

# Capital Market Prospectus

pursuant to Schedule A of the Austrian Capital Market Act 2019

of Bitpanda GmbH



on the public offer of investments in the form of the A-Token product in a total amount of up to EUR 60 million (in words: EURO sixty million) with the option to increase the total amount to EUR 100 million (in words: EURO one hundred million)

**Translation Disclaimer:**

This Prospectus is a translation into English of the original Prospectus for the Bitpanda A-Token which was issued in the German language and is provided solely for the convenience of English-speaking readers. The translation of the Prospectus has not been edited or audited by the prospectus auditor (Grant Thornton Austria GmbH), and is in no way binding or affiliated with said auditor. The German version is the only prevailing and binding version. Neither Bitpanda nor any other party can be made liable for errors or ambiguity deriving from the English translation.

26.04.2024

This capital market prospectus (the “**prospectus**”) has been prepared by Bitpanda GmbH, with its registered office in Vienna, Austria, and its business address at Stella-Klein-Löw-Weg 17, A-1020 Vienna, registered with the Commercial Register of the Commercial Court of Vienna under company register number FN 569240 v (“**Bitpanda**” or the “**Issuer**”), in accordance with the provisions of the Austrian Capital Market Act 2019 (“**KMG 2019**”) and in accordance with its Schedule A contained in attachment A, to enable investors in A-Tokens (each an “**Investor**” and together the “**Investors**”) to make an informed investment decision on the Issuer's so-called A-Token product (each an “**Investment**”, “**A-Token**” or “**A-Token Product**” and together the “**Investments**”, “**A-Tokens**” or “**A-Token Products**”). The investments are offered exclusively in the Republic of Austria (“**Austria**”) and exclusively on the basis of this prospectus.

Only Bitpanda is authorised to use this prospectus. The distribution or disclosure of this prospectus by third parties is prohibited without the express consent of the issuer. Furthermore, it is prohibited to use the information contained in this prospectus for purposes other than the assessment of investing in the investment. The use of this prospectus by third parties requires the express consent of the issuer. The issuer has granted Bitpanda Financial Services GmbH, with its registered office in Vienna and business address at Stella-Klein-Löw-Weg 17, A-1020 Vienna, registered in the Commercial Register of the Commercial Court of Vienna under company register number FN 551181 k (“**Bitpanda Financial Services**”), express consent to the use of this prospectus.

This prospectus and any supplements to the prospectus contain all statements and information provided by the issuer in connection with the offer of the investment. An offer of the investment is therefore made exclusively on the basis of this prospectus, completed by any supplements. With the exception of the issuer, no person is authorised to provide any information or give any assurances in connection with an offer of the investment. Should such information nevertheless be provided or assurances given, no one may rely on the fact that these have been authorised by the issuer. This prospectus is neither an offer to acquire the investment nor an invitation to submit an tender to acquisition the investment.

**POTENTIAL INVESTORS IN THE INVESTMENT MUST MAKE THEIR OWN ASSESSMENT OF THE ISSUER, THE INVESTMENT AND THE CORRESPONDING RISKS ASSOCIATED WITH AN CAPITAL INVESTMENT IN THE INVESTMENTS, WHICH MAY LEAD TO THE TOTAL LOSS OF AN INVESTMENT. ANY INVESTMENT DECISION SHOULD BE MADE SOLELY ON THE BASIS OF THE INFORMATION CONTAINED IN THIS PROSPECTUS AND ANY SUPPLEMENTS THERETO. ASSURANCES OR DESCRIPTIONS MADE BY THIRD PARTIES MAY DIFFER MATERIALLY FROM THOSE CONTAINED IN THE PROSPECTUS, SO IT IS ESSENTIAL TO READ THE PROSPECTUS. THE SUMMARY OF THE PROSPECTUS ALSO DOES NOT CONSTITUTE A COMPREHENSIVE BASIS FOR INFORMATION, BUT MERELY SUMMARISES THE MOST IMPORTANT POINTS, WHICH IS WHY IT IS ALSO NECESSARY TO READ THE PROSPECTUS. FURTHER IT SHOULD ALSO BE CONSIDERED THAT THE PROSPECTUS IS A GENERAL DESCRIPTION AND SUMMARY OF THE RIGHTS OF INVESTORS AND THE RISKS ASSOCIATED WITH THE ISSUER AND THE STRUCTURE OF THE INVESTMENTS. THE INDIVIDUAL INITIAL SITUATION OF INVESTORS MAY DIFFER IN INDIVIDUAL CASES. THE PROSPECTUS IS FOR INFORMATION PURPOSES ONLY AND CANNOT BE REGARDED AS LEGAL OR TAX ADVICE REGARDING THE SPECIFIC POSITION OF AN INVESTOR OR AS ADVICE ON THE INTERPRETATION OR ENFORCEABILITY OF THE INVESTOR'S RIGHTS.**

**THIS PROSPECTUS IS NOT A PROSPECTUS WITHIN THE MEANING OF REGULATION (EU) 2017/1129 IDGF (PROSPECTUS REGULATION) AND HAS NOT BEEN APPROVED BY THE AUSTRIAN FINANCIAL MARKET AUTHORITY (“FMA”) OR ANY OTHER COMPETENT AUTHORITY ISV ART 31 OF THE PROSPECTUS REGULATION. GRANT THORNTON AUSTRIA GMBH WIRTSCHAFTSPRÜFUNGS- UND STEUERBERATUNGSGESELLSCHAFT HAS ONLY CHECKED THE PROSPECTUS FOR CORRECTNESS AND COMPLETENESS AS PROSPECTUS AUDITOR PURSUANT TO SEC. 7 PAR. 1 NO 3 OF THE AUSTRIAN CAPITAL MARKET ACT 2019 AND SIGNED IT, STATING THE PLACE AND DATE AND ADDING “AS PROSPECTUS AUDITOR”.**

The publication of this prospectus and the offer of investments will not be made in any countries outside Austria in which regulations on registration and authorisation or other regulations with regard to a public offer of investments exist or could exist. Any failure to comply with these restrictions may result in a violation of the capital market regulations of such countries. In addition, any foreign investors may not rely on the description of the tax situation. This prospectus is not being (and must not be) used in connection with an offer in any jurisdiction in which it is unlawful to make such an offer. Persons into whose possession this prospectus comes should inform themselves about and observe any such restrictions. No offer or invitation to give an offer is being made outside Europe and therefore in no circumstances (inter alia) in the USA, Canada, South Korea, China, Australia or in any other jurisdiction in which such an offer or invitation to give such a tender is unlawful. The circulation or publication of this prospectus in these jurisdictions is explicitly prohibited.

All examples in this prospectus are greatly simplified and serve the purpose of ensuring a good understanding of the investment. The simplification relates, for example, to the calculation of prices, the technical processes, the dividend provision process, selected special cases and other similar cases. Investors should therefore not rely on the direct comparability of the investment with the examples.

**IT IS EXPRESSLY POINTED OUT THAT THE A-TOKENS ARE NOT SHARES, ETFs, FUNDS, ETNs, ETCs, SECURITY TOKENS AND CERTIFICATES, BUT DERIVATIVE CONTRACTS THAT REFLECT THE RESPECTIVE VALUE OF THE MIRROR-IMAGE OF THE SHARE OR ETF, FUND, ETN, ETC OR CERTIFICATE. POTENTIAL INVESTORS ARE THEREFORE EXPRESSLY ADVISED THAT CLAIMS USUALLY ASSOCIATED WITH SHARES, ETFs, FUNDS, ETNs, ETCs, SECURITY TOKENS AND CERTIFICATES (SUCH AS VOTING, QUESTIONING OR CONTROL RIGHTS, DIRECT PARTICIPATION IN THE COMPANY, ETC.) CANNOT BE ASSERTED. FURTHERMORE, POTENTIAL INVESTORS BEAR THE RISK OF LOSS BY BITPANDA. SUCH A DEFAULT MAY RESULT IN THE TOTAL LOSS OF THE INVESTORS' INVESTMENT.**

The prices for the acquisition, ongoing valuation and sale of the investment are obtained from external service providers (the “**price information service provider(s)**”). Neither Bitpanda itself nor these service providers assume any liability for the correctness of the prices at all times. Nor can Bitpanda guarantee the unlimited availability of prices at all times. Bitpanda reserves the right, at its own discretion, to replace price information service providers with equivalent service providers or to add others.

Bitpanda is authorised to add further A-Tokens to the offer at any time. Furthermore, the issuer reserves the right to terminate the offering of existing A-Tokens.

## Table of contents

<b>General warnings</b>	<b>8</b>
<b>Summary of the investment and the offer</b>	<b>14</b>
<b>English Translation of the Summary</b>	<b>22</b>
<b>Chapter 1 – Risk Factors</b>	<b>30</b>
<b>1. Risk Factors related to the Issuer</b>	<b>30</b>
1.1. Risk factors relating to the Issuer's business operations	30
1.2. Legal, regulatory and tax risk factors	35
1.3. Risk factors in relation to internal control, IT and cyber security	36
<b>2. Risk Factors related to the investor and product</b>	<b>37</b>
2.1. Market value risk and interest change risk	37
2.2. Counterparty risk	37
2.3. Exchange rate risk	37
2.4. Market disturbance risk	37
2.5. Inflation risk	38
2.6. Underlying asset risk – funds and ETFs	38
2.7. Underlying asset risk – certificates, ETCs und ETNs	38
2.8. Risk associated with securities representing shares	38
2.9. Underlying asset risk – Security Token	39
2.10. Insolvency risk	39
2.11. Risk associated with A-Token	39
2.12. Outsourcing risk	40
2.13. Risk associated with systems, third parties and force majeure	40
2.14. Capital risk	40
2.15. Trading risk	40
2.16. Derivative contract change risk	41
2.17. Dividend risk	41
2.18. Trading time risk	42
2.19. IT risk	42
2.20. Insolvenzurückzahlungsrisiko	42
2.21. Product discontinuation risk	42
2.22. Acquisition prohibition risk	43

2.23. Pricing risk	43
2.24. Legal risk	43
2.25. Phishing risk	43
2.26. Product liability risk	44
2.27. Tax risk	44
2.28. Product categorisation risk	44
2.29. Acquisition risk	45
<b>Chapter 2 – Information on those persons who are liable pursuant to Sec. 7 and 22 KMG 2019</b>	<b>46</b>
<b>1. General</b>	<b>46</b>
<b>2. Issuer</b>	<b>46</b>
<b>3. Prospectus auditor</b>	<b>46</b>
<b>4. Auditor</b>	<b>47</b>
<b>5. Bitpanda Financial Services</b>	<b>47</b>
<b>Chapter 3 – Information on the investment</b>	<b>47</b>
<b>1. Investment terms and conditions and structure of the investment</b>	<b>47</b>
1.1. Legal structure of the A-Token	47
1.2. Underlying assets of the A-Token	48
1.3. General functioning of the A-Token	50
1.4. Rights and obligations of the investor	52
1.5. Rights and obligations of Bitpanda	53
1.6. The acquisition of the A-Token product in detail	55
1.7. Holding the A-Token product and participating in performance and dividends or distributions	58
1.8. The Termination of the A-Token product in detail	62
1.9. Price determination process in detail	65
1.10. Restrictions of the A-Token product	69
1.11. Measures in connection with the share capital	71
1.12. Regulatory environment	75
1.13. Pledge	76
<b>2. Paying, submission and depository offices</b>	<b>78</b>
2.1. Submission office	78
2.2. Paying office	78
2.3. Depository office	79

<b>3. Overview of property rights issued to date</b>	<b>79</b>
3.1. Overview of issued investments and securities	79
3.2. Overview of other property rights	79
<b>4. Legal form of the investment, total amount, denomination and purpose of the offer</b>	<b>80</b>
4.1. Legal form of the investment	80
4.2. Total amount	80
4.3. Denomination and minimum/maximum amount	81
4.4. Purpose of the offering	81
<b>5. Type of investment (open or closed form)</b>	<b>82</b>
<b>6. Investment communities that may have an influence on the investment</b>	<b>82</b>
<b>7. Indication of the stock exchanges on which the investment and other securities of the issuer are listed or traded</b>	<b>83</b>
<b>8. Any third-party declarations of liability for the investment</b>	<b>83</b>
<b>9. Persons who have firmly accepted the offer or guarantee it</b>	<b>83</b>
<b>10. Information on the persons to whom the capital acquired from the issue flows for economic disposal, unless these persons are identical to the issuer</b>	<b>83</b>
<b>11. The taxes levied on the investment</b>	<b>84</b>
11.1. General information	84
11.2. Income tax aspects in Austria	84
<b>12. Term for the subscription</b>	<b>85</b>
<b>13. Any restrictions on the tradability of the investment and the market on which it can be traded</b>	<b>86</b>
13.1. No tradability via regulated markets or stock exchanges	86
13.2. Tradability via the Bitpanda platform and restrictions	86
13.3. Resume on tradability	86
<b>14. Distribution and administration costs, management costs, in each case by amount and form of clearing</b>	<b>87</b>
14.1. General information on selling, administration and management costs	87
14.2. Distribution costs	87
14.3. Administration and management costs on the part of Bitpanda	87
14.4. Administration and management costs for shares as underlying asset	88
14.5. Administration and management costs for funds, ETFs, ETCs, ETNs, security tokens and certificates as underlying assets	88
<b>15. Statement of the principles of valuation</b>	<b>89</b>
<b>16. Disclosure of any encumbrances</b>	<b>89</b>

<b>17. More detailed provisions on the preparation of balance sheets and any statement of accounts</b>	<b>89</b>
17.1. Preparation of the annual financial statement	89
17.2. Audit of the annual financial statement	90
17.3. Information on any statements of accounts	90
<b>18. Regulations on the distribution and appropriation of the annual net profit/annual profit</b>	<b>90</b>
<b>19. Last statement of accounts including audit opinion</b>	<b>91</b>
<b>20. Presentation of the acquisition price of the investment including all incidental acquisition costs</b>	<b>91</b>
20.1. General information on the acquisition price and the corresponding costs	91
20.2. Incidental costs during standard hours	92
20.3. Incidental costs during weekend and night hours	92
20.4. Presentation of the acquisition price and the corresponding costs	93
<b>21. Type and scope of investment hedging through registration in public registers</b>	<b>94</b>
<b>22. Information on future performance of the investment</b>	<b>94</b>
<b>23. Conditions and calculation of the issue price for investments issued after the end of the initial issue</b>	<b>95</b>
<b>24. Information on any subscription rights</b>	<b>96</b>
<b>25. Presentation of the possibilities and costs of a subsequent sale of the investment</b>	<b>96</b>
25.1. General information on the termination and the corresponding costs	96
25.2. Termination options and restrictions	96
25.3. Price determination during and outside standard hours	97
25.4. Costs of termination	97
25.5. Presentation of the termination, price and the corresponding costs	97
<b>26. Services of the management company and the costs charged for them</b>	<b>98</b>
<b>27. Cancellation periods on the part of the management companies</b>	<b>98</b>
<b>28. Provisions on settlement and the position of investors in the event of insolvency</b>	<b>99</b>
<b>29. Security identification number (if available)</b>	<b>100</b>
<b>Chapter 4 – Information on the issuer</b>	<b>101</b>
<b>1. Company name and registered office of the issuer, object of the company</b>	<b>101</b>
1.1. Company name and registered office	101
1.2. Object of the company	101
<b>2. Presentation of the legal and economic circumstances, in particular information on the share capital or other corporate capital corresponding to the share capital, its denomination including the designation of any different classes of share rights</b>	<b>102</b>

2.1.	Legal circumstances	103
2.2.	Economic circumstances	105
<b>3.</b>	<b>Members of the management board, administration and supervision</b>	<b>107</b>
3.1.	Management Board	107
3.2.	Procuration	108
3.3.	General Meeting	108
3.4.	Supervisory Board	108
3.5.	Other corporate bodies	108
3.6.	Conflicts of interest of members of the management board, administration and supervision	108
<b>4.</b>	<b>Disclosure of shareholders who directly or indirectly exercise or may exercise a controlling role in the management of the issuer</b>	<b>109</b>



## General warnings

**INVESTORS SHOULD NOTE THAT INVESTING IN THE INVESTMENT INVOLVES SUBSTANTIAL RISKS, UP TO AND INCLUDING A POSSIBLE TOTAL LOSS OF THE INVESTMENT. THE UNDERLYING ASSETS – SHARES, ETFs, FUNDS, ETNs, ETCs, SECURITY TOKENS AND CERTIFICATES – ARE VOLATILE ASSETS WHOSE VALUE DEVELOPMENT CANNOT BE ESTIMATED. THEREFORE, ONLY THOSE INVESTORS SHOULD ACQUIRE THE INVESTMENT WHO CAN ECONOMICALLY ABSORB A TOTAL LOSS OF THE INVESTMENT AND WHO ARE NOT ECONOMICALLY DEPENDENT ON CORRESPONDING RETURNS FROM THE INVESTMENT. DEBT FINANCING OF THE ACQUISITION OF THE INVESTMENT IS EXPRESSLY DISCOURAGED. THERE IS NO COMPENSATION SCHEME FOR THE INVESTMENT, SUCH AS THE DEPOSIT INSURANCE FOR BANK DEPOSITS.**

This prospectus contains certain forward-looking statements relating to the business activities, financial development and revenues of the issuer. Forward-looking statements can be recognised by terms such as “expects”, “plans”, “provide”, “intends”, “believes”, “to be anxious”, “estimates” and similar expressions. Forward-looking statements relate to expected future facts, events or other circumstances that are not historical facts. Such statements only reflect the assessment of the issuer at the time of the preparation of the prospectus.

If the assumptions made by Bitpanda in preparing this prospectus prove to be incorrect, it cannot be ruled out that the events that actually occur in the future will differ significant from those described in this prospectus as assumed, believed, estimated or expected. For this reason, the issuer may be prevented from achieving its financial and strategic objectives. Neither the issuer nor its management can accept any responsibility for the future accuracy of the opinions expressed in this prospectus or the actual occurrence of the forecast developments. Furthermore, it should be noted that the issuer does not intend to update the information presented in this prospectus, and in particular the forward-looking statements, beyond what is required by law. In the event of an important or new circumstance or a significant mistake or inaccuracy in this prospectus pursuant to Sec. 6 KMG 2019, Bitpanda will publish a corresponding supplement to the prospectus.

The information contained in this prospectus regarding the investment corresponds to the current economic and financial situation and planning of the issuer and is based on the laws and regulations that are in force in Austria in the time of prospectus control, the prevailing rulings of the courts and administrative authorities and the current supreme court jurisprudence of the Austrian Supreme Court (OGH) and the courts of public law.

Investors must note that the investment is a new type of product, the legal categorisation of which is largely lacking in supreme court jurisprudence and has only been dealt with in general terms in legal literature, if at all. There is therefore a risk that courts may in future judge the legal classification of the investment in question differently from the issuer, that future legislative projects at national or European level may lead to a different legal classification or lead to other legal uncertainties.

The economic and tax effects of the investment depend heavily on the individual tax situation of the respective investor. Changes in the legal situation and/or administrative practice/jurisprudence must be borne by the investor. Investors should obtain appropriate legal and tax advice before acquisition the investment.

As the economic development of the investment is heavily dependent on various future events, the resulting risks may have a significant negative impact on the investor's financial situation. It is therefore strongly recommended not to finance the investment with borrowed funds.

Further risk information can be found in “*Chapter 1 – Risk factors*” of this prospectus. Before making an investment decision, it is essential for potential investors to read all the risk factors contained in

this prospectus carefully in order to be able to make an informed judgement about the risks associated with the investment.

## List of definitions and abbreviations

<b>AML5</b>	5. European Anti Money Laundering Directive, Directive (EU) 2018/843 in the current version
<b>A-Token or A-Token product or investment</b>	Uncertificated and off-exchange derivatives offered by Bitpanda in the form of bilateral derivative contracts, which are the subject of the investments in this prospectus.
<b>Public limited company</b>	A company listed on a stock exchange, and in the context of this prospectus also the following special forms: <i>Business Development Company</i> <i>Limited Partnership</i> <i>Master Limited Partnership</i> <i>Real Estate Investment Trust</i> <i>Special Purpose Acquisition Company</i>
<b>Investors</b>	Investor in A-Token
<b>BaFin</b>	German Federal Financial Supervisory Agency
<b>BDC</b>	<i>Business Development Company</i> , public limited company that primarily invests in start-ups and companies in crisis situations.
<b>Underlying asset</b>	Shares, ETFs, funds, ETNs, ETCs, security tokens and certificates underlying the A-Token.
<b>Bitpanda System</b>	Online or electronic platforms (e.g. <a href="https://www.bitpanda.com/">https://www.bitpanda.com/</a> and <a href="https://exchange.bitpanda.com/">https://exchange.bitpanda.com/</a> ) or mobile applications of Bitpanda and its subsidiary companies and associated programming interfaces of such a platform or application.
<b>Return price</b>	Highest price at which customers are willing to buy A-Tokens ( <i>bid price</i> ) ( <i>demand price</i> ).
<b>Bitpanda Financial Services</b>	Financial Services GmbH, with its registered office in Vienna and business address at Stella-Klein-Löw-Weg 17, A-1020 Vienna, registered in the Commercial Register of the Commercial Court of Vienna under company register number FN 551181 k.
<b>Bitpanda Group</b>	Bitpanda Group AG, a public limited company established under Swiss law, with its business address at Hardstrasse 201, CHE-8005 Zurich, and registered in the commercial register of the Canton of Zurich under commercial register number CHE-267.250.666.
<b>Bitpanda Group</b>	Bitpanda GmbH, Bitpanda Metals GmbH, Bitpanda Financial Services GmbH, Bitpanda Customer Care GmbH, Bitpanda Payments GmbH, Bitpanda Asset Management GmbH, Bitpanda Custody Ltd
<b>Bitpanda or Issuer</b>	Bitpanda GmbH, a limited liability company established under Austrian law, with its business address at Stella-Klein-Löw-Weg 17, A-1020 Vienna, and registered with the Commercial

	Register of the Commercial Court of Vienna under company register number FN 569240 v.
<b>Bitpanda Plattform</b>	Is the electronic platform operated by Bitpanda GmbH, through which customers can access Bitpanda services after successful registration.
<b>Bitpanda Spread</b>	An umbrella term for the total costs charged to investors by Bitpanda when investing or redeeming A-Tokens, including the Bitpanda Day Spread and the Bitpanda Night Spread.
<b>Bitpanda Day Spread</b>	Total costs charged to the investor by Bitpanda at standard hours when investing or redeeming A-Tokens.
<b>Bitpanda Night Spread</b>	Total costs charged to the investor by Bitpanda at weekend and night hours when investing or redeeming A-Tokens.
<b>Bitpanda Wallet / Wallet</b>	Representation of assets held by customers of the Bitpanda platform.
<b>Blockchain technology</b>	Digital, immutable database technology that stores and cryptographically links transaction data.
<b>BP Pro Europe</b>	Bitpanda Pro Europe S.R.L.
<b>BP Pro Germany resp.</b>	Bitpanda Pro Germany GmbH respectively
<b>Cash Plus</b>	Automatic exchange of F tokens at regular intervals at a predefined time for A-Tokens with money market funds as the underlying asset.
<b>Corporate Actions</b>	Measures in connection with share capital, in particular share splits, buyback of shares, capital reductions and bonus shares.
<b>Cum price</b>	Share price before the ex-date, which includes the entitlement to the dividend.
<b>Cum date</b>	Date on which shareholders are entitled to the forthcoming dividend if they acquired the shares before this date.
<b>dKWG</b>	German Banking Act in the current version
<b>Acquisition cost</b>	Lowest price at which customers are prepared to sell A-Tokens. ( <i>ask price, offered price</i> )
<b>ETC</b>	<i>Exchange Traded Commodities</i> , a sub-form of certificates that enable investments in commodities.
<b>etc.</b>	et cetera
<b>ETF</b>	<i>Exchange Traded Fund</i> , exchange-traded investment products in the form of a special fund that replicate a specific index.
<b>ETN</b>	<i>Exchange Traded Notes</i> , a sub-form of certificates that invest in asset classes that cannot be represented by ETCs and ETFs, such as cryptocurrencies.
<b>EUR</b>	Euro
<b>Ex price</b>	Share price that is two days after the ex-dividend date and reflects the value of the share after deduction of the dividend.

<b>Ex-date</b>	Date from which newly acquired shares no longer grant entitlement to the dividend paid by the company.
<b>FMA</b>	Austrian Financial Market Authority
<b>FM-GwG</b>	Financial Market Money Laundering Act in the current version
<b>F-Token</b>	Proprietary tokens in the form of vouchers for the acquisition of products and services via the Bitpanda systems, issued by Bitpanda GmbH and denominated in various currencies for sale against payment with a legally recognised means of payment
<b>GBP</b>	Great Britain Pound
<b>GmbHG</b>	Limited Liability Companies Act in the current version
<b>incl.</b>	inclusive
<b>in the sense of</b>	in the sense of
<b>i.c.w.</b>	in connection with
<b>KMG 2019</b>	Capital Market Act 2019 in the current version
<b>Crypto asset</b>	Digital representation of a value or a right.
<b>Customer</b>	Refers to a legal or natural person for whom Bitpanda provides services.
<b>L&amp;S</b>	Lang & Schwarz TradeCenter AG / Co. KG
<b>MAR</b>	Market Abuse Regulation, Directive (EU) 596/2014 in the current version
<b>CET</b>	Central European Time and Central European Summer Time
<b>MiFID II</b>	<i>2. Markets in Financial Instruments Directive II</i> , Directive (EU) 2014/65/EU in the current version
<b>MiFIR</b>	<i>Markets in Financial Instruments Regulation</i> , Directive (EU) 600/2014/EU in the current version
<b>m</b>	Million
<b>bn</b>	Billion
<b>Record date</b>	Date by which a shareholder must be in possession of shares in order to be entitled to a dividend
<b>Standard hours</b>	Monday to Friday, from 08:30 CET to 22:00 CET
<b>Austria</b>	Republic of Austria
<b>Price information service providers</b>	External service providers that provide prices for various financial instruments
<b>Prospectus</b>	This capital market prospectus pursuant to KMG 2019
<b>Request for Quotation or RfQ</b>	Automated price request to a price information service provider regarding the acquisition or redemption volume requested by the investor
<b>Security Token</b>	Security tokens generally embody claims to payment of capital, whether in the form of participation in company profits or in the form of interest and repayment. The structure

of such Security tokens is therefore similar to that of “traditional securities”, in particular bonds or shares. Security tokens will therefore often be regarded as securities within the meaning of Regulation (EU) 2017/1129 and the WAG 2018.

<b>Spread</b>	Difference between the redemption price and the acquisition cost
<b>Swap</b>	Exchange of tokens for another type of token offered via the Bitpanda systems
<b>Tick</b>	Smallest positive or negative price update possible based on the contract or terms and conditions.
<b>USD</b>	United States dollar
<b>WAG 2018</b>	Securities Supervision Act 2018 in the current version
<b>ZaDiG</b>	Payment Services Act 2018 in the current version
<b>Certificate</b>	Structured financial instrument in the form of a bearer bond that certifies certain legal claims of the holder against the issuer; certificates combine characteristics of different financial products and offer – depending on the underlying asset – very different risk and return profiles
<b>e.g.</b>	for example

## Summary of the investment and the offer

This summary is to be understood as an introduction to this prospectus and is based on the information contained in this prospectus. It should therefore only be read in conjunction with the entire prospectus. Potential investors should base their decision to acquire the investments offered on a previous, thorough examination of the entire prospectus, including all appendixes thereto.

### Issuer

Bitpanda GmbH is a limited liability company established under Austrian law, with its seat in Vienna and the business address at Stella-Klein-Löw-Weg 17, A-1020 Vienna, registered in the companies' register (Firmenbuch) of the commercial court of Vienna (Handelsgericht Wien) under FN 569240 v.

Bitpanda's core services include the custody of crypto-assets and the operation of trading venues for crypto-assets. With the issuance of the A-Token product, Bitpanda has expanded its service portfolio to include traditional financial instruments.

### Bitpanda Financial Services

Bitpanda Financial Services GmbH is a limited liability company established under Austrian law, with its registered office in Vienna and business address at Stella-Klein-Löw-Weg 17, A-1020 Vienna, registered in the Commercial Register of the Commercial Court of Vienna under company register number FN 551181 k.

In connection with Bitpanda Financial Services, the following circumstance is indicated:

Investors generally acquire the A-Tokens via Bitpanda Financial Services, a securities company licensed under the Austrian Securities Supervision Act 2018 and subject to the securities supervision of the Austrian Financial Market Authority. Bitpanda Financial Services will at no time become a party to the contract with investors in relation to the derivative contract. Any attribution of activities to any of the Bitpanda companies, including the issuing Bitpanda, is excluded. In the event of a default by one of the Bitpanda companies, investors will therefore not receive any compensation from the statutory investor compensation of Wertpapierfirmen GmbH.

### Investment

The A-Tokens offered by Bitpanda are uncertificated, off-exchange derivatives in the form of bilateral derivative contracts that are based on shares, ETFs, funds, ETNs, ETCs, security tokens or certificates as underlying assets.

By acquiring A-Tokens, investors do not acquire ownership of the underlying asset. Instead, investors acquire a claim under the law of obligations against Bitpanda (as issuer and counterparty of the derivative contract) to the mapping of the performance of the respective underlying asset and to (pro rata) payments in the context of any dividends or distributions due on the underlying asset in accordance with the structure of the derivative contract.

The value of the A-Token reflects the current market value of the underlying asset at all times. If the price of the underlying asset rises by one percent, the value of the A-Token also rises by one percent and vice versa. Thus, the market and volatility risks of the underlying asset are also borne by the investor.

The market values of the underlying assets are acquired by an external service provider of Bitpanda. Bitpanda therefore receives an automatic update of the market data for all underlying assets at short intervals during trading hours, which serves as the basis for the acquisition and redemption of the A-Tokens. This market data is provided by an external price information service provider.

As the investor can also acquire or redeem A-Tokens outside trading hours, Bitpanda also uses the last price of the price information service provider before the close of trading at these times, which are outside the trading hours of the price information service provider. The acquisition and termination at off-exchange times is a voluntary additional service provided by Bitpanda, which can be cancelled or otherwise restricted by Bitpanda at any time.

A-Tokens are only compensated in F-Tokens via the Bitpanda platform. There is no entitlement to “physical” delivery (to a securities account) of the underlying assets.

#### **Acquisition of the A-Token product** *The direct acquisition of A-Tokens*

The investor individually selects the respective A-Token on the Bitpanda platform that he would like to acquire. By acquiring the A-Token, the investor does not acquire the share or ETF, fund, ETN, ETC, security token or certificate itself, but a derivative.

#### *The acquisition of A-Tokens as part of Cash Plus*

With Cash Plus, Bitpanda provides investors with an additional function for the acquisition and sale of A-Tokens in addition to direct acquisition. By participating in Cash Plus, an investor can regularly and automatically exchange his F-Token balance on the Bitpanda platform for A-Tokens with certain money market funds as the underlying asset at a pre-defined time. The investor selects the money market funds by choosing the currency of his F-Token. By acquiring the A-Token, the investor does not acquire the money market fund itself, but a derivative.

#### **Maximum amount**

There is no maximum amount, but for technical processing reasons a maximum amount per order is set, which can vary per A-Token. Bitpanda is also free not to accept offers above certain amounts or to apply its own maximum amounts for special forms of acquisition (e.g. via Bitpanda Savings).

#### **Minimum investment**

In principle, a minimum investment of EUR 1, GBP 1 or USD 1 is required. In some cases, a higher minimum investment can also



be set for selected A-Tokens. Investors cannot acquire or terminate A-Tokens below the amount of this minimum investment.

<b>Currency</b>	The investment currency is Euro.
<b>Underlying asset</b>	Permissible underlying assets for the A-Tokens are shares, ETFs, funds, ETNs, ETCs, security tokens and certificates.
<b>Pledge</b>	A pledge is integrated into the A-Token, which provides investors with a preferential claim in case insolvency proceedings are instituted against Bitpanda. Bitpanda pledges the securities and the clearing accounts that Bitpanda holds with the custodian bank to the investor. However, it cannot be completely relied upon that this pledge is effective, as there is a risk that it may be abrogated by the courts or not be effective due to operational errors. Therefore, the risk of total loss in the event of the issuer's default cannot be completely ruled out.
<b>Offer period</b>	<p>The offer period is not limited; the A-Tokens will be issued as a tap issue. The issue is limited to the total amount of the issue (EUR 60 million). An increase option to EUR 100 million as well as a further increase of the total amount by means of a supplement pursuant to Sec. 6 KMG 2019 is possible at any time.</p> <p>The subscription period for the A-Token product begins on 26 April 2024. Subscription is not subject to any time restrictions. The subscription period is therefore possible for an unlimited period of time. However, the Issuer reserves the right to terminate the issuance at any time and not to accept any further subscription offers and/or to terminate the management of the A-Token Product. Whether the A-Tokens will continue to be managed is independent of the closure of the offer.</p>
<b>Term</b>	The A-Tokens have no fixed term and can in principle be sold by investors without restriction.
<b>Costs</b>	<p>Acquisition and redemption costs such as Bitpanda Spreads, like the platform costs, are non-recurring costs and are incurred at the time of acquisition and redemption.</p> <p>There is no spread for the acquisition or sale of A-Token as part of Cash Plus, and fees are only incurred on the distributions (payout fee of up to 20% of the distribution).</p> <p>If the investor wishes to trade outside standard hours, Bitpanda generally charges a double spread as well as the price adjustment (Bitpanda Night Spread).</p> <p>Ongoing costs arise for the investor in the event of dividend distributions or other special cases, as Bitpanda passes on any costs incurred by the custodian bank to the investor.</p>

Distribution, administration and management costs are relevant costs when holding an A-Token product whose underlying asset is a fund, ETF, ETC, ETN, security token or certificate. The ongoing costs vary from year to year and from underlying asset to underlying asset, as some of these may be linked to the performance of the fund, ETF, ETC, ETN, security token or certificate (e.g. performance fee) or may include other variable costs (e.g. advisory expenses for the fund, ETF, ETC, ETN, security token or certificate, auditing of the fund, ETF, ETC, ETN, security token or certificate).

### **Transferability**

Stock exchange trading of the A-Token product is excluded as it does not qualify as securities. The A-Token product is uncertificated, which means that it cannot be traded on a traditional stock exchange.

In addition, the A-Token product cannot be sold on the secondary market. This means that the investor cannot resell his A-Token product directly to another investor or otherwise transfer it to others, but can only terminate it with Bitpanda. Therefore the A-Token product can only be acquired, held and sold on the Bitpanda platform. Any form of transfer – even between investors – is technically and legally impossible.

The investor can generally terminate his A-Token in two ways: On the one hand, he can return the A-Token to Bitpanda and have the corresponding balance credited to his wallet in return. On the other hand, with the exception of A-Token acquired or sold as part of Cash Plus, he can exchange the A-Token for other assets offered on the Bitpanda platform (tokens, noble metals or crypto-assets, etc.). In the case of A-Tokens acquired as part of Cash Plus, the investor must deactivate Cash Plus to cancel the A-Tokens.

In the case of disruptions or suspensions, the investor will temporarily not be able to return the A-Tokens and will continue to be exposed to the risks of falling prices until they are finally returned.

It is expressly pointed out that the investor is not entitled to an unconditional right of return at any time.

### **Risk Factors of the Issuer**

The most significant risk factors specific to the issuer from the issuer's perspective are summarised below (see “*Chapter 1 – Risk factors 1. Risk Factors related to the Issuer*” of this prospectus):

#### *Risk factors relating to the Issuer's business operations*

- The Issuer is highly dependent on the functionality and attractiveness of the crypto market and the macroeconomic environment. It is subject to the risk of a deterioration in the macroeconomic environment and negative developments in the crypto market. Collapses of individual crypto ecosystems and platform operators can

have a negative impact on the crypto market and cause lasting damage to it.

- Bitpanda is subject to insolvency risk. In the event of insolvency, the repayment of investors' capital is not secured.
- Bitpanda is exposed to the risk of loss by credit and financial institutions, crypto trading centres and other partners. Insolvencies in the financial or crypto trading sector can have a negative impact on Bitpanda's liquidity and solvency.
- Bitpanda is subject to reputational risk towards its customers. A loss of trust may have a negative impact on Bitpanda's business and financial condition.
- Bitpanda's business model is subject to the risk of changes in market prices, such as exchange rates, interest rates, share prices and crypto values (market and interest rate risk).
- The resignation or loss of key personnel, including the three CEOs, senior executives and IT professionals, and any difficulties in hiring or retaining qualified personnel may adversely affect Bitpanda's ability to implement its strategy or continue its business operations.
- Bitpanda is exposed to the risk of becoming involved in significant legal disputes, lawsuits or regulatory proceedings. Any failure to comply with the applicable legal provisions may have a material adverse effect on Bitpanda's business, financial condition, results of operations and reputation.
- As part of its core business (crypto-assets), the Bitpanda Group operates a comparatively new business model in a fast-moving industry. In addition, the crypto market is strongly competitive. Factors such as falling sales, sharply rising costs or misjudgements due to a lack of experience could have a significant negative impact on Bitpanda's business and financial condition. These risks apply even more to the A-Token business model.
- Bitpanda is exposed to the risk that business partners or customers do not pay their liabilities and/or default (counterparty risk). There is also the risk that Bitpanda may be defrauded by customers, employees or business partners (malversation risk). Both risks can have a significant negative impact on Bitpanda's business and financial condition as well as its reputation.
- Bitpanda is subject to operational risks. Operational risk is the risk of losses that may occur as a result of inadequate

or failed internal processes, people and systems or as a result of external events.

- As historical financial figures are derived from data from the past, they do not allow any conclusions to be drawn about the future.
- It cannot be ruled out that Bitpanda will no longer offer the Bitpanda A-Token product at a later date. Bitpanda gives no assurance that it will offer the product permanently.

*Legal, regulatory and tax risk factors*

- Bitpanda is exposed to risks based on findings from audits, inspections and similar investigations by supervisory authorities or auditors. Any necessary changes in financial reporting may have a material adverse effect on financial results and a negative impact on reputation.
- Past, current and future regulations, reforms and initiatives relating to legislation or supervision (in particular in relation to, but not limited to, FinTechs, financial instruments and crypto-assets), including additional and stricter regulations and the influence of the public sector on the FinTech sector, could have a material adverse effect on Bitpanda's financial condition.
- Bitpanda's assumptions may prove to be incorrect. This applies, among other things, to the regulatory, civil, corporate and tax law categorisation as well as the financial statement presentation. There is a lack of legal certainty in certain areas of Bitpanda's activities. Misjudgements, negative court judgements, findings by authorities and so forth can have a significant negative impact on Bitpanda.

*Risk factors in relation to internal control, IT and cyber security*

- Unauthorised access to the specially secured Bitpanda wallets and/or successful cyber-attacks can lead to significant losses at Bitpanda and – depending on the extent – also jeopardise Bitpanda's economic solvency, which can lead to a total loss.
- A failure of the IT systems can lead to a significant impairment of Bitpanda's business operations. Depending on the duration and cause, this may have a significant negative impact on Bitpanda's business and financial condition.

**Risk Factors of the Investment**

The most significant risk factors specific to the investment from the issuer's perspective are summarised below (see “Chapter 1 –

*Risk factors 2. Risk Factors related to the investor and product” of this prospectus):*

- Market value risk and interest change risk
- Counterparty risk
- Exchange rate risk
- Market disturbance risk
- Inflation risk
- Underlying asset risk – funds and ETFs
- Underlying asset risk – certificates, ETCs und ETNs
- Risk associated with securities representing shares
- Underlying asset risk – Security Token
- Insolvency risk
- Risk associated with A-Token
- Outsourcing risk
- Risk associated with systems, third parties and force majeure
- Capital risk
- Trading risk
- Derivative contract change risk
- Dividend risk
- Trading time risk
- IT risk
- Insolvency repayment risk
- Product discontinuation risk
- Acquisition prohibition risk
- Pricing risk
- Legal risk
- Phishing risk
- Product liability risk

- Tax risk
- Product categorisation risk
- Acquisition risk

## English Translation of the Summary

This summary should be read as an introduction to this Prospectus and is based on the information contained in this Prospectus. It should therefore only be read in conjunction with the entire Prospectus. Potential investors should base their decision to purchase the offered investments on a thorough examination of the entire Prospectus, including all annexes thereto.

### Issuer

Bitpanda GmbH is a limited liability company established under Austrian law, with its seat in Vienna and the business address at Stella-Klein-Löw-Weg 17, A-1020 Vienna, registered in the companies' register (*Firmenbuch*) of the commercial court of Vienna (*Handelsgericht Wien*) under FN 569240 v.

Bitpanda's core services include the custody of crypto-assets and the operation of trading venues for crypto-assets. With the issuance of the A-Token product, Bitpanda has expanded its service portfolio to include traditional financial instruments.

### Bitpanda Financial Services

Bitpanda Financial Services GmbH is a limited liability company established under Austrian law, with its seat in Vienna and the business address at Stella-Klein-Löw-Weg 17, A-1020 Vienna, registered in the companies' register (*Firmenbuch*) of the commercial court of Vienna (*Handelsgericht Wien*) under FN 551181 k.

With regard to Bitpanda Financial Services, the following circumstance must be pointed out:

Investors generally acquire A-Tokens through Bitpanda Financial Services, a securities firm licensed under the Austrian Securities Supervision Act 2018 (*Wertpapieraufsichtsgesetz 2018*), which is under supervision by the Austrian Financial Market Authority (*Finanzmarktaufsicht*). Bitpanda Financial Services will at no time become a contracting party to the investors with respect to the derivative contract. The attribution of activities of any of the Bitpanda companies including Bitpanda as issuer is excluded. Therefore, in the event of insolvency of any of the Bitpanda companies, investors will not receive compensation through the statutory investor compensation of *Anlegerentschädigung von Wertpapierfirmen GmbH*.

### Investment

The A-Tokens offered by Bitpanda are unsecured, over-the-counter derivatives in the form of bilateral derivative contracts, which are based on stocks, ETFs, funds, ETNs, ETCs, security token, or certificates as underlying assets.

By purchasing A-Tokens, investors do not acquire ownership of the underlying asset. Instead, investors acquire a contractual claim against Bitpanda (as issuer and counterparty of the derivative contract) to reflect the performance of the value of the respective underlying asset and to receive (proportional) payments in the event of dividends or distributions that may

arise from the underlying asset, in accordance with the provisions stipulated in the derivative contract.

The value of the A-Token at any given time reflects the current market value of the underlying asset. If the price of the underlying asset increases by one percent, the value of the A-Token also increases by one percent, and *vice versa*. Thus, the market and volatility risks of the underlying asset are also borne by the investor.

The market values of the underlying assets are purchased by Bitpanda from an external service provider. Therefore, during trading hours, Bitpanda receives automatic updates of market data for all underlying assets at short intervals, which serve as the basis for the purchase and redemption of A-Tokens. This market data is provided by an external price information service.

Since investors may also purchase or redeem A-Tokens outside of trading hours, Bitpanda uses the respective last price of the price information service provider before the close of trading, even at times that are outside the service provider's trading hours. The purchase and termination outside of trading hours is a voluntary additional service by Bitpanda, which Bitpanda may terminate or otherwise restrict at any time.

A-Tokens are exclusively compensated in the form of F-Tokens through the Bitpanda platform. There is no entitlement to "physical" delivery (into a securities account) of the underlying assets.

#### **Acquisition of the A-Token product**

##### *Direct Acquisition of A-Tokens*

The investor selects the specific A-Token he wishes to purchase on the Bitpanda platform. By acquiring the A-Token, the investor does not acquire the stock, ETF, fund, ETN, ETC, security token, or certificate itself, but rather a derivative.

##### *Acquisition of A-Tokens as part of Cash Plus*

In terms of acquiring and selling A-Tokens, Bitpanda offers for investors direct acquisition and, additionally, the so-called Cash Plus method. By participating in Cash Plus, an investor may regularly and automatically exchange its F-Token balance on the Bitpanda platform for A-Tokens at a time agreed on in advance, with certain money market funds as underlying value. The investor selects the money market funds by choosing the currency of its F-Tokens. With the acquisition of the A-Token, the investor does not acquire the money market fund itself, but a derivative.

#### **Maximum Amount**

There is no maximum amount set as such, but for settlement reasons, a maximum amount per order applies, which can vary for each A-Token. Furthermore, Bitpanda reserves the right to



refuse offers above certain sums or to apply its own maximum amounts for special acquisition methods (e.g., via Bitpanda Savings).

<b>Minimum Investment</b>	Generally, a minimum investment of EUR 1, GBP 1, or USD 1 applies. In some cases, a higher minimum investment may be set for selected A-Tokens. Investors cannot purchase or sell A-Tokens below the amount of this minimum investment.
<b>Currency</b>	The currency of the investment is EUR.
<b>Underlying</b>	The permissible underlying assets for the A-Tokens are stocks, ETFs, funds, ETN, ETC, security token, and certificates.
<b>Pledge</b>	The A-Tokens have an integrated pledge, which provides the investor with a preferential claim in case insolvency proceedings are instituted against Bitpanda. As part of the Pledge, Bitpanda pledges to the investor the securities and clearing accounts that Bitpanda holds at the custodian bank. However, this pledge may not be legally valid due to, <i>inter alia</i> , the risk that courts may not deem the pledge to be legally valid and binding or due to operational errors. Therefore, the danger of a total loss in the event of the issuer's insolvency cannot be completely ruled out.
<b>Offer Period</b>	<p>The offer period is not limited, the A-Tokens are issued by means of a continuous offering. The issuance is limited to a total amount of EUR 60 million. There is an option to increase the offer to up to EUR 100 million or the offer may be increased further by supplement according to § 6 of the Austrian Capital Market Act 2019 (<i>Kapitalmarktgesetz 2019</i>).</p> <p>The period for subscribing to the A-Token product begins on 26 April 2024. The subscription is not subject to any time restrictions. Therefore, the subscription period is, in principle, indefinite. However, the issuer reserves the right to terminate the issuance at any time, to accept no further subscription offers, and/or to terminate the management of the A-Token product. The closing of the offer is without prejudice to the management of the A-Tokens further on.</p>
<b>Duration</b>	The A-Tokens do not have a fixed term and can generally be sold by investors without restriction.
<b>Costs</b>	<p>Acquisition and redemption costs, such as Bitpanda spreads, are considered non-recurring costs and are incurred at the time of purchase and redemption, respectively. These costs, along with platform fees, are part of the initial expenses.</p> <p>The acquisition or disposal of A-Tokens as part of Cash Plus is not subject to any spread and fees are only incurred on distributions (a payout fee amounting up to 20% of the distribution).</p>

If an investor wishes to trade outside of normal trading hours, Bitpanda generally charges a double spread as well as a price adjustment (Bitpanda Night Spread).

Ongoing costs for the investor arise in the case of dividend distributions or other special situations, as Bitpanda passes on the resulting costs from the custodian bank to the investor.

Distribution, administration, and management costs are significant expenses when holding an A-Token product, the underlying asset of which may be a fund, ETF, ETC, ETN, security token, or certificate. The ongoing costs vary from year to year and from one underlying asset to another, as they may be linked to the performance of the fund, ETF, ETC, ETN, security token, or certificate (e.g., performance fee) or may include other variable costs (e.g., advisory services of the fund, ETF, ETC, ETN, security token, or certificate, audit of the fund, ETF, ETC, ETN, security token, or certificate).

### **Transferability**

The A-Token product is not eligible for trading via any stock exchange, as it does not qualify as a tradeable security. The A-Token product is not securitised, which means that it cannot be traded on a traditional exchange. Furthermore, the A-Token product cannot be sold on the secondary market. This means that the investor cannot directly resell its A-Token product to another investor or otherwise transfer it to third parties but may only terminate it with Bitpanda. Therefore, the A-Token product can only be purchased, held, and sold via the Bitpanda platform. Any form of transfer – even between investors – is technically and legally excluded.

Investors may terminate the A-Token either by returning the A-Token to Bitpanda and a corresponding credit amount is added to their wallet or, save for A-Tokens that are purchased or sold via Cash Plus, they may exchange the A-Token for other assets offered on the Bitpanda platform (tokens, precious metals, or cryptocurrencies etc.). In the case of A-Tokens purchased as part of Cash Plus, the investor must deactivate Cash Plus in order to cancel the A-Tokens.

In case of any disruptions or suspensions, an investor may temporarily not be able to return the A-Tokens and will continue to be exposed to the risks of falling prices until the final return.

It is expressly pointed out that the investor does not have an unconditional and immediate right of return.

### **Risk Factors of the Issuer**

The following is a summary of risk factors which the Issuer considers to be the most material risk factors specific to the Issuer (see "*Kapitel 1 – Risikofaktoren 1. Emittentenbezogene Risikofaktoren*" of this prospectus):

*Risk Factors related to the Issuer's Business Operations*

- The issuer is highly dependent on the functionality and attractiveness of the crypto market as well as the macroeconomic environment. It is exposed to the risk of any deterioration of macroeconomic conditions and negative developments in the crypto market. The collapse of individual crypto ecosystems and platform operators can lead to an impairment of the crypto market and cause lasting damage.
- Bitpanda is subject to the risk of insolvency. In the event of insolvency, the repayment of investors' capital is not secured.
- Bitpanda is exposed to the risk of default by credit and financial institutions, crypto trading venues, and other partners. Insolvencies in the financial or crypto trading sector can adversely affect Bitpanda's liquidity and solvency.
- Bitpanda is subject to reputational risk vis-à-vis its customers. A loss of trust may have a material adverse effect on Bitpanda's business and financial situation.
- Bitpanda's business model is subject to the risk of changes in market prices, such as exchange rates, interest rates, stock prices, and crypto values (market and interest rate risk).
- The resignation or loss of key personnel, including the three CEOs, senior executives, and IT specialists, as well as any difficulties in recruiting or retaining qualified personnel, may adversely affect Bitpanda's ability to implement its strategy or continue its business operations.
- Bitpanda is exposed to the risk of becoming involved in significant legal disputes, lawsuits, or regulatory proceedings. Any non-compliance with applicable legal regulations may have a material adverse effect on Bitpanda's business, financial condition and reputation.
- As part of its core business (crypto-assets), the Bitpanda Group operates a comparatively new business model in a fast-moving industry. In addition, the crypto market is strongly competitive. For instance, declining sales, sharply rising costs or any misinterpretation due to a lack of experience could have a significant negative impact on Bitpanda's business and financial condition. These risks apply even more to the A-Token business model.

- Bitpanda is exposed to the risk that business partners or customers do not pay their liabilities and/or default (counterparty risk). Additionally, there is the risk that Bitpanda may be defrauded by customers, employees or business partners (malversation risk). Both risks can have a significant negative impact on Bitpanda's business and financial condition as well as its reputation.
- Bitpanda is subject to operational risks. Operational risk is the risk of losses that may occur as a result of the inadequacy or failure of internal processes, people and systems or as a result of external events.
- As historical financial figures are derived from data from the past, they do not allow any conclusions about the future.
- It cannot be ruled out that Bitpanda will no longer offer the Bitpanda A-Token product at a later date. Bitpanda makes no guarantee that it will offer the product permanently.

*Legal, regulatory and tax risk factors*

- Bitpanda is exposed to risks based on findings from audits, inspections and similar investigations by regulatory authorities or auditors. Any necessary changes in financial reporting may have a material adverse effect on financial results and a negative impact on reputation.
- Past, current and future regulations, any changes to the legal framework (in particular in relation to, but not limited to, FinTechs, financial instruments and crypto-assets), including additional and stricter regulations and the influence of the public sector on the FinTech sector, could have a material adverse effect on Bitpanda's financial condition.
- Bitpanda's assumptions may prove to be incorrect. This applies, among other things, to the regulatory, civil, corporate and tax law interpretation as well as the financial assessment. There is a lack of legal certainty in certain areas of Bitpanda's activities. Misinterpretations, negative court judgements, decrees by authorities etc. can have a significant negative impact on Bitpanda.

