclusion on PAIs: The main adverse impact was historically energy use in PoW, which is now mitigated. The current impact is minimal; however, minimal doesn't mean zero. There is still an environmental footprint albeit very small for each transaction. Over a massive number of transactions, it adds up but still likely orders of magnitude less than traditional crypto or even some FinTech operations. We acknowledge that as usage scales, energy usage will increase slightly – but Ethereum scaling upgrades and broad industry move to renewables likely mean even a large adoption of SUBS will remain environmentally responsible. On a per-subscriber basis, we're likely comparable to or better than processing a credit card monthly.

J.2 Supplementary Environmental Information: Additional voluntary info or context: - Network Improvement Efforts: Ethereum's roadmap (e.g., "The Merge" completed, upcoming "The Surge" with sharding, "The Verge" etc.) aims to further improve efficiency. Sharding would reduce per tx cost on L1 by spreading load, etc. And rollups like Arbitrum becoming even more prevalent means per tx energy on L1 can be amortized further. So over time, each SUBS transaction may become even more efficient if more are bundled or if the base layer becomes more efficient. - Company's Environmental Policy: Subscrypts as a company has a negligible physical footprint (just an office or home office). We commit to environmentally friendly practices, like minimal business travel (most business done virtually, which is typical in crypto), and if possible, using cloud providers that have renewable energy commitments (for any off-chain infrastructure). If we host servers, we can choose providers powered by green energy or set carbon offset for our operations. - Encouraging Sustainable User Behavior: Perhaps outside scope, but an example: users running their own Ethereum node at home might increase energy use vs just using a shared node. But likely negligible difference. We might encourage using efficient wallets and practices. - Climate Impact Risk: There is a hypothetical risk that if crypto usage soared immensely, energy usage could go up. Ethereum PoS is pretty flat in energy usage relative to tx count, but if many L2s and side chains spin up, collectively their servers use more power. However, given PoS's nature, it's likely manageable. We monitor the network's moves toward more efficiency and will adapt if needed (for instance, if a much more eco-friendly L2 came along, though Arbitrum is already fine). - Comparative Emissions: To contextualize: one SUBS transaction's CO2 (~0.5-1g) is less than driving a gasoline car for 10 meters (cars emit ~120g CO2 per km, so per meter ~0.12g; so ~4-8m driving equivalent). Or one transaction equals the energy to boil perhaps 0.05ml of water. It's trivial in daily life terms. - No Physical Goods: The project does not deal in any physical goods production or waste (no mining of metals etc.). So beyond electricity usage, there's no direct environmental footprint. - Sustainable Finance Disclosure: If one frames SUBS under ESG criteria, it would score well on environmental aspect due to using modern PoS chain. Social and governance aspects are separate but environmentally it's not a significant polluter.

This white paper is version 1.1 (December 2025) and is intended to be valid for the initial token launch and first-year offering described. If in the future any significant changes occur to the project, the token's attributes, or the rights of token holders (for example, if a governance feature were added, or a change in token supply is proposed), Subscrypts commits to issue a new or updated crypto-asset white paper or a supplement, and notify it as required, pursuant to MiCA Article 10 for material changes or Article 8(9) for any new offers to the public. In other words, this white paper covers the present offer, and any future offer of additional tokens or material evolution of SUBS would be made under a separate disclosure. Subscrypts will ensure ongoing compliance with MiCA throughout the token's lifecycle.