*Risk factors in relation to internal control, IT and cyber security*

- Unauthorised access to the specially secured Bitpanda wallets and/or successful cyber attacks can lead to significant losses at Bitpanda and - depending on the

extent - also jeopardise Bitpanda's financial condition, which can ultimately lead to a total failure.

- A failure of the IT systems can lead to a significant impairment of Bitpanda's business operations. Depending on the duration and cause, this may have a significant negative impact on Bitpanda's business and financial condition.

### **Risk Factors of the Investment**

The following is a summary of risk factors which the Issuer considers to be the most material risk factors specific to the Investment (see "*Kapitel 1 – Risikofaktoren 2. Risk Factors related to the investor and product*" of this prospectus):

- Market value risk and interest rate risk
- Counterparty risk
- Exchange rate risk
- Market disruption risk
- Inflation risk
- Underlying value risk – funds and ETFs
- Underlying risk – certificates, ETCs und ETNs
- Risk associated with securities representing shares
- Underlying risk – Security Tokens
- Insolvency risk
- Risk associated with A-Token
- Outsourcing risk
- Risk associated with systems, third parties and *force majeure*
- Capital risk
- Trading risk
- Derivative contract change risk
- Dividend risk
- Trading time risk
- IT risk
- Insolvency repayment risk

- Product discontinuation risk
- Acquisition prohibition risk
- Pricing risk
- Legal risk
- Phishing risk
- Product liability risk
- Tax risk
- Product categorisation risk
- Acquisition risk

## Chapter 1– Risk Factors

*When evaluating the investments offered under this prospectus as well as the issuer and his business activities and before investing in the investment in question, the following specific risk factors in particular, which the issuer considers to be the most significant, should be carefully considered together with the other information contained in this prospectus. Potential investors are advised to read carefully the risks associated with the investments summarised in this section.*

*If one or more of the following risks materialise, they may have a material adverse effect on the Issuer's business operation, assets, financial and/or profit situation and/or business prospects. The Issuer may default or become insolvent as a result. Investors may incur significant losses. Investors may also suffer a total loss of their investment under this prospectus.*

*The following description is limited to those risk factors which, in the current opinion of the Issuer, may significantly impair its ability to fulfil its obligations towards investors. Furthermore, additional risks which are currently unknown to the Issuer or which appear immaterial may have a significant adverse effect on the Issuer's business operation, assets, financial and/or profit situation and/or business prospects. The risks described below or other risks could also materialise cumulatively and this could further increase their impact. The following risk factors do not claim to be complete.*

*Before potential investors make a decision regarding the acquisition of the investment, they should carry out their own thorough analysis, in particular of the financial, legal and tax aspects, as the assessment of the suitability of investing in the investment for the potential investor depends both on his corresponding financial and general situation and on the specific conditions of the respective investment. Where investors lack experience in financial, business and investment matters which do not allow them to make such a decision, they should seek professional advice from their financial adviser before making a decision as to the suitability of investing in the investment. The investments should only be subscribed to by investors who can bear the risk of the total loss of the capital they have invested, including the transaction costs incurred and any financing costs.*

*Investors should also observe the principle of risk diversification. Investors should therefore only ever invest an appropriate proportion of their assets in the investments issued under this prospectus. Even if an investor has a high willingness to take risks, we expressly advise against a credit-financed acquisition of the investments, as this also harbours the significant risk of not being able to service the loan taken out to finance the investment due to the risk of a total loss.*

*The risk factors described below are categorised. The categorisation does not allow any conclusions to be drawn about the relevance of the risk factor and the risk factors are not classified in order of materiality.*

### 1. Risk Factors related to the Issuer

#### 1.1. Risk factors relating to the Issuer's business operations

1.1.1. *The Issuer is highly dependent on the functionality and attractiveness of the crypto market and the macroeconomic environment. It is subject to the risk of a deterioration in the macroeconomic environment and negative developments in the crypto market. Collapses of individual crypto ecosystems and platform operators can have a negative impact on the crypto market and cause lasting damage to it.*

Macroeconomic conditions can have a significant negative impact on Bitpanda's business and financial condition. For example, Bitpanda's continuous decline in turnover in the first half of 2022, which resulted in lower turnover of EUR 2.316 billion for the financial year 2022 compared to EUR 7.881 billion in the financial year 2021, began with the outbreak of the war in Ukraine in February 2022,

followed by rising energy prices which, together with post-COVID-19 supply chain issues, led to a global increase in inflation. In response, the US and European central banks in particular began to tighten their monetary policy by continuously raising interest rates. These variables had and continue to have a negative impact on the disposable income of private individuals and led to a decline in investment activity. The tight monetary policy of the US and European central banks continues.

The impact of these macroeconomic developments on the general economic condition may also result in the need to change certain of Bitpanda's assumptions and estimates and require significant adjustments to certain assets and liabilities. The negative environment resulted in Bitpanda generating a negative operating result of EUR -117.8 million in the financial year 2022 (financial year 2021: EUR 51.7 million) and a annual shortfall of EUR -116.0 million (financial year 2021: annual net profit of EUR 37.5 million).

In addition, there was a massive slump in the crypto market in 2022. In May 2022, for example, there were double-digit percentage declines for all crypto-assets; Bitcoin fell by almost 23% in seven days, while some of the top 10 altcoins recorded losses of over 50%. This was partly caused by the collapse of the Terra ecosystem, the LUNA-Token and the TerraUSD stablecoin. Furthermore, the collapse of the US crypto trading platform FTX in November 2022 also unsettled investors in crypto-assets. There is a risk that the recovery in crypto asset prices in 2023 and at the beginning of 2024 was only temporary and that the crypto market could continue to be subject to further or even more severe slumps and price losses. Such trends could intensify if there are further inconsistencies or collapses of crypto-assets and/or platform operators.

Further deterioration in macroeconomic conditions and negative developments in the crypto market or among operators of crypto trading platforms may have a significant adverse effect on the Issuer's business operation, assets, financial and/or profit situation and/or business prospects.

*1.1.2. Bitpanda is subject to insolvency risk. In the event of insolvency, the repayment of investors' capital is not secured.*

Bitpanda is a limited liability company, which is why the Issuer's recoverable assets is limited to the existing company assets. There is therefore a risk that investors' claims against Bitpanda cannot be satisfied in full or at all. This risk exists in particular if Bitpanda's solvency deteriorates significantly and thus jeopardises its ability to make repayment. If insolvency proceedings or proceedings to avert insolvency are opened against Bitpanda, there is a risk for investors that there are insufficient bankrupt estate to repay the capital they have invested – regardless of the amount – and that their claims cannot be satisfied at all or only partially. In addition, the claims of individual other creditors may take priority over the claims of the investors. Such claims would be satisfied primarily from the company's assets, which would reduce the bankrupt estate remaining to the investors and all other non-priority creditors for their claims. Hedging investors' claims by means of a pledge may fail or be legally ineffective (see “Chapter 1, 2.20. Insolvency repayment risk”). This may result in the total loss of an investor's invested assets. If insolvency proceedings are opened against Bitpanda, investors can expect high losses and even a considerable risk of total loss.

*1.1.3. Bitpanda is exposed to the risk of loss by credit and financial institutions, crypto trading centres and other partners. Insolvencies in the financial or crypto trading sector can have a negative impact on Bitpanda's liquidity and solvency.*

Bitpanda is exposed to the risk that payouts can no longer be made in the event of illiquidity or insolvency of a credit and financial institution, crypto trading centre or other partner with which Bitpanda holds accounts, custody accounts or crypto-assets. Claims of Bitpanda could fall into the insolvency estate of the respective counterparty and not be able to be honoured in full or in part. This could lead to the total or partial loss of Bitpanda's capital or assets pooled with the relevant counterparty and/or to payout delays. In the event of the insolvency/default of the counterparty,



Bitpanda would no longer be able to dispose of the deposits, which would deprive the issuer of the possibility of payout. This applies in particular to funds that exceed the amounts of the respective deposit insurance. In addition, funds could be invested with counterparties that are not subject to any deposit insurance at all. In the case of crypto trading centres, there is often neither regulation nor corresponding hedging, which is why a total loss of the funds invested by Bitpanda seems likely in the event of a counterparty crisis. A specific risk arises if the custodian bank defaults, for which Bitpanda assumes no liability (for details see “*Chapter 1, 2.2. Counterparty risk*”). In such a case, the investor's right of pledge may also become de facto ineffective, for example if the securities are not available for whatever reason. For this risk factor, see also the risk factor “*Chapter 1, 2.20. Insolvency repayment risk*”. Such defaults may have a significant adverse effect on Bitpanda's assets, financial and/or profit situation and/or business prospects and, depending on the nature and extent of the default, may also impair the ability to repay and lead to the total loss of the invested assets.

1.1.4. *Bitpanda is subject to reputational risk towards its customers. A loss of trust may have a negative impact on Bitpanda's business and financial condition.*

Reputational risk is the risk of losing the trust of customers or other partners in Bitpanda. Reputation is closely linked to the success of the company. Reputational damage can result from customer complaints, hacking and data attacks, IT system failure, other technical faults, legal disputes or FMA penalties. Reputational risk can lead to a decline in customer confidence, lower trading volumes on the Bitpanda platform, illiquidity or even insolvency due to the associated decline in customer numbers and the associated decline in Bitpanda's turnover. There is also the risk that Bitpanda cannot escape a market-specific reputational risk, for example because large providers get into difficulties or are involved in cases of fraud. One example is the US crypto trading platform FTX, which collapsed in November 2022, exposing competitors and the crypto market itself to a significant negative trend. This could have a significant negative impact on investors in the form of delays in payouts and even the total loss of the capital invested.

1.1.5. *Bitpanda's business model is subject to the risk of changes in market prices, such as exchange rates, interest rates, share prices and crypto values (market and interest rate risk).*

High market fluctuations, the interest risk and the exchange rate risk may have a negative impact on the assets, financial and/or profit situation and/or business prospects of the issuer. Market fluctuations are a particularly relevant risk for Bitpanda because Bitpanda itself acquires or holds the underlying assets on which the A-Tokens are based and also buys crypto-assets in stock and buys them back from customers as part of its core business. This results in various price risks. In particular, falling market prices of crypto-assets could have a negative impact on the assets, financial and/or profit situation and/or business prospects of the issuer. Hedging, if at all possible, could prove to be insufficient. Unexpected developments or other circumstances may result in Bitpanda being exposed to this market risk. Strong and unexpected price fluctuations, incorrect data or prices as well as weaknesses in hedging can therefore have a significant impact on Bitpanda's solvency. As Bitpanda also accepts currencies other than the euro, exchange rates of various foreign currencies against the euro represent a risk. In the event of negative developments in currency pairs that are not or not sufficiently hedged by Bitpanda, the issuer may suffer losses. Market risks that Bitpanda has not sufficiently hedged or otherwise has to bear can lead to liquidity and solvency problems for Bitpanda and, in the worst case, result in a total loss of the invested capital for the investor.

1.1.6. *The resignation or loss of key personnel, including the three CEOs, senior executives and IT professionals, and any difficulties in hiring or retaining qualified personnel may adversely affect Bitpanda's ability to implement its strategy or continue its business operations.*

In any case, key personnel refers to the managing directors of Bitpanda, Bitpanda Financial Services, senior executives, in particular the chief clerks and other members of the management team, as well as IT personnel due to the technical focus and the shortage of specialists there. The resignation or loss of key personnel entails the risk of a deterioration in the quality of the service, a temporary standstill

of the service and the loss of expert know-how to Bitpanda. Furthermore, in view of increasing competition or other external events, the Issuer may not be able to recruit sufficient qualified employees to manage and develop the Issuer's business activities and to programme and further improve the Bitpanda platform. Similarly, the Issuer was forced to reduce its workforce to a significant extent in 2022 due to the negative development of macroeconomic factors and the negative trend in crypto-assets. There is a risk that the Issuer will not be able to cover any future need for new employees to the corresponding extent. There is also a risk that Bitpanda will be less attractive to qualified key employees due to the staff reduction in 2022 and that it will not be possible to convince them of Bitpanda as an employer. All of these factors could have a negative impact on Bitpanda's reputation and competitiveness and ultimately on its financial and profit situation.

1.1.7. *Bitpanda is exposed to the risk of becoming involved in significant legal disputes, lawsuits or regulatory proceedings. Any failure to comply with the applicable legal provisions may have a material adverse effect on Bitpanda's business, financial condition, results of operations and reputation.*

Bitpanda is exposed to the risk of becoming involved in civil, administrative and criminal proceedings, the outcome of which cannot be determined with any predictable accuracy. Regulatory violations that are or have been determined by the FMA or other supervisory authorities may, in addition to the imposition of fines, lead to the temporary or complete prohibition or discontinuation of the services and products offered by Bitpanda. It cannot be ruled out that the use of crypto-assets and their underlying blockchain technology (which is completely transparent, can be viewed by anyone and cannot be changed) may lead to data protection problems and violations. It should also be noted here that these risks also exist in particular in connection with the new "A-Token" business model. Various legal disputes in connection with A-Tokens could therefore arise in the future, which could have a corresponding impact on Bitpanda's business operation, financial or profit situation and reputation.

1.1.8. *As part of its core business (crypto-assets), the Bitpanda Group operates a comparatively new business model in a fast-moving industry. In addition, the crypto market is strongly competitive. Factors such as falling sales, sharply rising costs or misjudgements due to a lack of experience could have a significant negative impact on Bitpanda's business and financial condition. These risks apply even more to the A-Token business model.*

The market for the digital representation of value of assets ("**crypto-assets**") and the business models used by Bitpanda in this business segment are comparatively new and the market for crypto-assets is very fast-moving. Experience in recent years shows that the attractiveness of crypto-assets among investors can increase or decrease at an enormous pace. Unlike asset classes, which have a long investment history among investors, there is no long-term historical experience of developments on the supply and demand side for crypto-assets. Innovative developments by the Issuer's competitors as well as new types of crypto-assets and crypto products may lead to intense competition with the Issuer and the products and services it offers. Ongoing further development or new development of products may significantly reduce the demand for the products currently offered by the issuer in this case. The constantly changing technological developments are also subject to certain risks such as hacking, quantum computers, replacement of blockchain technology with a new process and regulatory changes. A decline in demand for crypto-assets could have a significant impact on the Issuer's assets, financial and/or profit situation and/or business prospects. All of these risks apply even more to the relatively young A-Token business model. It cannot be ruled out that possible future pandemics comparable to the COVID-19 pandemic could again have an impact on demand or otherwise negatively affect Bitpanda's intended business model.

Like the crypto asset market, the Issuer does not have a long history. The Issuer therefore lacks experience in a changing market environment for crypto-assets. Bitpanda's lack of many years of experience in different market situations may lead to a misjudgement of the market, pricing, risks, settlement and the positioning of the Issuer and its business prospects. In the area of securities services

in the broader sense, the Issuer is confronted with considerable competition and contest from established market participants. These include not only “neo-brokers”, but also banks and securities firms, most of which have significantly longer histories and market experience than Bitpanda or other companies with shorter business histories. If Bitpanda's business model is not able to establish itself on the market – in particular due to the high costs associated with the product launch, which are to be borne by Bitpanda – this could have a significant negative impact on the assets, financial and/or profit situation and/or business prospects of the issuer.

1.1.9. *Bitpanda is exposed to the risk that business partners or customers do not pay their liabilities and/or default (counterparty risk). There is also the risk that Bitpanda may be defrauded by customers, employees or business partners (malversation risk). Both risks can have a significant negative impact on Bitpanda's business and financial condition as well as its reputation.*

Bitpanda is exposed to the risk of fraudulent actions by customers (e.g. unauthorised withdrawals of crypto-assets, cancellation of deposits, exploitation of any system errors and similar actions) as well as by its employees. Customers, employees or business partners could defraud Bitpanda, which could have a significant negative impact on Bitpanda's financial condition and, in the worst case, could lead to insolvency. Bitpanda has contractual relationships with various counterparties as part of its business operations. The default of such counterparties, such as suppliers or customers, can have a negative impact on Bitpanda's liquidity and solvency.

1.1.10. *Bitpanda is subject to operational risks.*

Operational risk is the risk of losses that may occur as a result of inadequate or failed internal processes, people and systems or as a result of external events. It is possible that unintended incorrect actions by a Bitpanda employee could, for example, cause databases to be deleted, numbers to be transposed due to typing errors or technical faults to be caused by employees. There is also the possibility of technical errors, such as faulty programming, incorrect prices or double payouts. In addition, fraudulent actions by employees, business partners or customers cannot be ruled out. There may be gaps in the issuer's internal control system and errors, malfunctions or fraudulent actions could occur. The liquidity, solvency and reputation of Bitpanda may therefore be significantly affected by the realisation of such operational risks. The realisation of operational risk can also mean a significant risk for the investor in the sense of a partial or total loss of the invested capital due to the liquidity and solvency risk of Bitpanda. Potential conflicts of interest and the associated wrong decisions by members of the company's bodies and employees also represent a risk for Bitpanda. This is particularly the case if conflicts of interest can arise for individual persons due to multi-board functions in several Bitpanda companies or if the interests of the management in their function as managing directors of the companies differ from their interests as (direct or indirect) shareholders.

1.1.11. *As historical financial figures are derived from data from the past, they do not allow any conclusions to be drawn about the future.*

The fact that Bitpanda generated a net profit in 2021 does not allow any conclusion to be drawn that profits can be generated in future financial years. For example, Bitpanda generated a negative operating result of EUR -117.8 million in the 2022 financial year (2021 financial year: EUR 51.7 million) and a annual shortfall of EUR -116.0 million (financial year 2021: annual net profit of EUR 37.5 million). After a balance sheet profit of EUR 50.6 million in the 2021 financial year, Bitpanda recorded a balance sheet profit of EUR 0 for the 2022 financial year. Without the release of capital reserves in the amount of EUR 116.0 million in the 2022 financial year, a balance sheet loss of a significant amount would have been recorded for 2022. Forward-looking forecasts of the issuer may not be used as a criterion for an investment decision by investors. The historical financial figures are only comparable to a limited extent due to the changing business model and it is not possible to estimate whether the A-Token product will generate sufficient additional turnover to cover the corresponding costs. The new business model may therefore have a significant impact on Bitpanda's financial condition. The investor

individually bears the risk of his investment decision and the decision as to which data was included in the decision-making process.

1.1.12. *It cannot be ruled out that Bitpanda will no longer offer the Bitpanda A-Token product at a later date. Bitpanda gives no assurance that it will offer the product permanently.*

Bitpanda is the sole and exclusive provider of the A-Token product. Apart from the Bitpanda platform, the A-Token product can therefore not be acquired or sold elsewhere. In addition, Bitpanda works on the A-Token product with external partner companies that are independent of Bitpanda (e.g. price information service providers, trading centres, etc.). Neither Bitpanda nor the partner companies guarantee unlimited and permanent availability of the A-Token product or the supply of the necessary data. Bitpanda reserves the right to terminate or modify the A-Token product at any time at its own discretion. The investor has no legal claims against Bitpanda or other third parties as a result.

## 1.2. **Legal, regulatory and tax risk factors**

1.2.1. *Bitpanda is exposed to risks based on findings from audits, inspections and similar investigations by supervisory authorities or auditors. Any necessary changes in financial reporting may have a material adverse effect on financial results and a negative impact on reputation.*

Bitpanda is subject to a variety of different controls, in particular by auditors, revision or supervisory authorities. Bitpanda is legally obliged to co-operate with supervisory authorities in their investigations. In doing so, the authority or the respective auditor may make findings that could have a significant negative impact on Bitpanda's reputation or financial condition. In addition, authorities can also impose supervisory measures or fines, which can have a significant negative impact on Bitpanda's reputation and solvency. The investor bears the additional risk that the business relationship must be terminated due to regulatory necessity; that a (short or longer) suspension of parts of Bitpanda's online service is ordered; that the sudden negative financial result leads to liquidity and solvency difficulties for Bitpanda or; that payout delays may occur. Each of these circumstances can entail a considerable risk, up to the total loss of the capital invested.

1.2.2. *Past, current and future regulations, reforms and initiatives relating to legislation or supervision (in particular in relation to, but not limited to, FinTechs, financial instruments and crypto-assets), including additional and stricter regulations and the influence of the public sector on the FinTech sector, could have a material adverse effect on Bitpanda's financial condition.*

Especially legal regulations and requirements for crypto-assets are comparatively new and there is therefore sometimes a risk of interpretation and it is sometimes unclear whether certain existing regulations are even applicable to crypto-assets. There is therefore a risk that new and emerging legal regulations could be contrary to Bitpanda's business model or that existing laws could be interpreted by courts and authorities in such a way that they have a negative impact on the business models and products and services offered by Bitpanda and Bitpanda may have to amend or even terminate them. In addition, the offering of financial instruments is regulated and a large number of standards must be observed. Particularly at the beginning and due to the novel nature of the A-Token product, there is a relevant risk that courts or supervisory authorities will judge the A-Token business model differently than currently expected. Due to its novel nature, there is also a relevant risk that supervisory measures will be taken by the authorities or that the A-Token product or the target group will be restricted (see also "Chapter 1, 2.24. Legal risk").

1.2.3. *Bitpanda's assumptions may prove to be incorrect. This applies, among other things, to the regulatory, civil, corporate and tax law categorisation as well as the financial statement presentation. There is a lack of legal certainty in certain areas of Bitpanda's activities.*

*Misjudgements, negative court judgements, findings by authorities and so forth can have a significant negative impact on Bitpanda.*

Bitpanda makes a large number of assumptions as part of its general business activities. This applies in particular to the strategic orientation of the issuer. Such assumptions are based on research at the time the assumption is made. It cannot be ruled out that the research is incomplete or incorrect. In any case, there is a considerable risk that the assumptions may prove to be inappropriate or erroneous. Due to the legal uncertainty in the Issuer's business area, specifically in connection with crypto-assets, which are largely not yet uniformly classified and many legal issues are unresolved or have not yet been brought before the supreme court, legal classifications may prove to be erroneous. Misjudgements in regulatory, civil, corporate or tax law categorisation and accounting due to incorrect assumptions, negative judgements, findings by authorities, negative changes in doctrine or practice, changes in the legal framework, general changes in the initial situation or similar could have a significant negative impact on Bitpanda's business model, financial and business condition and reputation. All of these risks are increasingly associated with the new business model.

### **1.3. Risk factors in relation to internal control, IT and cyber security**

**1.3.1.** *Unauthorised access to the specially secured Bitpanda wallets and/or successful cyber-attacks can lead to significant losses at Bitpanda and – depending on the extent – also jeopardise Bitpanda's economic solvency, which can lead to a total loss.*

Any unauthorised access to Bitpanda's IT systems could have a significant impact on Bitpanda's reputation, financial situation and solvency. The impact depends heavily on the scope and depth of the unauthorised access. Successful cyber attacks can therefore lead to significant losses for Bitpanda in general. Due to its technical design, this risk exists in particular in connection with Bitpanda's cryptocurrency business. A successful hack, phishing or similar cyber attack could result in the theft of all of Bitpanda's crypto-assets or manipulation or other critical interventions in the IT infrastructure, which could cause lasting damage to Bitpanda's systems and subsequently its business activities. Despite security precautions, unauthorised access to the systems cannot be completely ruled out. Especially unauthorised access can jeopardise Bitpanda's ability to fulfil contracts and its solvency, which can lead to a total loss of the invested capital.

**1.3.2.** *A failure of the IT systems can lead to a significant impairment of Bitpanda's business operations. Depending on the duration and cause, this may have a significant negative impact on Bitpanda's business and financial condition.*

Bitpanda handles all buying and selling processes via its online platform. Due to its online operations, there are a number of situations that can result in or necessitate a platform outage. Cyber attacks, for example, which are aimed at a outage or even a takeover of the platform: (DDoS attacks; a *Distributed-Denial-of-Service-Attack* aims to limit or prevent the availability of an internet service by deliberately sending many requests to the server, resulting in an overload of the system), hacking, domain takeover, cyber attacks of any kind, etc.), technical or operational errors (technical outage, maintenance work, faulty programming or updates, errors in the system, etc.) as well as the inability to retrieve necessary data (no server connection, no prices, no connection from customer sites, etc.). An outage can lead to a considerable loss of sales and – depending on the reason and duration – also to a considerable loss of reputation. Customers could switch to competitors of the issuer due to such cases and withdraw customer funds. This may have a significant adverse effect on the Issuer's assets, financial and/or profit situation and/or business prospects and may also impair its ability to repay investors.

## 2. Risk Factors related to the investor and product

### 2.1. Market value risk and interest change risk

The future performance of the underlying assets and thus the performance of the A-Tokens, which track the underlying asset 1:1 on the basis of the derivative contract, and their market value during the term are not fixed at the time of acquisition. It is not possible to predict whether the market price of the A-Tokens will rise or fall and the issuer does not guarantee that the difference between the acquisition and sale price will be within a certain range or remain constant. During the term of the securities, the value of the underlying assets and thus the value of the A-Tokens may fluctuate significantly. As a result, the value of the A-Tokens may fall below the acquisition price that investors paid to buy the securities. Especially, changes in the value of the underlying asset, changes in the creditworthiness or creditworthiness rating of the issuer and changes in reference interest rates, swap rates or the market interest rate may affect the market price of the A-Tokens. Other unforeseeable factors include political uncertainties, corporate measures and economic developments. Individual market factors can also occur simultaneously. The value of the A-Tokens may fall even if the price of the underlying asset remains constant or increases slightly. Due to the derivative nature of A-Tokens, there is a risk that the investor's invested capital will be reduced or completely used up in the event of negative developments in the underlying asset, resulting in a total loss.

### 2.2. Counterparty risk

The respective underlying assets and other assets associated with the A-Token product are held via a custodian bank. If this custodian bank should default and the custodian bank is no longer able to repay all of Bitpanda's assets, high losses of the investor's invested capital are possible.

### 2.3. Exchange rate risk

The underlying asset may be denominated in a currency other than the currency in which the investor invests or in which payments are made under the A-Token. Exchange rates are dependent on supply and demand on the international currency market. Macroeconomic factors, speculation on the financial markets, central banks and government intervention can lead to fluctuations in exchange rates. In particular, the imposition of currency controls and restrictions can have an impact on exchange rates. Changes in exchange rates may affect the value of the A-Tokens and the underlying assets. There is an exchange rate risk with regard to those underlying assets that are quoted in a different currency or that the investor bases on a different currency than the one in which A-Tokens are quoted. A negative development of the currency of the underlying asset can reduce the value of the investment, even if the underlying asset develops positively. In the event of a sharp devaluation of a currency or hyperinflation, this can lead to substantially losses or even a total loss for the investor.

### 2.4. Market disturbance risk

Trading on stock exchanges and trading centres could be suspended for an indefinite period or terminated entirely (e.g. delisting). Underlying assets can neither be acquired nor terminated during this period. The price when trading resumes may deviate significantly from the previous price. This can lead to a negative price development of the underlying assets. Disruptions are also possible if the trading platform through which Bitpanda buys the underlying assets suspends, interrupts or terminates trading or is unable to guarantee trading due to technical difficulties. Technical faults in Bitpanda's IT systems can also result in a restriction or suspension of trading. In the event of a permanent termination by the trading platforms (e.g. delisting), investors may no longer be able to sell their investment or may only be able to do so much later, resulting in financial loss. As the capital remains tied up, investors are still subject to price and liquidity risk in the event of market disturbances. Investors may also suffer financial losses due to force majeure, riots, war and natural disasters. These types of losses must be borne by the investors. This also applies to damages or losses that occur without any influence or action on the part of the issuer.

## 2.5. Inflation risk

A high inflation rate can have a negative impact on income as well as revenues from capital. For investors who participate in the performance of an underlying asset via the A-Token product, a high inflation rate can lead to a loss of return on investment and significant financial losses. Due to the special features of the A-Token product, there is also no guarantee that investors will be able to dispose of the capital tied up in the A-Token product at any time.

## 2.6. Underlying asset risk – funds and ETFs

Exchange-traded funds and ETFs, which serve as underlying assets for A-Token products, are exposed to various risks. The value of a fund or ETFs is determined by the prices of the securities it contains. Exchange-traded funds and ETFs are therefore subject to price decline risk and market risk, for example. In particular, funds or ETFs that focus on certain asset classes, companies or sectors have an increased concentration risk due to the strong correlation within the respective asset class, between the companies or sectors. This can lead to higher price fluctuations of the funds or ETFs compared to diversified funds or ETFs. In addition, a negative development of exchange rates can significantly reduce the development of the fund or ETFs. The insolvency of an issuer of an underlying asset may have an impact on the development of a fund or ETFs. The distributions of the funds and ETFs may vary in amount and therefore harbour a distribution risk for the investor. Investors are also exposed to the risk that Bitpanda may change the issuer of the corresponding fund or ETFs. This can lead to higher ongoing costs for the investor from the new provider. In addition, there are significant risks associated with fund closures, delisting, share redemptions and other corporate actions, as they may negatively affect the price of an underlying asset. Bitpanda has reserved the right to terminate all contracts relating to an A-Token between Bitpanda and investors at the close of trading on the day on which a corporate action first becomes publicly known or effective. This may have a disadvantageous realisable value for the investor and thus a negative impact up to a total loss of the invested capital.

## 2.7. Underlying asset risk – certificates, ETCs und ETNs

Certificates, ETCs and ETNs are generally issued by specialised banks. They are therefore subject to issuer risk, i.e. a deterioration in the issuer's creditworthiness or even a partial or complete default by the issuer. However, the performance of certificates, ETCs and ETNs is not linked to the creditworthiness of the issuer, but to their underlying assets. Nevertheless, a deterioration in creditworthiness can lead to significant price losses and thus losses for the investor, up to a total loss.

Certificates, ETCs and ETNs are also subject to the price decline risk, market risk and liquidity risk arising from their underlying assets. If the certificates, ETCs and ETNs relate to an index or a basket of certain investment products (so-called basket certificates), they are also exposed to the risk arising from each index or basket component and the risk of unfavourable index or basket composition. ETCs and certificates with commodities as underlying assets are also exposed to seasonal cyclical price fluctuation risks (for example, natural gas is generally traded higher in winter than in summer). There is also a correlation risk that certificates do not reflect the performance of the underlying assets 1:1. In addition, a risk can arise from the complexity of A-Token products, meaning that risks are not clearly recognisable.

## 2.8. Risk associated with securities representing shares

Securities representing shares are certificates that represent corresponding shares. These harbour special risks. Although they give the holder of the certificate ownership rights to the respective share, they differ from shares that are usually deposited with a custodian bank. The company issuing the share may be domiciled in a country that is not normally known as the home of issuers of internationally traded shares, such as the Cayman Islands. This may result in the share-issuing company being subject to a foreign legal system that may not offer the same standards of protection and investor safeguards as the investor's home jurisdiction. For example, sales of shares by managers of

the company issuing the shares may not be properly publicised. Depending on the domicile of the company issuing the shares, there may be an increased foreign currency risk. Risks may also arise in connection with the legal system or anti-money laundering regulations. In the event of the insolvency of the custodian bank, ownership of the shares should in principle remain with the holder of the securities representing the shares. However, this cannot be guaranteed, especially if the custodian bank is based in a jurisdiction outside the EU. There is therefore a risk of loss, which can extend to a total loss.

## 2.9. Underlying asset risk – Security Token

As security tokens are issued by issuers, similar to “traditional securities”, investors bear the risk of a deterioration in the creditworthiness of the issuers, including a partial or complete default of the respective issuer. In the case of security tokens which, like certificates, ETCs and ETNs, also relate to underlying assets and track their performance, these security tokens are also subject to the price decline risk, market risk and liquidity risk arising from their underlying assets (see “*Chapter 1, 2.7. Underlying asset risk – certificates, ETCs und ETNs*”). The liquidity risk is even higher here due to the lack of market depth in the market for security tokens compared to certificates, ETCs and ETNs.

Due to their underlying blockchain-based infrastructure, security tokens are particularly exposed to technical risks, including cyberattacks, hacking and technical outages, as security vulnerabilities could impair the integrity of the security token and enable unauthorised access.

There is also a risk regarding any changes to the regulatory framework for security tokens. New laws or regulations could affect the issuance, trading or custody of security tokens, among other things. This could have a negative impact on the structure and trading of security tokens.

## 2.10. Insolvency risk

The investor bears the insolvency risk vis-à-vis Bitpanda. This risk is not limited to external events, such as cyber-attacks. Rather, falling sales figures, rising costs, unexpected liabilities, significant legal disputes, incorrect business decisions and so forth can also lead to the insolvency of the issuer. Bitpanda is not subject to any statutory deposit insurance or investor compensation for securities firms or financial institutions, which is why investors will not receive any compensation from a compensation scheme in the event of insolvency. It should also be noted that a collateralisation by means of a pledge should not be regarded as completely secure. All underlying assets of the A-Token products are subject to the investors' pledge, whereby, depending on the underlying asset and its performance, the collateralisation can lead to higher or lower capital losses for investors in the event of insolvency, up to and including total loss. As all acquisitions on the Bitpanda platform can only be made against prepayment, this risk may be increased.

## 2.11. Risk associated with A-Token

The design of the A-Token product imposes restrictions on tradability, such as minimum amounts for acquisitions and sales. Trading and transfer of the A-Token product between investors is technically and legally impossible. Bitpanda is the sole and exclusive provider of the A-Token product. Apart from the Bitpanda platform, the A-Token product can therefore not be acquired or sold elsewhere. If the Issuer suspends trading, terminates or changes the A-Token product (e.g. due to regulatory requirements, technical difficulties, internal risk considerations or market disturbances), the investor cannot sell or terminate the A-Token product. The issuer is authorised to temporarily suspend the A-Token product if there are other important reasons, such as ad hoc announcements or comparable media reports, significant price movements, significant deviations in price information between the price information service provider and the Bitpanda platform, or if the underlying asset shares being subject to the respective A-Token are not available. The investor's capital remains tied up in the respective A-Token and the investor is still exposed to price risks. If prices fall, this can lead to substantial losses, including the total loss of the investor's invested capital. There is also a liquidity risk,



as in such cases the investor does not receive his capital back at the desired time. The investor does not have an unconditional right of return at any time.

#### **2.12. Outsourcing risk**

Bitpanda uses external service providers when offering the A-Token product and its services. It cannot be excluded that there may be trading restrictions and other impairments of the service in connection with the A-Token product by external service providers. Termination of the business relationship with external service providers may also lead to service suspensions. Furthermore, for example, incorrect prices may be delivered, technical problems may arise, services may not be available or the cooperation may have to be terminated also at short notice under certain circumstances. As a result, the investor may not be able to acquire any further A-Tokens or sell existing A-Tokens, other technical problems may occur or other negative circumstances may arise for the investor. Although Bitpanda reserves the right to replace the external service provider with an equivalent service provider at any time, this may lead to service interruptions under certain circumstances. In addition, further deterioration for the investor may also occur, such as higher spreads or more restricted trading or standard hours, which may lead to higher costs or a more limited product portfolio.

#### **2.13. Risk associated with systems, third parties and force majeure**

Any losses incurred by the investor due to technical faults or market failures are to be borne by the investor. Bitpanda undertakes to provide the services offered to investors with as little interruption as possible. However, there may be unforeseen disruptions that are not caused by Bitpanda and that make the acquisition or termination of an A-Token product temporarily or for a longer period of time impossible. The investor is therefore exposed to price risk for longer and there is a risk of a significant loss of capital up to a total loss.

#### **2.14. Capital risk**

During the holding of the A-Token product, so-called corporate actions may occur which do not affect the A-Token directly but the corresponding underlying asset and may have a negative impact on the price of the underlying asset. These measures may, for example, result in changes to the share capital, a change to the share structure and voting rights structure or other changes to the capital shares of a company's shareholders. Depending on the type and impact of the corporate action, substantial losses in value may occur. Even corporate actions that would have a positive or neutral effect on the capital could be negatively received by the market and lead to depreciations. Bitpanda will pass on the corporate actions to investors accordingly. Furthermore, Bitpanda, as the holder of the shares with voting rights, can make decisions that are not in the interests of the individual investor. As the investor never acquires ownership of the underlying assets, he never has the status of a shareholder and therefore cannot exercise any shareholder rights. The investor has no authority to issue instructions to Bitpanda. This applies both to general voting rights and to suffrage exercised in the course of voluntary corporate actions. Investors are not entitled to have these rights exercised in their favour and Bitpanda is not liable in this respect. This can therefore lead to a de facto less favourable treatment for the investor.

#### **2.15. Trading risk**

As the 24/7 tradability service is provided by Bitpanda on a voluntary basis, it cannot be guaranteed that investors will be able to acquire or return A-Token products outside trading hours, particularly at weekends and on public holidays. If the investor places larger acquisition and termination orders at such times that exceed an internal limit, these will only be accepted during trading hours. In addition, Bitpanda expressly reserves the right to suspend the acquisition or termination, for example for internal risk reasons (in particular if risk ratios and targets or other thresholds are reached). Bitpanda may restrict or completely terminate the acquisition or termination outside trading hours – at its own discretion at any time and without giving reasons. Outside trading hours – in the absence of price

formation – there is no reliable information about the market-determined price of the underlying asset. Outside trading hours, the investor is therefore exposed to the risk of acquiring or terminating at a worse price, which could have a significant negative impact on his return (if any).

#### 2.16. Derivative contract change risk

Bitpanda may amend the derivative contract at any time or discontinue the trading of individual or all A-Tokens via the Bitpanda platform in the future. If the investor holds A-Tokens at this time, he can agree or object to these contract amendments within a period of (usually) four weeks, whereby he can then terminate his A-Tokens individually within the set period. After the deadline has expired, Bitpanda is authorised to close the position at the current market price of the corresponding underlying asset or to convert the corresponding A-Tokens to the amended derivative contract. In special cases, the allowing of a period of time may be waived and the immediate consent of the investor to the contract amendments may be required. Bitpanda also reserves the right to (i) reject an offer made by an investor without stating reasons or (ii) refuse after acceptance of an offer from an investor to fulfil the transaction for important reasons (in particular due to regulatory or other legal provisions, official or court orders or similar circumstances) or (iii) exclude it completely without stating reasons, with regard to certain investors concerning the acquisition of A-Tokens. In the event of complete exclusion, these investors will not be able to acquire any or any further A-Tokens. Termination by Bitpanda may also occur at an inopportune time for the investor and lead to the realisation of corresponding capital losses. The derivative contract can also be cancelled with immediate effect for special reasons, such as regulatory concerns or suspicious circumstances.

#### 2.17. Dividend risk

The investor's claim to a dividend payment is only against Bitpanda and not against the companies through which the investor participates via the A-Token product, although the distribution may be delayed as Bitpanda does not distribute the dividend itself, but receives it in advance via the custodian bank. Due to technical faults or in the event that Bitpanda does not receive the dividend from its custodian bank, there may be delays or cancellation of the dividend payout to the respective Bitpanda investors. There are also operational risks, such as the incorrect payment of too little dividend. If Bitpanda defaults, existing dividend claims will only be taken up as part of the general insolvency process. Dividend claims or other monetary claims resulting from the holding of A-Tokens are not additionally collateralised. There is no claim against third parties, in particular the distributing companies. The investor can therefore not rely on being able to dispose of the dividend immediately and, in special cases, the investor may forfeit his claim accordingly. The dividend is paid out to the investor using F-Tokens. It is possible for the dividend to be paid to Bitpanda in a foreign currency. In this case, the investor will be paid his pro rata dividend in corresponding foreign currency F-Tokens. Investors do not have the option of payment in their home currency and therefore run the risk that exchange rates will reduce the yield on the dividend distribution, which can significantly reduce the investor's return.

In order to be entitled to receive and allocate a corresponding dividend or distribution from the cum date, the investor must have acquired the A-Tokens before the cum date and not have returned them before the end of the day relevant for receiving the dividend payment (the “**record date**”) and thus hold the A-Token on the cum date and on the record date. A late acquisition or early return of the A-Token product can therefore lead to the investor being excluded from a possible dividend forwarding or forwarding of a distribution from Bitpanda, even if the investor has paid a higher price (cum price) or has accepted a corresponding discount on return (ex price). This can significantly reduce the investor's return or even lead to a loss.

### **2.18. Trading time risk**

The investor's return is influenced by the time of acquisition and redemption of the A-Token product. This applies in particular to acquisitions and redemptions outside standard trading times, as the costs are higher outside standard trading times. In particular, Bitpanda charges its own spread (doubling the spread) outside standard hours, which in effect also increases the price adjustment. The higher costs can have a negative impact on the performance of the A-Token product. In the event of a dividend payout or other distribution-equivalent payments of an A-Token denominated in a corresponding underlying asset, a fee may be charged for forwarding the distributed payments (forwarding fee). The forwarding fee may be higher than expected and may therefore result in a greater reduction in the performance of the concerned A-Token for the investor and thus negatively affect the investor's return and even lead to a loss. The same risk is also inherent in other corporate actions for the performance of A-Tokens.

### **2.19. IT risk**

Any unauthorised access to Bitpanda's IT systems could have a significant impact on Bitpanda's reputation, financial situation and solvency. As Bitpanda's core business is currently trading crypto-assets, access to the private key of a wallet and the possible loss of the private key by Bitpanda should be mentioned in particular in this context. In such a case, the attacker would be able to transfer all assets from this wallet. A successful hack, phishing or similar cyber attack could therefore result in all of Bitpanda's crypto-assets being stolen. This could have a significant negative impact on Bitpanda's financial condition and even lead to its insolvency, which could significantly restrict its ability to repay investors or – in the event of insolvency, for example – rule it out completely. In such a case, there may also be significant capital losses in connection with the A-Tokens, up to and including total loss.

### **2.20. Insolvenzrückzahlungsrisiko**

The investor concludes a pledge agreement with Bitpanda at the same time as acquiring the A-Token. There is a risk that the pledge will be successfully contested in court, for example by other creditors or the representative appointed in the event of insolvency, or that it will otherwise not be effective or will subsequently become ineffective. In addition, operational errors can also jeopardise the de facto effectiveness of the pledge, such as missing book entries or loss of data. There is therefore a risk that A-Token investors will not receive preferential treatment and that claims will have to be asserted against the general insolvency estate. This can result in a high loss for the investor, up to and including total loss. As it is not only the securities that are used in the event of a pledge, this can also occur through the investor's pre-paid funds. In this context, it cannot be ruled out that there may be a de facto or short-term shortfall in assets and therefore no full collateralisation.

Furthermore, the pledge may be impaired by Bitpanda's participation in a securities lending system. As the securities lent are collateralised, they should generally be insolvency-proof. Nevertheless, it cannot be ruled out that investor claims cannot be covered or cannot be fully covered in the event of insolvency due to the securities lending.

### **2.21. Product discontinuation risk**

Bitpanda may discontinue the offer or terminate the continuation of the A-Token product at its own discretion or take such measures only against individual investors (e.g. in the event of suspected money laundering or other unauthorised activities on and around the Bitpanda platform or other contraventions). The investor has no legal claims of any kind whatsoever (e.g. compensation due to price losses) against Bitpanda. In the event of termination of the offer, no new acquisitions of the A-Token product will be possible. Due to the immediate sale of A-Tokens in the event of termination of Cash Plus by the investor, the investor may incur losses. The continuation of the A-Token product is independent of the termination of the offer. If no disposals are made of the A-Token product during

this period, Bitpanda is authorised to sell the A-Token product for F-Tokens at its own discretion and may terminate the A-Token product accordingly.

#### **2.22. Acquisition prohibition risk**

Only fully registered and verified Bitpanda investors can make use of the services and products offered on the Bitpanda platform. If the establishment of an investor relationship between Bitpanda and the potential investor would lead to a violation of applicable legal requirements, Bitpanda will exclude such persons from using the services and benefits and no investor relationship will be established. Legal requirements may also result in Bitpanda terminating existing investor relationships immediately and with immediate effect, or Bitpanda blocking or suspending investor accounts. In all of the above cases, an affected (potential) investor is excluded from acquiring or terminating the A-Token product. In such cases, Bitpanda may also terminate the contract, with immediate effect depending on the circumstances.

#### **2.23. Pricing risk**

Due to technical faults, suspensions, market disturbances, internal risk reasons and so forth, a acquisition or termination may not be possible at the desired time. In addition, the prices on the platform do not correspond to those of the respective acquisition or termination process, as the current market price is obtained directly during this process. The prices displayed and integrated on the Bitpanda platform are obtained from the price information service provider via a technical interface. L&S is used as the primary price information service provider and trading centre, but Bitpanda is free to use an alternative equivalent price information service provider. A change may temporarily affect the availability of individual A-Tokens and also have an impact on the spread. It cannot be guaranteed that this price information service provider reflects the general market price level or is error-free. There is therefore a risk that in such cases the A-Tokens cannot be acquired or terminated at the general market price level and the investor may therefore suffer a loss in value. In addition – depending on the market and the behaviour of the price information service provider – there may also be a higher spread. This applies especially – but not exclusively – at off-peak times of the day and in the event of significant market movements or uncertainties, and particularly at weekends and at night, as Bitpanda charges a higher spread (Bitpanda Night Spread). A high spread can have a significant negative impact on the performance of the A-Token product. Furthermore, the investor acquires the A-Token product and not directly the underlying asset, which is why it cannot be guaranteed that the performance of the Bitpanda A-Token product will correspond to the performance of the underlying asset. This applies especially due to the different fee models for direct acquisitions compared to acquisitions via Bitpanda.

#### **2.24. Legal risk**

Due to the legal uncertainty in the business areas in which Bitpanda operates, in particular in connection with crypto-assets and the A-Tokens in question, which are largely not yet uniformly classified and many legal issues are unresolved or in any case not yet brought before the supreme court, especially legal classifications made by Bitpanda may prove to be incorrect. There is a risk that new and additional legal regulations may result in the A-Token product having to be discontinued or restricted. In this context, the risk of product intervention measures, which can generally be issued for financial instruments, should also be mentioned. Insofar as this also affects the A-Token product, there is a risk to the investor that Bitpanda may no longer offer the A-Token product and that the investor may not be able to acquire the A-Token product and may not be able to terminate or continue to hold it.

#### **2.25. Phishing risk**

In general, it cannot be ruled out that the investor may be defrauded by third parties. This also applies in connection with his Bitpanda account. The same also applies to passwords and access rights, which

could also be tapped through fake emails or log-in pages (*phishing*). There is also a risk that third parties may gain access to the Bitpanda account and therefore also to the A-Token product. This risk exists in particular in the case of insecure passwords, a lack of security setups on the part of the investor or negligent handling of passwords by the investor. Bitpanda cannot accept any liability for such losses, which is why the investor bears the losses. When using two-factor authentication, there is a risk that the assets cannot be accessed temporarily (e.g. in the event of loss). Bitpanda excludes any liability for unauthorised access to the investor account.

#### **2.26. Product liability risk**

No advice, investment recommendation, investment decision or similar is provided by the Bitpanda Group. The decision on the investment and its amount is made purely and exclusively by the investor, who therefore bears the risk of an incorrect investment decision. It cannot be ruled out that investors may acquire the A-Token product without having read this prospectus or otherwise sufficiently familiarised himself with the A-Token product. This may result in the investor not sufficiently understanding the A-Token product and therefore possibly acquiring an A-Token product without having sufficiently considered all the relevant risks. This situation could also be exacerbated by the fact that the binding languages are different. Investors can therefore not rely on all documents being available in their native language, especially if their native language is not German/English, or communication with Bitpanda may not be offered in their native language. The selection of underlying assets for the A-Tokens does not constitute advice or an investment decision on the part of Bitpanda. The aim is to offer the broadest possible portfolio of different underlying assets and the shares serving as the underlying asset for the A-Token product. ETFs, funds, ETNs, ETCs, security tokens or certificates therefore do not correspond to those that are likely to achieve the strongest price gains in the future, are undervalued, particularly safe, recommended, low-risk or similar.

#### **2.27. Tax risk**

The tax treatment of derivative contracts is partially unclear. Although there are general statements on derivative contracts, these are not directly applicable to the A-Token product. Furthermore, the statements only apply to persons resident for tax purposes in Austria – other tax jurisdictions may treat the A-Token product for tax purposes differently. Decisions by tax authorities or relevant courts may also lead to an increased tax load. This may also have a significant negative impact on the performance of the A-Token product. The investor bears sole and exclusive responsibility for the payment of the correct tax or the fulfilment of any reporting obligations. The investor otherwise bears the risk of unexpected taxes being incurred, higher tax loads or non-compliance with obligations to the competent authorities.

#### **2.28. Product categorisation risk**

It is not certain that the A-Token product constitutes an investment within the meaning of the KMG 2019. The definition of an investment is rather unclear and there is only judicature on selected classifications. In particular in connection with the A-Token product, there is – as far as it is apparent – a complete lack of relevant judicature. The FMA categorised Bitpanda's specific business model in the context of a FinTech enquiry as an investment within the meaning of the KMG 2019. In this regard, however, it should be noted that the A-Token product has changed since the original enquiry to the FMA in that the granting of a pledge to hedge the insolvency risk has now been included in the product concept. There is a risk that courts will reject the assessment as an investment. Despite an enquiry to the FMA, Bitpanda can therefore by no means guarantee that an investment exists. Bitpanda therefore expressly reserves the right to question the categorisation as an investment in any subsequent proceedings. For investors, there is therefore a risk that certain protective standards of the KMG 2019 will not apply, such as the right of withdrawal, the obligation to publish a supplement or advertising requirements. Investors may therefore have fewer legal rights than assumed or may not be able to assert them sufficiently.

## 2.29. Acquisition risk

The Bitpanda platform allows balances in the form of F-Tokens to be regularly and automatically exchanged for A-Tokens with certain money market funds as the underlying asset at a pre-defined time, whereby investors can determine the corresponding money market fund as underlying asset individually using the deposit currency ("**Cash Plus**"). If the investors participating in Cash Plus have credit on the Bitpanda platform at defined times (in relation to EUR 10:00 CET, GBP 10:00 CET, USD 16:00 CET), this is automatically exchanged for A-Tokens with money market funds as the underlying asset. It is possible, for example, that the investor had intended this credit for another acquisition on the Bitpanda platform or that this credit originates from a sale and was intended for payout. The investor participating in Cash Plus could therefore possibly acquire a product or a different product than originally intended if the investor has not actively used the credit before the respective defined times.

## Chapter 2– Information on those persons who are liable pursuant to Sec. 7 and 22 KMG 2019

### 1. General

The Issuer (for details see “2. *the issuer*” below), the prospectus auditor (for details see “3. *the prospectus auditor*” below), the auditor (for details see “4. *the auditor*” below) and Bitpanda Financial Services as intermediary for the conclusion of the contract between Bitpanda and potential investors (for details see “5. *Bitpanda Financial Services*” below) are responsible for the information provided in this prospectus, in particular its accuracy and completeness, in accordance with Sec. 22 Par. 1 KMG 2019. These persons are generally liable to the investors for any damage resulting from the incorrectness or incompleteness of the information in accordance with the following principles.

If the liability affects several of the above-mentioned persons, they are jointly and severally liable in accordance with Sec. 22 Par. 3 KMG 2019. This liability cannot be excluded or limited in advance pursuant to Sec. 22 Par. 4 KMG 2019.

Furthermore, investors may not derive claims for compensation pursuant to Sec. 22 Par. 5 KMG 2019 from the fact that they did not acquire the securities or investments described in the prospectus as a result of incorrect or incomplete information in the prospectus or prospectus supplements.

Any claims for compensation by individual investors are limited to the acquisition price paid by the respective investor, plus expenses and interest from payment of the acquisition price of the investment, unless the damaging behaviour was intentional, in accordance with Sec. 22 Par. 6 KMG 2019. In the case of acquisition free of charge, the last acquisition price paid plus expenses and interest from payment of the acquisition price is decisive.

Pursuant to Sec. 22 Par. 7 KMG 2019, investors must assert any liability claims within ten years of the termination of the offer, unless they have already become time-barred at an earlier date (Sec. 22 Par. 8 KMG 2019).

### 2. Issuer

Bitpanda GmbH, a limited liability company established under Austrian law, with its business address at Stella-Klein-Löw-Weg 17, A-1020 Vienna, Austria, and registered in the Commercial Register of the Commercial Court of Vienna under company register number FN 569240 v, is liable as issuer pursuant to Sec. 22 Par. 1 no. 1 KMG 2019 for incorrect or incomplete information provided through its own fault or the fault of its employees or other persons whose activities were used to prepare the prospectus. As the issuer, Bitpanda hereby declares that the information in the prospectus is correct to the best of its knowledge and that no information is missing that could change the statement in the prospectus and any supplements thereto.

### 3. Prospectus auditor

Grant Thornton Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, an auditing company with limited liability under Austrian law, registered in the Commercial Register of the Commercial Court of Vienna under FN 230316a, and with its business address at Gertrude-Fröhlich-Sandner-Straße 1 / Top 13, A-1100 Vienna, has reviewed the prospectus for accuracy and completeness as prospectus auditor pursuant to Sec. 7 Par. 1 no. 3 KMG 2019 and signed it, stating the place and date and adding “as prospectus auditor”.

Grant Thornton Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft is liable to investors pursuant to Sec. 22 Par. 1 no. 3 KMG 2019 for incorrect or incomplete checks due to its own

gross negligence or the gross negligence of its employees or other persons whose activities were used to check the prospectus.

#### 4. Auditor

The auditor of Bitpanda is KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, a limited liability company established under Austrian law, with its business address at Porzellangasse 51, 1090 Vienna, and registered in the Commercial Register of the Commercial Court of Vienna under company register number FN 269873 y.

Pursuant to Sec. 22 Par. 1 no. 5 KMG 2019, the auditor is liable for the information in the prospectus if it has issued an audit opinion on the annual financial statements in the knowledge that this information is incorrect or incomplete and in the knowledge that the annual financial statements certified by it constitute a document for the prospectus audit.

#### 5. Bitpanda Financial Services

Pursuant to Sec. 22 Par. 1 no. 4 KMG 2019, the person who has accepted the investor's contractual declaration in his own name or in the name of a third party and the intermediary of the contract shall be liable if the person against whom a claim is made trades in or brokers securities or investments on a commercial basis and he or his employees were aware of the inaccuracy or incompleteness of the prospectus information or the control or were unaware of it due to gross negligence.

Investors acquire the investment through Bitpanda Financial Services, a limited liability company established under Austrian law, with its business address at Stella-Klein-Löw-Weg 17, A-1020 Vienna, Austria, and registered in the Commercial Register of the Commercial Court of Vienna under company register number FN 551181 k. Bitpanda Financial Services accepts contractual declarations from investors as receiving agent for the issuer and forwards them to the issuer. The offer declarations submitted by investors via Bitpanda Financial Services are only accepted by the Issuer itself. Bitpanda Financial Services does not become a party to the derivative contract concluded between the Issuer and potential investors.

## Chapter 3– Information on the investment

### 1. Investment terms and conditions and structure of the investment

#### 1.1. Legal structure of the A-Token

##### 1.1.1. Derivative character of the A-Token

The A-Tokens offered by Bitpanda are uncertificated, off-exchange derivatives in the form of bilateral derivative contracts that are based on shares, ETFs, funds, ETNs, ETCs, security tokens or certificates as underlying assets (“A-Token”). A derivative contract is a financial contract between two parties. The contract grants the investor a right to a service from Bitpanda. This right represents an asset for the investor. Bitpanda, on the other hand, has the obligation to provide the service. This obligation represents a financial liability for Bitpanda.

Derivatives are financial instruments whose value is derived from an corresponding underlying asset. These can be any assets such as commodities, shares, bonds, foreign exchange, indices and cryptocurrencies.

By acquiring A-Tokens, investors do not acquire ownership of the underlying asset. Instead, investors acquire a claim under the law of obligations against Bitpanda (as issuer and counterparty of the derivative contract) to the mapping of the performance of the respective underlying asset and to (pro



rata) payments in the context of any dividends or distributions due on the underlying asset in accordance with the structure of the derivative contract.

#### 1.1.2. *Term*

The A-Tokens have no fixed term and can in principle be sold by investors without restriction.

#### 1.1.3. *Pledge*

A pledge is integrated into the A-Token, which provides investors with a preferential claim in case insolvency proceedings are instituted against Bitpanda. However, it cannot be completely relied upon that this pledge is effective, as there is a risk that it may be abrogated by the courts or not be effective due to operational errors. Therefore, the risk of total loss in the event of the issuer's default cannot be completely ruled out.

### 1.2. **Underlying assets of the A-Token**

Permissible underlying assets for the A-Tokens are shares, ETFs, funds, ETNs, ETCs, security tokens and certificates.

#### 1.2.1. *Shares*

Shares are financial instruments that give the respective holder (the shareholder) a share in the share capital of a public limited company and thus co-ownership of the public limited company itself. Shareholders are entitled to a share of any profit that is distributed in the form of a dividend. Shareholders also have co-determination rights, such as voting rights in important company decisions.

Unless otherwise indicated, the term “shares” in the context of this prospectus also includes “securities representing shares” or “depository receipts” (e.g. *Depository Receipts, Global Depository Receipts and European Depository Receipts*).

These are instruments that certificate shares in companies that are traded outside the markets in which the depository receipts are traded. A custodian bank buys the shares and holds them in its assets. It then issues certificates for these shares, which represent the shares. Securities representing shares can represent several shares or only a fraction of a share. Depository receipts therefore only represent an indirect investment in the underlying share, but nevertheless certificates the rights associated with ownership of the underlying share. *Depository receipts* allow investors to participate in the performance of shares that are otherwise not traded or available on the investor's home market. Depending on the structure of the *depository receipts*, there may also be regular entitlements that correspond to the shareholder's dividend entitlements, as well as co-determination rights as to how voting rights from the underlying shares are to be exercised.

#### 1.2.2. *Exchange Traded Funds*

Exchange Traded Funds (“**ETF**”) are exchange-traded investment products in the form of a special fund that reflect a specific index, such as the DAX (German Deutscher Aktienindex) or the expected change in oil (commodity index). The aim is to ensure that the performance of the ETF reflects the respective index as closely as possible. This index can contain both shares and securities representing shares. ETFs based on newly industrialized countries such as China or South Korea in particular may contain several securities representing shares.

#### 1.2.3. *Funds*

Funds represent the joint assets of many or several investors, which, like ETFs, are separated from the issuer's assets as special assets. The investors' assets are invested according to specific criteria. Depending on the asset class in which they primarily invest, funds differentiate between share based

funds, bond-based funds and mixed funds. Share based funds invest exclusively in shares, bond-based funds exclusively in bonds and mixed funds in both shares and bonds.

Funds are divided into actively managed funds, in which a fund manager actively makes the investment decision according to specific criteria and invests the capital on the financial markets for the investors, and passively managed funds, which reflect the underlying index. They are managed by a professional fund management company within the framework of an capital investment company (KAG), which carries out the investment in accordance with specific guidelines. Only funds that invest only in the types of securities and financial instruments legally defined by the Investment Funds Act 2011 and the UCITS Directive (Directive 2009/65/EC) (e.g. shares that are regularly traded on regulated stock exchanges) are eligible as underlying assets for A-Tokens. Alternative investment funds, which also permit investments in other types of assets (e.g. real estate, film production, seagoing vessels), are excluded from the selection of underlying assets for A-Tokens.

#### 1.2.4. *Certificates*

XXX Certificates are structured financial instruments in the form of a bearer bond that certifies certain legal claims of the holder against the issuer; certificates combine characteristics of different financial products and offer – depending on the underlying asset – very different risk and return profiles. The return on the certificate depends on the underlying asset to which the certificate is linked. The amount of the repayments for certificates is based on the performance of certain underlying assets such as shares, indices or other assets.

Certificates without a limited term (open-end certificates) are used as underlying assets for A-Tokens.

Instead of a single underlying asset, so-called basket certificates can also be used to combine several underlying assets (*basket*). This basket is compiled by the issuer of the respective certificate and can be based on various aspects. These can be organised thematically, for example, in the case of a basket on e-mobility.

#### 1.2.5. *Exchange Traded Commodities*

*Exchange Traded Commodities* (“**ETC**”) are a sub-form of certificates that enable investments in commodities. They usually map an index, but can also be used to map the price performance of individual commodities.

#### 1.2.6. *Exchange Traded Notes*

Exchange Traded Notes (“**ETN**”) are also a sub-form of certificates that invest in asset classes that cannot be reflected by ETCs and ETFs, such as cryptocurrencies.

#### 1.2.7. *Security Token*

Security tokens are digital assets that are summarised under the terms “security token” or “investment token”. Security tokens have characteristics that are similar to traditional financial instruments such as shares, debt instruments or shares in investment funds. Due to their comparability with traditional financial instruments, security tokens are often categorised as regulated financial instruments, whereby the principle of “substance over form” applies.

The term security token refers to tokens that are endowed with similar or identical rights to conventional securities. These rights may include membership or debt claims of an asset content, similar to the rights associated with shares and debt instruments. Unlike utility tokens, which grant an investor a tangible benefit, such as access to an ecosystem, a security token represents a share in the company issuing the security token. As a result, security tokens are generally regarded as securities within the meaning of the Prospectus Regulation.

### 1.3. General functioning of the A-Token

#### 1.3.1. Determining the value of the A-Token

The value of the A-Token always reflects the current market value of the underlying asset. If the price of the underlying asset rises by one percent, the value of the A-Token also rises by one percent and vice versa. Thus, the market and volatility risks of the underlying asset are also borne by the investor (see “Chapter 3, 1.7. Holding the A-Token product and participating in performance and dividends or distributions” for valuation and the risk factor in “Chapter 1, 2.1. Market value risk”). The following example illustrates this:

*An investor acquires A-Tokens in Muster AG on 1 June at a price of EUR 250. The market value of a share in Muster AG at the time of acquisition is EUR 1,000. The investor thus participates – via a derivative – in 25% of a share in Muster AG. One day later, the share price of Muster AG rises by 10% to EUR 1,100. The value of the investor's A-Token thus also rises by 10% and now totals EUR 275.*

The A-Token thus reflects the entire performance of the underlying asset. In addition, the investor has a claim against Bitpanda for payment of any dividends or distributions after deduction of taxes, any fees and other costs (see “Chapter 3, 1.7. Holding the A-Token product and participating in performance and dividends or distributions”). However, this claim exists only against Bitpanda and not against third parties, such as the custodian bank or the issuer of the underlying asset. No other associated rights arise.

#### 1.3.2. Determining the value of the underlying asset

The market values of the underlying assets are acquired by an external service provider of Bitpanda (for the selection of the price information service provider, see “Chapter 3, 1.9.1. Price information on the platform and valuation indication”). Bitpanda therefore receives an automatic update of the market data for all underlying assets at short intervals during trading hours, which serves as the basis for the acquisition and redemption of the A-Tokens. This market data is provided by an external price information service provider. Bitpanda reserves the right to change the external service providers at any time. See also the risk factor “Chapter 1, 2.12. Outsourcing risk”. Bitpanda pays ongoing fees and costs for these services. These fees and costs are not passed on to investors. Bitpanda has no direct or indirect influence on prices and market values.

The trading hours during which Bitpanda receives market data updates depend on the price information service provider. At the time of the prospectus, the trading hours are as follows: Monday to Friday from 07:30 CET to 23:00 CET, Saturday from 10:00 CET to 13:00 CET and Sunday from 17:00 CET to 19:00 CET.

If market values are not available from the price information service provider during trading hours, corresponding prices from alternative equivalent price information service providers will be used. In the event that neither prices from L&S nor from alternative equivalent price information service providers are available for the underlying assets of the A-Tokens, or if the ongoing price determination for certificates has been suspended by the issuer, Bitpanda is authorised to temporarily suspend the acquisition or redemption option in relation to the corresponding A-Token contracts.

As the investor can also acquire or redeem A-Tokens outside trading hours, Bitpanda also uses the last price of the price information service provider before the close of trading at these times, which are outside the trading hours of the price information service provider. The acquisition and termination at off-exchange times is a voluntary additional service provided by Bitpanda, which can be cancelled or otherwise restricted by Bitpanda at any time, for example based on internal risk management reasons.

See also the risk factor in “*Chapter 1, 2.4. Market disturbance risk*”. Investors must therefore not rely on the acquisition/termination at any time, especially outside trading hours.

The market values are delivered in real time and always contain the current trading prices and volumes for the acquisition (*ask price, offered price*) and redemption (*bid price, demand price*) of the underlying asset. The acquisition price is the lowest price at which sellers on the market are prepared to sell at the current time. The redemption price, on the other hand, shows the highest price at which investors are prepared to buy. The difference between the redemption price and the acquisition price is known as the **spread**. For example, if the acquisition price of a share is EUR 101 and the redemption price is EUR 99, the spread is EUR 2. If someone buys this share and immediately sells it again, they effectively make a loss of EUR 2.

Investors can call up the current market values at any time on the Bitpanda platform. However, it should be noted that the current market value – with the exception of A-Tokens that are acquired or sold as part of Cash Plus – does not represent the final price for the respective A-Token, as the spread is not yet included. The price at the time of acquisition/termination therefore differs from the market price displayed (for details on the acquisition/termination process and pricing, see “*Chapter 3 ; 1.6. The acquisition of the A-Token product in detail*”; *1.8. The Termination of the A-Token product in detail*” and “*1.9. Price determination process in detail*”). Outside trading hours, the price information service provider will transmit the last available price as a fixed price until trading is reopened.

As soon as the investor wishes to acquire or redeem an A-Token, Bitpanda shows the exact price of the A-Token based on these market values. This price depends on several factors: Acquisition or termination during or outside trading or standard hours, volume, spread, below the minimum volume of the underlying asset as well as the total costs charged to the investor by Bitpanda when investing or redeeming A-Tokens (the “**Bitpanda Spread**”). For the exact calculation of the price and the termination process, see “*Chapter 3, 1.8 Termination of the A-Token products in detail*”.

As the A-Tokens are only registered in an internal database at Bitpanda, the sale, forwarding or any other transfer of A-Tokens to other investors, third parties or own wallets is technically and legally impossible. The investor can therefore only acquire the A-Token from Bitpanda or redeem it to Bitpanda (see risk factor “*Chapter 1, 2.16. Derivative contract change risk*”). In the event of Bitpanda's default, the investor must therefore expect a total loss (see “*Chapter 1, 2.10. Insolvency risk*”), although this risk can be mitigated by the pledge. To hedge against price risks, Bitpanda acquires, among other things, the shares, ETFs, funds, ETNs, ETCs, security tokens and certificates that act as underlying assets (see “*Chapter 3, 16. Disclosure of any encumbrances*”). However, no guarantee can be given for such collateralisation or any other assurance that the underlying will cover the claims at all times. The underlying assets are not the property of the investor and the investor only has a priority claim to payment of the equivalent value of his A-Tokens within the scope of the pledge and thus only after the opening of insolvency proceedings, but not to the underlying assets themselves. It cannot be ruled out that the pledge will not come into effect or will be cancelled for any reason (see the risk factor “*Chapter 12.10. Insolvency risk*” and in particular the risk factor “*Chapter 1, 2.20. Insolvency repayment risk*”). In addition, it should be mentioned that Bitpanda can also hedge these with other available means in the meantime. See also the section on pledge under “*Chapter 3, 1.13. Pledge*”.

Bitpanda reserves the right to temporarily not offer certain underlying assets for acquisition and/or termination, for example if this is not possible due to technical, economic, including internal risk management requirements or other reasons. There is therefore a risk that the respective A-Tokens may temporarily not be able to be acquired or terminated (see “*Chapter 3, 1.10. Restrictions of the A-Token product*”).

#### 1.4. **Rights and obligations of the investor**

##### 1.4.1. *Rights of the investor*

##### 1.4.1.1. *Participation in the performance of the underlying asset*

By concluding the derivative contract, the investor acquires the right to participate indirectly, virtually and pro rata in the performance of the selected underlying asset and, in the case of dividend payments or distributions, to receive pro rata payments from Bitpanda.

##### 1.4.1.2. *Participation in dividends and distributions of the underlying asset*

In addition to the pro rata participation in the performance of the underlying asset, investors have the right to participate indirectly, virtually and pro rata in the respective dividends or distributions. The investor does not acquire any rights against the issuer of the underlying asset, the custodian bank or other third parties; the claim always exists only against Bitpanda.

##### 1.4.1.3. *General*

For this purpose, Bitpanda proceeds, as described in more detail in *Chapter 3, 1.7. Holding the A-Token product and participating in performance and dividends or distributions*: Bitpanda calculates the investor's respective share of a dividend or distribution within a maximum of 20 calendar days from receipt of the dividends or distributions. Within a further 14 calendar days, the investor receives his share, less any fees and taxes deducted by the custodian bank from Bitpanda (see also "*Chapter 3, 14.3.1. Forwarding fee*") credited by Bitpanda via the Bitpanda platform. This is done in the form of a credit as an F-Token directly on the Bitpanda platform. Investors will be informed of the allocation and amount of their dividend or distribution via the Bitpanda platform or by email. A more detailed statement will be sent to the investor on request.

##### 1.4.1.4. *Special features relating to A-Tokens acquired as part of Cash Plus*

With regard to A-Tokens acquired under Cash Plus, Bitpanda undertakes to pay the distribution to the investor no later than the fourth banking day of each calendar month either (i) in F-Tokens and exchange these F-Tokens for Cash Plus A-Tokens on the same day or (ii) directly in Cash Plus A-Tokens. The payout of the distribution is made less any fees of the fund, the custodian bank and Bitpanda's fees. No Bitpanda spread is charged for A-Tokens acquired or sold within the framework of Cash Plus.

##### 1.4.1.5. *Insight into the performance*

The performance of the underlying asset and, accordingly, the A-Token held is displayed to the investor in their wallet on the Bitpanda platform.

##### 1.4.1.6. *Termination right of the investor*

The A-Tokens have no fixed term. By acquiring A-Tokens via the Bitpanda platform, the investor enters into a financial derivative contract with Bitpanda with an indefinite fulfilment date. As long as the investor holds the A-Token, there is an ongoing contractual relationship (derivative contract) between the investor and Bitpanda.

Investors have the right to request the termination of the A-Token contract by offering to redeem the A-Token via the Bitpanda platform.

Subject to any market disturbances or other restrictions (see "*Chapter 3, 1.10. Restrictions of the A-Token Product*" for the restrictions regarding the redemptions of A-Tokens), Bitpanda will fulfil the redeem offer as soon as possible and terminate the derivative contract accordingly and pay the investor the economic value of the A-Tokens held at the last available quote less the corresponding Bitpanda spreads (see "*Chapter 3, 20. Presentation of the acquisition price of the investment including all incidental acquisition costs*").

A-Tokens are only compensated in F-Tokens via the Bitpanda platform. There is no entitlement to “physical” delivery (to a securities account) of the underlying assets.

#### 1.4.2. *Obligations of the investor*

##### 1.4.2.1. *Obligations of the investor to co-operate*

The acquisition of the A-Token requires that the investor gives a binding assurance that he is familiar with all contractual provisions regarding the acquisition and termination of contracts of the A-Token. The relevant documents will be made available to the investor for download via the Bitpanda platform without restriction.

If the investor provides incorrect information about material circumstances that are of significant importance for the decision of Bitpanda and Bitpanda Financial Services on whether to accept orders regarding the acquisition or termination of A-Token contracts, Bitpanda is authorised to unilaterally terminate the derivative contract and not execute the orders for the investor.

##### 1.4.3. *Tax liability of the investor*

Any taxes incurred in connection with A-Tokens are to be borne by the investors individually. Investors are solely responsible for paying their taxes and preparing their tax returns.

### 1.5. **Rights and obligations of Bitpanda**

On the part of Bitpanda, A-Token derivative contracts give rise to the rights and obligations listed below. For a comprehensive list of all contractual rights and obligations of Bitpanda, please refer to the “A-Token Derivative Terms and Conditions” as amended.

#### 1.5.1. *Rights of Bitpanda*

##### 1.5.1.1. *Ordinary cancellation rights*

Bitpanda is authorised to terminate the business relationship regarding A-Tokens with individual investors. As a rule, a period of four weeks is set for this, during which the investor can terminate the A-Token themselves. If this is not done within this period, Bitpanda is authorised to liquidate the position at the current market price at any time. For details, see “*Chapter 3, 1.8.2. Termination by Bitpanda*”.

##### 1.5.1.2. *Extraordinary cancellation rights*

In urgent cases, such as suspicion of fraudulent, money laundering-related or other criminal offences or other important and significant reasons, Bitpanda may also terminate the business relationship regarding A-Tokens with individual investors with immediate effect. In such a case, Bitpanda is authorised to immediately terminate all A-Tokens held by the investor. For details, see “*Chapter 3, 1.8.2. Termination by Bitpanda*”.

##### 1.5.1.3. *Rights in the event of market disturbances*

In the event of market disturbances, Bitpanda is authorised to decide at any time to restrict or suspend the offer for the duration of the market disturbance. This is done at Bitpanda's own discretion. Bitpanda accepts no liability for such market disturbances and associated suspensions or non-suspensions. For details, see the risk factor in “*Chapter 3, 1.8..2 Termination by Bitpanda*” and “*Chapter 1, 2.13. Risk associated with systems, third parties and force majeure*”.

##### 1.5.1.4. *General termination*

Bitpanda reserves the right to discontinue individual or all A-Tokens via the Bitpanda platform in the future and therefore no longer allow them to be acquired or terminated (general termination). In the

event of a general termination, the period granted to the investor to terminate the outstanding A-Tokens in question is generally four weeks. If there is no termination by the investor within the specified period, Bitpanda is authorised to liquidate the position at the current market price at any time. For details, see “*Chapter 3, 1.8.2. Termination by Bitpanda*”.

#### 1.5.1.5. *Temporary suspension of the acquisition and termination process*

Bitpanda is authorised to temporarily suspend the acquisition and/or termination process of individual or all of the displayed A-Tokens, whereby it is no longer possible for all or individual investors to acquire or terminate A-Tokens or both. Reasons for the suspension of A-Tokens include, in particular, those listed in “*Chapter 3, 1.8.2. Termination by Bitpanda*”, but are not limited to these cases.

Bitpanda is authorised to temporarily suspend the termination of A-Tokens during and outside trading hours for internal risk reasons. Suspensions due to internal risk reasons occur in particular if internal risk ratios and requirements or other internal thresholds are reached, if the respective underlying assets are no longer sufficiently available, if the acquisition would exceed risk thresholds, in the event of significant media reports or similar circumstances. For details, see the risk factor in “*Chapter 1, 2.15. Trading risk*”.

#### 1.5.1.6. *Suspension of the acquisition and termination process outside trading hours*

As the acquisition and termination outside trading hours are voluntary additional services on the part of Bitpanda, Bitpanda expressly reserves the right to suspend the acquisition or termination outside trading hours, for example for internal risk reasons – in particular if risk ratios and requirements or other relevant thresholds are reached. Investors are therefore not entitled to acquire and/or terminate A-Tokens outside trading hours. For details, see the risk factor in “*Chapter 1, 2.15. Trading risk*”.

#### 1.5.1.7. *Rejection and exclusion of investors*

Bitpanda has the right to refuse the acquisition of A-Tokens by certain investors without giving reasons or refuse after acceptance of an offer from an investor to fulfil the transaction for important reasons (in particular due to regulatory or other legal provisions, official or court orders or similar circumstances) or exclude it completely without stating reasons, with regard to certain investors concerning the acquisition of A-Tokens. As a result, these investors will not be able to acquire any further A-Tokens. For details, see “*Chapter 3, 1.8.2. Termination by Bitpanda*”.

Bitpanda is authorised to exclude certain customers, including investors, from the termination of A-Tokens for important reasons (in particular due to regulatory or other legal provisions, official or court orders or similar circumstances) as long as the relevant important reasons exist. For details, see “*Chapter 3, 1.8.2 Termination by Bitpanda*”.

### 1.5.2. *Obligations of Bitpanda under the contract*

In accordance with the rights of investors (as described in “*Chapter 3, 1.4.1. Rights of the investor*” and “*1.4.2. Obligations of the investor*”), Bitpanda undertakes to guarantee the participation of investors in the performance of the respective underlying asset as well as in any dividends and distributions of the respective underlying asset via the A-Tokens and to enable investors to view the performance of their A-Tokens.

#### 1.5.2.1. *No obligation to procure ownership of the underlying assets*

Bitpanda is at no time obliged to procure or convey ownership of the underlying assets or other rights associated with the holding of underlying assets to the investor. This applies both at the time of the acquisition of A-Tokens and beyond, and in particular when A-Tokens are redeemed by the investor, which is done exclusively in F-Tokens via the Bitpanda platform.

Bitpanda will credit the corresponding A-Token to the investor's designated wallet.

#### 1.5.2.2. *Redemption of the A-Tokens*

If the investor decides to redeem an A-Token held by him, either in full or in part, at the current market value of the underlying asset, Bitpanda credits the investor with the corresponding balance in the amount of the redemption price or carries out the acquisition of the other asset as part of a swap. The option to terminate A-Token contracts at any time does not apply in the event of any market disturbances, internal risk reasons, technical problems or other reasons that result in the suspension or exclusion of trading (see “*Chapter 3, 1.10. Restrictions of the A-Token product*” and “*Chapter 1, 2.15. Trading risk*”, “*Chapter 1, 2.21. Product discontinuation risk*” and “*Chapter 1, 2.13. Risk associated with systems, third parties and force majeure*”).

#### 1.5.3. *Disclaimer*

It is expressly pointed out that during the occurrence of a market disturbance, the occurrence of technical problems of the Bitpanda platform, due to internal risk reasons or the suspension of the A-Token contracts, the A-Tokens cannot be acquired or terminated by Bitpanda and therefore the contracts cannot be closed or both are not possible. Furthermore, in connection with cases of nationalisation, insolvency, delisting, fund closure, share redemption and deterioration of the underlying assets, there may be restrictions and suspensions of the acquisition and/or redemption of A-Token contracts. In such cases, the investor's capital invested with regard to the valid A-Token contracts remains tied up and the price risk remains. In addition, if such events occur in relation to Cash Plus A-Tokens, Bitpanda is authorised to change the affected money market fund (underlying a Cash Plus A-Token) to another money market fund as the underlying asset in the future, whereby the new money market fund must have a similar fund structure and a similar risk profile to the previous money market fund. Bitpanda expressly excludes any liability with regard to the potential consequences and associated disadvantages, damages or losses for the investor. In this context, reference is made to the risk factor “*Chapter 1, 2.13. Risk associated with systems, third parties and force majeure*”.

Bitpanda accepts no liability for (total) losses incurred by investors as a result of their own decisions to acquire or terminate A-Token contracts. Neither Bitpanda nor Bitpanda Financial Services or any other company of the Bitpanda Group provides any form of advice. Investors therefore make their own investment decisions and must bear any (total) losses themselves. See the risk factor in “*Chapter 1, 2.26. Product liability risk*”.

### 1.6. **The acquisition of the A-Token product in detail**

#### 1.6.1. *The direct acquisition of A-Tokens*

The investor individually selects the respective A-Token on the Bitpanda platform that he would like to acquire. By acquiring the A-Token, the investor does not acquire the share or ETF, fund, ETN, ETC, security token or certificate itself, but a derivative. This derivative is an independent financial instrument that reflects the value of the underlying asset 1:1 (for details, see “*Chapter 3, 1.1.1. Derivative character of the A-Token*”). However, the A-Token in question is not a standard derivative with a specific end date. The investor is therefore not bound to any term and can basically terminate the derivative contract at any time and at the applicable market prices (see also “*Chapter 3, 1.8. The Termination of the A-Token product in detail*”).

The investor makes any acquisition decision on his own responsibility. The Bitpanda Group does not offer investors any investment advice or other assistance in the selection of A-Tokens and does not make any investment decisions on their behalf. As a result, Bitpanda assumes no liability for any (total) losses in connection with the A-Tokens (see “*Chapter 1, 2.26. Product liability risk*”). The investor must therefore bear these himself. Bitpanda only provides current price information and basic documents



for all A-Tokens on its platform, which the investor can use for the investment decision. This information consists in particular of Bitpanda's A-Token Derivative Terms and Conditions (Annex II), the respective Bitpanda Key Information Document (KID; see the example in Annex III), the respective product page on the Bitpanda platform and this Bitpanda prospectus as well as the Client Information Document on the investment business, the Cost Transparency Document and the Execution Policy of Bitpanda Financial Services, available at <https://cdn.bitpanda.com/media/documents/securities/de-kundeninformationsdokument-v1.2.pdf> and <https://cdn.bitpanda.com/media/documents/securities/de-kostentransparenzdokument.pdf>. These documents provide an overview of the A-Token, the underlying assets on which the A-Tokens are based, information about Bitpanda as the issuer of the A-Token, the fee structure and the risks associated with the A-Token product. They are available for investors to view or download without restriction via the Bitpanda platform.

In order to be able to acquire an A-Token, the investor must be a fully verified Bitpanda customer and have sufficient funds. Once the investor decides to invest in a specific A-Token, he can choose which currency accepted by Bitpanda he would like to acquire the A-Token in. As Bitpanda offers investors the opportunity to participate (*fractional*) proportionally in shares or ETFs, funds, ETNs, ETCs, security tokens and certificates, he is not limited to whole units of the underlying asset. The investor is therefore free to choose the amount of the investment.

It should be noted that the acquisition and redemption of A-Tokens are based on the derivative contract that the investor concludes with Bitpanda. As part of this contract, Bitpanda issues an invitation to the investor to submit an offer (*invitatio ad offerendum*) for the acquisition of A-Tokens. The investor accepts this invitation by submitting an acquisition offer to Bitpanda. If Bitpanda accepts this acquisition offer, the respective A-Tokens acquired are credited to the investor's corresponding wallet and the amount due is deducted ("**F-Token**"). The acquisition process involves the following steps:

1. The fully verified customer, who has already completed the appropriateness test, sees the current supply of A-Tokens on the Bitpanda platform, including basic information and current market prices for each underlying asset.
2. They decide to acquire A-Tokens and click on the desired A-Token.
3. The Bitpanda platform shows them two options for acquiring an A-Token: On the one hand, he can specifically acquire a desired share, for example 0.75% or  $\frac{3}{4}$  of the share of the Muster AG. On the other hand, they can also enter a specific amount that they would like to invest, for example EUR 150.
4. He chooses the currency in which he pays or whether he carries out a swap against another asset (see below).
5. The price displayed to the investor is based on the last available market price of the underlying asset of the respective A-Token. In the course of this process, Bitpanda retains acquisition costs (see "*Chapter 3, 1.9. Price determination process in detail*").
6. Before the investor finally acquires the A-Token, the total amount in share pieces and in the equivalent value of the previously selected currency or other assets is displayed.
7. In the background, Bitpanda checks fully automatically whether there are market disturbances, internal risk reasons, technical problems with the Bitpanda platform or other reasons for Bitpanda to suspend the A-Tokens. See "*Chapter 3, 1.1.0. Restrictions of the A-Token product*" and "*Chapter 1, 2.13. Risk associated with systems, third parties and force majeure*"). If there are no such disturbances or other reasons, the investor can complete the process.

8. As soon as the investor clicks on “Confirm”, the acquisition process is completed. Bitpanda debits the investor's credit balance with the corresponding amount or carries out the sale of the other asset as part of the swap. Bitpanda then automatically transfers the acquired A-Tokens to the investor's designated wallet.

With a swap, the investor goes through the same process as with a normal acquisition in exchange for F-Tokens. The only difference is that Bitpanda first carries out the sale of the selected asset, e.g. gold, fully automatically in the background. This sale is not part of the prospectus in question. The proceeds from the sale are then automatically credited to the investor and used in a subsequent process to acquire the corresponding A-Tokens. The investor thus sees a reduction in their Gold tokens, but an increase in the corresponding A-Token. Bitpanda also offers investors the opportunity to set up their own savings plan for A-Tokens (*Bitpanda Savings*). This allows investors to regularly and automatically acquire A-Tokens in a quantity/equivalent value of their choice at a future date of their choice, for example weekly or monthly.

To illustrate the market values and displayed prices, two examples are given below. For the exact price determination, see “*Chapter 3, 1.9. Price determination process in detail*”.

*Investor A wishes to acquire A-Tokens in the amount of 50% (or 0.5) of a share in Muster-AG. At the time of acquisition, the market value of a share in the Muster-AG is EUR 200. The price, after calculation of the costs, is displayed as EUR 100.48 (= 50% of EUR 200 + EUR 0.48 costs). If the investor confirms the acquisition, EUR 100.48 is deducted from his available balance and the A-Tokens are credited to his wallet.*

*Investor B also decides to acquire an A-Token in the Muster-AG. He wants to spend exactly EUR 100. The market value of a share in Muster-AG is EUR 200. After deducting the costs, investor B acquires 0.499 A-Tokens of the Muster-AG.*

#### 1.6.2. *The acquisition of A-Tokens as part of Cash Plus*

With Cash Plus, Bitpanda provides investors with an additional function for the acquisition and sale of A-Tokens in addition to direct acquisition. By participating in Cash Plus, an investor can regularly and automatically exchange his F-Token balance on the Bitpanda platform for A-Tokens with certain money market funds as the underlying asset at a pre-defined time. The investor selects the money market funds by choosing the currency of his F-Token. By acquiring the A-Token, the investor does not acquire the money market fund itself, but a derivative. This derivative is an independent financial instrument that reflects the value of the underlying asset (of the respective fund) 1:1. However, the A-Token in question is not a standard derivative with a specific end date. The investor is therefore not bound to any term and can basically terminate the derivative contract at any time and at the applicable market prices (see also “*Chapter 3, 1.8. The Termination of the A-Token product in detail*”).

The investor makes any acquisition decision on his own responsibility. This means that the Bitpanda Group does not offer the investor any investment advice, does not make investment decisions for the investor and does not offer any other assistance in the selection of A-Tokens. As a result, Bitpanda assumes no liability for any (total) losses in connection with the A-Tokens (see “*Chapter 1, 2.26. Product liability risk*”). The investor must therefore bear these himself. Bitpanda only provides current price information and basic documents for all A-Tokens on its platform, which the investor can use for the investment decision. This information consists in particular of Bitpanda's A-Token Derivative Terms and Conditions (Annex II), the respective Bitpanda Key Information Document (KID; see the example in Annex III), the respective product page on the Bitpanda platform and this Bitpanda prospectus as well as the Client Information Document on the investment business, the Cost Transparency Document and the Execution Policy of Bitpanda Financial Services. These documents

provide an overview of the A-Token, the underlying assets on which the A-Tokens are based, information about Bitpanda as the issuer of the A-Token, the fee structure and the risks associated with the A-Token product. They are available for investors to view or download without restriction via the Bitpanda platform.

In order to be able to acquire an A-Token, the investor must be a fully verified Bitpanda customer and have sufficient funds. Once the investor is verified on the platform, he has the option to activate Cash Plus and thereby regularly and automatically exchange his available F-Token balance for A-Tokens with a specific money market fund as the underlying asset at a predetermined time. As Bitpanda offers investors the opportunity to participate (*fractional*) proportionally in the underlying asset, he is not limited to whole units of the underlying asset. The investor can therefore freely determine the investment himself by participating and based on the amount of his F-Token balance. It should be noted that the acquisition and sale of A-Tokens to Bitpanda is based on the derivative contract that the investor concludes with Bitpanda.

1. The investor activates Cash Plus.
2. His respective balance, for example EUR 150, in F-Tokens is now automatically exchanged for specific A-Tokens with a specific money market fund as the underlying asset at a predetermined time – depending on the specific money market fund. The investor individually determines the A-Token by the currency deposited (EUR, GBP or USD).
3. From the time of participation in Cash Plus, the available balance of the F-Token wallet on the Bitpanda platform is exchanged for A-Tokens on each bank working day (in terms of the respective money market fund). At the time of the exchange, Bitpanda checks fully automatically in the background whether there are market disturbances, internal risk reasons, technical problems with the Bitpanda platform or other reasons for Bitpanda to suspend the A-Tokens. See “Chapter 3, 1.10. Restrictions of the A-Token product” and “Chapter 1, 2.13. Risk associated with systems, third parties and force majeure”). If there are no such disturbances or other reasons, the investor's available F-Tokens will be exchanged for Cash Plus A-Tokens.
4. The acquisition process will be completed on any banking day applicable to the UK, Austria or the US, depending on the selected money market fund, provided the investor has funds in his F-Token wallet. Bitpanda will debit the investor's balance with the corresponding amount and automatically transfer the A-Tokens acquired as part of Cash Plus to the investor's designated wallet.

#### 1.7. **Holding the A-Token product and participating in performance and dividends or distributions**

On the Bitpanda platform, the investor always sees an overview of all the A-Tokens he holds. For example, if he holds A-Tokens in shares of two different companies, he will see them displayed in two different wallets, one as “ABC” and the other as “XYZ”. During the entire holding period of the A-Token, the investor is always shown the current value of his respective A-Tokens in the corresponding wallet. If the investor acquires further shares in underlying assets already held or redeems some, he will see the new total at the current price in the overview. The following example illustrates this.

*An investor acquires 0.25 A-Tokens of ABC-AG on 1 January. The market value of an ABC share is EUR 1,000. The investor is therefore shown EUR 250 in his ABC wallet as the total value for the sum of 0.25 A-Tokens. On 15 March, he acquires a further 0.30 A-Tokens of ABC-AG. The market value of an ABC-AG share has risen by 10% since 1 January and amounts to EUR 1,100. The investor now sees a total of 0.55 ABC A-Tokens in the overview at a market value of EUR 605.*

The investor can therefore see the current value of his A-Tokens at any time from the time of acquisition until they are redeemed. However, it should be noted that the price displayed via the Bitpanda platform during the holding period and a price displayed and used in the termination process may differ (see *“Chapter 3, 1.8. The Termination of the A-Token product in detail”* and *“Chapter 1, 2.23. Pricing risk”*).

The investor can hold his A-Tokens for an indefinite period. Like a conventional derivative, the A-Token is based on an underlying asset. The price of the A-Token is derived from the market value of this underlying asset. However, a derivative normally has a fixed due date. In contrast, Bitpanda's derivative contract, which reflects the A-Tokens, has no term and therefore no expiry date, e.g. the date on which a derivative expires worthless or the date on which an A-Token contract ends. After the derivative contract has ended the investor can therefore decide free, subject to the restrictions mentioned in this prospectus (see *“Chapter 3, 1.10. Restrictions of the A-Token Product”*), how long he wishes to hold his A-Tokens and when he wishes to return them to Bitpanda. It should be noted that, in certain cases, termination by Bitpanda is also possible. See *“Chapter 3, 1.9. Price determination process in detail”* and *“Chapter 1, 2.16. Derivative contract change risk”*.

Holding A-Tokens enables the investor to participate indirectly, virtually and proportionately not only in changes in the value of the underlying asset, but also in the respective dividends or distributions and similar special cases. However, this does not entitle the investor to exercise voting rights at the Annual General Meeting or other rights that are usually associated with holding shares.

#### 1.7.1. *Dividend payments*

Dividend payments are proposed by the Executive Board of the respective company and resolved on the day of the Annual General Meeting. At the Annual General Meeting, the company also announces the day on which the share will be traded again without a dividend, the ex-dividend day. The day before the ex-dividend day is therefore the last day on which the share is traded including the dividend, the cum day. The actual payment of the dividend follows either on or some time after the ex-dividend day and varies depending on the type of share.

This means the following for A-Tokens: Up to and including the cum-dividend day, the A-Token will be traded on the Bitpanda platform *“cum-dividend”*. The person who acquires an A-Token for the corresponding share up to that point pays the price including the dividend, but also participates in the dividend accordingly. On the ex-date, the dividend just paid is deducted from the share price and traded as *“ex-dividend”* from the ex-date, because the new acquirer of the A-Token no longer participates in any dividend entitlement. However, in order to be entitled to participate in the dividend, the investor must hold the A-Token until the end of the record date. The investor is therefore only entitled to participate in the dividend if he has already acquired the A-Token before the cum-date and has held it for at least two days.

Similar to the shares of an individual company, an ETF specifies an ex-date, a record date and a payment date. These dates determine who receives the distribution and when the distribution is paid out. These distributions are made on a different schedule than the underlying shares and vary by ETF.

In order to receive a dividend or distribution, the investor must therefore fulfil two requirements: On the one hand, he must have an A-Token credited to an underlying asset on his wallet where there is a dividend payment or distribution. On the other hand, he must hold the respective A-Token at two reference points: Already at the beginning of the cum date and until the end of the record date. If the investor acquires the A-Token between the cum-date and the record date, there is no entitlement to a dividend or distribution. If the investor holds an A-Token until the end of the cum date but wishes to redeem it before the end of the record date, he loses his entitlement to participate in the dividend or distribution because he did not hold the A-Token at both reference points. In this case, the dividend

or distribution will be distributed pro rata to Bitpanda and the other investors entitled to dividends, as the proration key will be adjusted accordingly. See “Chapter 1, 2.17. Dividend risk”.

The following examples illustrate this:

*On 1 January, an investor acquires an A-Token in the share of Muster-AG in the amount of 50%. At the Annual General Meeting on 15 February, it is decided that a dividend of EUR 1 per share will be paid out on 20 February. The ex-date is set at 17 February. The cum date is therefore 16 February (= preceding day before the ex-date) and the record date is 18 February (= following day after the ex date).*

*Case 1: An investor already holds the A-Token before 16 February. And until 19 February (i.e. after the record date). He is entitled to participate in the dividend.*

*Case 2: An investor wants to redeem the A-Token on 16 February. He redeems the A-Token cum-dividend and thus at the higher price and is not entitled to participate in the dividend.*

*Case 3: An investor wishes to acquire further A-Tokens of the Muster-AG on 16 February (= cum day). The A-Tokens are still traded cum-dividend (i.e. the market price still includes the dividend). However, now that the first reference point (holding before the cum day) has already passed, the investor is no longer entitled to the dividend. He receives a message from Bitpanda that he is no longer entitled to dividend participation for these newly acquired A-Tokens.*

*Case 4: An investor wants to return his A-Tokens on 17 February. This would mean that the investor has already terminated at the ex-price, but is still not entitled to a dividend as he would lose it as a result of the termination. He receives a message from Bitpanda that he would lose his entitlement to the dividend. The investor decides to redeem the A-Token anyway. He redeems the A-Token ex-dividend and is no longer entitled to participate in the dividend.*

*Case 5: An investor wishes to acquire further A-Tokens of the Muster-AG on 19 February. As both reference points for the dividend entitlement have now passed, he is no longer entitled to the dividend. He pays the A-Token at the ex-price.*

Depending on the type of shares or ETFs, funds, ETNs, ETCs, security tokens or certificates, there may be several dividend record dates per year. It is also possible, for example, for the Annual General Meeting of a public limited company to decide that no dividend will be paid. In addition to the traditional annual dividend, a special dividend can also be resolved at the Annual General Meeting of the public limited company. This special dividend may exist in addition to the annual dividend and is paid out, for example, if the public limited company has achieved a particularly good business result.

The payment of the dividend or distribution is processed according to the following schedule:

1. From the record date, the investor has a claim against Bitpanda for receipt and allocation of the corresponding dividend or distribution.
2. Bitpanda calculates the investor's respective share of the dividend or distribution within a maximum of 20 calendar days from receipt of the dividends or distributions.

3. Investors will be informed of the allocation and amount of their dividend or distribution via the Bitpanda platform or by email. A more detailed statement will be sent to the investor on request.
4. Within a further 14 calendar days, the investor receives his share, less any fees and taxes (see also “*Chapter 3, 11. Taxes levied on the investment*” and “*Chapter 3, 20. Presentation of the acquisition price of the investment including all incidental acquisition costs*”) credited by Bitpanda via the Bitpanda platform. This is done in the form of a credit as an F-Token directly on the Bitpanda platform (see the risk factor “*Chapter 1, 2.16. Derivative contract change risk*”).

The calculation of dividends or distributions and the amount of the payout is carried out as follows:

1. Bitpanda receives the information about the decision at the Annual General Meeting or decision of the ETF, amount of the dividend or distribution, cum and ex-date, record date and payout date via a data provider.
2. Bitpanda uses database extracts to calculate the dividend or distribution entitlement of the respective underlying value of the A-Token on the cum and ex-date. For this purpose, the percentage held by the respective investor is determined and multiplied by the total amount of the dividend or distribution. For A-Tokens that are not held by investors, Bitpanda receives the corresponding dividend or distribution.
3. Bitpanda checks fully automatically whether all investors held the A-Token on both the cum date and the record date. Only then is the investor entitled to the dividend or distribution. If individual investors do not have such entitlements, no dividend or distribution will be distributed to these investors. In this case, the dividend or distribution will be distributed pro rata to Bitpanda and the other investors entitled to dividends, as the proration key will be adjusted accordingly.
4. Bitpanda receives the dividends or distributions to the custodian bank where Bitpanda holds all underlying assets. If the custodian bank or the trading platform charges Bitpanda forwarding costs, these are passed on to the investor on a pro rata basis, based on the amount of his A-Token.
5. The custodian bank will deduct the withholding tax due before paying out to Bitpanda. This depends on the country in which the respective company is headquartered. Due to double taxation, it is possible in some countries to receive a refund of part of the withholding tax paid at the end of the year.
6. If there are other taxes and similar statutory deductions, these will also be deducted before distribution. Bitpanda endeavours to avoid such deductions and double taxation.

Investors can view the relevant data for the dividend claim or distribution (cum and reference date) for the underlying shares or ETFs, funds, ETNs, ETCs, security tokens or certificates in a helpdesk article on the Bitpanda website at any time. The dividend or distribution itself is automatically credited to the holder of the A-Token authorised to receive the dividend or distribution.

The following example illustrates this:

*An investor acquires 0.25 A-Tokens of Muster-AG on 1 January. He is therefore entitled to a quarter of the dividend payment of one share. Bitpanda holds – in a figurative sense – the remaining 0.75 A-Tokens of the Muster-AG. A dividend of EUR 2 per share is approved at the Annual General Meeting of the Muster-AG. The trading platform transfers EUR 1.70 (= EUR 2 dividend - EUR 0.10 forwarding costs - EUR 0.20 withholding tax) to Bitpanda. Bitpanda*

*calculates the dividend entitlement based on the shares held on the cum or record date. For the investor, the calculation is as follows: 1.70 EUR \* 0.25 = 0.425 EUR.*

*The investor receives a message from Bitpanda about the dividend payout and amount, which is then credited automatically. If Bitpanda is credited with part of the withholding tax at the end of the year, it automatically passes on its share to the investor. The corresponding amount is then also credited to the investor.*

## 1.8. The Termination of the A-Token product in detail

### 1.8.1. Termination by the investor

As A-Tokens are structured in the form of derivative contracts, the redemption of the A-Tokens is not to be regarded as a sale, but as a termination of the derivative contract through the redemption of the A-Tokens. In economic terms, however, the termination largely corresponds to a sale.

The investor can generally terminate his A-Token in two ways: On the one hand, he can return the A-Token to Bitpanda and have the corresponding balance credited to his wallet in return. On the other hand, with the exception of A-Token acquired or sold as part of Cash Plus, he can exchange the A-Token for other assets offered on the Bitpanda platform (tokens, noble metals or crypto-assets, etc.). With the exception of A-Tokens acquired or sold as part of Cash Plus, the termination process follows the following steps in both cases:

1. The investor sees all of his acquired A-Tokens clearly in the respective wallets.
2. He decides to exit a specific A-Token product and clicks on the corresponding wallet.
3. The Bitpanda platform shows him two options for cancelling the A-Tokens: He can specify the desired amount of A-Tokens he wants to redeem, for example 0.548 A-Tokens of his total held 2.39 A-Tokens of Muster AG. He can also specify a certain amount as the equivalent value that he would like to realise with the redemption, for example EUR 200.
4. The redemption price displayed to the investor is based on the last available market price of the underlying asset of the respective A-Token. Bitpanda automatically deducts redemption costs (see *"Chapter 3, 1.9. Price determination process in detail"*).
5. Bitpanda checks fully automatically in the background whether there are market disturbances, internal risk reasons, technical problems or other reasons for suspending trading (see *"Chapter 3, 1.10. Restrictions of the A-Token product"* and *"Chapter 1, 2.12. Outsourcing risk"*). If there is no such risk, the investor can redeem the A-Token with one "click".
6. Bitpanda credits the investor's wallet with the corresponding balance in the amount of the redemption price or carries out the acquisition of the other asset as part of the swap.

In the case of A-Tokens acquired as part of Cash Plus, the investor must deactivate Cash Plus to cancel the A-Tokens.

In the case of disruptions or suspensions, the investor will temporarily not be able to return the A-Tokens and will continue to be exposed to the risks of falling prices until they are finally returned. For more information, see *"Chapter 1, 1.3.2. A failure of the IT systems can lead to a significant impairment of Bitpanda's business operations. Depending on the duration and cause, this may have a significant negative impact on Bitpanda's business and financial condition."* and *"Chapter 1, 2.4. Market disturbance risk"*.

In the course of the termination process, Bitpanda spreads are charged to the investor - with the exception of A-Tokens acquired or sold as part of Cash Plus. Bitpanda calculates these on the basis of

the last available market price of the underlying asset. There are therefore differences between the displayed market value of the A-Token and the final price when the A-Token is actually terminated. This price depends on several factors, such as termination during or outside standard hours, and is displayed to the Bitpanda investor when he submits his termination offer (for details, see “Chapter 3, 1.9. Price determination process in detail”). The following examples illustrate this:

*The investor holds 2.5 A-Tokens of A-AG. He decides to redeem his A-Tokens. At the time of redemption, the market value of the underlying (a share in A-AG) is EUR 100.*

*Case 1: The investor wishes to redeem all of his A-Tokens in A-AG. With his holding of 2.5 shares in the underlying asset, the total value of the investor's A-Tokens is EUR 250 (= 2.5 x EUR 100). Based on the price calculations and after deducting the costs, the investor is shown a termination price of EUR 248 (= EUR 250 market value – EUR 2 costs). He executes the termination and is credited EUR 248.*

*Case 2: The investor decides to terminate only 1 A-Token of A-AG. The investor is shown a termination price of EUR 99.49 (= EUR 100 market value – EUR 0.51 costs). He confirms the termination, is credited EUR 99.49 and continues to see the remaining 1.5 A-Tokens displayed in his A-AG wallet.*

In a swap against other assets, the investor has the option of specifying either a certain number of A-Tokens or a certain number or unit of the desired asset for which he wishes to swap. The first step of the swap is the redemption of the A-Tokens, which is the same process as described above. The further acquisition of the respective other asset is no longer part of the A-Token product.

It is expressly pointed out that the investor is not entitled to an unconditional right of return at any time (see risk factor “Chapter 1, 2.15. Trading risk”).

## 1.8.2. Termination by Bitpanda

### 1.8.2.1. General termination

In the event of a general termination, Bitpanda is able to generally terminate or suspend the acquisition and/or termination of A-Tokens offered (for details see “Chapter 3, 1.10. Restrictions of the A-Token product”). In addition, certain individual A-Tokens, for example only those of the A-AG, can no longer be offered for acquisition and/or termination or if Bitpanda no longer makes certain A-Tokens available to all investors. Before Bitpanda removes the corresponding A-Tokens from its offering, all existing A-Tokens on the affected underlying assets will be terminated at the current market price. The process for this is as follows:

1. Bitpanda decides to no longer offer the A-Tokens of the A-AG and accordingly blocks the acquisition of these A-Tokens. From this point onwards, A-AG A-Tokens can no longer be acquired.
2. All investors holding A-AG A-Tokens will receive notification of the termination via the Bitpanda platform or by email. They will be given four weeks to redeem their corresponding A-AG A-Tokens.
3. After the deadline, Bitpanda will check whether investors still hold A-AG A-Tokens. If there are still such open positions, Bitpanda will terminate them at the current market prices. The proceeds from the redemption of the A-Tokens are automatically credited to the respective investors in F-Tokens, as in the regular termination process.



4. As soon as all open positions have been closed, Bitpanda removes the A-AG A-Tokens from its offering. The investor will therefore no longer see any A-AG on the platform.

For important reasons, Bitpanda can also terminate the A-Tokens without observing the four-week deadline. See also the risk factor “*Chapter 1, 2.16. Derivative contract change risk*”.

The following examples illustrate this termination with or without a deadline:

*Case 1: The investor holds 5.8 A-Tokens of A-AG. Bitpanda decides to no longer offer the A-Tokens of A-AG due to immensely high volatility. Bitpanda informs the investor of the termination and gives him a period of four weeks to redeem his A-Tokens. The investor does not use the deadline. Bitpanda terminates the investor's 5.8 A-Tokens at the current market price after the deadline has expired. The investor is automatically credited the equivalent value accordingly. In a final step, Bitpanda removes A-AG's A-Tokens from its offering on the platform.*

*Case 2: The investor holds 3 A-Tokens of B-AG. B-AG is subject to insolvency proceedings (see also “Chapter 3, 1.10.4. Suspension of the acquisition and termination process outside trading hours”). As long as the insolvency proceedings are ongoing, Bitpanda suspends the possibility of acquiring or redeeming B-AG A-Tokens. Investors must continue to hold their 3 A-Tokens and run the risk of negative performance. When the insolvency proceedings are finalised, Bitpanda will terminate all A-Tokens held by investors in B-AG at the current equivalent value (e.g. liquidation proceeds). If the trading centres continue to maintain trading, Bitpanda may also decide to continue to offer the A-Token of B-AG in full or to a limited extent, e.g. only the termination but not the acquisition. In a final step, Bitpanda removes B-AG's A-Tokens from its offering on the platform.*

#### 1.8.2.2. Further reasons for termination

Bitpanda is also authorised to withdraw the ability of individual investors to continue acquiring or redeeming A-Tokens. This is the case, for example, if the investor comes from a country in which Bitpanda does not or no longer offers the acquisition or cancellation of the A-Tokens in question. The investor receives a message from Bitpanda and is given a four-week period to return all his A-Tokens. As described above, Bitpanda can terminate all outstanding A-Tokens at the current market price after this period has expired. Once all of the investor's positions have been closed, the business relationship with the investor can be terminated permanently. See also the risk factor “*Chapter 1, 2.16. Derivative contract change risk*”.

In urgent cases, Bitpanda is authorised to terminate the business relationship with the respective investor immediately without having to take into account the lead time of four weeks. This is particularly the case if there is suspicion of fraudulent, money laundering-related or other criminal offences or other important and significant reasons.

If there are important reasons, Bitpanda may also terminate individual derivative contracts with the investor without notice. Important reasons exist in particular if the investor makes incorrect statements that are fundamental to the acquisition and termination of A-Tokens. This could be the case, for example, if the investor does not fulfil the requirements of the appropriateness test and is therefore not allowed to acquire share A-Tokens without a warning, but is allowed to acquire ETF A-Tokens. In this case, Bitpanda will immediately terminate all share-based derivative contracts held by the investor. Other important reasons are, for example, regulatory or similar legal obligations or if the relationship of trust or business relationship between Bitpanda and the investor has otherwise been materially breached.

## 1.9. Price determination process in detail

### 1.9.1. Price information on the platform and valuation indication

The A-Tokens offered by Bitpanda allow investors to participate proportionally and fractionally in the performance of the respective underlying asset by means of a derivative contract. Accordingly, the acquisition and redemption prices of the respective A-Tokens displayed by Bitpanda reflect the current trading prices of the underlying assets. The value of an A-Token contract therefore corresponds to the current value of the underlying asset at all times. This is a 1:1 relationship. It is expressly pointed out that neither 1:n relationships (leverage products) nor 1:(minus n) relationships (*short products*) exist. Consequently, no knockout provisions and/or margin calls are applied.

Bitpanda obtains the current prices of the underlying assets from a price information service provider. Bitpanda uses several price information service providers to determine prices. During standard hours, the following procedure is used to select the relevant price information service provider for the respective A-Token:

### 1.9.2. Price information during standard hours

From Monday to Friday from 08:30 CET to 22:00 CET (the “**standard hours**”), the price information service providers selected by Bitpanda are used in parallel. In this respect, it is determined once a month which price information service provider offers the better price for the investor and in the following month during standard hours only the price of the “better” price information service provider is used to determine the price.

The following criteria are used to determine the relevant price information service provider each month:

- **Spread:** It analyses which price information service provider offers the most favourable spread for the investor on average.
- **Ask price:** It is analysed which price information service provider offers the best acquisition price on average.
- **Bid price:** It is analysed which price information service provider offers the best redeem price on average.

The price information service provider that fulfils at least two of the three categories is used for the respective A-Token in the following month. In the event of a stalemate, the price information service provider L&S is used.

A list of the price information providers relevant for standard hours will be published on the Bitpanda platform on the last working day of each month under the following link:

<https://cdn.bitpanda.com/media/documents/service-provider/securities-price-information.pdf>

### 1.9.3. Price information outside standard hours

Outside standard hours, due to the longer trading hours, the trading platform Lang & Schwarz TradeCenter AG / Co. KG (“**L&S**”) is used due to the longer trading hours. At these times, the last price is provided by L&S.

Bitpanda is free to use other, equivalent price information service providers outside standard trading times. Should this be the case, a corresponding announcement will be published on the Bitpanda platform.

#### 1.9.4. *Change of price information service provider*

If L&S is no longer available and in the event of a change in accordance with the contract, Bitpanda is free to use another price information service provider. The trading prices are displayed to the investor in Bitpanda's systems and in the currencies accepted by Bitpanda. Investors are therefore always shown the daily performance of the respective underlying assets on the Bitpanda platform. In addition, a corresponding overview with relevant market data is available to the investor for each underlying asset. In addition to the current prices, this includes in particular percentage changes and the historical price development based on different observation periods. The price overview and the price history always show the respective average price between the redemption and acquisition price of an underlying asset. This average price therefore does not correspond to the respective redemption or acquisition price.

The investor can therefore see the current value of his A-Tokens at any time from the time of acquisition until they are redeemed. However, it should be noted that the price displayed via the Bitpanda platform during the holding period and a price displayed and used in the termination process may differ (see "*Chapter 3, 1.8. The Termination of the A-Token product in detail*").

#### 1.9.5. *General price determination during trading hours*

The prices transmitted to Bitpanda by the price information service provider during trading hours are continuously automated at short intervals and updated via a so-called tick. A tick is the minimum price change or the so-called tick size, which is normally in the cent range (one "**tick**"). For example, if the value of a share is EUR 100 and the tick is EUR 0.10, the new price of the share is EUR 100.10 if the market rises. If the price rises or falls by less than EUR 0.10, for example by EUR 0.05, the price is not yet updated by the price information service provider.

Bitpanda also receives the current volumes per underlying asset automatically from the price information service provider. These volumes are referred to as tick volumes, which are offered by the price information service provider at a specific acquisition or redemption price. They represent a certain number of units that can be acquired or redeemed at the respective tick price. The trading platform sets a tick volume of 1,000 shares for a share price of EUR 100.10, for example.

The investor is shown the current bid and acquisition price – when acquiring or redeeming shares. The price displayed remains respectively for a certain period of time, approximately 30 seconds. During this period, the investor can submit a acquisition or redemption offer to Bitpanda at the displayed price. As soon as this period elapses, the investor is shown the new price. The time of value determination is therefore always the time at which the individual contract is concluded. The price displayed to the investor during the acquisition or redemption process on the Bitpanda platform already includes the Bitpanda spread (gross price), whereby the investor is informed of these offset costs during the acquisition or redemption process. The amount of the Bitpanda Spread depends on the time of the transaction (normal or weekend and night time; see "*Chapter 3, 20.1. General information on the acquisition price and the corresponding costs*").

If an investor is interested in a transaction at the displayed price, the investor confirms his acquisition or redemption offer of the respective A-Token and the total amount determined based on the selected number (in a currency accepted by Bitpanda) on the Bitpanda platform. It should be noted that the acquisition or redemption prices are not identical, but differ from each other and there is a difference (spread).

The number of A-Tokens requested by the investor to be acquired or redeemed, and thus the number of underlying assets on which these A-Tokens are based, represents the acquisition or redemption volume. This volume can be decisive for the final price if it is both greater than the last tick volume received from the price information service provider before a desired transaction and greater than a

minimum volume of an underlying asset set internally at Bitpanda. In this case, the last prices received from the price information service provider are not used, but instead an automated price request, a so-called request-for-quote (the “RfQ”), is sent to the price information service provider regarding the acquisition or redemption volume requested by the investor. It is possible that Bitpanda may decide to set the internal minimum volume of certain or all underlying assets so high that an RfQ is only triggered in exceptional cases.

If the spread of the RfQ price is less than or equal to 1% point higher than the spread of the last prices received (before the RfQ), the price according to the RfQ will be used. If, on the other hand, the spread of the RfQ price is more than 1% point higher than the spread of the (before the RfQ) last received prices, the price (before the RfQ) of the last received tick is used and its spread is increased by 1% point and thus limited. The upper limit of the spread of the RfQ price is therefore the spread of the last prices received (before the RfQ) plus 1% point. Bitpanda therefore voluntarily sets an upper limit on the RfQ price in order to prevent excessive spreads for the investor. This process is illustrated by the following example.

*Example 1: An investor wishes to redeem his A-Token in Y-AG. The last available price from the price information service provider is EUR 60.90 for the termination. As the price for the acquisition is EUR 61.08, the average price (the halved sum of the redemption price and the acquisition price) of the two tick prices is EUR 60.99 and the spread is EUR 0.18 accordingly. As a percentage, the spread is therefore approximately 0.3%. However, as the investor wishes to return a large quantity of A-Tokens and this exceeds both the tick size and the minimum volume set by Bitpanda, an RfQ price is obtained. The RfQ price is EUR 60.62 for the redemption and EUR 61.36 for the acquisition, which is why the spread of the RfQ is EUR 0.74. As a percentage, this spread corresponds to 1.2% and is therefore less than the defined upper limit, which is calculated as follows: Spread according to the ticker (0.3%) plus 1 percentage point. This results in a total upper limit of 1.3%. As the RfQ spread (1.2%) does not reach the upper limit (1.3%), the RfQ price is used and the investor can terminate at 60.62 EUR. The price as an upper limit of 1.3% would be worse for the investor, as he could only terminate at EUR 60.60.*

*Example 2 (based on the above values): However, the RfQ delivers EUR 60.46 for termination and EUR 61.52 for acquisition. The spread is therefore now EUR 1.06 or 1.7%. This is above the upper maximum limit (1.3%), which is why the price according to the upper limit is applied here (EUR 60.60). The investor can therefore terminate at EUR 60.60 instead of just EUR 60.46 and is therefore in a better position.*

#### 1.9.6. Disruption or failure of the price information services

If the prices or an RfQ of the corresponding underlying assets of the A-Tokens are not available from the price information service provider in individual cases during the trading hours of the price information service provider, corresponding prices from alternative equivalent price information service providers will be used as an avoidance and hedging option. Availability depends on the trading hours covered in each case.

In the event that, for whatever reason, no prices are available from the price information service providers and trading platforms for the corresponding underlying assets of the A-Tokens, Bitpanda is authorised, at its own discretion, to display the last prices received as a stable price or to suspend the acquisition or redemption option.

### 1.9.7. *Change of price information service providers or trading platforms*

Bitpanda can replace the price information service providers and trading platforms with equivalent price information service providers and trading platforms at any time (even temporarily), introduce new price information service providers and use the price information service providers in parallel for price determination. See also “*Chapter 1, 2.12. Outsourcing risk*”.

In this respect, there is no guarantee under the A-Token Derivative Terms and Conditions that the same price information service provider will be used for price determination for the acquisition and redemption of A-Tokens.

Before onboarding a new price information service provider or a new trading platform, Bitpanda checks whether they fulfil the conditions of the previous price information service provider or trading platforms and determines their equivalence in a legally effective manner in accordance with the internal guidelines provided for this purpose. Bitpanda informs its investors about the Bitpanda platform and about a change in the price information service provider or trading platform or announces newly added price information service providers.

Other price information service providers or trading platforms are considered equivalent if they calculate and display the prices of the underlying assets of the A-Tokens in essentially the same way as the previous price information service providers or trading platforms, both technically and in terms of time, and investors are not disadvantaged by the change in price information service providers or trading platforms. Tradegate Exchange GmbH, for example, qualifies as an equivalent price information service provider and trading platform.

### 1.9.8. *Price determination outside trading hours*

Outside trading hours and on public holidays, the relevant price (current price or the last available price outside the trading hours of the price information service provider) of the corresponding underlying asset is used as a stable price to determine the value of the A-Tokens, depending on the time of trading.

At this point, it should be noted that Bitpanda generally doubles the spread from Monday to Friday, from 22:00 CET to 08:30 CET, as well as all day on weekends and public holidays (the “**weekend and night hours**”). However, Bitpanda only doubles the spread of the market prices until the mark-up on the part of Bitpanda on the market prices amounts to a maximum of 3% (see “*Chapter 3, 20.3. incidental costs during weekend and night hours*” for details of the costs) and the acquisition or redemption volume accepted by Bitpanda outside the trading hours of the price information service provider is limited per investor (see “*Chapter 3, 1.9. Price determination process in detail*” and “*Chapter 3, 13. Any restrictions on the tradability of the investment and the market on which it can be traded*”). This does not apply to A-Tokens that are acquired or sold as part of Cash Plus. Within the scope of Cash Plus, Bitpanda does not charge a spread as a premium for acquisitions or redemptions.

Bitpanda is authorised to switch to such a stable price even during the trading hours of the price information service provider. It should be noted that there is no doubling of the spread with regard to such a voluntary change to the stable rate.

It should be noted that both the acquisition and the termination outside trading hours are voluntary additional services on the part of Bitpanda and that higher costs are incurred due to, among other things, the limited tradability of the underlying assets outside the trading hours of the price information service provider and outside standard hours. In addition, Bitpanda expressly reserves the right to suspend the acquisition or termination of derivative contracts outside trading hours, for example due to internal risk requirements (in particular if risk ratios and requirements or other thresholds are reached, see “*Chapter 3, 1.9. Price determination process in detail*” and “*Chapter 3,*

13. Any restrictions on the tradability of the investment and the market on which it can be traded"). Investors should therefore not rely on a termination outside trading hours.

## 1.10. Restrictions of the A-Token product

### 1.10.1. Selection of available underlying assets

Bitpanda offers derivative contracts with different asset classes of underlying assets. For details, see "Chapter 3, 1. Investment terms and conditions and structure of the investment". The specific selection of available underlying assets is at Bitpanda's discretion and can be changed, expanded or restricted at any time (see "Chapter 1, 2.21. Product discontinuation risk"). The currently available underlying assets can be found on the Bitpanda website.

### 1.10.2. General termination

Bitpanda reserves the right to no longer offer individual or all A-Tokens offered via the Bitpanda platform in the future or to terminate existing derivative contracts (general termination). In the event of such a general termination, the investor will be informed via the Bitpanda platform or by email. The investor then has the option of redeeming the A-Tokens in question to Bitpanda at current market prices within four weeks. During this time, it is no longer possible to acquire new A-Tokens. If the investor has not redeemed all or any of his A-Tokens by the end of this period, Bitpanda is authorised to terminate the contract at the current market price at any time thereafter.

### 1.10.3. Temporary suspension of the acquisition and termination process in general

Bitpanda is also authorised to suspend the acquisition or termination of A-Tokens, whereby such a suspension is only temporary, except in special cases or for other important reasons. In this case, the investor can either no longer acquire or terminate the corresponding A-Token or both may no longer be possible. Bitpanda can therefore suspend the acquisition or termination of A-Tokens both during and outside trading hours. An important reason for a temporary suspension of A-Token contracts is, for example, in the following cases:

- in the event of ad hoc announcements or comparable media reports concerning an underlying asset that could lead to significant price movements
- in the event of significant price movements of an underlying asset of more than 10%
- in the event of a temporary market disturbance in relation to an underlying asset
- if neither prices from L&S nor from alternative equivalent price information service providers are available for an underlying asset
- if the shares or ETFs, funds, ETNs, ETCs, security tokens or certificates underlying the respective A-Token are no longer available to a sufficient extent, whereby this only affects the acquisition process
- if internal risk reasons are identified (e.g. exceeding risk requirements or thresholds)
- regulatory reasons
- other statutory or official or court-ordered restrictions
- in the event of a corporate action (share split, share consolidation, etc.)
- in the event of insolvency of the corresponding company, delisting, fund closure (for ETFs), a significant deterioration in the valuation of the underlying asset or a redemption of shares

For all these points, see also the risk factor “*Chapter 1, 2.16. Derivative contract change risk*” and the risk factor “*Chapter 1, 2.4. Market disturbance risk*”.

#### 1.10.4. *Suspension of the acquisition and termination process outside trading hours*

The acquisition and termination of A-Tokens outside trading hours is a voluntary service provided by Bitpanda. Accordingly, Bitpanda is authorised to suspend this service at its own discretion. The investor therefore has no right to acquire or terminate A-Tokens at any time outside trading hours. In addition, the acquisition or redemption on weekend days is only possible to a limited extent. Investors can therefore not rely on Bitpanda accepting larger acquisition and termination orders on weekend days. See also the risk factor “*Chapter 1, 2.15. Trading risk*”.

#### 1.10.5. *Rights in the event of disruptive events*

In the event of market disturbances, internal risk reasons or technical problems on the Bitpanda platform, Bitpanda is authorised to restrict or suspend the offer for the duration of the market disturbances. In this case, investors will not be able to acquire or redeem A-Tokens. If they wish to acquire an A-Token, the process will not be completed and they will not become the holder of the A-Token. In the case of a redemption, the investor is temporarily unable to redeem the A-Token and is therefore still tied to the A-Token and the associated performance. Bitpanda Financial Services can also suspend, terminate or otherwise restrict the acceptance of orders. As investors' orders are only accepted via Bitpanda Financial Services or a similarly licensed company, this would also effectively lead to a restriction on acquisition or termination. See also “*Chapter 1, 2.4. Market disturbance risk*”.

Market disturbance occur, for example, if the trading platform suspends trading in an underlying asset or if trading on the trading platform is not even opened.

Bitpanda can also suspend the acquisition or termination due to market disturbances if Bitpanda has concerns about price formation on the trading platform. This is the case, for example, if there are significant price discrepancies between trading platforms.

Furthermore, technical failures, internal risk reasons or the unavailability of the systems can also lead to temporary restrictions on acquisition or termination. Bitpanda accepts no liability for market or technical disturbances and the associated damages and losses suffered by investors. See also the risk factor “*Chapter 1, 2.13. Risk associated with systems, third parties and force majeure*”.

#### 1.10.6. *Rejection and exclusion of investors*

In certain cases, it is possible that certain investors may not be able to acquire A-Tokens. For example, investors may be refused or denied the acquisition of A-Tokens by Bitpanda during the acquisition process. In addition, the investor himself may be completely excluded from acquiring A-Tokens without giving reasons. If the investor in question holds A-Tokens at the time, these are not affected. They can therefore continue to hold or redeem these A-Tokens. Bitpanda may also restrict the redemption of A-Tokens by the investor if there are important reasons, in particular regulatory or other legal provisions, official or court orders or similar circumstances. See also the risk factor “*Chapter 1, 2.16. Derivative contract change risk*”.

#### 1.10.7. *Exchange of underlying assets*

In the event that an ETF forms the underlying asset of an A-Token, Bitpanda has the right to exchange the specific underlying ETF for an ETF of another provider or issuer that refers to the same index (or other underlying asset) as the ETF originally designated as the underlying asset of the A-Token (see also “*Chapter 3, 1.9.7. Change of price information service providers or trading platforms*”, and “*Kapitel 1, 2.12. Outsourcing risk*”). If Bitpanda wants to offer an ETF as an underlying asset that reflects the German stock index (DAX - Deutscher Aktienindex), Bitpanda is free to choose the ETF provider. In particular, Bitpanda can switch to another provider that also offers an ETF based on the DAX at any

time. If Bitpanda customers who hold A-Tokens are affected by such a change, they will be notified via the Bitpanda platform or by email. The investor will then have four weeks to decide whether or not to accept the switch to the new provider. If he accepts the change, he will continue to hold the A-Token, otherwise he will terminate the contract at the market price valid at the time of termination. If the investor does not decide, Bitpanda can either terminate the contract at the current market price or switch to the new provider. It is possible that the new provider will charge higher ongoing costs. These will be communicated to the investors concerned before the switch. See also the risk factor “*Chapter 1, 2.6. Underlying asset risk – funds and ETFs*”.

#### 1.10.8. *Special cases and effects on the position of investors*

In addition to the receipt of a pro rata dividend or distribution (see “*Chapter 3, 1.7. Holding the A-Token product and participating in performance and dividends or distributions*”), there are other cases that can influence the value of the underlying asset of the A-Token, bring a one-off financial advantage/disadvantage or lead to a (total) loss. The most relevant cases are summarised below and described with possible scenarios for the investor. However, this does not preclude Bitpanda from choosing a different way of passing on advantages or disadvantages to the investor in individual cases.

Bitpanda endeavours to put investors in the same financial position as if they had acquired the underlying asset directly, even in special cases. If a special case results in a corresponding financial advantage, for example an increase in the share value or liquidation proceeds, Bitpanda endeavours to pass these financial advantages on to the investor. However, the investor has no legal claim against Bitpanda to pass on the benefits. Depending on the individual case, Bitpanda may decide how to transfer these financial benefits to the investor: by allocating additional A-Tokens, F-Tokens, other values on the Bitpanda systems, similar favourable economic effects or a combination of these. Bitpanda reserves the right to freely decide on the method of transferring the benefit. Reference is generally made to risks in this context, see in particular the risk factor “*Chapter 1, 2.14. Capital risk*”.

In the event that Bitpanda or the investor, following the settlement of transactions relating to A-Token contracts, is due to the special cases described below under “*Chapter 3, 1.11. Measures in connection with share capital*” or similar, economically worse off than under normal market conditions, Bitpanda is authorised to correct or reverse this disadvantage proportionately and retroactively.

In the event of special cases, Bitpanda may temporarily suspend the acquisition or termination of the relevant A-Tokens or terminate them at the end of trading on the day on which the relevant event first becomes publicly known or effective. In the event of termination, for example in the event of nationalisation, Bitpanda will terminate the investor's A-Token at the last available price of the underlying asset. The A-Token is thus terminated for the investor and the investor receives the equivalent value credited to his wallet. In addition, Bitpanda may also terminate or suspend the respective A-Token at any time for the reasons stated in the A-Token Derivative Terms and Conditions (for more details, see “*Chapter 3, 1.8. The Termination of the A-Token product in detail*” and “*Chapter 3, 1.10. Restrictions of the A-Token product*”). This right also exists – provided the general conditions of the derivative contract are met – in connection with corporate actions.

#### 1.11. **Measures in connection with the share capital**

A public limited company can, for example, decide to increase or reduce its share capital, which has an impact on the individual shares. These decisions (the “**corporate actions**”) are primarily decided during the Annual General Meeting and then communicated to all shareholders.

##### 1.11.1. *Share split*

A share split occurs when a public limited company converts its existing shares into a larger number of new shares with a lower nominal value. For example, the public limited company divides one existing share into two new shares. In the case of a share consolidation, the opposite happens in that the public



limited company reduces the number of shares already issued. For example, three shares are merged into one share. The share capital of the public limited company and the total value of the shares remain unchanged. For the investor, this means that Bitpanda adjusts the number of A-Tokens, either increasing them (in the case of a share split) or reducing them (in the case of a share consolidation). However, the economic value of the A-Token generally remains unchanged and the investor does not see any change in the value of their A-Token.

#### 1.11.2. *Buyback of shares*

If, for example, the public limited company has a large amount of cash, a resolution can also be passed at the Annual General Meeting to buy back some of the shares already traded. The public limited company thus invests in itself and reduces the number of shares traded on the market. With this type of capital reduction, the shareholder receives a cash settlement in proportion to the loss of his shares. The investor thus sees the number of his A-Tokens reduced and therefore also the total value. In return, however, he receives the compensation credited to his corresponding wallet, as if he had redeemed the A-Tokens in question.

#### 1.11.3. *Capital reduction*

If a public limited company suffers high losses, it is possible that the share capital must be reduced in order to offset the losses. This is often done when a company needs to be reorganised. The result of the capital reduction is that the value of each share is reduced. The investor therefore holds the same number of A-Tokens, but the total value is reduced. In contrast to the buyback of shares, however, the investor does not receive any compensation for the reduction in value.

#### 1.11.4. *Stock dividend*

Stock dividend exist when a public limited company carries out a capital increase by converting open reserves from company funds into share capital. This means that no new funds flow in from outside and the new share capital is distributed to the existing shareholders in proportion to their existing shareholding. For the investor, this means that the value of his A-Tokens remains unchanged, but he own a larger number of A-Tokens.

#### 1.11.5. *Comprehensive measures of the public limited company*

In addition to the corporate actions described above, there are other cases that have an indirect effect on the shares. These are, in particular, insolvency, nationalisation, delisting and mergers or spin-offs of companies.

##### 1.11.5.1. *Insolvency*

Insolvency occurs when the public limited company or ETF issuer is dissolved or liquidated or becomes bankrupt or insolvent. As soon as such proceedings are initiated, it is possible that the share will no longer be traded. It is also conceivable that all shares in the public limited company or shares in the ETFs will be transferred to a public administrator who will conduct the proceedings. In these cases, the investor can only hold his A-Tokens in the corresponding share, but can neither redeem them nor acquire new ones. All debts and outstanding claims of the public limited company are then settled during the proceedings. If there are still residual assets at the end of the proceedings, these assets are referred to as liquidation proceeds. The liquidation proceeds are distributed to the shareholders. Bitpanda terminates the A-Tokens held by the investor in the relevant public limited company at the end of the procedure. Any liquidation proceeds will be credited to the investor on a pro rata basis. If trading on the stock exchange is not suspended per se or other restrictions exist (such as delisting), Bitpanda can also facilitate an ongoing termination.

#### 1.11.5.2. *Nationalisation*

In the event of nationalisation, the public limited company is expropriated by the state or all assets are transferred to an authority, legal entity under public law or other state body. In this case, it is possible that Bitpanda loses any claim to the respective shares or ETFs, funds, ETNs, ETCs, security tokens and certificates or that they become worthless. Upon completion of the nationalisation, Bitpanda will terminate the respective A-Tokens and pass on any government compensation to the investor.

#### 1.11.5.3. *Delisting*

In the event of delisting, the listing of the underlying asset of an A-Token contract or its admission to trading on the European market will be cancelled or revoked. Bitpanda will therefore also terminate all corresponding A-Tokens held by the investor. If the corresponding share holders receive an equivalent value for the loss in value, Bitpanda will pass this on to the respective investors on a pro rata basis. As a rule, however, all A-Tokens are expected to be terminated at the closing price.

#### 1.11.5.4. *Merger and spin-off*

It is also possible for two public limited companies to merge (fusion or merger) or for a public limited company to split off part of the company (spin-off or split-off). In a spin-off, part of the public limited company is hived off and a new independent company is founded. X-AG thus decides to spin off a part of the company to form the new Y-AG. Existing shareholders receive a share in the new company. This has two changes for the investor: On the one hand, the value of the A-Tokens held in the public limited company X-AG is reduced. On the other hand, the shareholder receives new A-Tokens in Y-AG or a corresponding compensation. In the case of a split-off, on the other hand, the shareholder of X-AG is generally free to decide whether he wishes to continue holding his shares in X-AG or to exchange them for shares in the new Y-AG. As the investor does not hold the shares directly, but only participates in the change in value, he is not entitled to any voting rights. It is therefore up to Bitpanda to make a decision (see also “*Chapter 3, 1.11.7. Voluntary measures and other rights*”).

There are several possible scenarios for the fusion. It is possible, for example, that one of the two companies could disappear completely in legal terms as a result of the merger. The shareholders of the old public limited company, for example A-AG, thus lose the shares in this A-AG. Instead, however, they receive shares in the other company, B-AG. Bitpanda would therefore give investors a four-week period in which they can decide whether to redeem their old A-Tokens of A-AG at the current value or switch to the new underlying asset (B-AG). If the investor only holds A-Tokens in B-AG, nothing will change for him. B-AG can also offer or even force the current shareholders of A-AG to buy their shares (*squeeze-out*). In this case, Bitpanda terminates the investors' respective A-Tokens in A-AG at the current value and credits the investors' proceeds to the corresponding wallet.

If the merging companies decide to establish a completely new public limited company, the two existing public limited companies will be dissolved. In this case, both A-AG and B-AG will legally cease to exist, but a new C-AG will be founded. If the investor holds A-Tokens in either A-AG or B-AG, the procedure is as described above. In principle, the investor can decide within a four-week period whether he wishes to switch to the new C-AG or terminate the respective A-Token beforehand. However, this only applies if Bitpanda accepts the C-AG as an A-Token in the first place. In any case, Bitpanda is endeavouring to enable a corresponding value equalisation.

#### 1.11.6. *Measures taken by trading platforms and investment trusts*

Trading platforms can decide to temporarily suspend or interrupt trading (*trading halt*) if specific triggers occur. Triggers for this intervention in trading are in particular the expectation of a news announcement, correction of an order imbalance, a technical breakdown, regulatory concerns or particularly sharp price fluctuations, for example as a result of an extreme event. After trading is not possible during this time, the investor cannot redeem the A-Tokens in question or acquire new ones.

If such special triggers occur outside of trading hours, Bitpanda may, at its own discretion, temporarily suspend the acquisition or termination of the relevant A-Tokens (see also “*Chapter 3, 1.3. General functioning of the A-Token*”).

In the case of ETFs, a fund closure may be decided by the investment trust offering the fund. In this case, the fund or ETF will no longer be continued by the investment trust for various reasons, such as unprofitability or new regulations. In this case, Bitpanda reserves the right to switch to another provider (see also “*Chapter 3, 1.9.7. Change of price information service providers or trading platforms*”, and “*Kapitel 1, 2.12. Outsourcing risk*”) or to terminate the fund or ETF A-Token altogether. As with a change of fund or ETF provider, the investor has the option of switching to the new provider or terminating the contract within four weeks (see “*Change of fund or ETF provider*”, “*Chapter 3, 1.3. General functioning of the A-Token*”).

The provider of a fund or ETF can also redeem ETF shares, particularly in the event of market disturbances. The fund or ETF provider decides on the number of shares to be redeemed. Similar to buyback of shares, this means that the investor's number of A-Tokens in the corresponding fund or ETF is reduced, but he receives compensation credited to his corresponding wallet.

#### 1.11.7. *Voluntary measures and other rights*

If rights arise based on the underlying assets that go beyond pure changes in value, Bitpanda has the right to dispose of them. For example, a public limited company can decide on subscription rights for new shares. This gives the shareholder the opportunity to acquire new shares when they are issued, possibly even at a more favourable price. There are also preference shares, with which the shareholder receives higher dividends (in contrast to the usual ordinary shares), but has no voting rights. It is possible that a resolution is passed at a General Meeting to change some of the preference shares into ordinary shares and vice versa. As the investor does not own the underlying asset per se, he is not entitled to exercise a voting right or other rights such as the subscription right.

In the same way, in the case of other corporate actions such as a buyback of shares or a share split, shareholders may be given the right to choose whether they wish to receive the settlement in shares or cash. Bitpanda reserves the right to exercise this option for itself. Bitpanda then passes on the advantage in terms of value to the investor in the best possible way. As the investor only has a right to participate in changes in value, he never has the opportunity to make the choice individually.

#### 1.11.8. *Illustrative overall example*

1. An investor acquires 2.5 A-Tokens in Birnen-AG. The current value of a Birnen share at the time of acquisition is EUR 100. The total value of the investor's A-Tokens is therefore EUR 250 (= EUR 100 \* 2.5 A-Tokens). Costs are incurred for the acquisition (see “*Chapter 3, 20. Presentation of the acquisition price of the investment including all incidental acquisition costs*”). In the context of Cash Plus, however, costs are only incurred in the context of distributions. For details on the exact price calculation, see “*Chapter 3, 1.9. Price determination process in detail*”.
2. By the end of the month, the market value of the Birnen share had risen by 10%. The total value of the investor's 2.5 Birnen A-Token also increases by 10% to EUR 275. See “*Chapter 3, 1.6. The acquisition of the A-Token product in detail*” for an explanation of the relationship between the underlying asset (share, ETF, fund, ETN, ETC, security token and certificate) and the A-Token.
3. At the end of the next month, a dividend of EUR 1 per share will be declared at the Annual General Meeting of Birnen-AG. As the investor still holds his A-Token, he is entitled to the dividend. After Bitpanda has received the dividend from Birnen-AG, it credits the investor's part. The investor receives EUR 2.47 (= EUR 1 \* 2.5 A-Tokens - costs) credited in F-Tokens.

For the exact procedure of the dividend payment and the calculation of the costs, see *“Chapter 3, 1.7. Holding the A-Token product and participating in performance and dividends or distributions”*.

4. A few months later, Birnen-AG decides at an extraordinary meeting to carry out a 1:2 share split. On the day of the share split, Bitpanda suspends the acquisition or redemption of Birnen-AG A-Tokens while it follows the split on the Bitpanda platform. The investor will not be able to acquire any more A-Tokens or redeem their A-Tokens on this day. On the following day, the investor will see in his wallet that he now holds 5 A-Tokens (= 2.5 A-Tokens \* 2). The value per A-Token has now fallen by half, but the total value has remained the same due to the increased number of A-Tokens. For details on share splits and other special cases, see *“Chapter 3, 1.10.8. Special cases and effects on the position of investors”*.
5. As the value of the Birnen A-Tokens has fallen by 5% after a few weeks, the investor decides to swap all of his Birnen A-Tokens for gold. The current value of his 5 A-Tokens is EUR 261.90 (= EUR 275 - 5%). He carries out a so-called swap on the Bitpanda platform. The Bitpanda platform terminates the 5 Birnen A-Tokens and automatically acquires the gold tokens for the investor. The investor now sees his gold tokens credited to the corresponding wallet. Costs are incurred for the termination (see *“Chapter 3, 1.9. Price determination process in detail”*).
6. However, the investor wishes to continue holding A-Tokens and decides to acquire A-Tokens of the ETF EURO STOXX Small (an index that focuses specifically on small companies in the eurozone that are listed on European stock exchanges) on a weekend. The market value of the underlying asset (=ETF EURO STOXX Small) is EUR 20. The investor acquires 13.8 A-Tokens, which means that the total value of his ETF EURO STOXX Small A-Tokens is now EUR 276 (= 13.8 A-Tokens \* EUR 20). The costs for a acquisition or redemption at weekend and night hours are higher than those at standard hours (for details see *“Chapter 3, 1.9. Price determination process in detail; 20. Presentation of the acquisition price of the investment including all incidental acquisition costs; 25. Presentation of the possibilities and costs of a subsequent sale of the investment”*).
7. Shortly after the acquisition of the EURO STOXX Small A-Tokens, the provider from whom Bitpanda buys the ETF decides to terminate the ETF (= fund closure). Bitpanda decides to switch to another provider (see also *“Chapter 3, 1.11.6. Measures taken by trading platforms and investment trusts”*) in order to continue offering this ETF. The investor receives information via the Bitpanda platform or by e-mail that he can either terminate his ETF EURO STOXX Small A-Token within four weeks or switch to the new provider. The investor agrees to the switch. Once the switch has been completed, the investor will continue to see his A-Tokens in his EURO STOXX Small Wallet. Any costs of the switch or higher fees of the new provider will be communicated to the investor before the switch and automatically deducted. For further restrictions, see *“Chapter 3, 1.10. Restrictions of the A-Token product”*.

#### 1.12. Regulatory environment

The A-Token derivative contracts offered by Bitpanda are regulated financial instruments, meaning that certain obligations under financial market supervisory law must be complied with as part of the public offering and distribution of such A-Token products. This concerns Bitpanda as the issuer and counterparty of the A-Tokens on the one hand and Bitpanda Financial Services as a licensed securities company that carries out the acceptance and transmission of investor orders on the other.

### 1.12.1. *Regulatory environment of Bitpanda as issuer of the A-Tokens*

As the issuer of the A-Token derivative contracts, Bitpanda is obliged in particular to prepare and publish an investment prospectus in accordance with Sec. 2 KMG 2019. By providing information about the issuer and the investment, investors should be provided with a sufficient basis for an informed investment decision. In contrast to securities prospectuses, investment prospectuses are not reviewed by the FMA. This investment prospectus was reviewed by an auditor for accuracy and completeness in accordance with Sec. 7 Par. 1 KMG 2019. As the issuer, Bitpanda assumes liability within the meaning of Sec. 22 Par. 1 No. 1 KMG 2019 for the accuracy and completeness of the prospectus. As an issuer, Bitpanda is liable pursuant to Sec. 22 Par. 1 No. 1 KMG 2019 for its own fault or the fault of its employees or other persons whose activities were used to prepare the prospectus and for any incorrect or incomplete information provided.

The A-Tokens offered by Bitpanda also fall into the category of Packaged Retail Products and Insurance-based Investment Products, also known as PRIIPs. In accordance with the PRIIPs Regulation, standardised key information documents must be drawn up for these products. These key information documents are intended to provide investors with standardised information about the basic features and risks of a product in a comprehensible manner so that they can make an informed investment decision. The key information document for the A-Token product and the respective product page on the Bitpanda platform for each individual A-Token provide an overview of the A-Token, the underlying asset (including information about its issuer), current and past market values, information about the issuer of the A-Token and risk assessments. In addition, there are certain notification and reporting obligations in connection with the A-Token product.

### 1.12.2. *Regulatory environment of Bitpanda Financial Services as distributor*

Bitpanda Financial Services is a securities company licensed under the Austrian Securities Supervision Act of 2018 ("**WAG 2018**") and carries out the acceptance and transmission of investor orders as part of the acquisition and redemption of A-Tokens as an securities service requiring a licence pursuant to Sec. 3 Par. 2 No. 3 WAG 2018. In April 2024, the existing licence of Bitpanda Financial Services was extended to include the following securities services and ancillary securities services Trading for own account pursuant to Sec. 3 Par. 2 No. 7 WAG 2018 and custody and management of financial instruments pursuant to Sec. 3 Par. 2 No. 10 WAG 2018. The acceptance and transmission of orders in relation to financial instruments requires a WAG 2018 licence, whereby the orders are accepted and transmitted to Bitpanda either via Bitpanda Financial Services or via another authorised company, such as securities companies or banks. As a licensed securities company supervised by the FMA, it is subject to comprehensive regulatory requirements under the WAG 2018, the Markets in Financial Instruments Regulation ("**MiFIR**"), the Market Abuse Regulation ("**MAR**") and the Financial Markets Anti-Money Laundering Act ("**FM-GwG**"). In particular, this includes the following organisational requirements, product governance obligations and conduct of business rules in accordance with WAG 2018 and the Markets in Financial Instruments Directive II ("**MiFID II**") and MAR.

### 1.13. **Pledge**

As the A-Tokens are structured as derivatives, there is a risk of loss for the investor on two levels: On the one hand, on that of the underlying asset, for example if the company that issued shares goes bankrupt. On the other hand, the investor is exposed to the insolvency risk of Bitpanda as the issuer of the A-Tokens.

Bitpanda wants to protect the investor from the insolvency risk of Bitpanda as far as possible. For this reason, the investor enters into a pledge agreement at the same time as acquiring A-Tokens. The pledge is a recognised means of securing credit, which is given by Bitpanda (as pledgor) in the form of a preferential right for the investor to the equivalent value of his A-Tokens against Bitpanda and is effective against anyone. Only if the debtor (Bitpanda) fails to fulfil its obligations does the investor, as the pledgee, subsequently have the right to obtain satisfaction from the items given as pledge. The

extent of the collateralisation is always limited to the amount owed by Bitpanda. The following general example illustrates this:

*A owes B EUR 100. A has a securities account with C in the amount of EUR 150. A pledges the securities account to B. A does not pay the money back to B on the agreed date. B can now demand that C hand over the securities. As A only owes EUR 100, but the securities are worth EUR 150, the securities are liquidated and B receives EUR 100 and A EUR 50.*

When A-Tokens are acquired, a pledge agreement is also concluded when the derivative contract is approved. Bitpanda pledges the securities and the clearing accounts that Bitpanda holds with the custodian bank to the investor. This credit balance is always at least equal to the amount of the A-Tokens issued, as Bitpanda acquires the underlying assets of the A-Tokens or holds corresponding credit balances (for details, see “Chapter 3, 1.3. General functioning of the A-Token”). As a pledge agreement is concluded for each acquisition of A-Tokens, the more A-Tokens an investor holds, the higher the collateralisation. The amount of collateralisation is also limited to this amount. The investor is therefore collateralised to the extent that he holds A-Tokens.

*The investor has already acquired A-Tokens totalling EUR 250 and decides to acquire further A-Tokens for EUR 200. His collateralisation level is now EUR 450.*

If the investor redeems A-Tokens, the collateralisation is also reduced by the same amount. No further action is required on the part of the investor.

*The investor has already acquired A-Tokens totalling EUR 250 and decides to terminate A-Tokens totalling EUR 50. The amount of his collateralisation after termination is EUR 200.*

The purpose of the pledge is to secure the insolvency of Bitpanda as the issuer of the A-Tokens. This means that if bankruptcy proceedings are opened against Bitpanda's assets, the investor has a right to separate satisfaction to the extent of the A-Tokens held at the time of the opening of insolvency proceedings. This in turn means that in the event of Bitpanda's insolvency, the investor will be given preferential treatment over other Bitpanda creditors. Instead of only receiving an insolvency quota, they receive the equivalent value of the A-Tokens back, as there is collateralisation in the event of insolvency. The pledge can also be enforced against Bitpanda by means of a legally enforceable execution title.

*The investor acquires A-Tokens of A-AG for EUR 250. At the same time, he is granted a pledge on Bitpanda's securities account and clearing account at the custodian bank. If Bitpanda goes bankrupt after the investor's acquisition and the price of the underlying asset of the A-Tokens remains the same, the investor is entitled to EUR 250 of Bitpanda's credit balance at the custodian bank. Assuming a rate of 10.9%, for example, the investor would only receive EUR 27.25 (i.e. only the respective insolvency quota) from the insolvency estate without granting the pledge.*

The collateralisation is also adjusted to the price of the A-Tokens or the respective underlying assets. Consequently, this is always the same as the value of the A-Tokens held by the investor.

*The investor has acquired A-Tokens totalling EUR 250.*

*Case 1: The price of the underlying asset of the A-Tokens falls and they are now only worth EUR 200. The collateral falls to the same extent as the underlying asset and the investor is only entitled to EUR 200 in the event of bankruptcy.*

*Case 2: The price of the underlying asset of the A-Tokens rises and they are now worth EUR 300. The collateralisation increases to the same extent as the underlying asset and the investor is entitled to payment of EUR 300 in the event of bankruptcy.*

Fees are not covered by the pledge and must be deducted from the collateral amount accordingly. Nor are dividends, distributions or other monetary claims based on the performance or corporate actions of the issuers of the underlying assets collateralised by the pledge. This means that in the event of Bitpanda's insolvency, even dividend payments or distributions that have already been resolved would have to be asserted against the insolvency estate and could therefore be lost or the investor would only receive the insolvency quota for these claims.

The investor cannot assert any claims against the custodian bank prior to the opening of insolvency proceedings against Bitpanda's assets.

The transfer of the pledge takes place by means of a third-party debtor notification. This means that the third-party debtor (custodian bank) is informed of the granting of the pledge. The legally required publicity is thus provided.

Bitpanda would like to point out that there is still a risk of an appeal by the liquidator in the event of insolvency. There is also the risk that the collateralisation may be declared invalid due to legal changes, supreme court decisions, appeals by other creditors or for other reasons. There is also the risk that no effective pledge is established for operational reasons, for example because a corresponding loss of data occurs. For details on the aforementioned risks, see "Restrictions and special risks" in "Chapter 3, 1.10. Restrictions of the A-Token Product" and the risk factor "Chapter 1, 2.20 Insolvency repayment risk".

Bitpanda reserves the right to transfer the pledged underlying assets to a securities lending system. In the context of securities lending, the lender (Bitpanda) transfers the securities in the securities account to the borrower for use for a limited period of time. In return, the borrower must collateralise the borrowed securities. In this context, only highly liquid assets are accepted as collateral, which become the property of Bitpanda in the event of the borrower's insolvency. This is expressly agreed as permissible in point 15.5 of the A-Token derivative terms and conditions. Bitpanda also undertakes to secure all investor claims by means of a pledge. Consequently, Bitpanda will only act in the context of securities lending if insolvency-proof collateralisation of investor claims continues to be ensured. For details on the aforementioned risks, see "Restrictions and special risks" in "Chapter 3, 1.10. Restrictions of the A-Token Product" and the risk factor "Chapter 1, 2.20 Insolvency repayment risk".

## **2. Paying, submission and depository offices**

### **2.1. Submission office**

The conclusion of the contract and the acquisition of A-Tokens are carried out exclusively online via the Bitpanda platform. The Bitpanda platform invites investors to submit an offer or to participate in Cash Plus and reserves the right to accept or reject an offer due to legal requirements or other reasons. Specifically, Bitpanda Financial Services or another appropriately licenced company accepts the orders and forwards them to Bitpanda. The "subscription" or submission of the offer is thus made via Bitpanda Financial Services to the issuer by way of online business.

### **2.2. Paying office**

The acquisition of assets requires an existing credit balance on the Bitpanda platform. With the exception of A-Tokens, which are acquired as part of Cash Plus, it makes no difference what form the credit balance on the Bitpanda platform takes (F-Tokens, crypto-assets, etc.). The settlement and therefore the paying office (in a broad sense) is therefore the Bitpanda platform. Investors can acquire

F-Tokens or deposit crypto-assets using payment methods such as bank transfers or credit cards. In the context of Cash Plus, the acquisition of A-Tokens takes place exclusively through the F-Tokens available on the investor's F-Token wallet. In addition, the investor decides which A-Tokens to invest in as part of Cash Plus based on the currency of the F-Token balance (EUR, GBP, USD).

### 2.3. **Depository office**

As the A-Token product is not securities and is not certification, there is no depository office. The A-Token derivative conditions are therefore not deposited with a third party, but are displayed to the investor via the Bitpanda platform. Bitpanda holds the underlying assets on which the respective A-Tokens are based in a custody account in Bitpanda's name at a credit institution for its own hedging of price changes and the like. This is not a custody account for investors, but exclusively a company custody account on the part of Bitpanda. Acquirers of A-Tokens have no claim to the underlying assets at any time. An exception exists in the event of insolvency due to the collateralisation of investor funds by granting a pledge (see "*Chapter 3, 1.13. Pledge*"), whereby even in the event of Bitpanda's insolvency, the investor has no direct claim to underlying assets, but to the equivalent value of the A-Tokens held.

## 3. **Overview of property rights issued to date**

### 3.1. **Overview of issued investments and securities**

The issuer has not issued any securities to date. The offering of the A-Token product by Bitpanda under the prospectus dated 20 April 2021 and the respective supplements thereto, under which investments totalling approximately EUR 97 million have been issued to date, will be terminated by publication of this prospectus. At the same time as the offer under this prospectus, Bitpanda is offering an index product that qualifies as an investment. This product is a basket of crypto-assets that is acquired and regularly adjusted based on an index. This issue has not yet been finalised at the time of preparing the prospectus, but can also be acquired in the future. A final overview of the investments issued and the issue volume is therefore currently not possible. The planned issue volume is currently capped at EUR 10 million (now increased to EUR 30 million) and includes an increase option (upper limit) to EUR 50 million. A further increase can only be made by means of a supplement pursuant to Sec. 6 KMG 2019 or a new prospectus. The prospectus for the Bitpanda Index can be viewed on the Bitpanda platform at [www.bitpanda.com](http://www.bitpanda.com). It should be noted that the collected capital is not freely available, but must be used directly for the acquisition of the underlying crypto-assets, similar to this product. Apart from the offering of the A-Token product under the prospectus dated 20 April 2021 and the respective supplements thereto and the current offering of the "Index Product" – no asset rights in the narrower sense were issued.

An ETN product was issued by Bitpanda Issuance GmbH, which was also admitted to trading on the Frankfurt Stock Exchange, among others. The issue of the ETNs was completed on 14 February 2023 with a total issue volume of EUR 1,428,602.22.

### 3.2. **Overview of other property rights**

The Bitpanda Group has issued two Initial Coin Offerings (ICOs) to date, whereby a separate token was issued for a fee using blockchain technology. Various rights are associated with the tokens issued in this way, but there is no direct entitlement to repayment.

#### 3.2.1. *Pantos Token*

The Pantos Token was issued in 2018 by Pantos GmbH (a wholly owned Bitpanda subsidiary) and is non-refundable or does not entitle to redemption on the Bitpanda platform. Pantos Tokens (PAN) with a total value of around EUR 4 million were issued in the course of the ICO.



### 3.2.2. *Bitpanda Ecosystem Token (BEST)*

The Bitpanda Ecosystem Token (BEST) was issued by Bitpanda in 2019 and is non-refundable. The token can be used to redeem or pay, for example, the Bitpanda spread on the Bitpanda platform. In total, assets worth around EUR 41.3 million were issued in the course of the BEST ICO.

### 3.2.3. *Bitpanda Leverage*

Bitpanda Leverage, a new financial product launched by Bitpanda in 2023, allows investors to bet – sometimes with leverage – on rising or falling market prices of certain crypto-assets. In April 2024, the issue volume of Leveraged Tokens totalled around EUR 5 million.

### 3.2.4. *Further products*

In addition, there is currently an ongoing public offer in connection with the index product described above. For details, see “*Chapter 3, 3.1. Overview of issued investments and securities*”.

## 4. **Legal form of the investment, total amount, denomination and purpose of the offer**

### 4.1. **Legal form of the investment**

Bitpanda will issue an invitation via Bitpanda Financial Services to submit an offer to acquire the A-Token product only via the Bitpanda platform. The acquirer submits the offer via the Bitpanda platform at the market prices, General Terms and Conditions and A-Token Derivative Terms and Conditions (see Appendix II) applicable at the time. Bitpanda reserves the right to accept or reject this offer, for example due to its own risk assessments, legal requirements or other reasons. Upon acceptance, a contract is concluded between the investor and Bitpanda based on the Bitpanda General Terms and Conditions and the A-Token Derivative Terms and Conditions (see Appendix II). With regard to Cash Plus, the investor can choose to participate and, provided sufficient funds are available, invest regularly and automatically in A-Tokens.

In addition, the acquirer becomes an investor in Bitpanda Financial Services and also accepts its GTC. The contractual form of the investment is therefore a purely civil law agreement between the parties involved in the conclusion of the contract (*inter partes*). The acquirer acquires neither shares or other interests in the issuer nor claims to the underlying shares. The acquirer therefore only has claims against Bitpanda.

### 4.2. **Total amount**

The total amount of the issue is capped at EUR 60 million. The total amount can be increased at any time. An increase option to EUR 100 million (upper limit) is expressly provided for.

A further increase can only be made by means of a supplement pursuant to Sec. 6 KMG 2019. The public offer will be terminated or suspended when the upper limit is reached as long as no further increase in the total amount is made by means of a supplement pursuant to Sec. 6 KMG 2019.

The total amount of the issue is calculated as follows: The issue volume of all A-Tokens of this issue offered in Austria is added together and results in the total issue volume. If investors subsequently redeem their A-Tokens, this volume is deducted from the issue volume. The total issue volume therefore corresponds to the sum of the acquisition prices of the A-Tokens acquired by Bitpanda investors minus the A-Tokens terminated by investors.

The total issue volume is calculated on an ongoing basis and will not exceed the upper limit of the issue at any time. The calculation is performed at least on a daily basis.

#### 4.3. Denomination and minimum/maximum amount

In principle, a minimum investment of EUR 1, GBP 1 or USD 1 is required. In some cases, a higher minimum investment can also be set for selected A-Tokens. Investors cannot acquire or terminate A-Tokens below the amount of this minimum investment. Investors can buy or sell the A-Token product from this amount in any available denomination. The denomination is therefore 1 euro cent, as no amounts below one cent can be deducted for billing reasons. There is no maximum amount, but for technical processing reasons a maximum amount per order is set, which can vary per A-Token. Bitpanda is also free not to accept offers above certain amounts or to apply its own maximum amounts for special forms of acquisition (e.g. via Bitpanda Savings).

Outside trading hours, no assurances can generally be given regarding acquisition and liquidation transactions and there are cumulative maximum amounts per investor, total limits based on volume and similar requirements, which lead to restrictions on tradability if thresholds are exceeded.

#### 4.4. Purpose of the offering

The A-Token product has the following purposes and additional benefits from an investor's perspective:

- Simple participation in the underlying assets shares, ETFs, funds, ETNs, ETCs, security tokens and certificates
- Basic tradability around the clock (24/7)
- Possibility of participation by means of small-participation shares in the underlying assets (*fractional*)
- Better opportunities for risk diversification through such small-scale investments
- Ongoing receipt of dividends or distributions directly on the Bitpanda platform
- Combination with “savings plans” (Bitpanda Savings) and simple acquisition option via the Bitpanda platform

The purpose of Bitpanda's offer is to introduce a new product to the market, to further develop the platform and the range of products, to further digitise existing assets and thus to achieve the following objectives, which are mutually interrelated:

- Introduction of a new product and full integration into the Bitpanda platform
- Creation of an additional withdrawal feature and competitive advantage
- Generation of additional revenue and profit
- Additional acquisition of new customers and stronger customer loyalty among existing customers
- Expansion of the product range to include “classic” financial products
- Continuation of the vision of “digitalisation”/“tokenisation” of existing assets

As the funds raised are not freely available for economic use (see “Chapter 3, 10. Information on the persons to whom the capital acquired from the issue flows for economic disposal, unless these persons are identical to the issuer” for more details), the purpose of the offer is also to acquire the underlying

assets, as the aim is to cover the A-Tokens held by investors with the respective underlying assets (shares, ETFs, funds, ETNs, ETCs, security tokens or certificates). Bitpanda acquires the respective underlying assets for this purpose and holds them in the company securities account (see *“Chapter 3, 1. Investment terms and conditions and structure of the investment”* for more details). In particular, the funds collected as part of this offer are used for this purpose and the capital is therefore not at Bitpanda's free disposal. Bitpanda investors are at no time entitled to the underlying assets and thus to the actual shares, ETFs, funds, ETNs, ETCs, security tokens and certificates and must be aware of this risk at the time of acquisition.

## 5. Type of investment (open or closed form)

There is neither a maximum nor a minimum number of investors. Each investor acquires the respective A-Tokens separately, as detailed described in *“Chapter 3, 1. Investment terms and conditions and structure of the investment”*. In principle, there is neither a maximum investment amount nor a relevant denomination (see *“Chapter 3, 4. Legal form of the investment, total amount, denomination and purpose of the offer”* for more details).

The offer period is not limited; the A-Tokens will be issued as a tap issue (see also *“Chapter 3, 12. Subscription period”*). The issue is limited to the total amount of the issue (EUR 60 million). An increase option to EUR 100 million as well as a further increase of the total amount by means of a supplement pursuant to Sec. 6 KMG 2019 is possible at any time (see also *“Chapter 3, 4.2. Total amount”* for more details).

In addition, the derivative contracts can be terminated by the investor at any time. There are no minimum holding periods, cancellation periods or similar. Only in exceptional cases may it not be possible to terminate the A-Tokens in the meantime. See the following points for more details: *“Chapter 3.1. Investment terms and conditions and structure of the investment”*; *“Chapter 3, 13. Any restrictions on the tradability of the investment and the market on which it can be traded”*; *“Chapter 3, 25. Presentation of the possibilities and costs of a subsequent sale of the investment”*; *“Chapter 3, 27. Cancellation periods on the part of the management companies”*.

The categorisation into an open or closed form is difficult due to the special design of the A-Token product. The above circumstances tend to favour an open form.

## 6. Investment communities that may have an influence on the investment

At the time of the preparation of the prospectus, the issuer has not established any other investment communities that have a direct influence on this investment. As described in *“Chapter 3, 3. Overview of property rights issued to date”*, Bitpanda is currently also offering the index product.

However, the issuer holds crypto-assets for its customers at the time the prospectus was prepared and will most likely continue to do so in the future. This is done outside and independently of the A-Token product. Unauthorised access to the specially secured wallets of the issuer and/or successful cyber-attacks can lead to significant losses at Bitpanda and – depending on the extent – also jeopardise Bitpanda's economic solvency. In such a case, there is also a significant risk of total loss for acquirers of the A-Token product. For more details, see *“Chapter 1, 1.3.1. Unauthorised access to the specially secured Bitpanda wallets and/or successful cyber-attacks can lead to significant losses at Bitpanda and – depending on the extent – also jeopardise Bitpanda's economic solvency, which can lead to a total loss.”* and *“Chapter 1, 2.19. IT risk”*.

The same applies to the two Initial Coin Offerings and the crypto-assets collected through them. For more information on the Bitpanda Group's Initial Coin Offerings, see in particular *“Chapter 3,*

3. *Overview of property rights issued to date*". In addition, reference is made to the current offering of the index product, see "*Chapter 3, 3.1. Overview of issued investments and securities*".

There are no other third-party investment communities that could have a direct influence on the investment. However, it should be noted that investment decisions by third parties can have a significant influence on price developments on the securities market. The underlying assets of A-Tokens, i.e. shares, ETFs, funds, ETNs, ETCs, security tokens and certificates, are assets with sometimes highly volatile market prices. It can therefore not be ruled out that third-party investment communities will indirectly influence the market value of the A-Token product.

## 7. **Indication of the stock exchanges on which the investment and other securities of the issuer are listed or traded**

Stock exchange trading of the A-Token product is excluded as it does not qualify as securities. The A-Token product is uncertificated, which means that it cannot be traded on a traditional stock exchange.

In addition, the A-Token product cannot be sold on the secondary market. This means that the investor cannot resell his A-Token product directly to another investor or otherwise transfer it to others, but can only terminate it with Bitpanda (see "*Chapter 3; 13: Any restrictions on the tradability of the investment and the market on which it can be traded*" for more details). Therefore the A-Token product can only be acquired, held and sold on the Bitpanda platform. Any form of transfer – even between investors – is technically and legally impossible.

The issuer has not issued any securities or other investments (except for the current offer of the index product) within the meaning of the KMG 2019 (see also "*Chapter 3, 3. Overview of property rights issued to date*" for details). Neither the Index Product nor A-Tokens are to be listed on an exchange or other trading centres. There are therefore no stock exchanges on which investments or other securities of the issuer are listed or traded.

Irrespective of this, the underlying assets on which the A-Tokens are based are listed on different stock exchanges or trading centres. This is necessary for the pricing detailed depicted in "*Chapter 3, 20. Presentation of the acquisition price of the investment including all ancillary costs*".

## 8. **Any third-party declarations of liability for the investment**

There are no third-party declarations of liability for this investment, nor are any such declarations planned.

## 9. **Persons who have firmly accepted the offer or guarantee it**

There are no persons who have firmly accepted or guarantee the offer, nor are any such persons planned. The product is currently offered exclusively via the Bitpanda platform. However, Bitpanda reserves the right to offer the A-Token product via other distribution channels in the future. However, a firm takeover or guarantee is not planned.

## 10. **Information on the persons to whom the capital acquired from the issue flows for economic disposal, unless these persons are identical to the issuer**

The capital acquired from the issue flows exclusively to the issuer. However, the issuer cannot freely dispose of the acquired capital and it is therefore not at its free economic disposal. Instead, the issuer undertakes to use the acquired capital to acquire the corresponding underlying assets. The A-Token

product is therefore backed by the respective underlying assets, i.e. shares, ETFs, funds, ETNs, ETCs, security tokens or certificates.

The Bitpanda spreads and fees collected must be distinguished from this capital. These are at the full economic disposal of the company and flow into the general revenue of the platform.

## 11. The taxes levied on the investment

### 11.1. General information

This section on Austrian taxation contains a brief summary of some important principles relating to the acquisition, holding or sale of the A-Token that are relevant in Austria. The following comments are of a general nature and do not purport to fully reflect all tax considerations, nor do they address specific factual arrangements that may be relevant to individual potential investors. In particular, not all civil and corporate law transactions (such as mergers, exchanges, splits, amalgamations) carried out at the level of the underlying assets, which could also have an impact on A-Tokens, are dealt with.

This section is based on the Austrian tax laws currently in force, previous supreme court jurisprudence and the guidelines of the tax authorities and their respective interpretations, all of which are subject to change. Such changes may also be introduced retroactively and may adversely affect the tax consequences described below. Potential investors are advised to consult their legal and tax advisors regarding the tax consequences of acquiring, holding and selling. The tax risk arising from the A-Tokens is borne by the investor.

An offer of the A-Token product is also being considered in other countries. However, any such offers will not be made under this prospectus, but within the framework of the applicable national regulations. In particular, any foreign investors cannot therefore rely on the description of the tax situation in this prospectus.

### 11.2. Income tax aspects in Austria

#### 11.2.1. *Natural persons*

From a tax perspective, A-Tokens are to be classified as other non-securitised derivative financial instruments within the meaning of Sec. 27 Par. 4 of the Income Tax Act. The taxable income from A-Tokens (current revenues pursuant to Sec. 27 Par. 2 no. 2 of Income Tax Act and capital gains pursuant to Sec. 27 Par. 4 Income Tax Act) must generally be classified as income from capital assets within the meaning of Sec. 27 Par. 1 of the Income Tax Act at investor level.

Natural persons with unlimited tax liability in Austria who hold A-Tokens as part of their private assets are subject to the progressive income tax rate on taxable income, from A-Tokens (current revenues and capital gains) in accordance with Sec. 27a Par. 2 no. 7 of the Income Tax Act, regardless of the holding period. As there is no deduction of capital revenue tax for progressively taxed income upon investments in accordance with Sec. 93 Par. 1 of the Income Tax Act, the taxable income must be recorded and taxed by the respective investor as part of the annual income tax return. As part of progressive taxation, the investor is entitled to deduct income-related expenses. Losses from the sale of A-Tokens can generally only be offset against other income upon investments that is also subject to progressive income tax. Tax loss may not be carried forward to a later assessment period.

Natural persons with unlimited tax liability in Austria who hold A-Tokens as part of their business assets are subject to the progressive income tax rate on taxable income, from them (current revenues and capital gains) in accordance with Sec. 27a Par. 6 of the Income Tax Act, regardless of the holding period. The taxable income must be taxed as part of the annual income tax return. The investor is entitled to deduct business expenses. Losses from the sale of A-Tokens can generally be eligible for compensation.

Natural persons who are neither resident nor ordinarily resident in Austria are not subject to taxation in Austria on taxable income from A-Tokens within the scope of limited tax liability. The taxable income is also not subject to capital revenue tax deduction in Austria. The extent to which such taxable income is taxable in the respective country of residence of such a natural person must be analysed in accordance with the tax regulations of the respective foreign country of residence. In this context, consultation with a local tax advisor in the investor's country of residence is recommended or may be necessary.

#### 11.2.2. *Corporations*

Corporations with unlimited tax liability in Austria are subject to corporation tax of 23% (in 2023) on all taxable income from them (current revenues and capital gains) regardless of the holding period: 24%). Taxation takes place as part of the assessment. Losses from the sale of A-Tokens can generally be eligible for compensation. Losses can be carried forward, taking into account the loss offsetting limit pursuant to Sec. 8 Par. 4 no. 2 of the Corporation Tax Act.

Legal entities that do not have a registered office or place of management in Austria and do not have a permanent establishment in Austria are not subject to taxation in Austria on taxable income from A-Tokens within the scope of limited tax liability. The taxable income is also not subject to capital revenue tax deduction in Austria. The extent to which such taxable income is taxable in the country of residence of such a legal entity must be analysed in accordance with the tax regulations of the respective foreign country of residence. In this context, consultation with a local advisor in the investor's country of residence is recommended or may be necessary.

#### 11.2.3. *Outlook for the future tax rate*

The Eco-Social Tax Reform Act 2022 Part I, which was published on 14 February 2022 (Federal Law Gazette I No. 10/2022), from 1 March 2022 it provides for an extension of the voluntary deduction of capital revenue tax on taxable income from derivatives to securities companies within the meaning of Sec. 3 WAG 2018 that use a licensed payment service provider within the meaning of Sec. 7 ZaDiG 2018, an electronic money institution within the meaning of Sec. 3 Par. 2 E-Geldgesetz or an entity otherwise authorised to deduct a tax comparable to capital revenue tax for the withholding and payment of a tax equivalent to capital revenue tax.

Bitpanda is still examining the legal and technical requirements for the voluntary withholding of a tax equivalent to capital revenue tax within the meaning of Sec. 27a Par. 2 no. 7 in conjunction with Sec. 95 Par. 2 no. 2 L. c of the Income Tax Act and is currently not making use of this option. Bitpanda will inform investors in a timely manner as soon as there are any changes in this regard. Consequently, taxable income from uncertificated derivatives must initially be declared by way of assessment (see points 11.2.1 and 11.2.2).

We expressly point out that the above information does not constitute tax advice, either directly or indirectly, but is provided for general information purposes only. It is recommended that you obtain your own tax advice on the individual tax consequences of the A-Token.

## 12. **Term for the subscription**

The subscription period for the A-Token product begins on 26 April 2024. The prospectus will be published on the Issuer's website no later than one day prior to the commencement of the public offer. An offer of the A-Token product is also being considered in other countries. However, any such offers will not be made under this prospectus, but within the framework of the applicable national regulations.

Subscription is not subject to any time restrictions; the A-Tokens will be issued as a tap issue. The subscription period is therefore possible for an unlimited period of time. However, the Issuer reserves the right to terminate the issuance at any time and not to accept any further subscription offers and/or to terminate the management of the A-Token Product. Whether the A-Tokens will continue to be managed is independent of the closure of the offer.

The issue volume of the investment covered by the prospectus is currently limited to EUR 60 million. There is an option to increase this to EUR 100 million (upper limit). The subscription period ends at the latest when this upper limit is reached, unless this total amount is increased. The issue volume can be further increased by means of a supplement pursuant to Sec. 6 KMG 2019 (see “*Chapter 3, 4.2. Total amount*” for more details).

### **13. Any restrictions on the tradability of the investment and the market on which it can be traded**

#### **13.1. No tradability via regulated markets or stock exchanges**

The A-Token product cannot be traded on a stock exchange (see “*Chapter 3, 7. Indication of the stock exchanges on which the investment and other securities of the issuer are listed or traded*” for more details). The acquisition and termination of the A-Token product is therefore only possible via the Bitpanda platform (see also the risk factor “*Chapter 1, 2.15. Trading risk*”).

#### **13.2. Tradability via the Bitpanda platform and restrictions**

The acquisition and termination of the A-Token product is therefore only possible via the Bitpanda platform. As mentioned, the Bitpanda Platform only includes the broker (see “*Chapter 4, 1.2.3. Selected services*”). This applies to both the acquisition and termination of the A-Token product. The A-Token product can only be returned to Bitpanda. A sale or transfer to third parties is technically and legally impossible. As it is possible that the acquisition and termination on the Bitpanda platform may be interrupted, for example due to a lack of prices and/or technical difficulties, internal risk reasons or generally outside trading hours, investors may not be able to sell their A-Tokens. In this case, the capital is still tied up and investors also bear the risk of falling prices for the underlying assets of the respective A-Tokens (see “*Chapter 1, 1.3.2. A failure of the IT systems can lead to a significant impairment of Bitpanda's business operations. Depending on the duration and cause, this may have a significant negative impact on Bitpanda's business and financial condition.*” and “*Chapter 1, 2.4. Market disturbance risk*”). In addition, it should generally be noted that the design of the A-Token product also results in certain restrictions on tradability. For example, certain minimum amounts are stipulated for acquisition/sales, there may be suspensions of acquisition or termination and there may be similar reasons, both for individual A-Tokens and for all A-Tokens together, why the A-Token product cannot be acquired or terminated in the meantime. Particularly outside trading hours, Bitpanda does not guarantee acquisition and termination processes, as acquisition and termination represent a voluntary additional service on the part of Bitpanda and additional internal risk parameters restrict acquisition and termination (see “*Chapter 3, 4.3. Denomination and minimum/maximum amount*” for more details). Furthermore, trading or transfer of the A-Token product between investors is technically and legally excluded, which further restricts tradability.

#### **13.3. Resume on tradability**

Tradability (in the narrower sense) is excluded. The investor can acquire and redeem the A-Token product; however, trading of the A-Token Product is excluded. The tradability of the A-Token product (in the broader sense) is limited to the Bitpanda platform. Tradability may also be completely excluded, for example in the event of technical difficulties, market disturbances, internal risk reasons or generally outside trading hours. In such a case, the investor continues to bear the risk of falling prices and the capital invested cannot be withdrawn (see “*Chapter 1, 1.3.2. A failure of the IT systems can lead to a*”).

*significant impairment of Bitpanda's business operations. Depending on the duration and cause, this may have a significant negative impact on Bitpanda's business and financial condition.” and “Chapter 1, 2.4. Market disturbances risk” for more details).*

#### 14. **Distribution and administration costs, management costs, in each case by amount and form of clearing**

##### 14.1. **General information on selling, administration and management costs**

General administration and management costs fall under ongoing costs and therefore represent a part of the costs that recur annually if the A-Token product is held for a longer period.

##### 14.2. **Distribution costs**

Distribution is carried out by Bitpanda Financial Services or possibly in the future by another company licensed under the WAG 2018. Settlement takes place exclusively via the Bitpanda platform. This means that only the acquisition and redemption costs are incurred (see “Chapter 3, 20. Presentation of the acquisition price of the investment including all incidental acquisition costs” and “Chapter 3, 25. Presentation of the possibilities and costs of a subsequent sale of the investment” for details), but no additional distribution costs. In the event of future distribution via other companies, distribution costs may be charged by the respective company.

As already mentioned, Bitpanda Financial Services does not charge any distribution costs. Any distribution costs are already included in the Bitpanda Spread. The provision of the service is financed by Bitpanda. No costs are charged to the investor for the acceptance and transmission of orders relating to A-Tokens. Bitpanda Financial Services receives corresponding benefits from Bitpanda.

##### 14.3. **Administration and management costs on the part of Bitpanda**

Bitpanda does not charge any traditional administration and management costs. Other costs, such as the regular costs of the custodian bank or the price information service provider, are borne by Bitpanda. In general, Bitpanda's costs are covered by the Bitpanda Spread, which is charged at the time of acquisition and termination. For more details on the Bitpanda Spread, see “Chapter 3, 20.3. incidental costs during weekend and night hours” However, there may be a fee in the course of dividend distributions, which is deducted and retained from the dividend to be distributed. In addition, investors may incur platform costs when using the Bitpanda platform.

###### 14.3.1. *Forwarding fee*

Ongoing costs arise for the investor in the event of dividend distributions (usually once a year, sometimes quarterly) or other special cases (for details see “Chapter 3, 1.10.8. Special cases and effects on the position of investors”), as Bitpanda passes on any costs incurred by the custodian bank to the investor. This means that Bitpanda itself does not charge a fee in relation to dividends or similar, but only passes on the proportionate costs of the custodian bank to the investor. The total costs incurred by the process are deducted from the dividend and the dividend adjusted for the costs is distributed to investors on a pro rata basis. This indirect fee is passed on to each investor on a pro rata basis if the investor is entitled to a dividend (see “Chapter 3, 1.6. The acquisition of the A-Token product in detail” for details). The same applies to any taxes deducted by the custodian bank or otherwise due to Bitpanda. The amount of the forwarding fee is independent of any trading hours or normal, weekend or night hours. The forwarding fee represents an indirect cost factor for the investor. It is charged to Bitpanda by the custodian bank for the service of providing a dividend or one of the other special cases and passed on to the investor by Bitpanda. Bitpanda deducts the costs it incurs due to the forwarding from the dividend and credits the remaining dividend pro rata to the wallets of the investors who hold the certain A-Tokens. The following example illustrates this issue:



*There are 1,200 shares in Bitpanda's custody account. The gross dividend proceeds amount to EUR 12,300. A total of "1,000 shares" are issued to investors as a derivative contract. Costs and taxes totalling EUR 300 are charged to Bitpanda by the custodian bank. This results in net dividend proceeds of EUR 12,000 and a dividend per share of EUR 10. This is distributed to the investors depending on the number of A-Tokens held (e.g. 1.5 A-Tokens result in a dividend of EUR 15 for the investor). A total of EUR 10,000 is therefore distributed to the investors with the respective A-Token and EUR 2,000 is retained by Bitpanda, as 200 shares were not issued to investors as a derivative. Specifically, in this example, a forwarding fee of EUR 0.45 is incurred for an investor holding 1.5 A-Tokens of the respective share.*

For a further example of the dividend forwarding fee, see "*Chapter 3, 1.7. Holding the A-Token product and participating in performance and dividends or distributions*".

#### 14.3.2. Platform costs

In general, it should be noted that further costs may be incurred for the use of the platform. However, these are not directly related to the A-Token product, but are to a certain extent upstream and downstream of this A-Token product. Furthermore, these costs also depend primarily on the behaviour of the investor. For example, deposits that are credited immediately (instant payments) incur corresponding costs, while a normal transfer is free of charge. For this reason, general reference is made to these costs, as a description of all possible combinations would go beyond the scope of the prospectus. In addition, Bitpanda uses the services of third parties for some of these services, which is why the costs may change accordingly. Costs may therefore be incurred for: Deposits and withdrawals (depending on the payment service provider), transaction costs for the "deposit and withdrawal" of crypto-assets and other costs (such as reminder fees, processing fees or costs for the non-use of F-Tokens, see 4.7, 9.10 as well as 9.12 of the Bitpanda GTC). The costs can be found on the Bitpanda homepage or Internet platform.

#### 14.4. Administration and management costs for shares as underlying asset

There are no such costs for shares, which means that there are also no such costs for A-Tokens that have a share as their underlying asset. In total, there are therefore no administration and management costs for A-Token products with shares as the underlying. For distribution costs, see "*Chapter 3, 14.2. Distribution costs*" above.

#### 14.5. Administration and management costs for funds, ETFs, ETCs, ETNs, security tokens and certificates as underlying assets

Distribution, administration and management costs are relevant costs when holding an A-Token product whose underlying asset is a fund, ETF, ETC, ETN, security token or certificate. The ongoing costs vary from year to year and from underlying asset to underlying asset, as some of these may be linked to the performance of the fund, ETF, ETC, ETN, security token or certificate (e.g. performance fee) or may include other variable costs (e.g. advisory expenses for the fund, ETF, ETC, ETN, security token or certificate, auditing of the fund, ETF, ETC, ETN, security token or certificate). The range of distribution and administration costs is generally between 0.05% and 1.5% of the fund volume per year (*total expense ratio*). The distribution and administration costs as well as the management costs are deducted from the fund assets by the fund management company on an ongoing basis (e.g. daily or monthly) to cover ongoing costs. The administration costs and management costs are stated as an annual fee as a percentage of the fund assets and are shown in the fund regulations of the respective fund, ETF, ETC, ETN, security token or certificate. In general, these costs are effectively charged to the investor as a result of a slowdown in the performance of the fund, ETF, ETC, ETN, security token or certificate and a lower price on sale.

In the case of A-Tokens, which have funds, ETFs, ETCs, ETNs, security tokens or certificates as underlying assets, the investor also bears these costs, as they are deducted from the fund volume on an ongoing basis. In concrete terms, the value of the underlying asset is therefore lower than it would be without cost deductions. Bitpanda itself does not charge any administration and management costs to investors.

## 15. **Statement of the principles of valuation**

The value of an A-Token at any point in time is the current value of the underlying asset, specifically the underlying share or ETF, fund, ETN, ETC, security token or certificate unit. This is a 1:1 relationship. If the price of the share or unit rises by one per cent, the value of the A-Token also rises by one per cent.

The prices reflect the relationship between supply and demand on the trading centres. For this purpose, Bitpanda obtains current price data from the price information service provider (see in detail “Chapter 3, 1.9. Price determination process in detail”). These prices correspond to the current trading prices of the underlying assets on the primary trading platform L&S and are continuously updated during the trading hours of Lang & Schwarz (L&S) (Monday to Friday from 07:30 CET to 23:00 CET, Saturday from 10:00 CET to 13:00 CET and Sunday from 17:00 CET to 19:00 CET). The trading prices are displayed to the investor in Bitpanda's systems. Investors are therefore always shown the daily performance of the respective underlying assets on the Bitpanda platform.

The prices displayed in the price overview are merely an indication, as they reflect the respective average price between the redemption price (*bid* price) and the acquisition price (*ask* price) of an underlying asset. The price relevant to the investor at the time of any acquisition or redemption of an A-Token therefore differs from the price displayed in the price overview. In addition to the price overview and price history, investors also have access to a corresponding overview with relevant market data for each underlying asset. In addition to the current prices, this includes in particular percentage changes and the historical price development based on different observation periods.

Outside the aforementioned trading hours, the price is also requested from the price information service provider to determine the value of the A-Tokens and the last available price of the corresponding underlying asset during trading hours is regularly transmitted as a stable price and used to determine the value. Bitpanda is also authorised to switch to the stable price during trading hours.

## 16. **Disclosure of any encumbrances**

At the time of the preparation of the prospectus, there are no encumbrances in rem or other encumbrances. There are only customary liabilities from general business activities (see the annual financial statements in Appendix I for more details).

## 17. **More detailed provisions on the preparation of balance sheets and any statement of accounts**

### 17.1. **Preparation of the annual financial statement**

The Issuer's financial year corresponds to the calendar year. The financial year begins on 1 January and ends on 31 December.

The managing directors must prepare the annual financial statements and, if required by law, the management report of the company within five months of the end of the financial year, have them audited if there is a legal obligation to have them audited, and send them to the shareholders without delay. The Annual General Meeting must pass a resolution on the annual financial statement, the appropriation of net profit and the discharge of the management within five months of the end of the

financial year. The preparation of the annual financial statement and the management report shall be governed by the relevant statutory provisions and otherwise by generally accepted accounting principles.

Reporting in the sense of the annual financial statement extended to include the management report:

- A balance sheet as a statement of assets and liabilities;
- a profit and loss statement
- the appendix; and
- the management report.

### 17.2. **Audit of the annual financial statement**

The auditor of the 2022 annual financial statement is KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft.

The 2022 annual financial statement was audited by KPMG and issued with an unqualified audit opinion. The last financial year of the issuer ended on 31 December 2023, but the annual financial statement has not yet been completed and audited. The last available annual financial statement therefore refer to 31 December 2022.

Pursuant to Sec. 22 Par. 1 no. 5 KMG 2019, the auditor is liable if he has issued an audit opinion on the annual financial statement in the knowledge that this information is incorrect or incomplete pursuant to Sec. 22 Par. 1 no. 1 KMG 2019 and in the knowledge that the annual financial statement certified by it constitute a document for the prospectus audit.

For the presentation of the key financial figures, see "*Chapter 4, 2.2.2. Key business and financial figures 2022 and 2021*".

### 17.3. **Information on any statements of accounts**

There is no legal obligation to prepare a statement of accounts. The investment covered by the prospectus is not a direct or indirect investment in real estate, and neither this investment nor Bitpanda itself generates revenues from real estate as of the date of the prospectus. Rather, the funds raised are used to acquire the corresponding underlying assets (shares, ETFs, funds, ETNs, ETCs, security tokens and certificates).

There is therefore no obligation to prepare an statement of accounts pursuant to Sec. 9 no. 4 KMG 2019. The Issuer has therefore neither prepared statement of accounts in the past nor does it plan to do so in the future.

## 18. **Regulations on the distribution and appropriation of the annual net profit/annual profit**

In accordance with the Issuer's articles of association, unless the Issuer's general meeting decides otherwise (e.g. to distribute profits), the entire net profit is to be retained. Bitpanda expressly reserves the right to distribute the profit in full or in part or to retain it in full or in part in the company.

## 19. **Last statement of accounts including audit opinion**

The Issuer has neither prepared statement of accounts in the past nor does it plan to do so in the future. There is also no legal obligation to prepare statements of accounts (see “*Chapter 3, 17.3. Information on any statements of accounts*”).

## 20. **Presentation of the acquisition price of the investment including all incidental acquisition costs**

### 20.1. **General information on the acquisition price and the corresponding costs**

The acquisition price of the A-Token product shown is based on the current market price of the underlying asset, as the A-Token product as a derivative follows a 1:1 development of the underlying asset and is therefore relevant for the pricing of the share or ETF prices. The current prices of the A-Tokens can be accessed on the Bitpanda platform. The prices shown by Bitpanda – as part of the acquisition process – already include any spreads from third parties, in this case from price information service providers over which Bitpanda has no influence, with the exception of A-Tokens acquired or sold as part of Cash Plus, and are used as the basis for the Bitpanda spreads charged by Bitpanda to the investor (for further information on price determination, see “*Chapter 3, 1.9. Price determination process in detail*”). The Bitpanda Spread is discussed in “*Chapter 3, 20.2. incidental costs during standard hours*”. The costs are displayed to the investor during the acquisition or sale process via a link on the Bitpanda platform to a generic cost document, in which the investor is shown any costs that may be incurred. There is no spread for the acquisition or sale of A-Token as part of Cash Plus, and fees are only incurred on the distributions. Bitpanda charges a payout fee of up to 20% of the payout when receiving a payout on A-Tokens acquired as part of Cash Plus. Bitpanda can also charge investors more favourable conditions as part of marketing or promotional campaigns. Bitpanda bears the costs for individual campaigns. Investors are not entitled to these more favourable conditions in the future. If, in the course of a competition or during a longer promotional period of, for example, 3 months, the total costs charged to the investor by Bitpanda at standard hours when investing or redeeming A-Tokens (the “**Bitpanda Day Spread**”) are only 0.1% instead of 0.5%, or if no double spread is charged for the Bitpanda Night Spread at the weekend, these discounts only apply within the period specified by Bitpanda. As soon as this competition or the promotional period is over, the costs will be charged again at the normal rate, as shown below.

The price offered can be broken down into two parts. The first part is the acquisition price (*ask* price), which is higher and at which the A-Token product can be acquired. The second part is the redemption price (*bid* price), which is lower and at which the A-Tokens can be sold. The costs depend on the desired time of acquisition or termination of the A-Token by the investor. During standard hours, the Bitpanda Day Spread is charged and the costs are lower than at weekends and at night, when the higher Bitpanda Night Spread is charged. Outside of standard hours, the costs are higher, as Bitpanda charges the Bitpanda Night Spread during these times, which also doubles the spread charged by the price information service provider. In order to limit the costs for the investor, this doubling is limited to 3%. However, this means that the spread charged to investors is still more than 3%, as it results from the spread of the trading prices and Bitpanda's 3% surcharge. In addition, the described price increase or decrease of 0.5% is charged. See points 20.4 and 20.5 for more information. All these costs charged by Bitpanda are also summarised under the term Bitpanda Spread.

It should be mentioned once again that fees may be incurred for the use of the platform for deposits and withdrawals to the Bitpanda account as well as for the receipt of a dividend or similar special cases through the A-Token product. For a more detailed explanation of costs such as forwarding fees and platform costs, see points 14.3.1 and 14.3.2. It should be noted that the prices also include a third-party spread, over which Bitpanda has no influence.

## 20.2. Incidental costs during standard hours

Acquisition and redemption costs such as Bitpanda Spreads, like the platform costs, are non-recurring costs and are incurred at the time of acquisition and redemption. Acquisition and redemption prices are not identical, but differ from each other. This difference is the spread, see also point 1.8.2. The prices that Bitpanda receives from the price information service provider already include its spread. During standard hours, Bitpanda only charges the Bitpanda Day Spread.

The Bitpanda Day Spread is 0.5% and is calculated by multiplying the acquisition price received from the broker by 1.005 (1+0.5%) and by multiplying the redemption price by 0.995 (1-0.5%). It should be mentioned here that the Bitpanda Spread depends on the desired trading times of the investor. During standard hours, the Bitpanda Day Spread is therefore in fact lower than at weekends and at night (this includes stock exchange holidays). In addition, Bitpanda reserves the right to charge more favourable conditions, i.e. a Bitpanda Spread of less than 0.5%, as part of promotional campaigns or for individual assets, even in the long term. It is not possible to exceed 0.5%. The total costs charged to the investor for the investment or redemption of A-Tokens by Bitpanda are called the Bitpanda Spread. Depending on the time of day, the Bitpanda Day Spread or the Bitpanda Night Spread is charged.

The following example illustrates this topic during the standard hours mentioned above:

*With a acquisition price of EUR 32 and a redemption price of EUR 31, the spread is one euro. This spread comes from the price information service provider. The Bitpanda Day Spread, which Bitpanda deducts from the return redemption to the investor, is 15.5 euro cents  $[(31 - (31 \text{ EUR} * 0.995))]$  and 16 euro cents  $[(32 \text{ EUR} * 1.005) - 32 \text{ EUR}]$ , which Bitpanda adds to the acquisition price to the investor. The acquisition price for the investor is therefore 32.16 and the redemption price is 30.85 EUR.*

The investor pays a price of EUR 32.16 at the time of acquisition, which would be displayed on the Bitpanda platform. In this case, the Bitpanda spread is EUR 0.16 for the acquisition and EUR 0.15 for the redemption.

This example is based on the assumption that the investor acquires or terminates the A-Token product during standard hours. In the following point “Chapter 3; 20.3. Incidental costs during weekend and night hours”, the ancillary costs during weekend and night times are considered.

## 20.3. Incidental costs during weekend and night hours

If the investor wishes to trade outside the above mentioned standard hours, Bitpanda generally charges a double spread as well as the price adjustment. These two cost items (double spread and price adjustment) are collectively referred to as the Bitpanda Night Spread at weekend and night hours. The Bitpanda Night Spread therefore includes all costs charged by Bitpanda to the investor for the investment or redemption of A-Tokens at weekend and night hours.

### 20.3.1. Doubled spread

The acquisition and redemption prices are not identical. The difference between the two prices is called the spread. Bitpanda calculates this spread at the “closing price” (price transmitted outside the trading times of the price information service provider), doubles this difference and adds it to the acquisition price and deducts it from the redemption price at weekend and night hours. The investor therefore has to bear the spread twice. At off-peak times, when there is no active trading, the spread may be higher in some cases. For this reason, Bitpanda sets an upper limit for the doubling of the spread so that the associated costs are still affordable for the investor. Specifically, this means that Bitpanda adds a maximum of 1.5% to the acquisition and redemption price. However, this does not preclude the spread from being higher than 3% overall, as Bitpanda only limits its own spread

(doubling) to 3%. For example, if there is a spread of 5%, the total spread is 8% (5% from the price information service provider and 3% mark-up from Bitpanda). Without the restriction, the spread would be 10% (5% from the price information service provider and doubling by Bitpanda).

### 20.3.2. Price adjustment

The price increase or decrease is calculated by multiplying the acquisition price by 1.005, as already mentioned in point 20.4. For the redemption price, this is calculated by multiplying the redemption price by 0.995. The example below (“Chapter 3, 20.3.3. Examples”) explains this topic. The adjustment and the double spread are jointly referred to as the Bitpanda Night Spread.

### 20.3.3. Examples

The following example illustrates the topic of the Bitpanda Night Spread.

*Example 1: The acquisition price is EUR 45 and the redemption price is EUR 44, which means that the spread on the part of the price information service provider is EUR 1 or 2.2%. The spread is less than 3%. Bitpanda therefore doubles this spread and adds EUR 0.5 to the acquisition price and deducts EUR 0.5 from the redemption price. As a result, the acquisition price is EUR 45.5 and the redemption price is EUR 43.5 (both before price adjustment). Bitpanda then multiplies the acquisition price by 1.005 and the redemption price by 0.995, resulting in a acquisition price of EUR 45.78 and a redemption price of EUR 43.28 for the investor. In this case, the Bitpanda Night Spread is EUR 0.78 for the acquisition of an A-Token and EUR 0.72 for the redemption.*

*Example 2: The acquisition price is EUR 45 and the redemption price is EUR 43, so the spread is EUR 2 or 4.4%. If Bitpanda were to double the spread (2 EUR \* 2 = 4 EUR or 8.8%), the new acquisition price would be 46 EUR and the redemption price 42 EUR. However, Bitpanda only doubles the spread until this spread – added by Bitpanda – reaches a maximum of 3%. Accordingly, the spread is not doubled here, but only 1.5% is added to the acquisition price and 1.5% to the redemption price (resulting in a total of 3% as the upper limit for Bitpanda's surcharge). The acquisition price is therefore EUR 45.68 (instead of EUR 46) and the redemption price is EUR 42.36 (instead of EUR 42). The spread is now only 3.32 EUR (instead of 4 EUR). Bitpanda now multiplies the acquisition price by 1.005 and the redemption price by 0.995, resulting in a acquisition price of 45.90 EUR and a redemption price of 42.14 EUR for the investor. In this case, the Bitpanda Night Spread is EUR 0.90 for the acquisition of an A-Token and EUR 0.86 for the redemption.*

The doubling of the spread at weekend and night hours is due to the fact that this is a voluntary service provided by Bitpanda and is associated with higher risks for Bitpanda.

## 20.4. Presentation of the acquisition price and the corresponding costs

As already mentioned, the price is displayed as a acquisition or redemption price on the Bitpanda platform and investors can submit their offer to Bitpanda by clicking on the desired form (acquisition or termination). The acquisition or redemption price shown already includes all costs, except for forwarding fees or platform costs. The forwarding fee may arise when receiving a dividend or from other special cases, which Bitpanda receives from the custodian bank and passes on to the investor, see “Chapter 3, 14.3.1. Forwarding fee” on the forwarding fee and “Chapter 3, 1.10. Restrictions of the A-Token Product” for details on special cases. The platform costs can arise for deposits and withdrawals related to the Bitpanda account, see “Chapter 3, 14.3.2. Platform costs”.

With the exception of A-Tokens acquired or sold as part of Cash Plus, the price includes the spread, which is the difference between the acquisition price and the redemption price priced in by the price information service provider, as well as the Bitpanda Day Spread (for details see “*Chapter 3, 20.2. Incidental costs during standard hours*”). There is no spread for the acquisition or sale of A-Token as part of Cash Plus, and fees are only incurred on the distributions. Bitpanda charges a payout fee of up to 20% of the payout when receiving a payout on A-Tokens acquired as part of Cash Plus

## 21. Type and scope of investment hedging through registration in public registers

The investment is not hedged by entry in public registers or any other type of land register collateralisation. There is therefore no hedging through entry in public registers.

Irrespective of the fact that this does not constitute hedging in the above sense, the issuer points out that the shares, ETFs, funds, ETNs, ETCs, security tokens and certificates acting as underlying assets of the respective A-Tokens are generally acquired and held by Bitpanda for the purpose of hedging price risks. In addition, however, the investor is also hedged, as Bitpanda grants the investor a pledge on these underlying assets in the amount of the A-Tokens held (for details, see “*Chapter 3, 1.13. Pledge*”). See also the risk factor “*Chapter 1, 2.20 Insolvency repayment risk*”.

Hedging of the assets in the event of Bitpanda's insolvency is not guaranteed – see the risk factors “*Chapter 1, 2.10. Insolvency risk*”, “*Chapter 1, 2.20 Insolvency repayment risk*” and “*Chapter 3, 28. Provisions on settlement and the position of investors in the event of insolvency*” for more details.

## 22. Information on future performance of the investment

The future market performance of the underlying assets and thus of the A-Tokens cannot be predicted precisely. The historical performance of the underlying assets on which the A-Tokens are based also does not allow any reliable conclusions to be drawn about the future performance of the respective underlying assets and thus of the A-Tokens. In this sense, all exemplary calculations provided for by law, based on various assumptions, merely offer an indication of potential future performance. However, they can never make an exact or otherwise reliable statement about the future performance of the investment.

In accordance with the EU PRIIPs Regulation (EU) 1286/2014, Bitpanda is obliged to present certain standardised performance scenarios on the respective key information document of each individual underlying asset offered (share, ETF, fund, ETN, ETC, security token and certificate). Investors should be able to visualise differences in the potential achievable redemption through exemplary calculations based on certain scenarios and different holding periods. However, performance scenarios are only an indication of possible revenues and possible losses and are based on revenues and losses in the recent past. Actual revenues/losses may be lower/higher than indicated. All key information documents are available for investors to download from the Bitpanda platform without restriction. The performance scenarios and associated tables contained in the key information document (see Appendix III) show how the A-Token product held by the investor could perform over the next year, the next three years and the next five years under different scenarios if he/she invests EUR 10,000. The scenarios presented show how the investment could develop. The scenarios correspond to an estimate of future performance based on previous changes in the value of an underlying asset. They are not an exact indicator. The actual return/loss will depend on how the market performs and how long the investment/A-Token product is held. For these purposes, Bitpanda is also obliged to display a recommended holding period. Bitpanda does not make any explicit recommendations regarding the investment period for A-Tokens. However, Bitpanda generally recommends a longer-term investment (5 years), as otherwise the costs can have a significant impact on performance. The key information document calculates the percentage return for an i) stress scenario, ii) pessimistic scenario, iii) medium

scenario and iv) optimistic scenario, each for an assumed holding period of one, three and five years respectively, based on the past performance of the underlying asset.

The stress scenario shows price changes in extreme market conditions (see Delegated Regulation (EU) 2017/653 of 8 March 2017, Annex V, Part 2), but does not take into account the case that Bitpanda may not be able to make the payout. Bitpanda is authorised to temporarily suspend the redemption of A-Tokens in the event of market disturbances or for internal risk reasons, among other things, which is why the A-Token derivative contract cannot be terminated at any time in the cases listed in “*Chapter 3, 1.8.2 Termination by Bitpanda*”. Investors may not be able to redeem the A-Token at short notice or may incur a high loss upon redemption. In the worst case, investors could lose their entire investment.

The performance scenarios listed in the key information document include all costs incurred by the direct acquisition of A-Tokens via the Bitpanda platform. However, this does not include any costs that the investor may have to pay to their advisor or an external sales agent. In particular, the figures quoted do not take into account the personal tax situation.

For funds, ETFs, ETCs, ETNs, security tokens or certificates as underlying assets, a total expense ratio is shown in addition to the performance scenarios described above. This takes into account the annual management fees charged by the respective fund, ETF, ETC, ETN or certificate provider for the next five years based on the scenario that there is no increase in value. Investors therefore have an additional overview of all potential future costs. For further details, see “*Chapter 3, 14. Distribution and administration costs, management costs, in each case by amount and form of clearing*”.

The performance of the A-Tokens and the associated prices displayed on the Bitpanda platform reflect those of the underlying assets 1:1. However, the relevant price developments only affect the underlying assets and are therefore limited to properties or events that relate to the issuers of the underlying assets. This concerns, for example, a risk of loss of the issuer of the underlying asset, for which Bitpanda assumes no liability. This does not include the risk of loss arising from Bitpanda as the issuer or counterparty of the A-Tokens (see in detail “*Chapter 3, 28. Provisions on settlement and the position of investors in the event of insolvency*”).

Reference is therefore made to the respective key information documents, which contain a corresponding statement on the possible performance of the underlying asset. These are based on mathematical and statistical models that have been standardised by the legislator and are based on past values and developments. These models are sometimes criticised in the market, which is why investors should not rely on them under any circumstances. There is therefore no guarantee that the performance will remain within the scenarios presented in the key information document; in particular, there may be greater losses in value or even a total loss. See also the risk factor “*Chapter 1, 2.1. Market value risk*”. No information on future performance is provided beyond that required by law.

## **23. Conditions and calculation of the issue price for investments issued after the end of the initial issue**

A resale of reacquired A-Token products is not planned. Rather, the A-Token products will only be issued as part of the tap issue. Each investor therefore always acquires new A-Token products, which are calculated specifically from their investment and by no means the existing A-Token product of a previous A-Token investor. Trading or transfer of the A-Token product between investors is technically and legally impossible. No investment will therefore be issued after the end of the initial issue. The issue price is always calculated on the basis of the market prices at the time of acquisition. For details, please refer to “*Chapter 3, 1.9. Price determination process in detail*” and “*Chapter 3, 20. Presentation of the acquisition price of the investment including all incidental acquisition costs*” (details of the acquisition price).



## 24. Information on any subscription rights

There are no subscription rights, neither for acquirer of the A-Token product nor for third parties.

## 25. Presentation of the possibilities and costs of a subsequent sale of the investment

### 25.1. General information on the termination and the corresponding costs

As the derivative contract of the A-Token product has no term, the investor can in principle terminate the contract at any time by submitting an offer to redemption the contract to Bitpanda, which Bitpanda will fulfil as soon as possible. It should be noted that the investor has no unconditional right of redemption and that the platform merely invites the investor to submit an offer. Provided there are no market disturbances or other restrictions (see *“Chapter 3, 1.9. Price determination process in detail”*), Bitpanda will honour the offer and terminate the contract and remunerate the economic value of the A-Token product held. The A-Token product will only be remunerated in F-Tokens via the Bitpanda platform and there is no entitlement to “physical” delivery (to a securities account) of the underlying share or ETF, fund, ETN, ETC, security token or certificate. For more information on the rights of the investor and the rights of Bitpanda, see *“Chapter 3, 1.4.1. Rights of the investor”* and *“Chapter 3, 1.5. Rights and obligations of Bitpanda”*. The sale can be made against all assets of the Bitpanda platform (F-Tokens, crypto-assets, precious metals, etc.) (see *“Chapter 3, 25.2. Termination options and restrictions”*).

When redeeming the A-Token product, as with the acquisition transaction (see *“Chapter 3, 20.1 General information on the acquisition price and the corresponding costs”*), the desired time of redemption is decisive with regard to the costs. Acquisition/redemption requests outside standard hours are associated with higher costs than within standard hours. All costs except a forwarding fee (see *“Chapter 3, 14.3.1. Forwarding fee”*) and the platform costs (see *“Chapter 3, 14.3.2. Platform costs”*) are included in the Bitpanda spread. It should be noted that the prices also include a third-party spread, over which Bitpanda has no influence. Bitpanda only charges the Bitpanda Day Spread during standard hours.

During weekend and night hours, the prices are shown including the Bitpanda Night Spread (see *“Chapter 3, 20.3. Incidental costs during weekend and night hours”*), whereby Bitpanda – for doubling the spread – never adds more than 1.5% to the respective acquisition or redemption price. The total spread can – as already explained several times – be more than 3%, as the spread of the price information service provider is not limited and a maximum of 3% (as part of the doubling of the spread) is added to this by Bitpanda.

### 25.2. Termination options and restrictions

As described in *“Chapter 3; 25.1. General information on the termination and the corresponding costs”*, the investor is free to choose the time of termination of the A-Token product. By making an offer to Bitpanda, the investor can redeem the A-Token product after acceptance by Bitpanda and receive the economic value credited. It should be noted here that the investor can only redeem the A-Token product to Bitpanda. A transfer outside the Bitpanda platform or to other customers is legally and technically impossible. The investor can also exchange the A-Token product for another asset. The sale of the A-Token product for other assets (swap) takes place in two steps. Firstly, the A-Token product is terminated and secondly, the respective asset is acquired, whereby the acquisition is no longer part of the A-Token product. For more details on the options and restrictions on termination, see *“Chapter 3, 13. Any restrictions on the tradability of the investment and the market on which it can be traded”* and *“Chapter 3, 1.8.1. Termination by the investor”*.

### 25.3. Price determination during and outside standard hours

The price determination during and outside trading hours or standard hours for the sale of the A-Token product is basically identical to the price determination for a acquisition (see in detail “Chapter 3, 20. Presentation of the acquisition price of the investment including all incidental acquisition costs”). During normal hours, the prices are shown including the Bitpanda Day Spread and during weekend and night hours, the prices include the Bitpanda Night Spread.

The price adjustment as part of the Bitpanda Spread is also calculated here during and outside normal hours by multiplying the acquisition price by 1.005 and by multiplying the redemption price by 0.995.

*If the investor wishes to redeem the A-Token product, which has a price before price adjustment of EUR 33, 16.5 euro cents will be deducted from the redemption price, resulting in a price offered by Bitpanda of EUR 32.835 for the investor.*

During the weekend and night hours, a double spread is charged in addition to the price adjustment by Bitpanda, whereby Bitpanda limits its mark-up on the trading prices to a maximum of 3%. (For details, see “Chapter 3, 20. Presentation of the acquisition price of the investment including all incidental acquisition costs”).

*Example 1: With a acquisition price of EUR 45 and a redemption price of EUR 44, the spread is EUR 1 or 2.25%. Bitpanda doubles this spread to 2 EUR, adding 0.5 EUR to the acquisition price and deducting 0.5 EUR from the redemption price. This results in a acquisition price of 45.5 EUR and a redemption price of 43.5 EUR (before adjustment). In this case, the double spread is EUR 0.50 for the acquisition and EUR 0.50 for the redemption of A-Tokens.*

*Example 2: With a acquisition price of EUR 31 and a redemption price of EUR 29, the spread is EUR 2 or 6.67%. As this spread is above the 3% limit, Bitpanda does not charge the full double spread, but only the 3%. Bitpanda therefore does not double this spread (would correspond to 1 EUR on both sides), but only adds 0.473 EUR to the acquisition price and deducts 0.44 EUR from the redemption price.*

As the redemption process is basically identical to the acquisition process, further information can be found under “Chapter 3, 1.9. Price determination process in detail” and “Chapter 3, 1.8. The termination of the A-Token product in detail”.

### 25.4. Costs of termination

The costs of termination in connection with the A-Token product – with the exception of Cash Plus – again amount to the Bitpanda Day Spread during normal hours and the Bitpanda Night Spread during weekend and night hours. For more information, see the explanations in “Chapter 3, 20.2. Incidental costs during standard hours”; “Chapter 3; 20.3: Incidental costs during weekend and night hours” and “Chapter 3, 25.3 Price determination during and outside standard hours”. Under Cash Plus, there is no spread and fees are only charged on the distributions.

### 25.5. Presentation of the termination, price and the corresponding costs

The presentation of the prices on termination of the A-Token product are – with the exception of A-Tokens sold as part of Cash Plus – identical to the presentation of the prices during the acquisition process. A-Tokens sold as part of Cash Plus are automatically sold at the next available market price at the end of participation. In concrete terms, this means: If the investor deactivates Cash Plus, the respective available balance on the investor's F-Token Wallet will no longer be regularly and automatically exchanged for A-Tokens with money market funds as the underlying asset from this

point onwards. In addition, the deactivation of Cash Plus by the investor will result in all A-Tokens acquired as part of Cash Plus being immediately sold to Bitpanda.

## 26. **Services of the management company and the costs charged for them**

There is no management company. Therefore, no costs are incurred in this regard.

Regardless of this, the underlying assets are acquired by Bitpanda and held in custody by a custodian bank. The costs incurred for acquisition and custody are borne by Bitpanda. These are not passed on to the investor. Only any costs in connection with the receipt of the dividend are indirectly passed on to investors, as the dividend passed on and distributed to investors is correspondingly lower. See *“Chapter 3, 1.7. Holding the A-Token product and participating in performance and dividends or distributions”* for more details.

The contracts acquired with the A-Token product are stored at Bitpanda. No costs are charged for this storage, for the use of the account or other ongoing costs, such as custody or account management fees, and this is not planned for the future. However, costs are charged for the acquisition and termination of the A-Token product, as described in *“Chapter 3, 14. Distribution and administration costs, management costs, in each case by amount and form of clearing”* and *“Chapter 3, 20. Presentation of the acquisition price of the investment including all incidental acquisition costs”* and *“Chapter 3, 25. Presentation of the possibilities and costs of a subsequent sale of the investment”*. In addition, the costs charged to Bitpanda by the custodian bank in connection with the dividend, as well as taxes and the like, are in fact partially passed on to investors, as costs, taxes and the like are deducted before the dividend to be allocated is determined (see also above and *“Chapter 3, 1.7. Holding the A-Token product and participating in performance and dividends or distributions”*)

Further costs may be incurred for the use of the platform. In this regard, please refer to *“Chapter 3, 20. Presentation of the acquisition price of the investment including all incidental acquisition costs”* last paragraph.

## 27. **Cancellation periods on the part of the management companies**

There is no management company. Bitpanda may discontinue or terminate the offer of the A-Token product at any time. In this case, no new acquisitions of the A-Token product will be possible. The continuation of the A-Token product in terms of updating the market value, the receipt of dividends or the possibility of termination, etc. is independent of the closure of the offer.

Bitpanda also has the right to terminate the continuation of the A-Token product as a whole. This decision can be limited to an individual acquirer, for example due to the termination of the business relationship, legal concerns, possible fraud risks on the part of the investor or for other reasons, or it can be general, i.e. for all customers who hold A-Token products. Investors will be notified of any general discontinuation of the A-Token product via email and the Bitpanda platform and given a reasonable period of time to terminate the contract themselves. If no disposals are made of the A-Token product during this period, Bitpanda is authorised to terminate the A-Token product for F-Tokens at its own discretion. This procedure also applies in principle to the individual termination of the A-Token product. However, the respective circumstances must be taken into account and Bitpanda expressly reserves the right to immediately close and/or “freeze the funds”, for example in the event of suspected money laundering or other necessary steps. The steps to be taken depend on the individual case. Bitpanda will only take such immediate measures for important reasons. In all other cases, the above procedure applies, including advance information within a reasonable lead time. There is no cancellation period – the cancellation takes effect immediately.

In addition, Bitpanda expressly reserves the right to decide which A-Tokens are included in the platform and which underlying assets can be participated in. This also expressly includes the authorisation to remove A-Tokens that have already been included from the offering. A reasonable period of time will be set for this – except in special and important circumstances – to terminate the contract. If the investor does not terminate the contract by the end of this period, Bitpanda is authorised to terminate the derivative contract.

Furthermore, various service providers involved in the A-Token product, such as custodian banks, price information service providers, trading centres, technical service providers, etc., are entitled to mutual termination. See also the risk factor “*Chapter 1, 2.12. Outsourcing risk*”. In such a case, Bitpanda will make the best possible efforts to switch to an economically comparable solution as soon as possible, but cannot guarantee this in a timely manner or in general.

## 28. **Provisions on settlement and the position of investors in the event of insolvency**

In general, the acquisition process within the framework of the A-Token product is not aimed at acquiring ownership of the respective underlying asset. At no time does the investor acquire a direct claim to the underlying assets and therefore no ownership of the underlying assets behind the A-Tokens. Investors therefore bear the risk that they will be compensated from the general estate in the event of the insolvency of the issuer (Bitpanda) and that there are no special rights for priority settlement of the liability.

In the event of Bitpanda's insolvency, each investor would therefore participate fully in the entrepreneurial risk, up to and including a total loss of the capital paid in. Investors would then only have the option of lodging an insolvency claim with the liquidator. Only a small percentage of these claims is usually paid, the so-called insolvency quota. An investor would lose all claims not covered by the payment of this share and thus a large part of his investment.

To limit this risk, a pledge is granted in favour of the investor when A-Tokens are acquired. Without a pledge, all investors would be on an equal footing with all other Bitpanda customers and business partners – in accordance with the principle of equal treatment of creditors in insolvency proceedings. However, thanks to the pledge, A-Token investors have a preferential position in the insolvency proceedings and are therefore entitled to payment of their claims before other insolvency claims. For details on the pledge, please refer to “*Chapter 3, 1.1.3. Pledge*”.

Due to the collateralisation of the investor funds by means of a pledge, the investors holding A-Tokens receive a right to separate satisfaction and become so-called creditors with claims secured by a separation right. Creditors with claims secured by a separation right are entitled to preferential reimbursement of their invested capital. This is due to the fact that Bitpanda's custody account with the custodian bank becomes a separate estate on the basis of the pledge and these assets are prioritised for repayment of the capital invested in A-Tokens in the event of insolvency. The amount paid out to each investor in this case is limited to the equivalent value of the A-Tokens held. Other claims, in particular claims from dividend payments or distributions, are not covered by the pledge. Only the A-Tokens themselves or, more precisely, their respective equivalent value are collateralised. Even in the event of insolvency, the investor has no direct claim to the underlying securities, but only to the corresponding equivalent value.

Bitpanda would like to point out that there is still a risk that the pledge will be contested by the liquidator or other business partners and stakeholders of Bitpanda and that the collateralisation will be declared invalid as a result. In addition, there are operational risks, such as loss of data, missing entries or similar, which could lead to the invalidity of the pledge. Despite comprehensive clarification, Bitpanda cannot guarantee that the pledge will be effective or that it will not be cancelled by a court.

Accordingly, the investor may still be exposed to the risk of a total loss in the event of the company's insolvency despite the granting of the pledge. See specifically the risk factor "*Chapter 1, 2.20 Insolvency repayment risk*".

29. **Security identification number (if available)**

The investments covered by the prospectus are not securities. There is therefore no securities identification number. The individual underlying assets have a securities identification number.

## Chapter 4– Information on the issuer

### 1. **Company name and registered office of the issuer, object of the company**

#### 1.1. **Company name and registered office**

The Issuer operates under the name Bitpanda GmbH and acts under the commercial name Bitpanda. The registered office of the Issuer is in Vienna at the business address Stella-Klein-Löw Weg 17, A-1020 Vienna, Austria. The Issuer is registered in the commercial register of the Commercial Court of Vienna under FN 569240 v.

#### 1.2. **Object of the company**

##### 1.2.1. *Overview*

The Issuer's object of the company includes trading and exchanging digital assets of all kinds for fiat money and vice versa; services for securing private cryptographic keys to hold, store and transfer digital assets on behalf of a customer (electronic wallet providers); services for transferring digital assets of all kinds; the provision of financial services for the issue and sale of digital assets; trading in goods that are useful or necessary for the business purpose; IT services and services of all kinds with regard to digital currencies; and the acquisition, management and sale of shareholdings in domestic and foreign companies and enterprises, as well as the assumption of management and other service tasks in connection with the management of company shares and shareholdings. Activities in connection with cryptocurrencies fall within the scope of AML5. Therefore, the Issuer is registered as a service provider in relation to virtual currencies in Austria pursuant to the national implementation of these provisions in Sec. 2 no. 21 and 22 in conjunction with Sec. 32a FM-GwG and is subject to supervision by the FMA.

Bitpanda's core services include the custody of crypto-assets and the operation of trading venues for crypto-assets. With the issuance of the A-Token product, Bitpanda has expanded its service portfolio to include traditional financial instruments.

##### 1.2.2. *Business history and business development*

The legal predecessor of Bitpanda GmbH was founded in 2014 under the same name and merged with the Issuer in 2022 as part of a restructuring to optimise corporate law. As a result, the legal predecessor transferred all assets and legal relationships as the transferring company to the issuer as the acquiring company.

The Issuer has developed into an operator of the leading trading platforms in the European market. In the course of its business development, Bitpanda has steadily expanded its business areas and more recently also included traditional forms of investment such as shares, indices and commodities in its portfolio. With offices in several European markets, the Bitpanda Group achieved a global trading volume of almost EUR 4 billion in 2023.

##### 1.2.3. *Selected services*

###### 1.2.3.1. *Bitpanda Broker Services*

Bitpanda Broker Services provide access to the trading platform on the Bitpanda systems ("**Bitpanda Platform**") after a successful customer verification process. Selected crypto-assets can be traded on the Bitpanda Platform, including Bitcoin, Dash, Ripple, Bitcoin Cash, Ether and Litecoin. Settlement takes place in F-Tokens, which can be acquired from Bitpanda ("**F-Tokens**"). These represent the equivalent value of the legal currency deposited and credited by the customer. F-Tokens are offered exclusively by Bitpanda and serve exclusively on the Bitpanda platform as a means of exchange for

other assets offered by Bitpanda, including crypto-assets, precious metals, indices, derivatives and other financial products. It is not possible to transfer F-Tokens to another Bitpanda customer.

#### 1.2.3.2. *Bitpanda Savings*

Bitpanda Savings enables Bitpanda customers to regularly and recurrently acquire portions of crypto-assets or A-Tokens via the Bitpanda systems. This is done by submitting a binding offer where the customer specifies the amount they wish to pay in a legal currency on a regular basis to acquire a certain amount of tokens and a declaration of acceptance from Bitpanda in relation to each such offer. The frequency of these payments can be daily, weekly, fortnightly or monthly. The customer can have multiple Bitpanda saving plans, but each plan can only cover one type of token.

#### 1.2.3.3. *Bitpanda Card Services*

The Bitpanda Card is a debit card backed by digital assets.

#### 1.2.3.4. *Bitpanda Index Services*

Bitpanda Index enables Bitpanda customers to buy, sell or swap a predefined weighting of crypto-assets in an index. The Bitpanda systems offer different allocations of funds for different financial capitals, reflecting the performance of the respective allocated assets that customers can choose between.

#### 1.2.3.5. *Bitpanda Wallet and escrow services*

The Bitpanda Wallet ("**Bitpanda Wallet**" or "**Wallet**") allows customers to swap, sell and buy tokens without having to set up separate wallets on different blockchains. This is made possible for selected crypto-assets such as Bitcoin, Dash, Ripple, Bitcoin Cash, Ether or Litecoin through the provision of escrow services. In this context, Bitpanda holds these crypto-assets as a trustee on behalf of its customers on a escrow basis. Other tokens, such as A-Tokens, are not held in the escrow service. For reasons of clarity, all assets in the wallet (also in aggregated form) are displayed in a standardised and similar manner on the Bitpanda systems. These forms of presentation are for information purposes only.

#### 1.2.3.6. *Bitpanda Staking*

Bitpanda Staking allows Bitpanda customers to stake their crypto-assets for transaction verification purposes and receive rewards for doing so.

#### 1.2.4. *Core markets*

Bitpanda's core markets are in Germany, Austria and Switzerland (DACH region), France and the rest of the European Union.

#### 1.2.5. *Competitive position*

According to its own assessment, the issuer is the market leader in its product offerings in Austria. In other European markets, it has a smaller market share in its product offerings, which varies depending on the market. The issuer competes extensively with providers of similar products and services. The Issuer does not provide any further information on its competitive position.

## 2. **Presentation of the legal and economic circumstances, in particular information on the share capital or other corporate capital**

## corresponding to the share capital, its denomination including the designation of any different classes of share rights

### 2.1. Legal circumstances

#### 2.1.1. Legal form of the issuer

The Issuer is a limited liability company under Austrian law and is subject to Austrian law.

#### 2.1.2. Paid-in capital

The Issuer's paid-in capital amounts to EUR 48,093 and is fully paid in. All company shares are associated with the same rights and obligations. There are no different classes of share rights of the issuer.

#### 2.1.3. Financial year

The Issuer's financial year corresponds to the calendar year.

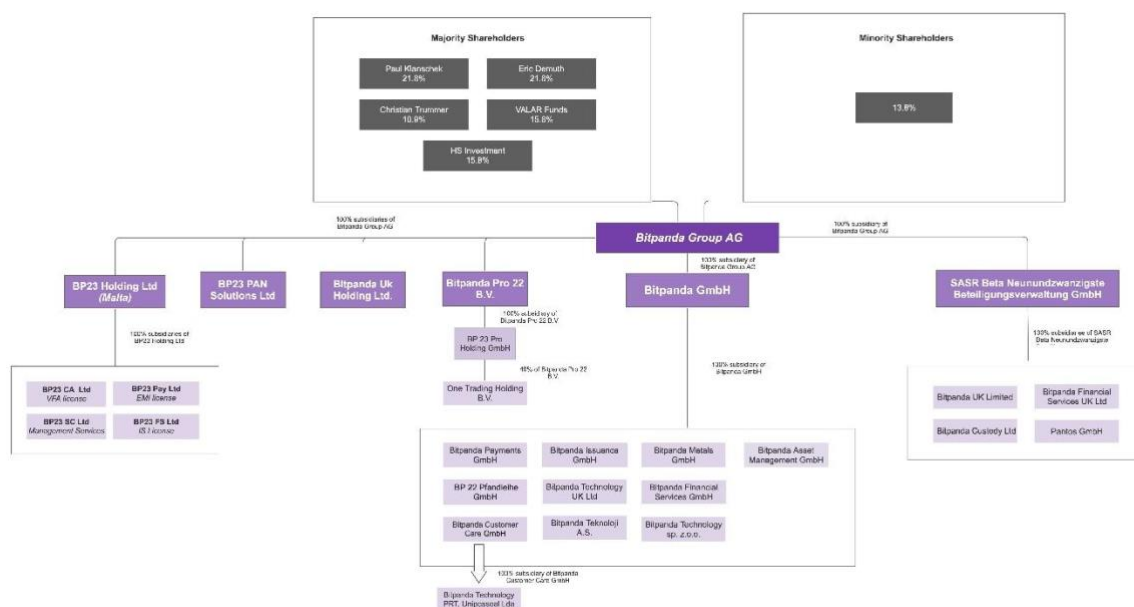
#### 2.1.4. Shareholder

The sole shareholder of the issuer is Bitpanda Group AG, a public limited company established under Swiss law, with its business address at Hardstrasse 201, CHE-8005 Zurich, and registered in the commercial register of the Canton of Zurich under commercial register number CHE-267.250.666.

#### 2.1.5. Description of the Bitpanda Group companies

##### 2.1.5.1. Overview

The following description of the Issuer's corporate structure as of the date of this prospectus (the "**Bitpanda Group**") is intended to provide an understanding of the business activities of the Bitpanda Group and includes the relevant subsidiaries and affiliates of the Issuer. The Bitpanda Group does not constitute a group in the regulatory or accounting sense.



##### 2.1.5.2. The group companies

As of the date of this prospectus, the following companies are part of the Bitpanda Group within the meaning of this prospectus:



### **Bitpanda Metals GmbH**

Bitpanda Metals GmbH offers the opportunity to invest in physically deposited and insured precious metals. The current product range includes gold, silver, platinum and palladium.

### **Bitpanda Payments GmbH**

Bitpanda Payments GmbH is a payment service provider in accordance with the Austrian Payment Services Act 2018 (“**ZaDiG**”) and is authorised to execute payment transactions (Sec. 1 Par. 2 No. 3 ZaDiG), financial transfer transactions (Sec. 1 Par. 2 No. 6 ZaDiG) and payment initiation services (Sec. 1 Par. 2 No.7 ZaDiG). As at the date of this prospectus, only the payment transaction business is carried out.

### **Bitpanda Financial Services GmbH**

Bitpanda Financial Services GmbH provides investment services, including the acceptance of securities orders for the acquisition of financial instruments. The provision of securities services is part of the Bitpanda Group's realigned corporate strategy, according to which the acquisition and sale of conventional financial instruments should also be possible via the Bitpanda platform. Accordingly, Bitpanda Financial Services GmbH is a licensed securities services company pursuant to Sec. 3 WAG 2018 and as such is subject to securities supervision by the FMA. Bitpanda Financial Services GmbH is authorised to accept and transmit orders within the meaning of Sec. 3 Par. 2 no. 3 WAG 2018, to trade for its own account within the meaning of Sec. 3 Par. 2 no. 7 WAG 2018 and to hold and manage financial instruments within the meaning of Sec. 3 Par. 2 no. 10 WAG 2018, provided that these activities relate to one or more financial instruments with express authorisation to hold client funds and financial instruments.

### **Bitpanda Asset Management GmbH**

Bitpanda Asset Management GmbH provides services in connection with crypto-assets in Germany on the basis of a licence granted by the German Federal Financial Supervisory Agency (“**BaFin**”) pursuant to Sec. 32 Par. 1 of the German Banking Act (“**dKWG**”) for proprietary trading within the meaning of Sec. 1 Par. 1a No. 4 L. c dKWG and crypto custody business within the meaning of Sec. 1 Par. 1a No. 6 dKWG.

### **Bitpanda Group AG**

Bitpanda Group AG is the direct sole shareholder of the Issuer. The shares in Bitpanda Group AG are held by a large number of shareholders, of which, based on the information provided by the management of Bitpanda Group AG, no shareholder exercises significant control over the management of Bitpanda Group AG, either alone or together with other shareholders.

#### *2.1.6. Relationship of the issuer to the group companies and dependencies*

There is a Service Level Agreement between the Issuer and Bitpanda Financial Services GmbH. The issuer is dependent on individual group companies and the services they provide.

#### *2.1.7. Significant contracts*

The Issuer has concluded standard market contracts with custody providers with standard contractual content. These are material contracts of the Issuer, as the Issuer is dependent on the services provided by the custody providers. The contracts contain customary cancellation clauses as well as warranty and liability provisions.

The issuer holds standard market contracts with cloud infrastructure providers. These represent material contracts of the Issuer, as the Issuer is heavily dependent on cloud infrastructure providers

for the provision of its services. The contracts contain customary cancellation clauses as well as warranty and liability provisions.

For the contractual relationship between the Issuer and Bitpanda Financial Services, see above.

#### 2.1.8. *Court and arbitration proceedings*

In the ordinary course of business activity, the Issuer and its affiliates are involved in certain legal and administrative proceedings before various courts and authorities concerning various contractual, labour and other matters. There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had in the recent past, a material effect on the Issuer's or the Bitpanda Group's financial condition or profitability.

## 2.2. **Economic circumstances**

### 2.2.1. *Market situation*

#### **Recovery after a turbulent 2022**

After the extremely turbulent year 2022, in which key industry players, for example, disappeared or collapsed, there has been a redemption of interest in risk assets such as shares and crypto-assets since the first quarter of 2023, especially in the fourth quarter of 2023. Global crypto spot trading volumes in 2023 are still relatively low on a monthly average, at around -40% compared to 2022, but the total crypto market capitalisation has increased from USD 832 billion to USD 1,725 billion (end of December 2023) since the beginning of the year, mainly driven by the largest assets such as Bitcoin and Ethereum

In addition, it should be noted that the SEC approved eleven US Bitcoin spot ETFs in early January 2024, which started trading the very next day. This approval can be seen as a milestone for the entire industry, especially given the SEC's overall critical stance towards cryptocurrencies.

#### **Restructuring and measures to counter the downward trend**

In June 2022, the Issuer's management decided to restructure as a measure against the general downward trend in the cryptocurrency industry, including a significant reduction in headcount, following an increase in staff in the first half of 2022. In addition, Bitpanda has implemented a company-wide cost control programme to optimise expenses and ensure the long-term existence of the company. The main purpose of this programme was to ensure transparency across the entire cost base and identify areas where expenses can be reduced without compromising the quality of the products and services offered. Using a data-driven approach, expenditure was analysed and cost items scrutinised to reveal inefficiencies or redundancies. The issuer continues to maintain this cost awareness.

#### **Product development in 2023**

In the challenging market environment of the 2023 financial year, Bitpanda increased its focus on the development of high-quality and attractive products.

In April 2023, the issuer launched Bitpanda Leverage to enable its customers to trade with leverage on both rising and falling prices of crypto-assets.

With the developed product "Staking", Bitpanda offers its customers the opportunity to earn weekly rewards by staking assets. Staking is a process where customers hold their crypto-assets in a wallet to support transactions and the security of a blockchain network. Customers use their crypto-assets as so-called "stakes" or staking funds. This process is particularly widespread in blockchains based on the proof-of-stake mechanism. Since 2022, customers have been able to trade crypto-assets with leverage. Bitpanda also introduced Bitpanda Commodities in 2022, which allows customers to invest in the price

movements of commodities. Within the existing asset classes of the Bitpanda platform, including crypto-assets, shares and ETFs, Bitpanda has also significantly expanded the number of offerings listed on its platform. At the end of 2022, Bitpanda customers had 206 different cryptocurrencies, 2,468 shares and ETFs and four different precious metals available for trading. With the launch of Bitpanda Technology Solutions, Bitpanda also added software solutions for business customers, in particular banks and fintechs, to its product range (see “Chapter 4, 2.2.3 Trend information and recent events” in the “Launch of Bitpanda Technology Solutions” section below for details). Furthermore, Cash Plus was launched in 2023, a product feature that allows customers to make automated and recurring investments in money market funds using A-Tokens. Cash Plus is also included in this prospectus as a feature of the A-Token.

### Focus on security

Bitpanda sees security as the centrepiece of its corporate strategy and intends to continue and expand this strategic focus even in the current challenging market environment. The collapses of well-known cryptocurrency companies, systems and blockchain protocols, such as the virtual currency Terra (Luna), the Singapore-based Hedge Fund Three Arrows Capital, and the US crypto trading platforms FTX, Voyager and Genesis, underline the high relevance of security and integrity as key guidelines for service providers in relation to virtual currencies and crypto-assets. Bitpanda has had the cryptocurrency stock, which are stored on servers not connected to the Internet (*Bitpanda-Cold-Storage*), audited by an external auditor in relation to the cumulative customer stocks. The results of this audit showed that the cryptocurrency stocks of the virtual currencies Bitcoin (BTC), Ethereum (ETH), Cardano (ADA), Ripple (XRP) and DOGE (Dogecoin) exceed the total customer stocks. In addition, Bitpanda received ISO 27001 certification, an internationally recognised standard for information security, in December 2022. Furthermore, the company continues to strive to ensure full compliance with international security standards.

#### 2.2.2. Key business and financial figures 2022 and 2021

Amounts in kEUR	Financial year 2022	Financial year 2021
Equity	162.134	278.141
Equity ratio	35.4%	42%
Balance sheet total	457.980	663.697
Net sales	82.104	477.917
EBITDA	-84.542	89.205
EBITDA margin	N/A	19%
Employees	592	389

Source: audited annual financial statement of the Issuer for the financial year 2022 (see Appendix I).

#### 2.2.3. Trend information and recent events

##### Acquisition of Trustology

In February 2022, Bitpanda acquired Trustology, a UK company that provides custody services for wallets, and renamed it Bitpanda Custody. The acquisition enabled Bitpanda to expand its service offering and become a custodian of cryptocurrencies for institutional clients. The integration of Trustology's technology into the Bitpanda platform and the expansion of custody services in the UK and EU aim to enhance Bitpanda's offering in these markets and make the platform more attractive to institutional and individual investors.

### **Bitpanda Pro Carve Out**

In 2022, Bitpanda Pro's Series A round of financing was completed. The legal separation of Bitpanda Pro and Bitpanda, including all necessary regulatory approvals, was finalised in April 2023. The technical separation of the services offered by Bitpanda Pro and Bitpanda was finalised in the course of 2023

### **Launch of Bitpanda Technology Solutions**

On 26 January 2023, Bitpanda launched the Bitpanda Technology Solutions project, formerly known as Whitelabel. This is a technical infrastructure designed to enable banks, fintechs, brokers and online platforms to offer their customers trading and investment services. The infrastructure is structured as a modular system, allowing Bitpanda's business partners to access Bitpanda's extensive product range. In the past, Bitpanda Technology Solutions has already partnered with several large fintech companies and online platforms (e.g. N26, HYPE, Lydia, Fabric or Plum) and provided its software solutions to more than 20 million customers in over 25 countries.

### **Armed conflicts in Ukraine**

The ongoing armed conflicts in Ukraine since the start of the war by Russia in February 2022 and the associated sanctions against Russia and Belarus may have an impact on European economies and the global economy. The Issuer is not directly active to any significant extent in Ukraine, Russia or Belarus. Nevertheless, this geopolitical conflict may have a long-term impact on the Issuer's trading volume, cash flow and profitability.

### **MiCA Regulation**

The MiCA Regulation (EU) 2023/1114 represents the harmonised legal framework at European level for crypto-assets. It aims to increase the protection of investors and contribute to the functioning of the markets by providing legal certainty for innovations in the field of distributed ledger technology. The MiCA Regulation entered into force in June 2023 and the majority of the Regulation will apply from 1 December 2024. Due to the additional regulatory burden this entails, the issuer does not expect any competitive disadvantage, but rather a market adjustment and a level playing field on the European market.

#### *2.2.4. Significant changes*

There have been no material changes to the Issuer's financial and profit situation or other economic prospects since the date of the last audited annual financial statement, i.e. since 31 December 2022.

#### *2.2.5. Financing of the issuer*

The issuer last carried out a round of financing in September 2021 and has sufficient financial reserves based on the last audited annual financial statement as at 31 December 2022.

#### *2.2.6. Rating*

There is no rating for the issuer.

## **3. Members of the management board, administration and supervision**

### **3.1. Management Board**

The managing directors of the Issuer are:

<b>Name</b>	<b>Position</b>	<b>Represents since</b>	<b>Other functions in addition to their activities at the Issuer</b>
Lukas Enzersdorfer-Konrad	Managing Director	31.08.2023 (self-employed)	Member of the Management Board of Bitpanda Group AG
Jonas Larsen	Managing Director	31.08.2023 (self-employed)	Not applicable
Philipp Heinrich Bohrn	Managing Director	01.02.2024 (self-employed)	Not applicable

### 3.2. Procuration

The following persons are authorised signatories of the issuer:

<b>Name</b>	<b>Position / area of responsibility</b>	<b>Represents since</b>	<b>Other functions in addition to their activities at the Issuer</b>
Eric Demuth	Chief clerk	31.08.2023 (self-employed)	Not applicable
Paul Klanschek	Chief clerk	31.08.2023 (self-employed)	Not applicable
Fabian Reinisch	Chief clerk	31.08.2023 (self-employed)	Not applicable

The authorised signatories may represent the issuer independently within the scope of the power of representation granted. The involvement of the managing directors is not necessary within the scope of the power of representation granted.

### 3.3. General Meeting

The general meeting of the issuer takes place at least once a year as an ordinary general meeting, decides on the matters specified by law and in the articles of association of the issuer and is generally convened by the management.

### 3.4. Supervisory Board

The Issuer is not subject to the obligation to establish a Supervisory Board, nor has an optional Supervisory Board been established for the Issuer.

### 3.5. Other corporate bodies

The Issuer has not established any other corporate bodies.

### 3.6. Conflicts of interest of members of the management board, administration and supervision

In order to regulate the handling of conflicts of interest and in particular their avoidance, the Issuer has adopted a Conflict of Interest Policy and a Code of Conduct, which are applicable to all employees and also to members of the management. Both documents are reviewed at least once a year and

updated if necessary. The Conflict of Interest Policy contains detailed rules for reporting potential conflicts of interest and for the various monitoring and remedial measures.

4. **Disclosure of shareholders who directly or indirectly exercise or may exercise a controlling role in the management of the issuer**

The sole shareholder of the issuer is Bitpanda Group AG (“**Bitpanda Group**”), a public limited company established under Swiss law, with its business address at Hardstrasse 201, CHE-8005 Zurich, and registered in the commercial register of the Canton of Zurich under commercial register number CHE-267.250.666. As the sole shareholder of the Issuer, Bitpanda Group therefore exercises a directly controlling role in the management of the Issuer.

**Annex I - Financial statements for Bitpanda GmbH (2022)**

**Bitpanda GmbH, Vienna, Austria**

**Translation**

**Financial Statements  
as at 31 December 2022**



## Translation

### Balance sheet as of 31 December 2022

*Appendix I/1*

**Bitpanda GmbH**

<b>ASSETS</b>	<b>Current Year</b>	<b>Prior Year *)</b>
in EUR	31 December 2022	31 December 2021
<b>A. Fixed Assets</b>	<b>54,924,566.24</b>	<b>50,381,447.22</b>
<b>I. Intangible assets</b>	<b>7,992,987.17</b>	<b>34,874,392.40</b>
1. Concessions, industrial property rights and similar rights as well as licences derived therefrom	161,479.48	213,185.78
2. Crypto currencies	7,831,507.69	34,661,206.62
<b>II. Tangible assets</b>	<b>12,784,901.54</b>	<b>13,178,719.54</b>
1. Land, similar rights and buildings, including buildings on thirdparty land	9,192,526.47	9,853,240.10
2. Other plants, furniture and fixtures	3,592,375.07	3,107,716.06
3. Prepayments and assets under construction	0,00	217,763.38
<b>III. Financial assets</b>	<b>34,146,677.53</b>	<b>2,328,335.28</b>
1. Investments in affiliated companies	33,996,677.53	2,178,335.28
2. Investments in associated companies	150,000.00	150,000.00
<b>B. Current assets</b>	<b>368,366,485.69</b>	<b>607,773,814.55</b>
<b>I. Inventories</b>	<b>25,614,912.06</b>	<b>51,902,400.15</b>
1. Crypto currencies	25,614,912.06	51,902,400.15
<b>II. Receivables and other assets</b>	<b>61,265,260.39</b>	<b>85,661,125.52</b>
1. Trade receivables	51,387.61	85,961.20
thereof with a maturity of more than one year	0,00	0,00
2. Accounts receivable from shareholders	41,573,735.69	11,380,026.57
thereof with a maturity of more than one year	0,00	0,00
3. Accounts receivable from associated companies	0,00	5,034.62
thereof with a maturity of more than one year	0,00	0,00
4. Other receivables and assets	19,640,137.09	74,190,103.13
thereof with a maturity of more than one year	424,017.90	423,235.73
<b>III. Securities and investments</b>	<b>178,557,837.80</b>	<b>50,365,837.47</b>
1. Other securities and investments	178,557,837.80	50,365,837.47
<b>IV. Cash and cash equivalents</b>	<b>102,928,475.44</b>	<b>419,844,451.41</b>
<b>C. Prepaid expenses</b>	<b>3,237,109.11</b>	<b>2,559,430.33</b>
<b>D. Deferred tax assets</b>	<b>31,451,903.05</b>	<b>2,982,205.94</b>
<b>TOTAL ASSETS</b>	<b>457,980,064.09</b>	<b>663,696,898.04</b>

Translation

**Balance sheet as of 31 December  
2022**

**Appendix I/2  
Bitpanda GmbH**

<i>Liabilities and shareholders' equity</i>	<i>Current Year</i>	<i>Prior Year *)</i>
in EUR	31 December 2022	31 December 2021
<b>A. Shareholders' equity</b>	<b>-162,134,402.67</b>	<b>-278,141,266.63</b>
<b>Share capital called-up and paid-in</b>	<b>-48,093.40</b>	<b>-48,093.40</b>
Subscribed Share Capital	-48,093.40	-48,093.40
<b>II. Capital reserves</b>	<b>-162,086,309.27</b>	<b>-227,536,203.75</b>
1. Restricted	-162,086,309.27	-142,648,509.29
2. Non restricted	0.00	-84,887,694.46
<b>III. Revenue reserves</b>	<b>0.00</b>	<b>-4,809.34</b>
1. Statutory reserves	0.00	-4,809.34
<b>IV. Net profit</b>	<b>0.00</b>	<b>-50,552,160.14</b>
<b>B. Governant grants for fixed assets</b>	<b>-1,205,667.50</b>	<b>-1,513,497.50</b>
<b>C. Provisions</b>	<b>-38,681,929.25</b>	<b>-59,801,484.42</b>
1. Provisions for taxes	-358,354.69	-14,264,793.94
2. Other provisions	-38,323,574.56	-45,536,690.48
<b>D. Liabilities</b>	<b>-255,958,064.67</b>	<b>-324,240,649.49</b>
1. FIAT-Wallets liabilities	-225,601,876.53	-281,354,371.35
thereof with a maturity of up to one year	-225,601,876.53	-281,354,371.35
thereof with a maturity of more than one year	0.00	0.00
2. BEST liabilities	-14,130,704.43	-34,782,198.95
thereof with a maturity of up to one year	-14,130,704.43	-34,782,198.95
thereof with a maturity of more than one year	0.00	0.00
3. Trade payables	-2,027,312.91	-3,270,395.14
thereof with a maturity of up to one year	-2,027,312.91	-3,270,395.14
thereof with a maturity of more than one year	0.00	0.00
4. Accounts payable to shareholders	0.00	-1,331.46
thereof with a maturity of up to one year	0.00	-1,331.46
thereof with a maturity of more than one year	0.00	0.00
5. Accounts payable to associated companies	-6,464,754.77	-838,189.54
thereof with a maturity of up to one year	-6,464,754.77	-838,189.54
thereof with a maturity of more than one year	0.00	0.00
6. Other Liabilities	-7,733,416.03	-3,994,163.05
thereof with a maturity of up to one year	-7,717,754.83	-3,974,516.96
thereof with a maturity of more than one year	-15,661.20	-19,646.09
thereof due to taxes	-2,114,997.65	-2,607,046.49
thereof with a maturity of up to one year	-2,114,997.65	-2,607,046.49
thereof with a maturity of more than one year	0.00	0.00
thereof due to social security	-297,326.59	-944,885.33
thereof with a maturity of up to one year	-297,326.59	-944,885.33
thereof with a maturity of more than one year	0.00	0.00
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>-457,980,064.09</b>	<b>-663,696,898.04</b>

## Translation

### Income Statement for the year ended 31 December 2022

**Appendix I/3**  
**Bitpanda GmbH**

	<b>Current Year</b>	<b>Prior Year *)</b>
in EUR	from 1 January 2022 to 31 December 2022	from 1 January 2022 to 31 December 2022
<b>1. Sales</b>	<b>2,315,832,486.06</b>	<b>7,880,603,286.81</b>
<b>2. Other operating income</b>	<b>50,124,409.62</b>	<b>170,741,497.95</b>
a. Income from disposal and revaluation of fixed assets excluding financial assets	11,340,520.02	167,927.94
b. Income from reversal of provisions	8,957.00	8,710.00
c. Sundry	38,774,932.60	170,564,860.01
<b>3. Costs of material and other purchased production services</b>	<b>-2,272,503,240.35</b>	<b>-7,573,427,807.53</b>
a. Cost of materials	-2,266,163,029.97	-7,560,574,257.16
b. Cost of purchased services	-6,340,210.38	-12,853,550.37
<b>4. Personnel expenses</b>	<b>-37,385,608.45</b>	<b>-71,709,651.48</b>
a. Salaries	-27,221,305.95	-56,743,394.86
b. Social expenses for statutory social security and payroll related taxes and contributions	-8,580,695.09	-14,646,098.27
c. Sundry personnel expenses	-1,583,607.41	-320,158.35
<b>5. Amortisation and Depreciation</b>	<b>-17,882,769.65</b>	<b>-4,545,019.02</b>
a. Intangible and tangible assets	-17,882,769.65	-4,545,019.02
<b>6. Other operating expenses</b>	<b>-155,942,319.45</b>	<b>-349,956,948.70</b>
a. Taxes, insofar they are not taxes on income	-2,023,925.03	0.00
b. Sundry	-153,918,394.42	-349,956,948.70
<b>7. Subtotal from line 1 to 6 (EBIT)</b>	<b>-117,757,042.22</b>	<b>51,705,358.03</b>
8. Other interest and similar income	412,053.07	0.00
9. Expenses for financial assets and short-term securities	-22,761,566.43	0.00
10. Interest and similar expenses	-1,692,976.95	-2,863,030.22
<b>11. Subtotal from line 8 to 10 (Financial result)</b>	<b>-24,042,490.31</b>	<b>-2,863,030.22</b>
<b>12. Earnings before taxes</b>	<b>-141,799,532.53</b>	<b>48,842,327.81</b>
13. Income taxes	25,758,291.39	-11,388,381.20
thereof tax allocation arising from the prior year	83,589.03	306,866.14
<b>14. Profit / loss for the year</b>	<b>-116,041,241.14</b>	<b>37,453,946.61</b>
15. Release of capital reserves	116,042,829.46	0.00
16. Allocation to revenue reserves	0.00	-148.65
17. Profit / loss carried forward	-1,588.32	13,098,362.18
<b>18. Net profit</b>	<b>0.00</b>	<b>50,552,160.14</b>

\*) In order to establish comparability with the previous year's figures, the figures for "Bitpanda old" are presented in 2021.

## Translation

# **NOTES**

### **In accordance with section 236 UGB (Austrian Commercial Code)**

(amounts in EUR)

#### **A. GENERAL INFORMATION**

#### **B. GENERAL INFORMATION ON ACCOUNTING AND VALUATION METHODS, AND ESTIMATION UNCERTAINTIES**

#### **C. NOTES TO THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT**

#### **D. OTHER INFORMATION**

#### **A. GENERAL INFORMATION**

Bitpanda GmbH (formerly SASR Beta Achtundzwanzigste Beteiligungsverwaltung GmbH) has its registered office in Vienna, Stella-Klein-Löw-Weg 17, 1020 Vienna. It is registered under the company register number FN 569240 v at the Vienna Commercial Court. The company is included in the consolidated financial statements of Bitpanda Group AG, Fraumünsterstrasse 16, 98001, Zurich, Switzerland.

Based on the merger agreement of 26 September 2022, the former Bitpanda GmbH (FN 423018 k; "Bitpanda old") was merged retrospectively as of 1 January 2022, transferring the business with SASR Beta Achtundzwanzigste Beteiligungsverwaltung GmbH (FN 569240 v, tax number 09 389/2404) the acquiring company, pursuant to § 96 ff GmbH in conjunction with § 220 ff AktG by way of universal succession.

The acquiring company, SASR Beta Achtundzwanzigste Beteiligungsverwaltung GmbH, was founded as a shell company with a total share capital of EUR 35 thousand under the articles of association dated 12 November 2021 and transferred to BP22 AG, Switzerland, per the transfer agreement dated 28 July 2022. The merger took place with the continuation of the company's book value. Following the merger, "Bitpanda old" ceased to exist and the business continued to operate now under SASR Beta Achtundzwanzigste Beteiligungsverwaltung GmbH. After the completion of the reorganization SASR Beta Achtundzwanzigste Beteiligungsverwaltung GmbH was renamed Bitpanda GmbH.

In order to ensure comparability of the previous year's figures, the figures of "Bitpanda old" are presented in the balance sheet, the income statement, the notes and the management report. This is possible due to the immateriality of the previous year's figures (balance sheet total: EUR 35 thousand, annual result: EUR 2 thousand) of SASR Beta Achtundzwanzigste Beteiligungsverwaltung GmbH. The reconciliation of the equity of the company from 31.12.2021 to 01.01.2022 is shown in Appendix II.

## Translation

### **B. NOTES ON THE STATEMENT OF FINANCIAL POSITION AND INCOME STATEMENT**

1. These financial statements have been compiled in accordance with the principles of the Austrian Commercial Code ("UGB") as amended.
2. The financial statements have been prepared in accordance with generally accepted accounting principles and the general objective of providing a true and fair view of the Company's assets and liabilities, financial position and earnings position.
3. The accounting, valuation and disclosure of the individual items in the annual financial statements were carried out in accordance with the general provisions of §§ 189 ff UGB and taking into account the supplementary provisions for corporations (§§ 221 ff UGB). In particular, the principles of consistency of valuation and presentation, individual assessment, prudence and imparity were taken into account (§ 201 UGB).
4. The financial statements have been prepared on a going concern basis. Bitpanda has posted a net loss of EUR 116,041 thousand for the current financial year, which was significantly influenced by the "crypto winter" and the associated reduction in revenue. The company's management has assumed in their planning calculation that these lower revenues will remain without any improvement for the next 2 years in any case, even under these assumptions, it appears that the company will remain solvent for the next twelve months. It should be noted that management has taken several steps to mitigate the impact of the crypto winter, including deferring or cancelling non-essential expenses, hiring freezes on staff and reducing marketing expenses. Based on the above analysis, the going concern assumption is appropriate for Bitpanda and therefore the financial statements have therefore been prepared on a going concern basis. The most recent results to the end of April 2023, are higher than planned and further confirm the approach applied here.
5. The principle of prudence was taken into account by only reporting profits released on the balance sheet date. All recognisable risks and impending losses were considered.
6. The assets held in trust for Bitpanda GmbH customers (cryptocurrency holdings) are not shown in the balance sheet, as Bitpanda GmbH is not the economic owner and accordingly does not bear the significant opportunities and risks of these assets.

Acquired intangible assets and property, plant and equipment were recognised at acquisition cost and, if subject to wear and tear, reduced by scheduled depreciation in accordance with section 204 (1) UGB.

The crypto asset holdings in the intangible assets are non-depreciable assets with a long-term retention period, which were written down to the lower value applicable on the balance sheet date in accordance with § 204 para. 2 of the Austrian Commercial Code (UGB) in the event of a probable permanent reduction in value (see point 1.6). If the reasons for the unscheduled depreciation cease to apply, the value is written up to a maximum of the original acquisition costs in accordance with § 208 para. 1 UGB.

## Translation

Scheduled depreciation was carried out on a straight-line basis. The useful life for the individual asset groups was:

<b>Investment group</b>	<b>Years</b>
Licences	3 - 5
Structural investments in third-party operating and office equipment	5 - 10
Operating and business equipment	3 - 7
Other plants	5 - 7
Office machines and IT equipment	3

Low-value assets with an individual acquisition value of up to EUR 800.00 were fully depreciated in the year of acquisition in accordance with § 204 para. 1 UGB in conjunction with § 13 EStG.

Unscheduled depreciation was carried out on fixed assets if the fair value on the balance sheet date was lower than the book value.

The financial assets were recognised at acquisition cost or at the lower fair value in accordance with the mitigated lower of cost or market principle, see point 1.6.

A DCF model was used for the valuation of the shares in affiliated companies in Trustology (now Bitpanda Custody, see point C 1.4.). The planning horizon ranged from 2023-2030, divided into a "Detailed Planning Phase" from 2023-2027 and a "Simplified Planning Phase" from 2028-2030. The model is based on the Custody as a Service (CaaS) revenue streams and synergies with Bitpanda GmbH. CaaS generates revenue from SME and enterprise customers based on the acquisition capacity of Bitpanda Custody's sales force. Synergies with Bitpanda GmbH result from a monthly flat fee for asset custody and revenue from potential white label partners. On the cost side, COGS & infrastructure (external provider Chainalysis, network costs, payment processing costs and cyber insurance) are the biggest drivers. Ongoing operating expenses include labour costs, marketing and development expenses, consulting and service costs, rent, management insurance, technical support, service costs and other costs. Capital expenditure includes IT equipment, HSM hardware and R&D expenses. The WACC was calculated at 17.5%.

Current assets were valued at acquisition cost (§ 206 para. 1 UGB) and reduced by depreciation in accordance with § 207 UGB.

Inventories were recognised at acquisition cost in accordance with the strict lower of cost or market value principle (section 206 (1) UGB in conjunction with section 207 UGB).

The valuation of the inventories on the reporting date was carried out by comparing the market value on the reporting date with the average acquisition costs of the most recently added stocks of the individual crypto assets in the inventory. For crypto assets that are not traded directly in euros, acquisition costs were calculated in a simplified manner by converting the crypto assets used at the daily rate on the reporting date - this also applies to crypto assets that are only quoted in other crypto assets (cross rates). Bitpanda users can earn weekly rewards through the Staking assets product, which was newly introduced in the financial year. The expenses from staking rewards paid to customers are reported under the item cost of materials and the sales revenues result solely from the rewards earned by Bitpanda GmbH from external exchanges. Revenue is

## Translation

based on the number of tokens received and their market value at that time. Bitpanda also recognises transaction revenue from e-tokens held in custody for customers, as Bitpanda acts as principal and not as agent. This results in gross recognition in the income statement.

Receivables and other assets were recognised at acquisition cost. In the valuation of receivables, recognisable and general risks were considered through individual devaluation (individual valuation). In 2022 as well as in 2021, there was no need to form a value adjustment for receivables in this context.

Other securities and shares include shares and ETFs ("exchange-traded funds") that are held in the company's own securities account and serve as collateral for the digital securities. Digital securities are tokens whose performance depends on underlying shares and ETFs and thus contain embedded derivatives. Digital securities are reported in the item liabilities from user wallets.

In accordance with section 206 of the Austrian Commercial Code (UGB), acquired shares and ETFs were recognised at cost (at the market price at the time of the transaction) after each transaction. At the balance sheet date, in accordance with the AFRAC 15 opinion, those shares and ETFs that form a valuation unit with the liabilities from digital securities were written down to the price of the average acquisition cost of the digital securities, as long as the market value was below this on the balance sheet date.

The shares and ETFs that did not form a valuation unit with the digital securities were valued at the market price as of 31 December 2022, taking into account the strict lower of cost or market principle (§ 206 para. 1 UGB in conjunction with § 207 UGB).

As the holding of shares and ETFs are linked to the digital securities, these were also reported as current in the same way as the liability.

According to AFRAC 15 Statement "Derivatives and Hedging Instruments (UGB)" TZ 28, the liabilities from digital securities (reported in the item liabilities from user wallets) form a valuation unit with the shares and ETFs and fulfil the criteria according to AFRAC 15 TZ 41 ("Critical Terms Match"). Due to this fact, a separate recognition and measurement of the embedded derivative according to AFRAC 15 TZ 71b was waived. In accordance with § 211 UGB, liabilities from digital securities were recognised at the settlement amount after each transaction. The settlement amount was derived from the market value of the underlying instrument (share or ETF).

As of the balance sheet date, in accordance with the AFRAC 15 opinion, the liabilities from digital securities, which form a valuation unit with the shares and ETFs, were revalued to the price of the acquisition cost of the shares, as long as the market value was above this on the balance sheet date.

For liabilities from digital securities that have been covered by shares and ETFs within the framework of a valuation unit, a revaluation to the higher fair value on the reporting date was omitted as long as the average acquisition costs of the shares and ETFs exceeded the book value of the digital securities due to the lower of cost or market principle.

## Translation

The liabilities from digital securities, which do not form a valuation unit with the shares and ETFs, were valued at the higher market price as of 31 December 2022, taking into account the maximum value principle.

Digital securities contracts are reported as a current liability, as the A-Token has no time limit, no maturity and no expiry date. Accordingly, the valuation unit also exists without a specific term.

These are investment funds that invest mainly in short-term, highly liquid debt instruments. They are used to achieve a higher potential return than traditional money market investments.

Market maker funds were recognised at acquisition cost in accordance with the strict lower of cost or market value principle (§ 206 para. 1 UGB in conjunction with § 207 UGB).

Deferred tax assets were recognised in accordance with § 198 (9) and (10) of the Austrian Commercial Code (UGB) using the balance sheet-oriented concept based on the corporate tax rate of 24% in 2023 (expected reversal of the temporary difference in 2023) and 23% from 2024 (expected reversal of the temporary difference from 2024) (2021: 25%). The deferred taxes as of 31 December 2022 result from temporary differences between the tax and company-law valuations of provisions and from the tax loss carryforwards. On the basis of a tax planning calculation for the years 2023-2027 derived from the corporate planning, which was also used as the basis for the corporate valuation (see Chapter B, section "Other provisions"), there is sufficient taxable income in the future, after reversal of the temporary differences on the liabilities and assets side, against which the tax loss carryforwards can be offset as of 31 December 2022.

Other provisions were recognised in accordance with the principle of prudence for all risks identifiable on the balance sheet date and for liabilities of uncertain amount or reason, impending losses from pending transactions and for expenses that are necessary according to reasonable business judgement. They were recognised at the settlement amount.

A provision for the "phantom stock plans" (PSOP) was reported under other provisions.

Bitpanda introduced two phantom stock plans (PSOP I in 2017 and PSOP II in 2019). The schemes stipulate that eligible persons are entitled to receive a cash payment from Bitpanda GmbH under certain conditions.

A planning calculation of the income statement for the years 2023 to 2025 was used as the basis for the adjusted present value method used.

The planning assumptions were mainly influenced by the fact that the correlation between the Bitcoin price and the trading volume on Bitpanda affects the platform's revenues. Historical Bitcoin price data was used in the context of Bitpanda's KPIs to calculate correlations between volatility in the crypto market and the number of active users, as well as the amount traded per active user, to inform the planning.

A 3 phase model was used for the assessment:

- Detailed Planning accounts from 2023 to 2025
- Rough planning for the convergence phase 2026 to 2032
- Growth phase according to Gordon/Shapiro from 2033 perpetuity



## Translation

The cost of equity of 16.77% was derived using a capital market-oriented model with the following parameters:

- Risk-free interest rate: 1.76% for the 30-year German government bond
- Beta factor: 2.23 based on a peer group with similar business activities
- Market risk premium: 6.74% which corresponds to a market return of 8.50%.

A value of EUR 1.3 billion was used for the calculation. In the previous year, the calculation was derived from the last Series C financing round in September 2021, which resulted in a company valuation of around EUR 3.3 billion.

There is a "vesting" period (36 months in PSOP I and 48 months in PSOP II) during which the eligible person must remain active for Bitpanda. For both programmes, a period of one year is defined as the "Cliff Period". The virtual unit rights therefore accrue to the beneficiary over a period of 36 months and 48 months respectively, with 33.33% (PSOP I) and 10% (PSOP II) of the respective virtual nominal amount accruing after 12 months from the respective cut-off date. The remaining 66.66% accrues for the PSOP I programme evenly on a monthly basis over a period of 24 months (PSOP I) after the expiry of the respective Cliff Period. The Panda Grant consists of a one-time grant (PSOP I) awarded to selected pandas to reward their continued influence and commitment to supporting Bitpanda in its future growth potential and taking on the exciting challenges ahead. For the PSOP II programme, a further 20% will accrue at the end of the second vesting year, as well as 30% at the end of the third vesting year, evenly spread over a 12-month period, and the remaining 40% evenly spread over a fourth vesting year.

The total volume of virtual share rights available for both programmes corresponds to a virtual nominal amount of EUR 1,985.12 (PSOP I: EUR 992.56; PSOP II: EUR 992.56). The share programmes end in each case by resolution of the management with the approval of the general meeting, in which case the virtual share rights already granted remain unaffected, or with the full payment of the volumes provided for in the programmes.

For PSOP I, an adjustment of the framework conditions was made in 2022, which came into force retrospectively as of 01.01.2021.

From the 01.01.2021, PSOP I contributions will only be granted once a year at the beginning of a month and will no longer be spread evenly over four quarters (employee's entry date if this falls on the 1st of a month or on the 1st of the following month).

The Cliff Period (1 year) and the vesting system (1/3 per year over a period of three years) remain unaffected by the amendment.

This adjustment resulted in a higher issuance of virtual share rights to employees, as a lower company valuation was still used for the calculation at the beginning of the 2021 business year. Employees received proportionately more PSOP shares for the same EUR equivalent.

Liabilities were determined at the settlement amount, taking into account the principle of prudence, and valued according to the highest value principle.

## Translation

FIAT liabilities to users were reported under the item liabilities from user wallets. These relate to customer credit balances, so-called F-Tokens, which are linked to the currencies EUR, USD, GBP, CHF, PLN or TRY and were recorded in the respective underlying currency. These liabilities were reported as current, as they have an indefinite term.

Furthermore, liabilities from digital securities (see description under other securities and shares) were reported under this item.

Under BEST liabilities, performance obligations from the issuance of the BEST token 1.0 were reported as a separate item on the liabilities side. When the BEST token was redeemed or returned, the liability was reduced to the respective market value at the time of redemption or return. Furthermore, it was possible for the user to opt into the new BEST 2.0 system as a "trade token" starting on 16 December 2021. As of this date, BEST 2.0 tokens were classified and valued as other inventories (see chapter B on inventories). An approval of the new BEST 2.0 also led to a reduction of the performance liability from the BEST tokens in circulation. As of the reporting date, the liability was recognised at the average issue price for simplification purposes. The BEST tokens 1.0 were reported as a current liability, as they can be redeemed at any time.

Receivables in foreign currencies were valued at the ECB reference rate as of 31 December or at the lower acquisition rate.

Liabilities in foreign currencies were valued at the ECB reference rate as of 31 December or at the higher acquisition rate.

### 7. Critical accounting judgements and reasons for estimation uncertainties

In preparing the financial statements, judgements and estimates have been made that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Information about judgements made in the application of accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following sections:

- Impairment testing of shares in affiliated companies: key assumptions for determining fair value
- Phantom stock plans (PSOP): assessment of possible obligations (provision) and company valuation as basis for the amount of the obligation
- The valuation of deferred taxes: an inherent uncertainty due to estimates of future tax events and developments

The above valuations incorporate management assumptions on the development of the crypto market. If these assumptions do not materialise, write-ups or write-downs may be necessary in future financial statements.

## Translation

### **C. NOTES TO THE BALANCE SHEET AND INCOME STATEMENT**

#### **1. Fixed assets**

- 1.1. The development of fixed assets and the breakdown of annual depreciation and write-ups by individual items are shown in Appendix I to the Notes.
- 1.2. In the current year, there was an extraordinary depreciation of EUR 22,261,566.43 (2021: 0 thousand) for the shares in affiliated companies (Bitpanda Custody Ltd) and for non-depreciable crypto asset holdings of EUR 12,746,012.78 (2021: EUR 2,135 thousand), which were reported under the item intangible assets.
- 1.3. In 2022, there were no write-ups on financial assets (2021: EUR 166 thousand) or on non-depreciable crypto assets (2021: EUR 2 thousand).
- 1.4. The company held interests in the following companies as of the reporting date (§ 238 para. 1 no. 4 UGB):

Name and registered office of the company	Share %	Equity		Profit / loss for the year	
		current year 31.12.2022	prior year 31.12.2021	current year 1.1.2022-31.12.2022	prior year 1.1.2021-31.12.2021
Pantos GmbH * Vienna	100	EUR 1,603,178.93	EUR 2,996 thousand	EUR -1,893,780.34 thousand	EUR 275 thousand
Bitpanda Payments GmbH* Vienna	100	EUR 1,151,875.37	EUR 1,043 thousand	EUR 108,837.15 thousand	EUR 474 thousand
Bitpanda Metals GmbH * Vienna	100	EUR 1,606,316.63	EUR 453 thousand	EUR 1,153,148.91 thousand	EUR 259 thousand
Bitpanda Customer Care GmbH * Vienna	100	EUR 529,797.12	EUR 206 thousand	EUR 305,073.42 thousand	EUR 131 thousand
Bitpanda Financial Services GmbH * Vienna	100	EUR 414,233.34	EUR 323 thousand	EUR 91,658.37 thousand	EUR 23 thousand
Bitpanda Asset Management GmbH * Berlin	100	EUR 1,165,736.61	EUR 21 thousand	EUR 30,729.88 thousand	EUR -1 thousand
Bitpanda Issuance GmbH Berlin	100	EUR 96,218.81	EUR 32 thousand	EUR 64,454.94 thousand	EUR 7 thousand

## Translation

Bitpanda Pro Holding B.V.* Amsterdam	100	EUR 7,796,745.01	n/a	EUR -157,071.33	n/a
Bitpanda UK Ltd * London	100	GBP 82,218.37	TGBP 66	GBP 16,200.00	TGBP 16
Bitpanda Technology UK Ltd * London	100	GBP 422,081.29	n/a	GBP 481,193.15	n/a
Bitpanda Custody Ltd * London	100	GBP 1,191,698.81	n/a	GBP -924,845.25	n/a
Bitpanda Financial Services UK Ltd ** London	100	n/a	n/a	n/a	n/a
Bitpanda Technology sp. z.o.o. * Krakow	100	PLN 1,212,367.84	TPLN 433	PLN 779,522.77	TPLN 428
Bitpanda Teknoloji A.S. * Istanbul	100	TRY 11,658,133.80	TRY 2,514	TRY 9,151,956.76	TTRY -479

\* No final annual financial statements are currently available for these companies.

\*\* Bitpanda Financial Services UK Ltd, registered office London, share 100% is a "dormant" company (capable of doing business, no significant turnover), therefore the 2022 figures are not relevant.

Bitpanda Ireland DAC, registered in Dublin, was liquidated in the financial year.

Bitpanda acquired Trustology, a UK-based company that provides custody services for wallets, in February 2022. The company has been rebranded as Bitpanda Custody and has expanded Bitpanda's service offering to become one of the largest custodians of cryptocurrencies in the world.

Bitpanda introduced the "Bitpanda Pro" sub-operation into the Austrian branch of Bitpanda Pro Germany GmbH with retrospectively effect from 1 January 2022. As Bitpanda GmbH is the sole shareholder of Bitpanda Pro Germany GmbH, it was not granted any new shares. The "Bitpanda Pro" sub-operation continues to operate in the permanent establishment in Germany, and Austria's right of taxation remains unchanged. The merger was made at book values for tax purposes and was duly reported. Bitpanda Pro Germany GmbH has moved its registered office from Berlin to Amsterdam and renamed itself Bitpanda Pro Exchange B.V.. This company is a 100% subsidiary of Bitpanda Pro Holding B.V.

## 2. Current assets

2.1. Securities and investments reported amounted to EUR 178,557,837.80 (2021: EUR 50,361 thousand) as of the balance sheet date. This item includes the shares and ETFs (reported in the item Liabilities from user wallets) in the amount of EUR 109,514,127.92 (2021: EUR 50,366 thousand). The fair value (market value) of these shares and ETFs is EUR 87,977,089.47 (2021: EUR 53,102 thousand). For shares and ETFs that formed a valuation unit with the digital

## Translation

securities, there was a devaluation of EUR 1,431,532.27 (2021: EUR 188 thousand). The devaluation of shares and ETFs that did not form a valuation unit with the digital securities amounted to EUR 182,332.19 (2021: EUR 13 thousand).

Money market funds amounting to EUR 68,997,501.39 (2021: 0 thousand) and other securities amounting to EUR 46,208.49 (2021: 0 thousand) are also reported under this item. The fair value (market value) of the money market funds amounted to EUR 69,186,395.99 (2021: 0 thousand).

2.2. The development of deferred tax assets was as follows:

	<b>Status 01.01.2022</b>	<b>Reversal</b>	<b>Allocation</b>	<b>Stand 31.12.2022</b>
Deferred tax assets	2,982,205.94	1,825,522.56	30,295,326.62	31,451,903.05
<i>thereof from loss carryforwards</i>	<i>0.00</i>	<i>0.00</i>	<i>30.295.219,67</i>	<i>30.295.219,67</i>

2.3. Receivables with a remaining term of more than one year were exclusively reported under the item receivables and other assets in the amount of EUR 424,017.90 (2021: EUR 423 thousand). In 2022, as well as in 2021, no income was included under other receivables and assets that will only become cash effective after the balance sheet date.

2.4. Receivables from affiliated companies include trade receivables of EUR 22,163,678.53 (2021: EUR 11,380 thousand) and other receivables of EUR 19,410,057.16 (2021: 0 thousand).

### 3. Equity

3.1. During the financial year, "Bitpanda old" was merged into SASR Beta Achtundzwanzigste Beteiligungsverwaltung GmbH. As of the merger date (1 January 2022), the surplus of the assets transferred from "Bitpanda old" over the consideration (granting of new shares) was transferred to the capital reserve. The portion of the transferred assets that was not offset by any consideration was transferred to the unrestricted capital reserve (EUR 65,340,720.56) and the voluntarily restricted capital reserve (EUR 142,653,318.63). In accordance with the shareholders' resolution, the voluntarily appropriated capital reserve can only be released in the event of a balance sheet loss, that would otherwise have to be reported, in order to avoid a capital-locking effect for one year from the entry of the merger in the commercial register. Free and restricted reserves were released in the amount of the annual loss. For the resulting development of equity, see Appendix II to the Notes.

## Translation

### 4. Provisions

4.1. The Provisions for taxes broke down as follows as of the reporting date:

	<b>Status 01.01.2022</b>	<b>Utilisation</b>	<b>Reversal</b>	<b>Allocation</b>	<b>Status 31.12.2022</b>
	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
Provision for corporate income tax	14,264,793.94	14,264,793.94	0.00	358,354.69	358,354.69
	<b>14,264,793.94</b>	<b>14,264,793.94</b>	<b>0.00</b>	<b>358,354.69</b>	<b>358,354.69</b>

4.2. Other provisions relate to provisions for PSOP and other provisions as shown in the schedule of provisions.

The following table shows the development of phantom shares outstanding for PSOP I and PSOP II for each reporting period:

	<b>Number of PSOP shares 31.12.2021</b>					
	<b>01.01.2021 outstanding</b>	<b>granted</b>	<b>terminated</b>	<b>buyback</b>	<b>31.12.2021 outstanding</b>	<b>31.12.2021 thereof vested</b>
PSOP I	463.36	160.17	0.00	-36.46	587.07	274.67
thereof Panda Grant	0.00	0.00	0.00	0.00	0.00	0.00
PSOP II	160.08	86.75	0.00	-1.35	245.48	28.69
<b>Total</b>	<b>623.44</b>	<b>246.92</b>	<b>0.00</b>	<b>-37.81</b>	<b>832.55</b>	<b>303.36</b>

	<b>Number of PSOP shares 31.12.2022</b>						
	<b>01.01.2022 outstanding</b>	<b>Adjustment PSOP*</b>	<b>accepted</b>	<b>expire</b>	<b>buyback</b>	<b>31.12.2022 outstanding</b>	<b>31.12.2022 thereof vested</b>
PSOP I	587.07	-72.46	209.66	-48.51	0.00	675.76	413.87
thereof Panda Grant	0.00	0.00	139.70	-4.91	0.00	134.79	0.00
PSOP II	245.48	-63,25	53.13	-69.81	0.00	165.55	64.23
<b>Total</b>	<b>832.55</b>	<b>-135.71</b>	<b>262.79</b>	<b>-118.32</b>	<b>0.00</b>	<b>841.31</b>	<b>478.10</b>

\* The outstanding PSOP shares were adjusted due to a change in the PSOP plan setup as of 01.01.2022.

As a result of the PSOP programmes, there is a long-term provision including non-wage costs of EUR 17,622,749.83 as of 31 December 2022 (2021: EUR 32,955 thousand). The average remaining term until vesting of all PSOP shares is 0.67 years for PSOP I, 2.67 years for the Panda Grant and 2.07 years for PSOP II.

Based on the company valuation of approximately EUR 1.3 billion (2021: EUR 3.3 billion; enterprise value 2021 derived from the Series C financing round), the provision was adjusted in the financial year.

## Translation

The provision for "Loan Notes Custody" (earn out agreement) amounting to EUR 10,376,000.00 (2021: 0 thousand) relates to payments for the purchase of Trustology, which are based on the achievement of defined targets.

Furthermore, non-wage costs for employee bonuses amounting to EUR 1,654,787.68 (2021: EUR 5,300 thousand) were accrued under other personnel provisions.

The provisions for other include costs for the Financial Market Authority in the amount of EUR 1,541,457.02 (2021: EUR 752 thousand).

The other provisions were made up as follows as of the balance sheet date:

Description	As of 01.01.2022	Reversal	Utilisation	Allocation	As of 31.12.2022
PSOP	32,955,055.34	15,332,305.51	0.00	0.00	17,622,749.83
Loan Notes Custody	0.00	0.00	0.00	10,376,000.00	10,376,000.00
Holiday not yet consumed	2,070,931.32	0,00	2,070,931.32	1,852,976.21	1,852,976.21
Other					
Personnel provisions	7,077,162.09	3,645,634.78	1,776,739.63	332,074.22	1,986,861.90
Provision for auditors	342,339.00	0.00	342,339.00	221,500.00	221,500.00
Provision for unbilled services	2,339,272.75	0.00	2,291,230.05	4,387,805.00	4,435,847.70
Provision for other	751,929.98	8,957.00	0.00	1,084,665.94	1,827,638.92
<b>Total</b>	<b>45,536,690.48</b>	<b>18,986,897.29</b>	<b>6,481,240.00</b>	<b>18,255,021.37</b>	<b>38,323,574.56</b>

### 5. Liabilities

5.1. The item Liabilities from user wallets includes the credit balances of customers on FIAT wallets in the amount of EUR 113,237,161.77 (2021: EUR 229,721 thousand).

Furthermore, liabilities from "digital securities" or "A-tokens" in the amount of EUR 112,364,714.76 (2021: EUR 51,634 thousand), which represent financial contracts relating to shares and ETFs (financial contracts with embedded derivatives), were also reported under this item. The fair value (market value) of the digital securities amounted to EUR 88,532,234.48 (2021: EUR 53,666 thousand). The performance of the digital securities in the financial year corresponded to the performance of the underlying shares and ETFs held in the own securities account and dedicated to current assets. Shares and ETFs held served as hedging instruments for the digital securities.

In connection with liabilities from digital securities, which form a valuation unit with the shares and ETFs, there was an appreciation of EUR 91,406.03 (2021: EUR 33 thousand).

In connection with liabilities from digital securities, which do not form a valuation unit with the shares and ETFs, there was an appreciation of EUR 7,955.71 (2021: EUR 33 thousand).

5.2. Liabilities to affiliated companies include trade payables of EUR 2,692,403.66 (2021: EUR 838 thousand) and other liabilities of EUR 3,750,000.00 (2021: EUR 0 thousand).

5.3. The total amount of liabilities with a remaining term of more than 1 year was EUR 15,661.20 as of the balance sheet date (2021: EUR 20 thousand).

## Translation

- 5.4. As in the previous year, all liabilities had a remaining term of less than 5 years.
- 5.5. Expenses amounting EUR 7,444,695.03 (2021: EUR 3,584 thousand) were recognised in the item other liabilities, which will only have an effect on payments after the balance sheet date.

### **Profit and loss account**

- 1.1. The breakdown of turnover according to areas of activity in the financial year is as follows:

	<b>2022</b>	<b>2021</b>
<b>Areas of activity</b>	<b>EUR</b>	<b>EUR</b>
Broker revenues	2,211,342	7,566,058
Revenues pro fee	0	2,921
Revenues Exchange	27,590	257,479
Sales revenue BEST	62,221	31,419
Revenues from payment services	6,680	16,644
Intercompany sales revenue	4,179	6,082
Revenue Staking	3,820	0
<b>Total</b>	<b>2,315,832</b>	<b>7,880,603</b>

- 1.2. Cost of materials comprises mainly of costs in connection with crypto trading.

- 1.3. Miscellaneous other operating expenses include the following categories:

	<b>2022</b>	<b>2021</b>
<b>Category</b>	<b>EUR</b>	<b>EUR</b>
Marketing effort	25,428	22,233
Intercompany recharges	25,440	9,243
Consultancy expenses	22,217	14,519



## Translation

Staff leasing	19,820	5,180
Rental and licence expenses	17,773	9,697
Devaluation expense	11,085	5,323
Loss from sale of shares and ETFs	7,824	521
Loss from sale of digital securities	4,834	2,286
Maintenance	2,977	5,343
Expenses	2,978	2,321
BEST	0	259,009
Other	13,541	14,280
<b>Total</b>	<b>153,918</b>	<b>349,957</b>

- 1.4. Expenses for the auditor amounted to EUR 141,000 (2021: EUR 85 thousand) for the audit of the annual financial statements and EUR 53,160.00 (2021: EUR 20 thousand) for special services.
- 1.5. In the 2022 financial year, there were no transactions with related parties that were not customary in the market and were of a material scope.
- 1.6. Income taxes include income of EUR 25,758,291.39 (2021: EUR 11,388 thousand). This mainly includes income from deferred tax assets amounting to EUR 28,469,697.11 (2021: EUR -2,982 thousand), of which loss carryforwards amounted to EUR 30,295,219.67 (2021: EUR 0 thousand).

### **2. Other financial obligations**

- 2.1. The total amount of other financial obligations from the use of property, plant and equipment not recognised in the balance sheet amounted to EUR 2,496,025.15 (2021: EUR 2,734 thousand) for the following financial year and EUR 8,043,809.82 (2021: EUR 11,638 thousand) for the next five years as of the reporting date.

### **3. Off-balance sheet transactions**

- 3.1. There are no transactions that are neither reported in the balance sheet nor required to be disclosed pursuant to § 238 Z 10 UGB or § 199 UGB from which material risks or benefits arise.

## **C. OTHER INFORMATION**

1. The average number of employees ("full time equivalents") in the business year was (§ 239 para. 1 line 1 UGB):

## Translation

	2022	2021
Employees	592	389

2. Benefits to company employee pension funds amounting to EUR 482,091.17 (2021: EUR 342 thousand) were recognised in the income statement.

### 3. **Fiscal group**

Until the merger of Bitpanda GmbH (FN 423018 k, tax number 09 358/1635) with SASR Beta Achtundzwanzigste Beteiligungsverwaltung GmbH (FN 569240 v, tax number 09 389/2404) on the basis of the merger agreement on 26 September 2022, Bitpanda GmbH (old) was the group parent of the tax group pursuant to Section 9 KStG with the following group members:

- Pantos GmbH (09 368/9933)
- Bitpanda Payments GmbH (09 368/2318)
- Bitpanda Metals GmbH (09 368/2300)
- Bitpanda Customer Care GmbH (12 786/5624)
- Bitpanda Financial Services GmbH (12 822/9580)

Due to the merger of the group parent Bitpanda GmbH (old) with the non-group member SASR Beta Achtundzwanzigste Beteiligungsverwaltung GmbH as the acquiring company, the corporate group was terminated at the end of the assessment year 2021 (cf. RTA Guidelines margin no. 354d). In a letter dated 22 December 2022, an application was submitted to the Austrian tax office for the formation of a (new) tax group pursuant to Section 9 KStG with the acquiring Bitpanda GmbH (formerly SASR Beta Achtundzwanzigste Beteiligungsverwaltung GmbH) as the group parent from FY 2022 (assessment year 2022). The application relates to the following members of the tax group:

- Pantos GmbH (09 368/9933)
- Bitpanda Payments GmbH (09 368/2318)
- Bitpanda Metals GmbH (09 368/2300)
- Bitpanda Customer Care GmbH (12 786/5624)
- Bitpanda Financial Services GmbH (12 822/9580)
- BP 22 Pfandleihe GmbH (46 554/0078)

On 15 December 2022, a tax sharing agreement was signed for the tax group from the financial year 2022 onwards. The tax rate on which the group taxation agreement is based is 25% for FY 2022 (for FY 2023 the tax rate will be reduced to 24% and from FY 2024 to 23% in accordance with section 22 (1) KStG). The tax group benefit defined in clause 3.3 of the tax sharing agreement is appointed to 80% among all profit-making and 20% among all loss-making tax group members.

### 4. **Significant events after the balance sheet date**

Bitpanda Pro Carve Out: Conclusion

The closing of Bitpanda Pro's Series A funding round as well as the legal separation of Bitpanda and all regulatory approvals were completed in March/April 2023. The technical separation of Bitpanda Pro will be completed during 2023.

Launch of Bitpanda Technology Solutions

On 26 January 2023, Bitpanda officially launched Bitpanda Technology Solutions, an investment infrastructure that builds on its existing white label offering. As the most scalable investment

## Translation

infrastructure in the world, the solutions aim to enable banks, fintechs, brokers and online platforms across Europe and globally to quickly offer trading and investment services to their customers.

Bitpanda believes that the future of our industry will be driven by B2B partnership, with banks and other financial institutions at its core. With the move to a Software-as-a-Service (SaaS) model, a new era of expansion through partnerships has begun.

The infrastructure is built as a modular system to allow our partners to choose from our features such as savings plans, asset-to-asset swaps, crypto-staking, fractional shares/ETFs, our full blockchain services and many others with an API integration, leveraging Bitpanda's extensive product range.

With its first whitelabel API, Bitpanda Technology Solutions has already attracted several large fintech companies and online platforms (e.g. N26, HYPE, Lydia, Fabric or Plum) to use its software-as-a-service functionalities and serve the demand for investment services for their more than 20 million users in over 25 countries.

### Partnership N26 x Bitpanda

Following N26's partnership with Bitpanda's whitelabel solution in October 2022 and a successful phase limited to Austria, the partnership was extended in January 2023. From 18 January 2023, N26 customers from Germany, Portugal, Belgium, Ireland and Switzerland will be able to invest in a wide range of over 200 crypto assets from as little as €1 directly via the N26 app.

### Armed conflicts in Ukraine

The ongoing armed conflicts in Ukraine and the associated sanctions against the Russian Federation and Belarus may have an impact on the European economies and the global economy. The company has no significant direct exposure to Ukraine, Russia or Belarus. The impact on the general economic situation may result in the need to change certain assumptions and estimates in the future. This may require material adjustments to the carrying amount of certain assets and liabilities within the next financial year. Currently, management is not able to reliably estimate the effects of constantly changing events. The longer-term effects may also have an impact on trading volume, cash flow and profitability.

### MiCA Regulation

The MiCA (Markets in Crypto-Assets) Regulation provides the harmonised EU regulatory framework for crypto assets. It aims to increase investor protection and contribute to the functioning of markets by providing legal certainty for innovations in distributed ledger technology. The bulk of the MiCA regulation will enter into force at the beginning of 2025.

There are no other events after the balance sheet date that have a material impact on the 2022 financial statements.

## 5. **Other**

There is no obligation to establish a supervisory board.

## Translation

The following directors were in office during the financial year 2022

Bitpanda old:

Demuth Eric, born 21.01.1987, resigned on 27.12.2022

Klanschek Paul, born 18.02.1990, resigned on 21.12.2022

Bitpanda (formerly SASR Beta Achtundzwanzigste Beteiligungsverwaltung GmbH):

Dr. Roman Perner, born 13.05.1978, resigned on 27.07.2022

Demuth Eric, born 21.01.1987, appointed on 27.07.2022

Klanschek Paul, born 18.02.1990, appointed on 27.07.2022

Pursuant to § 242 para. 4 UGB, the remuneration of the members of the management is not disclosed. As of 31 December 2022, Bitpanda GmbH was not required to prepare consolidated financial statements, as the subsidiaries are of immaterial significance (section 249 (2) UGB). The company is included in the consolidated financial statements of Bitpanda Group AG, Fraumünsterstrasse 16, 98001, Zurich, Switzerland.

Vienna, on 21 06 2023

Demuth Eric

Vienna, on 21 06 2023

Klanschek Paul

Translation

Appendix I  
to the Notes

**Fixed asset movement schedule for the year ended 31. December 2022 (in accordance with section 226 UGB (Austrian Commercial Code))**

	Acquisition cost			Disposals		Reclassification		Accumulated depreciation			Net book value				
	As of 31/12/2021 EUR	As of 01/01/2022 EUR	As of 01/01/2022 EUR	Additions EUR	Disposals EUR	Reclassification EUR	Disposals EUR	As of 31/12/2022 EUR	As of 01/01/2022 EUR	Additions EUR	Disposals EUR	As of 31/12/2022 EUR	As of 31/12/2021 EUR	As of 01/01/2022 EUR	As of 31/12/2022 EUR
<b>Fixed assets</b>															
<b>I. Intangible assets</b>															
1. Concessions, industrial property rights and similar rights as well as licenses derived therefrom	0.00	284,310.45	284,310.45	5,362.04	0.00	0.00	0.00	289,672.49	71,124.67	57,068.34	0.00	128,193.01	0.00	213,185.78	161,479.48
2. Crypto currencies	0.00	36,796,140.62	36,796,140.62	0.00	0.00	0.00	14,083,686.15	22,712,454.47	2,134,934.00	12,746,012.78	0.00	14,880,946.78	0.00	34,661,206.62	7,831,507.69
	0.00	37,080,451.07	37,080,451.07	5,362.04	0.00	0.00	14,083,686.15	23,002,126.96	2,206,058.67	12,803,081.12	0.00	15,009,139.79	0.00	34,874,392.40	7,992,987.17
<b>II. Tangible assets</b>															
1. Land, similar rights and buildings including buildings on third-party land	0.00	10,020,244.16	10,020,244.16	2,074,538.40	62,691.89	525,859.31	11,631,615.14	167,004.06	2,272,084.61	1,648,633.64	-232,465.61	2,439,088.67	0.00	9,853,240.10	9,192,526.47
2. Other plants, furniture and fixtures	0.00	3,902,187.49	3,902,187.49	2,284,094.74	97,528.00	480,795.70	5,803,014.53	794,471.43	1,648,633.64	-1,158,970.28	0.00	2,210,639.46	0.00	3,107,716.06	3,592,375.07
3. Low-value assets	0.00	0.00	0.00	1,158,970.28	5,496.67	1,164,466.95	0.00	0.00	1,158,970.28	-1,158,970.28	0.00	0.00	0.00	0.00	0.00
4. prepayments & assets under construction	0.00	217,763.38	217,763.38	-165,716.56	52,046.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	217,763.38	0.00
	0.00	14,140,195.03	14,140,195.03	5,517,603.42	0.00	2,223,168.78	17,434,629.67	961,475.49	5,079,688.53	-1,391,435.89	4,649,728.13	0.00	13,178,719.54	12,784,901.54	
<b>III. Financial assets</b>															
1. Investments in affiliated companies	0.00	2,568,630.45	2,568,630.45	54,579,908.68	0.00	0.00	57,148,539.13	390,295.17	22,761,566.43	0.00	0.00	23,151,861.60	0.00	2,178,335.28	33,996,677.53
2. Investments in associated companies	0.00	150,000.00	150,000.00	0.00	0.00	0.00	150,000.00	0.00	0.00	0.00	0.00	0.00	0.00	150,000.00	150,000.00
	0.00	2,718,630.45	2,718,630.45	54,579,908.68	0.00	0.00	57,298,539.13	390,295.17	22,761,566.43	0.00	0.00	23,151,861.60	0.00	2,328,335.28	34,146,677.53
	0.00	53,939,276.55	53,939,276.55	60,102,874.14	0.00	16,306,854.93	97,735,295.76	3,557,829.33	40,644,336.08	-1,391,435.89	42,810,729.52	0.00	50,381,447.22	54,924,566.24	

## Translation

Appendix II  
to the Notes

### Changes in equity

in EUR

	Share capital	Restricted capital reverses	Non restricted capital reverses	Reserves	Profit/ loss	Total
<b>As of 31.12.2021</b>	<b>35,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-1,588.32</b>	<b>33,411.68</b>
Capital increase 1)*	12,127.90	0.00	0.00	0.00	0.00	12,127.90
Merger BP GmbH **	0.00	212,788,418.17	65,340,720.56	0.00	0.00	278,129,138.73
<b>As of 01.01.2022</b>	<b>47,127.90</b>	<b>212,788,418.17</b>	<b>65,340,720.56</b>	<b>0.00</b>	<b>-1,588.32</b>	<b>278,174,678.31</b>
Capital increase 2)***	965.50	0.00	0.00	0.00	0.00	965.50
Annual loss	0.00	0.00	0.00	0.00	-116,041,241.14	-116,041,241.14
Release of capital reserves	0.00	-50,702,108.90	-65,340,720.56	0.00	116,042,829.46	0.00
<b>As of 31.12.2022</b>	<b>48,093.40</b>	<b>162,086,309.27</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>162,134,402.67</b>

\* In the course of the merger, the share capital increased by EUR 12,127.90 by issuing new shares with dividend rights as of January 1, 2022.

\*\* see explanatory notes in chapter A) General information

With the resolution of the Annual General Meeting on 18.08.2022, the share capital of SASR Beta Achtundzwanzigste Beteiligungsverwaltung GmbH was increased by EUR 965.50.

## **MANAGEMENT REPORT**

### **In accordance with section § 243 UGB (Austrian Commercial Code)**

(Amounts in EUR)

## **A. BUSINESS PERFORMANCE AND ECONOMIC SITUATION**

### **1. Business structure and economic business environment**

The former Bitpanda GmbH (FN 423018 k; "Bitpanda old") was merged with SASR Beta Achtundzwanzigste Beteiligungsverwaltung GmbH (FN 569240 v) retrospectively with effect from the 01.01.2022 (see the explanation in the appendix under General Information). The business will now continue under the name Bitpanda GmbH. In order to allow comparability, the previous year's figures of "Bitpanda old" are reported in the financial statements, which is possible due to the immateriality of the previous year's figures from SASR Beta Achtundzwanzigste Beteiligungsverwaltung GmbH. Bitpanda GmbH was founded in 2014 as a service provider related to virtual currencies. The main benefits of a user-friendly retail investment platform were convenience and secure access to crypto assets for European retail investors with little experience, simplifying all the technical complexities related to investing and owning crypto assets. Since then, both the industry and Bitpanda have evolved greatly. Crypto assets have been widely adopted by early innovators and technology enthusiasts, while the underlying blockchain technology has been incorporated into several protocols. Furthermore, Bitpanda has already begun to use blockchain technology to lower the barriers to entry for other asset classes. The digitisation of stocks, metals and commodities makes them accessible to everyone 24/7. At the same time, Europeans increasingly understand the need to invest for their future. As a result, we are seeing retail investing take a trajectory similar to the US and UK, where retail investors are buying and trading short-, medium- and long-term investment opportunities across multiple asset classes. Driven by this trend, Bitpanda has become one of the leading investment platforms for crypto and other digital assets in Europe. With offices in several markets, the company achieved a global trading volume of more than €5 billion across all platforms in 2022. Although the tremendous growth of previous years slowed, it still marks the second-best year in Bitpanda's history in terms of trading volume and revenue. While Bitpanda's structure and business model were dominated by the broker platform in the early years, the company developed other solutions (e.g. Bitpanda Pro and Bitpanda Technology Solutions / Whitelabel) and thus became a key investment player.

With the acquisition of Bitpanda Custody (formerly Trustology) in February 2022, the company structure now consists of three solutions:

- Bitpanda.com:

The broker platform for retail investors with a trusted, seamless and intuitive experience.

- Bitpanda Technology Solutions (Whitelabel):

The infrastructure solution for companies in the financial services industry that enables them to provide investment opportunities such as the Bitpanda Broker offering to their customers.

- Bitpanda Custody:

Simple and secure crypto asset storage solution developed for institutional clients. At the core of the group structure is Bitpanda's DNA as a technology company with strong development expertise and a solid infrastructure.

## **2. Business performance**

### *Growth ambitions*

The first months of the 2022 financial year were characterised by high growth ambitions across the industry. After achieving a record result in the company's history in 2021, Bitpanda started the year with an ambitious hyper-growth strategy to continue its scaling path. Aggressive recruitment saw a massive increase in headcount at the start of the year. The aim of this rapid and steep increase in people was to meet the expected demand for resources due to the company's growth strategy.

In February, Bitpanda acquired crypto custody provider Trustology with the aim of expanding its business to include a digital asset custody solution to increasingly target institutional clients. The UK-based company, which had 14 employees at the time, was subsequently renamed Bitpanda Custody.

### *Crisis*

Despite the ambitious growth plans, the remaining months of the first half of the year showed a steady decline in revenue, driven mainly by a deterioration in macroeconomic conditions. Revenues fell by more than 50% between January and June 2022. One of the main drivers of this development was the outbreak of the war in Ukraine in February 2022, which led to a catastrophic humanitarian but also economic crisis. The war affected energy markets and, together with post-Covid 19 supply chain issues, inflation began to rise globally. In a time of high uncertainty and fear, central banks began to tighten monetary policy by raising interest rates. All these variables reduced investment activities and negatively affected disposable income for individuals.

The worst week in crypto history was in May 2022, which saw double-digit percentage declines across all crypto assets. Bitcoin fell almost 23% in seven days, while some of the top 10 altcoins saw losses of over 50%. This was partly caused by the collapse of the Terra ecosystem, its token LUNA and the stablecoin TerraUSD.

Driven by the macroeconomic environment and the developments in the crypto market described above, the entire industry gradually moved into a bear market, which had a significant impact on financial and commercial performance. Although the plan was to continue scaling up the business internationally and to access new markets with an aggressive expansion, Bitpanda had to change strategy very quickly. The ambitions for strong growth could not be realized, the investments in resources and staff turned out to be too high for the market demand.

### *Restructuring*

As a measure, the management decided in June to restructure the company to adapt to the changed environment. In view of the significant decline in revenues, analyses showed that the size of the organisation was no longer sustainable, which led to a reduction in the number of staff. This difficult decision had a significant impact on our staff. In retrospect, the aggressive hyper-growth strategy was not the best strategy given the rapidly changing environment. In this mixed situation, the main focus was on improving the robustness and resilience of the company.



### *Efficiency and cost control#*

In order to mitigate the bearish trend in the crypto industry and its impact on the financial health of the company, a strict cost control programme was implemented to optimise expenses and ensure the long-term sustainability of the company. The main purpose of this programme was to ensure complete transparency across the entire cost base and identify areas where expenses can be reduced without compromising the quality of products and services offered. A data-driven approach was used to analyse expenses and challenge cost items to identify inefficiencies or redundancies. The management team set clear cost targets and made several decisions to curb spending activities.

Despite these challenges throughout the financial year, Bitpanda remains determined to create high value for our customers and stakeholders. We are determined to optimise our expenses while continuing to deliver high quality products and services. We believe that the cost control programme will ensure long-term success and that our commitment to our customers and stakeholders will pay off.

#

### *Product development in the bear market*

In the challenging 2022 financial year, Bitpanda has increased its focus on developing high-quality products. It has always been part of the company's DNA to create simple and secure products that allow you to invest in what you believe in. We closely monitor developments in our community and strive to constantly improve and expand the quality and scope of our service offering. In 2022, Bitpanda achieved key milestones in its product development roadmap and launched several new products. With Staking, Bitpanda offers users the opportunity to earn weekly rewards by staking assets with the click of a button. Staking allows users to participate in transaction validation on proof-of-stake blockchains, for which users are rewarded by the network. Essentially, this is the process of committing assets to a blockchain network to validate transactions. Bitpanda Staking thus allows its users to become validators for verifying new transactions added to the blockchain, as more bound assets mean a more secure network. The second new product, launched in 2022, allows users to trade cryptocurrencies with leverage. With a 2x long offering for Bitcoin and Ethereum, Bitpanda aims to provide an attractive option for investors who want to take higher risks and earn higher profits even in sideways moving markets. There are plans to expand the leveraged product on the long side to more assets, but also to introduce short products. In addition to the new products described above, Bitpanda has also introduced a new asset class on the investment platform. Bitpanda Commodities is a simple and innovative way to invest in the price movements of commodities. Investing in commodities such as oil, natural gas, aluminium, wheat and more from as little as €1 is now possible. The new asset class is a valuable addition to the existing ones and demonstrates Bitpanda's strategy to further diversify its user offering.

Within the existing and established asset classes of cryptocurrencies, equities and ETFs, Bitpanda has significantly expanded the number of offerings listed on its platform. By the end of 2022, 211 cryptocurrencies, 2,465 stocks and ETFs, and 4 different precious metals were offered. With this variety of different investment options, Bitpanda is one of the top players in its industry. The continuous expansion of the user offering again ties in with the strategy of giving everyone the opportunity to invest in what they believe in.

There were also important developments on Bitpanda's innovative "Investing-as-a-Service" infrastructure (Bitpanda Technology Solutions, formerly Bitpanda Whitelabel). This solution gives

fintechs, traditional banks and online platforms the opportunity to offer investment opportunities such as the Bitpanda broker offering in a secure and regulated environment. In addition to improving its infrastructure offering, Bitpanda has entered collaborations with key players in the fintech world. The partnership with Italian neobank market leader HYPE has made investing possible for millions of users. In addition, Bitpanda and N26, the largest digital bank in continental Europe, have joined forces to provide their customers with access to cryptocurrency trading. Both partnerships bring Bitpanda's investment infrastructure to more people, enabling them to discover the world of investing in a simple, fast and secure way.

#

### *Security*

The core of Bitpanda's brand positioning is to make investing safe for everyone. This becomes even more important, especially in troubled times. The collapses of Terra Luna, Three Arrows Capital, Voyager, FTX, Genesis and more have highlighted why choosing a regulated and safe investment platform is essential. Ultimately, Bitpanda remains focused on consumer protection in an industry where many unregulated competitors are vying for investors' favour and seeking to maximise revenue. Bitpanda's strategy of always focusing on safety and regulation has paid off this year, proving to the industry that they can find a trustworthy partner in us. Following the FTX scandal, management decided to engage the auditor with agreed upon procedures to show that cryptocurrency holdings in Bitpanda cold-storage exceeded all cumulative customer holdings for the top 5 cryptocurrencies. The result of the agreed upon procedures shows that the crypto funds for BTC, ETH, ADA, XRP and DOGE held in Bitpanda cold storage exceed the total customer holdings.

As Bitpanda expands internationally, the number of relevant licenses and registrations is constantly increasing to ensure full regulation and always act in the best interest of our community.

In December, Bitpanda received ISO 27001 certification and achieved another important milestone on its security agenda by demonstrating full compliance with international security standards. ISO 27001 is the internationally recognised standard for information security and provides a compliance framework that focuses on security and risk management processes. As Europe's leading investment platform and a company committed to safety and security, it was natural to aim for this, raising the bar for the entire crypto industry by building out the most secure platform on the market.

### **3. Branches**

As of the balance sheet date, Bitpanda GmbH had a total of 10 branches throughout Europe, which are of immaterial significance in the annual financial statements of Bitpanda GmbH.

### **4. Significant events during the financial year**

In February 2022, Bitpanda acquired **Trustology**, a UK-based company that provides custody services for wallets and during the year renamed it Bitpanda Custody. The acquisition allowed Bitpanda to expand its service offering and become a custodian of cryptocurrencies for institutional clients. The integration of Trustology's technology with Bitpanda's existing broker assets and the expansion of custody services in the UK and EU will enhance Bitpanda's offering and make the platform more attractive to institutional and individual investors. The acquisition of Trustology has

enabled DeFi functionality to be adopted and the product offering to be expanded, which will undoubtedly contribute to further growth in the future. With Bitpanda Custody, Bitpanda has a well-functioning custody service that increases security and user confidence in all its products.

### **5. Significant events after the financial year end**

#### *Bitpanda Pro Carve Out: Conclusion*

The closing of Bitpanda Pro's Series A funding round, as well as the legal separation of Bitpanda and all regulatory approvals, were completed in March/April 2023. The technical separation of Bitpanda Pro will be completed during 2023. The reason for this step was to allow the crypto exchange to become independent, in order to grow independently from Bitpanda Broker and the entire group.

#### *Launch of Bitpanda Technology Solutions*

On 26 January 2023, Bitpanda officially launched Bitpanda Technology Solutions, an investment infrastructure that builds on its existing white label offering. As the most scalable investment infrastructure in the world, the solutions aim to enable banks, fintechs, brokers and online platforms across Europe and globally to quickly offer trading and investment services to their customers.

Bitpanda believes that the future of our industry will be driven by B2B partnership, with banks and other financial institutions at its core. With the move to a Software-as-a-Service (SaaS) model, a new era of expansion through partnerships has begun.

The infrastructure is built as a modular system to allow our partners to choose from our features such as savings plans, asset-to-asset swaps, crypto-staking, fractional shares/ETFs, our full blockchain services and many others with an API integration, leveraging Bitpanda's extensive product range.

With its first whitelabel API, Bitpanda Technology Solutions has already attracted several large fintech companies and online platforms (e.g. N26, HYPE, Lydia, Fabric or Plum) to use its software-as-a-service functionalities and serve the demand for investment services for their more than 20 million users in over 25 countries.

#### *Partnership N26 x Bitpanda*

Following N26's partnership with Bitpanda's whitelabel solution in October 2022 and a successful phase limited to Austria, the partnership was extended in January 2023. From 18 January 2023, N26 customers from Germany, Portugal, Belgium, Ireland and Switzerland will be able to invest in a wide range of over 200 crypto assets from as little as €1 directly via the N26 app.

#### *Armed conflicts in Ukraine*

The ongoing armed conflicts in Ukraine and the associated sanctions against the Russian Federation and Belarus may have an impact on the European economies and the global economy. The company has no significant direct exposure to Ukraine, Russia or Belarus. The impact on the general economic situation may result in the need to change certain assumptions and estimates in the future. This may require material adjustments to the carrying amount of certain assets and liabilities within the next financial year. Currently, management is not able to reliably estimate the effects of constantly changing events. The longer-term effects may also have an impact on trading volume, cash flow and profitability.

## Translation

### *MiCA Regulation*

The MiCA (Markets in Crypto-Assets) Regulation provides the harmonised EU regulatory framework for crypto assets. It aims to increase investor protection and contribute to the functioning of markets by providing legal certainty for innovations in distributed ledger technology. The bulk of the MiCA regulation will enter into force at the beginning of 2025.

There are no other events after the balance sheet date that have a material impact on the 2022 financial statements.

## **6. Employee matters**

The organisational structure of the company is concentrated on one operating location in Vienna, but there are further office locations in other (capital) cities in Europe (e.g. Paris, London, Berlin, Amsterdam, Milan, Barcelona, Krakow).

Special attention is paid to the health of the employees. Various projects and activities are aimed at proactive health management with a focus on information and prevention.

Comprehensive budget and training programs are provided for continuing training and development. Great care is given in granting fringe benefits according to the individuals circumstances.

Bitpanda had an average of 592 employees in 2022 (2021: 389 thousand). Total personnel expenses amounted to EUR 37.4 million (2021: EUR 71.7 million).

## **7. Financial performance indicators (selected key metrics)**

	Unit	<u>2022</u>	<u>2021</u>
<i>Affiliated companies</i>	<i>Number</i>	22	15
Net sales	TEUR	82,104	477,917
EBITDA <sup>1</sup>	TEUR	-84,542	89,205
<i>EBITDA margin</i>	%	N/A	19%
EBIT <sup>3</sup>	TEUR	-125,186	84,660
<i>EBIT margin</i>	%	N/A%	18%
Net loss / profit for the year	TEUR	-116,041	37,454
Balance sheet total	TEUR	457,980	663,697
Equity	TEUR	162,134	278,141
<i>Equity ratio</i>	%	35.4%	42%

<sup>1</sup> Allocation to the PSOP provision excl.

<sup>3</sup> Earnings before interest and taxes in relation to total capital (balance sheet total)

## Translation

Bitpanda GmbH, Vienna  
FN 423018k

Management Report/Appendix II/Page 7

Return on equity <sup>2</sup>	%	N/A	13%
Debt capital	TEUR	294,640	384,042
Debt ratio	%	64.6%	58%
Return on assets <sup>3</sup>	%	N/A	8%

Bitpanda faced several challenges in the financial year that had a very negative impact on the company's earnings situation. This was particularly due to the implosion of some important industry players, the price drops of well-known crypto assets and a negative macroeconomic situation, especially the war in Ukraine. Revenues decreased accordingly from EUR 7,880,603 thousand to EUR 2,315,832 thousand due to the lower trading volume. Material costs decreased analogously from EUR 7,560,574 thousand to EUR 2,266,163 thousand which is also related to the lower trading volume on the Bitpanda platform. As a result, the operating costs (personnel expenses, other operating expenses) could not be covered and a pre-tax result of EUR -141,800 thousand was generated. This led to a decrease in equity from EUR 278,141 thousand in 2021 to EUR 162,134 thousand in the financial year.

It should be noted that the equity ratio decreased insignificantly from 42% in 2021 to 35.4% in 2022.

The balance sheet total changed from EUR 663,697 thousand in 2021 to EUR 457,980 thousand is mainly due to a lower level of cash and cash equivalents due to low cash receipts from users as well as a lower inventory value due to the negative price development of the crypto assets. In contrast, the securities held as current assets increased by EUR 128,192 thousand compared to the previous year, which is due to an increase in volume.

Equity decreased due to the earnings situation.

On the liabilities side, the liabilities from user FIAT wallets decreased by EUR 116,484 thousand which is due to a quantitative as well as a negative price development of the crypto assets.

As an offsetting item to the securities held as current assets, the liabilities from digital securities increased by EUR 60,731 thousand which is due to an increase in volume.

Other provisions are EUR 7,213 thousand lower than in the previous year, mainly due to the lower provision for the phantom stock option programme.

## **B. EXPECTED DEVELOPMENT AND RISKS OF THE COMPANY**

### **1. Expected development of the company**

Bitpanda aims to become the leading European provider of retail investment and trading opportunities, intelligently combined with value-added services to create a differentiated and premium user experience. This requires a transformation from a pure retail app to an investment-as-a-service platform, empowering the trading and investment offerings of our technology partners through the Bitpanda retail broker. All of this will be accompanied by an engaging user experience, starting from the first touchpoint through to every interaction with Bitpanda. The business strategy will focus on i) building superior products, combined with ii) operational and

<sup>2</sup> Surplus after taxes in relation to average equity

<sup>3</sup> Earnings before interest and taxes in relation to total capital (balance sheet total)

service excellence, rounded off by iii) a strong commercial strategy for user acquisition and retention.

### *Building superior products.*

To achieve our vision, building, as well as, operating outstanding product solutions is key to long-term success. The ambition will be achieved by (1) expanding the asset offering, (2) expanding the retail investment service offering, (3) deepening the retail investor value chain through institutional clients, (4) ensuring trust and security through regulatory innovation, and (5) enabling interactions with the coming Web3.

### *Operational and service excellence.*

Operational and service excellence starts from the lowest level of the organisation to the top. To maximise value creation, every employee must understand how they can contribute to Bitpanda's overall goals. Ultimately, this leads to greater impact and capability of ongoing improvements. This requires competent customer service, smooth and fast operational processing and a strong compliance culture.

### *Initiatives in the environment.*

Significant investments in customer service, a high degree of automated operational processes and the automation of manually performed processes will help to achieve these goals. In addition, Bitpanda will focus even more on implementing structured risk management and an internal control structure to meet compliance standards and grow sustainably in a highly regulated environment.

### *Attracting and retaining commercial users.*

Bitpanda's commercial approach to attracting and retaining users - both retail and partner/institutional - needs to match the current market situation. Since the sharp market downturn in 2022, triggered by several shock waves, crypto investment has decreased significantly. Consequently, the company will work to redefine its target users and partners and focus on retaining the existing ones.

Bitpanda will continue to target regular traders as well as users investing for the first time with its retail platform. The technology solutions offering, on the other hand, will target institutional partners with many clients, while custody will focus only on B2B (especially institutions).

Establishing high-performing commercial acquisition channels (e.g. direct sales, partnerships, referrals) that are focused on performance is critical to grow in a challenging market sentiment with low cost and high impact.

Lastly, it is equally important to retain and engage existing users and partners, while at the same time striving to attract new users. Focusing on user and partner retention throughout the use of Bitpanda products will be one of our fundamental elements to differentiate ourselves from our competitors.

Bitpanda started 2023 with a focus on cost management, efficiency and improving our liquidity maturity. Crypto remains volatile and forecasting revenue growth remains challenging as it relates

to crypto's market capitalisation and asset volatility. Bitpanda is prepared to navigate through various scenarios that could occur in 2023. Success is evident from the fact that earnings figures from January 2023 to April 2023 are above plan.

In addition to cost management and efficiency, the focus is also on building superior product solutions and business models, which are also key priorities. Bitpanda will continue to make great efforts to expand its product and service portfolio quickly and with high quality.

The core of Bitpanda's strategy is to continuously address regulatory challenges, ensure security and maintain customer trust. The goal for 2023 in this regard is to further expand and strengthen the positioning by applying for new licences, further certifications and strong commitment to regulatory and compliance requirements.

## **2. Company exposure to principal risks and uncertainties**

Bitpanda understands the importance of proper risk management and a control environment to protect customers and support the growth of the business. The business model at Bitpanda is complex and involves many risks. The Group works across all areas to ensure that risk management is a core part of Bitpanda's business processes.

Bitpanda has a risk management framework that outlines the risk universe, risk appetite, key processes and procedures, and work instructions for Bitpanda employees. This also covers Bitpanda's internal control system and notes that Bitpanda fully adopts the "Three Lines of Defence model". In addition, Bitpanda describes its governance approach, how risks are reported and progress in managing them.

### *Risk management process*

The Group follows a structured process for identifying, assessing and managing risks. This is developed by the Group Risk Management function and adopted by staff throughout the organisation. The process comprises five key steps:

#### Risk identification:

Dynamic identification of all risk types in each part of the Group, with assigned risk owners and review by supervisors

#### Risk assessment:

Estimation of the impact and likelihood of risks on an inherent and residual basis with initial mitigation proposals.

#### Risk treatment and plan:

Determination risk treatment and agreement on proposed mitigation plan with the assigned "risk owner".

#### Risk mitigation measures:

Implementation of mitigation measures or compensatory controls already agreed by the risk owners and the mitigation plan.

#### Risk monitoring:

Tracking and monitoring of mitigation plans on an ongoing basis to ensure that the desired risk treatment is achieved.

Main risks include market risk, compliance risk, financial risk, operational risk and information security and data risk.

## Translation

### *Market risk*

Market risk refers to the risk that changes in market prices - e.g. exchange rates, interest rates and equity prices - will affect the Group's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk positions within acceptable limits while optimising returns.

#### Exchange rate risk

Bitpanda has a foreign currency exposure of less than 10% (in CHF, GBP and USD) of its total assets. Changes in exchange rates may, therefore, have a negative impact on future financial costs, but they will be minor.

#### Interest rate risk

Our investment policy and strategy with respect to our cash holdings is to preserve capital and meet liquidity requirements without increasing risk. Our cash balances are allocated to our users. Changes in interest rates would have little impact on our interest income due to the short-term investment structure.

#### Market price risk of crypto assets

Crypto-asset price risk could adversely affect our results of operations. In particular, the future profitability of the Company could depend on the market prices of our crypto-asset prices, which, together with our operating results, could fluctuate significantly from quarter to quarter. There is no guarantee that crypto-asset prices will reflect historical trends. A decline in the market price could have a material and adverse effect on our revenues, the net realisable value of our crypto-assets and our future cash flows. This could also affect the Company's liquidity and its ability to meet its ongoing obligations.

### *Compliance risk*

This includes the risk of not complying with required laws, regulations and rules, which could lead to problems for our clients, losses for the company or reputational damage. Some of the Group's businesses are currently unregulated, while others operate in highly regulated environments. This means that the Group is exposed to many different, albeit complementary, risks related to compliance with a wide range of laws and regulations in an increasing number of jurisdictions. Bitpanda's activities involve numerous customer transactions and therefore the Group may be exposed to criminal activity.

The Group works hard to comply with all established regulations and reduce the risk of financial misconduct in our asset classes and products. Bitpanda has zero tolerance for the loss of licences or public requirements from regulators that could limit Bitpanda's ability to support its customers. The Group's anti-financial crime practices go beyond what is required by regulators and are specifically designed to protect customers and the Group from the negative consequences of money laundering and terrorist financing.

### *Financial risk*

Liquidity risk means that Bitpanda might not be able to meet short-term financial obligations and long-term liabilities. The Group has many different payment obligations under its business model to cover operating expenses in many areas of the Group. Bitpanda has developed policies that outline its methods for ensuring sufficient cash flows and available funding to support growth.

The main credit risk for the Group is the inability of its counterparties to meet their obligations. Bitpanda manages credit risk by working with banks and globally recognised market makers.



## Translation

Bitpanda uses externally available information as well as its own qualifications to perform credit assessments of its partners as part of the due diligence process.

### *Operational risk*

This refers to the risk of the Group suffering losses due to inadequate or failed internal processes and systems, or due to wrong actions by employees or external events. Bitpanda relies heavily on operational processes, IT and its system architecture, while ensuring that the right people are employed in the right roles. Occasionally, these systems and processes may not function as planned, may not be in line with their intended purpose, or may be disrupted due to unexpected events such as cybercrime or human error.

Bitpanda invests significantly in strong operational and control systems to ensure that it can continue to respond to unexpected events in a timely and structured manner.

### *Information security and data risk*

This refers to the risk of loss due to insufficient restriction of access to systems, data, misguided IT strategy, incomplete or inaccurate data in systems, including inadequate applications and inadequate or outdated technology infrastructure. As a digital asset trading platform, Bitpanda recognises that the threat of cyber security is an ongoing threat to the Group caused by access to systems or customers and their data. Bitpanda processes large amounts of customer data and must comply with specific data protection laws and regulations.

The investment in the digital platform is a primary objective and focuses heavily on building robust and secure technology that prevents data protection and security breaches.

### *Future uncertainties*

Bitpanda is building a sustainable and resilient business model that customers can rely on for years to come. This means that Bitpanda can withstand potential downturns or significant risk areas. The operating environment and market conditions are already a high risk environment, however, recent events such as the COVID 19 pandemic have shown that the Group can manage global events where many others fail. This demonstrates the investment already made in the operating model and the flexibility to adapt to a rapidly changing environment.

Bitpanda fully recognises that there will continue to be areas of uncertainty, threats and potential vulnerabilities that could impact the Group:

- The regulatory environment is expected to change and evolve as macroeconomic conditions change. Recent events such as the pandemic have changed regulatory expectations, especially when the Group's operating model is still in flux.
- The ever-changing political landscape is a growing concern for Bitpanda, and the outcomes of ongoing conflicts in many parts of the world, including Europe, could have an impact on the customer base, not only in terms of the cost of living but also the availability of funds.
- Asset volatility is expected to persist due to the unique nature of digital assets. The assets are more sensitive than conventional FX, which means Bitpanda will constantly iterate its risk models and rethink its strategy to limit losses.

### *Crypto Asset Custody Risk*

When crypto assets are held in custody, there is a risk of loss or theft of the private keys. Cyber threats such as hacking increase this risk. However, there are modern solutions to mitigate these risks. The decision between self-custody and third-party custody depends on individual needs and

capabilities. Own custody offers full control but requires technical knowledge and the implementation of security measures. Bitpanda offers a secure third-party custody solution with high security standards. The platform uses a complex and secured system of hot, warm and cold wallets to reduce the risk of hacks. Secured warm and hot wallets allow quick access, but only contain a small portion of the total assets to limit risks.

### *Personnel risks*

Staff risks are limited to a risk of failure of key persons, in particular the founder management of the company. It's the company's policy that key personnel should not be exposed to the same risks, limiting the extent of any failure scenarios.

### **3. Financial instruments, risks and strategies**

The company generally uses an internal control system to cover various internal and external risks. Qualified experts have been engaged for the permanent further development of this system and also for the general establishment of an enterprise risk management system with corresponding corporate governance measures. A separate department was created in the finance division to actively manage treasury and market risk factors. The Operations & Risk and Compliance departments deal with the ongoing monitoring of operational risk and the creation of corresponding governance guidelines as well as ensuring compliance with these guidelines. In addition, a further new department, Regulatory Reporting, was created to take care of the transmission of data to the competent authorities and to ensure compliance with the required reporting regulations. Bitpanda's risk policy stipulates that all user funds on its platform are 100% covered by the corresponding assets and currencies.

Bitpanda GmbH attaches great importance to the conservative management of corporate risks in order to maintain the value of the business model as well as the corresponding serious market positioning.

Specifically, financial instruments (shares) are used as hedges for the Bitpanda stocks product. Bitpanda thereby enables clients to participate proportionately in individual equities and exchange traded funds (ETF) by subscribing to Bitpanda Stocks. Bitpanda Stocks are classified as non-derivative host contracts containing embedded derivatives with indefinite maturity, no maturity and no expiry date. The redemption of these shares is linked to the performance of the underlying shares and the ETF. Bitpanda is obliged to redeem the shares at any time at market value less costs.

### **4. Research and Development**

Bitpanda GmbH does not conduct research, but does perform product development for the purpose of software development.

## Translation

Bitpanda GmbH, Vienna  
FN 423018k

Management Report/Appendix II/Page 13

Vienna, on 21 06 2023

Demuth Eric

Vienna, on 21 06 2023

Klanschek Paul

## **Auditor's Report**

### **Report on the Financial Statements**

#### **Audit Opinion**

We have audited the financial statements of

**Bitpanda GmbH,  
Vienna, Austria,**

which comprise of the Balance Sheet as at 31 December 2022, the Income Statement for the year then ended, and the Notes.

In our opinion, the financial statements comply with the legal requirements and present fairly, in all material respects, the financial position of the Company as at 31 December 2022 and its financial performance for the year then ended, in accordance with Austrian Generally Accepted Accounting Principles.

#### **Basis for our Opinion**

We conducted our audit in accordance with Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities" section of our report. We are independent of the Company, in accordance with Austrian company law and professional regulations, and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained up to the date of the auditor's report is sufficient and appropriate to provide a basis for our audit opinion on this date.

#### **Other Matter**

We would like to point out that the annual financial statements of Bitpanda GmbH (formerly: SASR Beta Achtundzwanzigste Beteiligungsverwaltung GmbH) for the financial year ending 31 December 2021 have not been audited by us or any other auditor.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Austrian Generally Accepted Accounting Principles and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Management is also responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## **Auditor's Responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole, are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our audit opinion. Reasonable assurance represents a high level of assurance, but provides no guarantee that an audit conducted in accordance with Austrian Standards on Auditing (and therefore ISAs), will always detect a material misstatement, if any. Misstatements may result from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Austrian Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

Moreover:

- We identify and assess the risks of material misstatements in the financial statements, whether due to fraud or error, we design and perform audit procedures responsive to those risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk of not detecting material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- We conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention to it in our audit report to the respective note in the financial statements. If such disclosures are not appropriate or we will modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the notes, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## **Management Report**

In accordance with Austrian company law, the management report is to be audited as to whether it is consistent with the financial statements and prepared in accordance with legal requirements.

Management is responsible for the preparation of the management report in accordance with Austrian company law.

We have conducted our audit in accordance with generally accepted standards on the audit of management reports.

## **Opinion**

In our opinion, the management report is consistent with the financial statements and has been prepared in accordance with legal requirements.

## **Statement**

Based on our knowledge gained in the course of the audit of the financial statements and our understanding of the Company and its environment, we did not note any material misstatements in the management report.

## **Engagement Partner**

The engagement partner is Mr Christian Grinschgl.

Vienna, 23 June 2023

KPMG Austria GmbH  
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:  
Christian Grinschgl  
Wirtschaftsprüfer  
(Austrian Chartered Accountant)

**This report is a translation of the original report in German, which is solely valid.**

The financial statements, together with our auditor's opinion, may only be published if the financial statements and the management report are identical with the audited version attached to this report. Section 281 Paragraph 2 UGB (Austrian Commercial Code) applies.

**Annex II - A-Token terms**

The current version of the A-Token terms published on the website and the Derivative Contract shall apply. The derivative contract shall also be accepted respective to each acquisition or termination transaction, which ensures that the current version applies to the Customer in each case.

## A-TOKEN Derivative Terms

1.	PREAMBLE	2
2.	SUBJECT MATTER OF THE CONTRACT: A-TOKEN	2
3.	ACQUISITION AND TERMINATION OF A-TOKEN CONTRACTS	3
4.	PRICING	6
5.	DISCLAIMER, AUTHORISATION FOR REVERSAL AND AMENDMENT OF GENERAL TERMS AND CONDITIONS	10
6.	MARKET DISRUPTIONS	12
7.	TECHNICAL ISSUES OF THE BITPANDA SYSTEMS	12
8.	GENERAL TERMINATION OR TEMPORARY SUSPENSION OF A-TOKEN BY BITPANDA	13
9.	NATIONALISATION, INSOLVENCY, DELISTING, FUNDS CLOSING, REDEMPTION OF SHARES, DETERIORATION OF THE UNDERLYING ASSET	15
10.	STOCK SPLIT, REVERSE STOCK SPLIT, BONUS SHARE, LIQUIDATION PROCEEDS (CORPORATE ACTIONS)	18
11.	DIVIDENDS, FUNDS DISTRIBUTION AND OTHER RIGHTS AS WELL AS EXCLUSION OF CLIENT'S RIGHTS	19
12.	TERMINATION BY THE CLIENT	24
13.	TERMINATION BY BITPANDA	24
14.	BITPANDA SPREAD, COSTS AND FEES	25
15.	COLLATERALISATION OF BITPANDA CLIENT CLAIMS	28
16.	TAXES	30
17.	CASH SETTLEMENT	30
18.	NO RIGHT OF WITHDRAWAL UNDER DISTANCE FINANCIAL SERVICES ACT	31
19.	COMPLAINT OPTIONS	31
20.	FINAL PROVISIONS	31



1. These derivative terms and conditions ("**A-Token Derivative Terms**") regulate the acquisition and holding of A-Token and the termination of A-Token contracts by Bitpanda GmbH, A-1020 Vienna, Stella-Klein-Löw-Weg 17, Vienna Commercial Court FN 569240 v ("**Bitpanda**") and the Bitpanda client ("**Client**") in the context of investment activities on online platforms (<https://www.bitpanda.com>) or mobile applications operated by Bitpanda ("**Bitpanda Systems**").
2. **A-TOKEN**
  - 2.1. A-Tokens are financial derivative contracts between the Client and Bitpanda referencing certain stocks, Exchange Traded Commodities ("**ETCs**"), Exchange Traded Notes ("**ETNs**"), or units of Exchange Traded Funds ("**ETFs**"), including Money Market Funds ("**MMFs**"), and other investment funds (ETFs, MMFs, and other investment funds are collectively referred to as "**Funds**") as well as certificates and security tokens, termed the "**Underlying**" ("**A-Token**"). The value of the A-Token at any time reflects the current market value of the Underlying. A-Token thus replicate the entire performance of the Underlying they reference. Additionally, according to point 11, the Client is entitled to the payment of any dividend or fund distribution after deduction of taxes, possible fees, and further costs arising from the Underlying (see point 14 for details).
  - 2.2. Bitpanda explicitly points out that the international securities trading market consists not only of underlying assets in the form of stocks and ETF shares but also so-called "equity-representative securities" that represent shares of foreign companies (e.g. American Depositary Receipts). Since stocks and equity-representative securities are similar in many respects, they are subsequently uniformly referred to under the term "stocks." The term "shares" used in these Derivative Terms refers not only to "stocks" in the corporate or securities law sense but to all types of securities and other instruments that serve as the underlying asset for A-Token.

**Clients must be aware that, depending on the structure of an equity-representative security, the rights of the holders can be significantly less favourable from those of a shareholder of the respective company. Clients are encouraged to thoroughly assess the underlying provisions of the equity-representative security in detail and independently assess its suitability based on its structure.**
  - 2.3. The exact details of the Underlying of an A-Token (designation, ISIN, etc.) can be

26.04.2024

found in the respective basic information sheets/Key Information Documents, which are published by Bitpanda in accordance with the PRIIPs Regulation (EU) No. 1286/2014. These will be made available to the Client for download through the Bitpanda Systems during the acquisition process in the form of hyperlinks. The Client may request the free provision of a paper copy of the basic information sheet/Key Information Documents.

- 2.4. The brokerage of A-Token, i.e., the reception and transmission of a Client's orders regarding the acquisition of A-Token or termination of A-Token contracts between Bitpanda and the Client, is exclusively carried out by Bitpanda Financial Services GmbH, Stella-Klein-Löw-Weg 17, A-1020 Vienna, Vienna Commercial Court FN 551181 k ("**Financial Services**") within the framework of the Bitpanda Systems.
- 2.5. It is noted that, with the exception of the service mentioned in point 2.4, neither Bitpanda nor Financial Services provides securities (related) services or investment activities in accordance with § 1 Z 3 or Z 4 of the Securities Supervision Act 2018, nor is there any explicit or implied investment advice to the Client.
- 2.6. Clients must note that A-Token is not represented on a blockchain and is not an ERC20 token, but rather an internal database entry at Bitpanda. A-Tokens can therefore only be acquired or terminated through the Bitpanda Systems, where Bitpanda is always the contractual partner of a Client in a transaction involving A-Token. Accordingly, the transmission or any other transfer of A-Token contracts to other Clients, third parties, or external wallet addresses, is technically and legally excluded.
- 2.7. It is explicitly noted that there is a general market and volatility risk associated with the underlying assets of the A-Token, which can affect the value of the A-Token accordingly. The Client explicitly acknowledges that A-Token, as financial derivative contracts, are highly speculative financial instruments and can lead to a loss of up to 100% of the capital invested (total loss). The significant risks associated with A-Tokens are described in detail in the A-Token prospectus and the key information document for the A-Token.
- 2.8. **CASH PLUS**  
  
Cash Plus is independent of and offered in addition to the Bitpanda Savings Plan. The following applies additionally to Cash Plus:

- 2.8.1. F-Tokens purchased by Clients are stored in sub-accounts of the respective Bitpanda Client Account within the Bitpanda Systems, denominated in the respective currency ("**Fiat Wallets**") and displayed as "F-Token Balance" in the Bitpanda Client Account (e.g., EUR F-Token, USD F-Token, GBP F-Token).
- 2.8.2. Within the context of Cash Plus, A-Tokens with MMFs as the Underlying ("**Cash Plus A-Token**") can be acquired. Currently, Bitpanda offers Cash Plus A-Tokens referencing three MMFs denominated in different currencies: EUR, USD, and GBP. Cash Plus A-Tokens with the MMF denominated in EUR as the Underlying are referred to as "**EUR Cash Plus A-Tokens**," Cash Plus A-Tokens with the MMF denominated in USD as the Underlying are referred to as "**USD Cash Plus A-Tokens**," and Cash Plus A-Tokens with the MMF denominated in GBP as the Underlying are referred to as "**GBP Cash Plus A-Tokens**."
- 2.8.3. Clients have the option to exchange their EUR F-Tokens for EUR Cash Plus A-Tokens, their USD F-Tokens for USD Cash Plus A-Tokens, and their GBP F-Tokens for GBP Cash Plus A-Tokens (each according to the conditions specified below; EUR F-Tokens, USD F-Tokens, and GBP F-Tokens together are referred to as "**Eligible F-Tokens**").
- 2.8.4. The Clients can submit a binding offer to Bitpanda via the Bitpanda Systems to enter into a contract for opting-in to Cash Plus ("**Opting-In**") ("**Final Cash Plus Offer**"). The Client is bound to this Final Cash Plus Offer for a period of 24 hours from the time it is submitted ("**Offer Period**"). A Final Cash Plus Offer from the Client is received by Financial Services and transmitted to Bitpanda in accordance with § 1 Z 3 lit a of the WAG 2018. A Final Cash Plus Offer will be accepted by Bitpanda through an explicit acceptance of the offer vis-à-vis the Client within the Bitpanda Systems during the Offer Period. The Client will be informed in the Bitpanda Systems about the acceptance or non-acceptance of a Final Cash Plus Offer.
- 2.8.5. By opting in, Bitpanda and the Client agree that the Client will automatically submit an offer through the Bitpanda Systems to conclude a (derivative) contract regarding the acquisition of Cash Plus A-Token, equivalent to the total amount of Eligible F-Token available in the Fiat Wallets at that time, immediately before the respective Roll-Over times (as defined in point 2.8.8 below),

26.04.2024

calculated based on the rate of the respective Cash Plus A-Token at Roll-Over time ("**Automatic Conversion Offer**"). For the avoidance of doubt, it is not possible to convert only parts of the Eligible F-Token Balance. For example, if the Client owns EUR F-Token, the Client offers to convert the EUR F-Token into EUR Cash Plus A-Token. If the Client owns F-Token in multiple currencies (e.g. EUR F-Token and USD F-Token), the Client offers to convert the EUR F-Token into EUR Cash Plus A-Token and the USD F-Token into USD Cash Plus A-Token. Each Automatic Conversion Offer is received by Financial Services and transmitted to Bitpanda in accordance with § 1 Z 3 lit a of the WAG 2018. If Bitpanda accepts such an Automatic Conversion Offer, the relevant Eligible F-Token of the Client will be converted into Cash Plus A-Tokens at the respective Roll-Over time at the prevailing rate (for calculation please see point 4 below)—("**Automatic Conversion**").

- 2.8.6.** At the time of the Roll-Over, Client's Eligible F-Token Balance is received by Financial Services in accordance with the Financial Services Terms and Conditions (please find these here: <https://www.bitpanda.com/de/legal/general-terms-conditions-bitpanda-financial-services>) and transmitted to Bitpanda for the purpose of acquiring Cash Plus A-Tokens as specified in point 2.8.5.
- 2.8.7.** Holidays observed by the MMFs that do not constitute statutory holidays in Austria, will not be considered as "business days" for the purposes of this section 2.8. Such holidays can be found in the holiday schedule of the respective MMF, available at <https://www.blackrock.com/cash/literature/calendars-and-schedules/ics-holiday-calendar-twenty-twenty-three.pdf>. Please note that this holiday schedule may change at any time.
- 2.8.8.** Depending on the Eligible F-Token, the Automatic Conversion occurs at different times:
- EUR F-Token: 10:00 am MEZ;
  - GBP F-Token: 10:00 am MEZ;

- USD F-Token: 2:00 pm MEZ

("Roll-Over times").

- 2.8.9.** Due to technical issues with the Bitpanda Systems (see point 7), there may be delays in processing or accepting a Final Cash Plus Offer or in processing or accepting an Automatic Conversion Offer.
- 2.8.10.** The Client can opt out of Cash Plus by clicking the "Opt-Out" button and following the steps displayed on the Bitpanda Systems ("**Opting-Out**"). If the Client Opt-out, the derivative contracts regarding all Cash Plus A-Tokens held by the Client at the time of Opting-Out will be terminated, and the Cash Plus A-Tokens are converted into the respective Eligible F-Token. This means that EUR Cash Plus A-Tokens will be converted into EUR F-Token, USD Cash Plus A-Tokens into USD F-Tokens, and GBP Cash Plus A-Tokens into GBP F-Tokens. Partial divesting of Cash Plus A-Tokens is not possible unless the Client uses parts of Cash Plus A-Tokens to buy assets different from A-Token on Bitpanda Systems pursuant to point 2.8.12.
- 2.8.11.** As an alternative to Opting-Out set out in point 2.8.11, Clients can terminate the Derivative Terms regarding the Cash Plus A-Token they hold by clicking the "move balance to wallet" button and following the steps displayed on the Bitpanda Systems ("**Short-Term Divestment**"). Partial divesting of Cash Plus A-Token is not possible. For the avoidance of doubt: a Short-Term Divestment does not lead to termination or interruption of the Automatic Conversion as per point 2.8.5. This means that the Automatic Conversion at the respective Roll-Over times will continue regardless of a Short-Term Divestment.
- 2.8.12.** When a Client wishes to buy assets (other than Cash Plus A-Token) on the Bitpanda Systems, they will be informed whether their F-Token Balance is sufficient to settle the respective Final Buy Offer. If the F-Token Balance is insufficient to settle the Final Buy Offer, the Client makes a binding offer to sell (part of) the Cash Plus A-Token to settle the Final Buy Offer by actively clicking/confirming the sale on Bitpanda Systems. If the Final Buy Offer is accepted, the relevant amount of Cash Plus A-Token will first be converted into F-Token and, consequently, these F-Token will be applied to purchase the Token requested in the

Final Buy Offer. This procedure will take place automatically and you will not be able to use the F-Token received in this process for any purpose other than completing the Final Buy Offer.

### 3. ACQUISITION AND TERMINATION OF A-TOKEN

3.1. The conclusion or termination of A-Token contracts can be initiated by the Client in three ways:

3.1.1. manually by the Client;

3.1.2. within the context of a Bitpanda Savings Plan (as defined below); or

3.1.3. within the context of Cash Plus (as defined below).

These options for acquiring and terminating A-Token contracts are independent of each other, and the termination and/or modification of any of these options has no effect on the other options or on these A-Token Derivative Terms.

#### 3.2. Manual acquisition and termination of A-Token

3.2.1. The manual conclusion of an A-Token contract ("**Manual Acquisition**") occurs through an offer made by the Client and an acceptance from Bitpanda.

3.2.2. The manual termination of an A-Token contract is made by an offer submitted by the Client and a declaration of acceptance by Bitpanda.

#### 3.3. Acquisition and termination of A-Tokens as part of Bitpanda Savings Plan

3.3.1. The Client can set up a Savings Plan that regularly and automatically acquires a predetermined value or number of A-Tokens (and/or other assets not covered by these A-Token Derivative Terms) according to the General Terms and Conditions of Bitpanda GmbH & BAM ("**Bitpanda Savings Plan**").

3.3.2. An A-Token contract as part of a Bitpanda Savings Plan is concluded by the Client automatically submitting individual offers with regards to the acquisition of A-Tokens at given time and amount specified by the Client when activating the Bitpanda Savings Plan, and a declaration of acceptance by Bitpanda regarding each such offer.

3.3.3. The termination of an A-Token contract concluded within the framework of a Bitpanda Savings Plan occurs through an offer made by the Client and declaration of

acceptance by Bitpanda.

### **3.4. Acquisition and Termination of A-Tokens within Cash Plus**

**3.4.1.** The conclusion of an A-Token contract within Cash Plus occurs through an individual offer from the Client after joining Cash Plus (see above point 2.8.5).

**3.4.2.** The termination of an A-Token contract concluded within Cash Plus occurs either through an Opting-Out according to point 2.8.10 or through a Short-Term Divestment according to point 2.8.11.

### **3.5. General Provisions Applicable to all Methods of acquiring and terminating A-Token, unless otherwise explicitly specified hereafter:**

**3.5.1.** For A-Token transactions that occur through Manual Acquisition or within the framework of a Bitpanda Savings Plan, the Bitpanda Systems display the selection of available A-Tokens and their current price information for acquisition or termination.

**3.5.2.** The prices displayed in the Bitpanda Systems for the Manual Acquisition of A-Token or the acquisition of A-Tokens within a Bitpanda Savings Plan, as well as all other information about an A-Token displayed in the Bitpanda Systems, do not constitute an offer by Bitpanda to conclude or terminate A-Token contracts.

**3.5.3.** All information provided in the Bitpanda Systems about an A-Token merely constitutes an invitation to the Client to make an offer (*invitatio ad offerendum*), to conclude or terminate an A-Token contract at the price determined according to point 4 at the time the Client submits the offer, based on these Derivative Terms.

**3.5.4.** The Client can purchase A-Tokens in fractional amounts and is not restricted to whole shares. A-Tokens are not freely transferable and can only be acquired from Bitpanda and terminated with Bitpanda. A-Token contracts are indefinite.

**3.5.5.** If the Client offers Bitpanda the conclusion of a contract for an A-Token, Bitpanda may accept this offer within a period of one minute. The acceptance requires that the Client has sufficient funds in a Fiat Wallet. The acceptance by Bitpanda occurs through a confirmation in the Bitpanda Systems and/or via email. If Bitpanda does not accept the Client's offer within this time frame, the

26.04.2024

Client's offer expires, thus the Client is no longer bound to his offer. Upon acceptance, the balance in the Client's wallet is reduced by the price of the A-Tokens as determined in point 4 at the time the Client made the offer. Thus, the agreement on the contract details consists of a combination of the acceptance of these Derivative Terms and the specific price of the A-Tokens at the time the Client made the offer, as well as the number of fractional shares of A-Tokens.

- 3.5.6.** Bitpanda reserves the right to (i) not accept a Client's offer according to points 2.8.4, 2.8.5, and/or 3.5.3 without stating reasons, (ii) after accepting a Client's offer according to points 2.8.4, 2.8.5, and/or 3.5.3, not to fulfill the respective A-Token contract for important reasons (especially due to regulatory requirements or other legal provisions or administrative or judicial orders), or (iii) completely exclude certain Clients from purchasing A-Tokens without stating reasons. It is explicitly clarified that this does not affect the termination of already acquired A-Token contracts. The Client will be informed about the non-acceptance of an offer via the Bitpanda Systems and/or by email.

#### **4. PRICING**

- 4.1.** The basis for the prices of A-Tokens displayed in the Bitpanda Systems are the rates provided by the primary price information provider, Lang & Schwarz TradeCenter AG & Co. KG ("**L&S**"), or an alternative equivalent price information provider according to points 4.8 or 4.9 (L&S or such other price information provider, referred to as the "**Price Information Provider**") for the acquisition and termination of the underlying assets of the A-Token.
- 4.2.** During the trading hours of the price information provider (Monday to Friday 07:30-23:00, as well as Saturday 10:00-13:00 and Sunday 17:00-19:00 CEST/CET, "**trading hours**"), the rates for the acquisition and termination of the underlying assets of the A-Tokens are continuously and automatically updated at short intervals via so-called ticks. A "tick" refers to the minimum price change or the so-called price step, i.e., a price interval (a "**tick**"). This term denotes the smallest unit by which a price can change. The price step is set by the respective price information provider and can vary depending on the type of underlying asset and the current price.
- 4.3.** The number of A-Tokens requested by a Client for acquisition or termination by



Bitpanda in the context of a desired transaction represents the acquisition volume or the termination volume, respectively. It is noted that in the case of a Manual Acquisition and within the framework of a Bitpanda Savings Plan, the acquisition and termination rates are not identical, but a difference exists (this difference between the acquisition and termination rate is subsequently referred to as the "**Spread**").

- 4.4. The price of the underlying asset for A-Token contracts acquired within Cash Plus is calculated based on the Net Asset Value (NAV), which is determined by the fund provider of the underlying asset once daily on each designated business day, and should be close to 1.

For the purposes of these derivative conditions, a "**business day**" is every Monday to Friday, except if it is a public holiday in Austria.

- 4.5. Outside the trading hours of the price information provider, Bitpanda uses the last price of the price information provider before the close of trading. This last price of the respective underlying asset is referred to as the "**stable price**".
- 4.6. When A-Tokens are acquired through Manual Acquisition or as part of a Bitpanda Savings Plan, Bitpanda charges the Client a Bitpanda Spread (the "**Bitpanda Spread**") for each such acquisition transaction. For details on the Bitpanda Spread, see point 14. The prices for A-Tokens displayed in the Bitpanda Systems are composed of the price of the underlying asset of the A-Tokens and the applicable Bitpanda Spread.
- 4.7. If the acquisition or termination volume (see point 4.3) is both greater than the last tick volume received from the price information provider before a desired transaction (tick volume is a specific number of units of an underlying asset that the price information provider guarantees at a specific acquisition or termination price) and greater than an internally set minimum volume of an underlying asset by Bitpanda, then—deviating from point 4.2—the most recently received prices from the price information provider are not used. Instead, an automated request, a so-called Request-for-Quote ("**RfQ**"), is sent to the price information provider concerning the acquisition or termination volume desired by the Client. Bitpanda reserves the right to set the internal minimum volume for individual or all underlying assets so high that an RfQ is triggered only in exceptional cases. If the spread of the RfQ price is less than or equal to 1 percentage point higher than the spread of the tick price received from the price information provider before the RfQ, the RfQ price is used. If the spread of the RfQ price is

26.04.2024

more than 1 percentage point higher than the spread of the tick price received before the RfQ, then the price of the last tick received before the RfQ is used, and its spread is increased by 1 percentage point and thus capped. The upper limit of the spread of the RfQ price is therefore the spread of the last prices received before the RfQ plus 1 percentage point (see also the example immediately following). The Client should therefore be aware that higher costs may arise in such a case.

Example of price determination/spread limitation in the case of a Manual Acquisition and within the framework of a Bitpanda Savings Plan:

4.8.

	Termination price	Acquisition price	Average	Spread in EUR	Spread in %-Points	Difference to the Spread before the RfQ (tick) in % points
last price before RfQ (Tick)	60,90	61,08	60,99	0,18	0,3 %	
RfQ Scenario 1	60,62	61,36	60,99	0,74	1,2 %	0,9%*
RfQ Scenario 2	60,46	61,52	60,99	1,06	1,7 %	1,4%**
RfQ Scenario 2 with maximum limitation	60,60	61,38	60,99	0,78	1,3 %	1,0%***

In the example above, the price as per the RfQ will be used in RfQ scenario 1, since it exceeds the Spread of the last received tick price by not more than 1 % point.

In the RfQ scenario 2, the last received tick price will be used plus 1 % point Spread (see last line in the table above). The Bitpanda Spread set out under point 14. will additionally be added to this price.

\* 0.9 % = Difference between 1.2 % (= Spread in % points of RfQ scenario 1) and 0.3 % points (= Spread in % points of last prices before the RfQ (tick))

\*\* 1.4 % = Difference between 1.7 % (= Spread in % points of RfQ scenario 2) and 0.3 % points (= Spread in % points of last prices before the RfQ (tick))

\*\*\* 1.0 % = Difference between 1.3 % (= Spread in % points of RfQ scenario 2 with maximum limitation) and 0.3 % points (= Spread in % points of last prices before the RfQ (tick))

*Example 1 (RfQ Scenario 1): A client wants to return his A-Token of Y-AG. The last available price from the price information provider for termination is 60.90 EUR. Since the purchase price is 61.08 EUR, the average price (the halved sum of the termination price and the acquisition price) of the two tick prices is 60.99 EUR, and the spread is accordingly 0.18 EUR. In percentage terms, the spread is thus approximately 0.3%. However, since the client wants to return a large amount of A-Token, and this exceeds both the tick size and the minimum volume set by Bitpanda, an RfQ price is obtained. The RfQ price for the return is 60.62 EUR and for the acquisition is 61.36 EUR, which means the RfQ spread is 0.74 EUR. This spread in percentage*

**26.04.2024**

*terms is 1.2%, thus less than the defined cap, which is calculated as follows: Ticker spread (0.3%) plus 1 percentage point. This results in a total cap of 1.3%. Since the RfQ spread (1.2%) does not reach the cap (1.3%), the RfQ price is used, and the client can terminate at 60.62 EUR. The cap price of 1.3% would be worse for the client, as he could only terminate at 60.60 EUR.*

*Example 2 (RfQ Scenario 2) (based on the values above): The RfQ, however, delivers 60.46 EUR for termination and 61.52 EUR for acquisition. The spread is thus now 1.06 EUR or 1.7%. This is above the maximum cap (1.3%), which is why the price according to the cap is applied (60.60 EUR). The client can therefore terminate at 60.60 EUR instead of just 60.46 EUR, thus being better off.*

- 4.9.** Should the prices for the underlying assets of the A-Tokens not be available from the price information provider during trading hours, rates from alternative equivalent price information providers will be used. In the event that neither prices from L&S nor from alternative equivalent price information providers are available for the underlying assets of the A-Token, or if the ongoing price determination for certificates has been suspended by the issuer, Bitpanda is authorized to temporarily suspend the acquisition or termination options for the respective A-Token contracts (refer to point 8 for details).
- 4.10.** Bitpanda is at all times entitled to permanently or for a specified period replace L&S with an equivalent price information provider, whereby such a change of the price information provider also affects clients who have already purchased A-Tokens before the change of the price information provider and who wish to terminate the A-Token contracts in the future. Before changing the price information provider, Bitpanda will verify the equivalence of the new price information provider with the previous one. "Equivalence" exists when the new price information provider performs the calculation and presentation of the prices of the underlying assets of the A-Token, both technically and temporally, in essentially the same manner as the previous price information provider and no disadvantages occur to the clients due to the change of the price information provider. Bitpanda will inform its clients about such a change of the price information provider via the Bitpanda Systems and/or by email.
- 4.11.** In relation to A-Token contracts that have fund shares as underlying assets, Bitpanda reserves the right to replace the current underlying fund shares with shares from funds of the same type (with identical or similar risk profiles) from other issuers. Should such a change affect clients holding A-Tokens with such fund shares as the underlying asset, these clients will be informed in advance via the Bitpanda Systems and/or by

**26.04.2024**

email about such a planned change. These clients are entitled to terminate the relevant A-Token contracts themselves within a period of four weeks after receiving the information. If the Client does not terminate their A-Token contracts within the specified period, Bitpanda is authorized to terminate the relevant A-Token contracts at the end of the period at the then current price of the respective fund, or to modify the A-Token contracts so that the fund shares of the new issuer now serve as the underlying asset of the relevant A-Token contracts. The Client will be informed in the relevant notification about the implications and legal consequences of their actions.

## **5. EXCLUSION OF LIABILITY, AUTHORIZATION FOR REVERSAL**

- 5.1.** In the event of market disruptions (see point 6), technical problems (see point 7), or the temporary suspension of A-Tokens (see point 8), the capital invested by the Client in relation to the affected (existing) A-Token contracts remains committed, and the Client's price risk persists for the duration of such events. Bitpanda is solely liable for any damages, lost profits, and/or consequential damages or other disadvantages of any kind to the Client resulting from the occurrence of such events only in cases of attributable intentional or gross negligence.
- 5.2.** Bitpanda assumes no liability for total losses that have arisen or may arise for the Client due to decisions made independently regarding the acquisition or termination of A-Token contracts. Neither Bitpanda nor Financial Services nor any other company within the Bitpanda Group provides any form of (investment) advice to the Client. The Client makes their investment decisions regarding the acquisition or termination of A-Token contracts solely on their own and must therefore bear any potential total losses associated with the acquisition or termination of A-Token contracts themselves. The Client is advised to seek professional advice before acquiring or terminating A-Token contracts.
- 5.3.** Furthermore, Bitpanda is not liable for any damages, lost profits, consequential damages, or disadvantages of any kind to the Client, or third-party damages that have occurred to the Client in connection with the acquisition, holding, or termination of A-Tokens due to force majeure, riots, war or natural events, or other events not attributable to Bitpanda.
- 5.4.** In special cases where Bitpanda or the Client is economically disadvantaged compared to usual market conditions after transactions related to A-Token contracts,

26.04.2024

Bitpanda is entitled to proportionally and retrospectively correct or reverse this disadvantage. These "special cases" include instances of market disruptions as per point 6, as well as other cases where transactions between Bitpanda and a client regarding A-Token contracts were concluded under unusual market conditions (so-called "mistrades"). In the event of a "mistrade," the transaction in question will be reversed at the request of the affected client or based on the decision of Bitpanda (which will appropriately consider the interests of the client). The right to reverse the affected transaction granted under this point 5.4 does not affect other rights under general civil, commercial, or consumer law provisions, especially any possible right of withdrawal for the client.

- 5.5.** It is explicitly clarified that Financial Services, in connection with A-Token contracts, does not become a debtor to the clients at any time. Activities of Bitpanda, which issues the A-Token, or other companies within the Bitpanda Group, are not attributed to Financial Services. Therefore, if clients of Financial Services from companies of the Bitpanda Group do not receive back a credit related to A-Token contracts, there is no compensation through the statutory investor compensation for Austrian securities firms, Wertpapierfirmen GmbH.

## **6. MARKET DISRUPTIONS**

- 6.1.** A market disruption occurs if one of the events listed below has happened in relation to the underlying of an A token:
- 6.1.1.** Trading disruption: Trading of the underlying asset is suspended or significantly restricted on a trading platform.
  - 6.1.2.** Trading platform disruption: On a trading platform, the ability for market participants to conduct transactions involving the underlying asset is significantly impaired or the conclusion of such transactions is generally prohibited.
  - 6.1.3.** Non-opening or early closure of a trading platform: A trading platform does not open at the regular start of trading or the respective trading platform closes before the regular end of trading, unless it is a planned closure of the trading platform that has been announced in advance in a timely manner.
  - 6.1.4.** Indications of faulty price formation: There is a justified suspicion that the price formation on a trading platform concerning the underlying asset is incorrect.

Such suspicion may arise, for example, from significant price deviations and/or fluctuations between different price information providers.

- 6.1.5.** Aussetzung der Preisfeststellung durch den Emittenten: Der Emittent eines Zertifikats (das als Basiswert eines A-Tokens fungiert) setzt die Preisfeststellung in Bezug auf das Zertifikat aus (bei Zertifikaten erfolgt die Preisfeststellung in der Regel durch Market-Making seitens des Emittenten auf Basis interner Preismodelle).

For the purposes of this section 6.1, a "trading platform" refers to any of the following platforms: (a) Lang & Schwarz Exchange or Lang & Schwarz TradeCenter, (b) Tradegate Exchange, and (c) direct trading with Société Générale.

## **7. TECHNICAL PROBLEMS IN THE BITPANDA SYSTEMS**

- 7.1.** Technical or operational reasons include, for example, lack of login capabilities, display errors in prices, errors or problems concerning price formation, defects in technical interfaces, and system failures.
- 7.2.** Furthermore, there may be planned temporary restrictions and interruptions of the Bitpanda Systems (especially for updates). In these cases, Bitpanda will make every effort to inform clients in advance via the Bitpanda Systems and/or by email.

## **8. TEMPORARY SUSPENSION OF A-TOKENS BY BITPANDA**

- 8.1.** Since the ability to terminate A-Token contracts outside of trading hours is a voluntary service provided by Bitpanda, Bitpanda is entitled at any time—and thus without being bound by the restrictions presented in point 8.2—to temporarily suspend this service outside of trading hours. Therefore, the Client has no claim to acquire or terminate A-Token contracts outside of trading hours.
- 8.2.** Bitpanda is authorized to (i) at any time at its discretion and in the presence of important reasons, suspend the acquisition option, and (ii) the termination option as per point 12, when important reasons exist, temporarily suspend these options for one or all of the A-Tokens displayed in the Bitpanda Systems during trading hours.

A temporary suspension occurs when it is no longer possible for all or individual clients to acquire and/or terminate A-Token contracts for a limited period of time ("**Suspension**").

- 8.3.** An important reason for a temporary suspension of A-Token contracts in relation to all clients occurs in the following cases:
- 8.3.1.** In the case of ad-hoc announcements or comparable media reports concerning an underlying asset, which could lead to significant price movements;
  - 8.3.2.** In the event of significant price movements of an underlying asset by more than 10%;
  - 8.3.3.** In the event of a temporary market disruption concerning an underlying asset as per point 6;
  - 8.3.4.** wenn für einen Basiswert weder Kurse von L&S noch von alternativen gleichwertigen Preisinformationsdienstleistern (siehe Punkt 4.8) zur Verfügung stehen;
  - 8.3.5.** in cases mentioned in point 9 or point 10;
  - 8.3.6.** when the underlying assets of the respective A-Tokens, held by Bitpanda, are no longer available in sufficient quantities, affecting only the acquisition process of A-Tokens;
  - 8.3.7.** upon identification of internal risk reasons;
  - 8.3.8.** other important reasons comparable in significance, scope, and relevance to those mentioned in points 8.3.1 to 8.3.7.
- 8.4.** Internal risk reasons according to point 8.3.7 particularly occur when internal risk metrics and guidelines or other internal thresholds are reached, the acquisition would exceed risk thresholds, or similar circumstances exist.
- 8.5.** In the cases listed in point 8.3, the respective temporary suspension applies from the time Bitpanda implements the temporary suspension until its termination by Bitpanda. A temporary suspension will be promptly lifted upon the elimination of the important reason according to point 8.2 or, where possible, within three business days to enable timely termination of the relevant A-Token contracts for the clients. Should this not be possible in individual cases, an economically comparable solution will be sought.
- 8.6.** An important reason for a temporary suspension of A-Token contracts in relation to individual clients exists if regulatory requirements or other legal provisions, or administrative or judicial orders, necessitate such a temporary suspension, or if there is a justified suspicion that the client has engaged in fraudulent or abusive actions. A temporary suspension according to this point 8.6 will be terminated immediately once the important reason ceases to exist.

- 9. NATIONALIZATION, INSOLVENCY, DELISTING, FUND CLOSURE, SHARE REDEMPTION, DETERIORATION OF UNDERLYING**
- 9.1.** Nationalization occurs when Bitpanda determines that the underlying asset of an A-Token has been nationalized or expropriated, or transferred to an authority, public law entity, or other governmental body.
- 9.2.** Insolvency occurs when Bitpanda determines that a voluntary or involuntary dissolution, liquidation, insolvency, or similar proceeding under applicable law has been initiated concerning the issuer of the underlying asset of an A-Token or its assets. This proceeding results in all underlying assets of the A-Token being transferred to a trustee, liquidator, insolvency administrator, or public authority, who alone has authority over the assets, or due to which it becomes unlawful for the holders of the underlying assets to transfer them.
- 9.3.** A delisting occurs when Bitpanda determines that the listing of the underlying asset of an A-Token contract, or its authorization for trading on the European market, has been discontinued or revoked.
- 9.4.** A fund closure specifically occurs when Bitpanda determines that
- 9.4.1.** a fund is dissolved due to unprofitability (e.g., due to falling below certain thresholds regarding the managed fund assets), new regulations, or structural measures taken by the issuer or the management company of the fund;
  - 9.4.2.** ein Fonds infolge der Beendigung durch die Verwaltungsgesellschaft aufgelöst wird;
  - 9.4.3.** the fund is dissolved by the custodian bank as a result of the management company ceasing its administration;
  - 9.4.4.** the fund is dissolved as a result of the redemption of all shares; or
  - 9.4.5.** the fund is transferred to another investment company as a result of a restructuring (such as a merger).
- 9.5.** A redemption of fund shares specifically occurs when Bitpanda determines that



the issuer or the management company of a fund redeems or withdraws the fund shares at its own discretion or due to an unsuccessful replication of the fund's reference index.

- 9.6.** A deterioration of the underlying asset is only relevant for A-Tokens that have been acquired as part of Cash Plus, and occurs when Bitpanda determines that the underlying asset of such an A-Token;
- 9.6.1.** loses the status of "short-term money market fund with low volatility net asset value" according to the definition in the EU Money Market Fund Regulation (Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds);
- 9.6.2.** the average 30-day gross money market fund yield of the underlying asset falls below 1% per annum; or
- 9.6.3.** the gross money market fund yield of the underlying is significantly negative for 3 consecutive business days in Austria.

For the avoidance of doubt, the termination of the A-Token Contract in respect of an A-Token acquired under Cash Plus shall not result in the termination of any other derivative contracts with other Underlyings acquired under Cash Plus.

- 9.7.** In the event of nationalization, insolvency, delisting, fund closure, share redemption or deterioration of an underlying asset, Bitpanda reserves the right to terminate all A-Token contracts between Bitpanda and the Client in relation to the affected underlying asset at the end of trading hours on the day on which the relevant event is first publicly announced or becomes effective. In addition, if such events occur in relation to Cash Plus A-Token, Bitpanda is entitled to change the affected MMF (underlying a Cash Plus A token) to another MMF as Underlying in the future, whereby the new MMF must have a similar fund structure and a similar risk profile as the previous MMF. Once the new MMF has been selected by Bitpanda, it will immediately become the underlying for all Cash Plus A tokens purchased in the relevant currency as part of Cash Plus. Bitpanda will immediately inform the Client of such a change by email.
- 9.8.** The value of the A-Token reflects all advantages and disadvantages caused by a nationalization, insolvency, delisting, fund closure, share redemption or deterioration of

the underlying asset. This means in particular that Bitpanda will compensate the Client for all benefits received from third parties (due to and/or as a result of the occurrence of such an event) upon termination of the A-Token contract in accordance with point 9.7.

- 9.9.** If Bitpanda has mistakenly paid out too much to the Client or allocated too many other monetary benefits to the Client (e.g. due to an originally incorrect payout or allocation by the custodian bank) in the event of nationalization, insolvency, delistings, fund closure, share redemption or deterioration of the underlying, Bitpanda is entitled to correct the corresponding positions, whereby this can also be done retrospectively. If, in the event of nationalization, insolvency, delisting, fund closure, share redemption or deterioration of the underlying asset, too little has been paid out to the Client by mistake or too few other monetary benefits have been allocated to the Client and the Client is therefore worse off than he would have been if the payment or allocation had been made correctly (e.g. due to an originally incorrect payment or allocation by the custodian bank), Bitpanda undertakes to correct the corresponding positions, whereby this can also be done retrospectively.

**10. STOCK SPLIT, REVERSE STOCK SPLIT, BONUS SHARE, LIQUIDATION PROCEEDS (CORPORATE ACTIONS)**

- 10.1.** A stock split occurs when Bitpanda determines that existing shares of a stock corporation are converted into a larger number of new shares with a correspondingly lower nominal value.
- 10.2.** Bonus shares occur when Bitpanda determines that, with regard to a capital increase of a public limited company from company funds, open reserves are converted into share capital. By issuing bonus shares, the shareholders participate in the new share capital in proportion to their previous shareholding. This prevents capital dilution for existing shareholders.
- 10.3.** Liquidation proceeds exist if Bitpanda determines that positive economic proceeds have been generated following the liquidation or winding up of a company that issued the underlying assets on which the A tokens are based. The same applies to the liquidation of funds and the spin-off of existing fund units.
- 10.4.** A reverse stock split is deemed to apply if Bitpanda determines that, with regard to a

joint-stock company, the number of shares already issued will be reduced. The share capital of the joint-stock company and the total value of the stocks shall remain unchanged.

- 10.5.** If Bitpanda receives benefits in connection with events under points 10.1, 10.2, 10.3, 10.4 or other events economically comparable to the points just mentioned (together the “Corporate Actions”) due to the shares held in its securities account, Bitpanda will endeavor, but is not obliged, to allocate the corresponding benefits to the relevant clients who hold an A-Token with the affected share as Underlying. This can be done by allocating additional A-Tokens, allocating other assets in the Bitpanda Systems or by granting similar economic benefits in favor of the client whereby the client has no claim to this.
- 10.6.** In the case of a reverse stock split pursuant to section 10.4, however, this may also mean that the number of A-Tokens held by the client is reduced as a result of the reverse stock split and the increase in the nominal value, although the economic value of the (remaining) A-Tokens generally remains unchanged.
- 10.7.** With regard to other corporate actions comparable to points 10.1, 10.2, 10.3 and 10.4, Bitpanda will endeavor, but is not obliged, to find a solution that puts the Client in the same financial position as if he had acquired the underlying asset directly (economically close solution), whereby the Client has no claim to this. Such measures may include the allocation of additional A-Tokens or other assets in the Bitpanda Systems as well as the granting of similar economic advantages in favor of the Client, but also the termination of affected A-Token contracts or similar measures, whereby this will be assessed to the best of our knowledge and belief (taking due account of the Client's interests) on a case-by-case basis.
- 10.8.** If Bitpanda has mistakenly paid out too much to the Client or allocated too high other monetary benefits to the Client in cases of a share split(s), reverse stock split, bonus share or liquidation proceeds in relation to an underlying asset (e.g. due to an originally incorrect payout or allocation by the custodian bank), Bitpanda is entitled to correct the corresponding positions, whereby this can also be done retrospectively. If, in the event of a share split(s), share consolidation, bonus share or liquidation proceeds in relation to an underlying asset, too little has been paid out to the Client by mistake or too few other monetary benefits have been allocated to the Client and the

Client is therefore worse off than he would have been if the payout or allocation had been correct (e.g. due to an originally incorrect payout or allocation by the custodian bank), Bitpanda undertakes to correct the corresponding positions, whereby this can also be done retrospectively.

## 11. DIVIDENDS, FUND DISTRIBUTIONS AND OTHER RIGHTS AS WELL AS EXCLUSION OF THE CLIENT'S RIGHTS

- 11.1. Holding A-Tokens enables the Client to participate not only in changes in the value of the respective underlying asset, but also indirectly and proportionately in the respective dividends of shares or fund distributions in accordance with this point 11. The Client's claim exists solely and exclusively against Bitpanda and not against third parties, such as trading platforms, issuers, management companies or other third parties.
- 11.2. The underlying assets of the A-Token contracts are shares, funds, ETNs, ETCs or certificates that are traded on a trading platform. Bitpanda holds the underlying assets in its securities portfolio and receives dividends or fund distributions, depending on the type of underlying asset. Depending on the underlying in question, dividends or fund distributions are paid out once or several times a year. The relevant companies may also decide that no dividends or fund distributions will be paid out.
- 11.3. Dividend payments in respect of shares are proposed by the management of the respective company and resolved by the shareholders' meeting. At the shareholders' meeting, the company announces the day on which the share will be traded again without dividends ("**ex-day**"). The day before the ex-day is therefore the last day on which the share is still traded including dividends ("**cum-day**"). There is also a record date on which a share must be held until the end of this record date in order to receive dividends ("**record date**").
- 11.4. Similar to shares in a company (see point 11.3 above), a fund defines an ex-date, a record date and a payout date. This determines who receives the fund distributions and when the fund distributions are paid out. These fund distributions are made on a different schedule to that of the shares held by the fund and vary from fund to fund.
- 11.5. In the case of A-Tokens acquired through a Manual Acquisition or as part of a Bitpanda Savings Plan, the payout date of dividends or fund distributions follows some time after

the Ex-Date and the Record Date and varies depending on the type of shares or fund. In the case of A tokens purchased under Cash Plus, the payout date of fund distributions will take place on or around the fourth business day after the last day of the calendar month in which the corresponding fund distribution was paid to Bitpanda.

**11.6.** Crucial for the creation of the client's entitlement to a dividend payment or fund distribution is the acquisition of A-Tokens with respect to the respective underlying asset before the relevant cum day and holding these A-Tokens until the end of the record date regarding the shares or fund units.

**11.7.** It is explicitly pointed out that for a claim on dividends or fund distributions, the Client must have purchased the A-Token contract before the cum day and must not terminate it before the end of the record date; thus, the Client must hold the A-Tokens through the cum day and until the expiration of the record date. Taking into account the aforementioned restrictions, the Client has a right to an allocation of a corresponding dividend or fund distribution (as per this section 11). In the case of A-Tokens purchased as part of Cash Plus, this is subject to a payout fee (as defined in section 14.1.2). Bitpanda will calculate for the relevant clients their entitled shares of the dividends or fund distributions no later than within 20 calendar days from the receipt of the dividends or fund distributions (see section 11.7.3). No later than an additional 14 calendar days afterwards, Bitpanda will credit the proportional dividend amounts or fund distribution amounts to the clients through the Bitpanda Systems. For A-Tokens purchased as part of Cash Plus, special rules apply (see section 11.7.4 below). The calculation of the dividend entitlement or the entitlement to fund distributions for each client is based on an extract from Bitpanda's internal database at the respective key dates of the underlying asset of an A-Token. The calculation or allocation of dividends or fund distributions is thus performed as follows:

**11.7.1.** Bitpanda receives the dividends or fund distributions for all shares or fund units held in their securities account, with the respective trading platform deducting and withholding its forwarding costs before paying out the dividends or fund distributions to Bitpanda (see section 14.5);

**11.7.2.** Tax liabilities as well as any deductions from dividends or deductions related to fund distributions are borne by the Client. Any taxes and similar deductions are subtracted before payout. Bitpanda strives, but is not obligated, to avoid such

deductions and any double taxation;

- 11.7.3.** The remaining amount after the deductions mentioned in sections 11.7.1 and 11.7.2 is divided accordingly. This is determined by calculating the percentage of A-Tokens related to a specific underlying asset held by all clients at the respective key dates, and how many A-Tokens are not in client possession. Thus, dividends or fund distributions are divided according to the ownership of the A-Tokens at the respective key dates. For A-Tokens not held by clients, Bitpanda receives the corresponding dividends or fund distributions. The respective key dates for the underlying assets of A-Tokens are accordingly displayed in the Bitpanda Systems;
- 11.7.4.** The dividends or fund distributions to be allocated (with the exception of Cash Plus; see below) are calculated according to the following formula: (Received dividend or fund distributions as defined in section 11.7.1 multiplied by the respective client's share of A-Tokens) divided by the total number of A-Tokens held by the Client and those not in client possession. In the case of A-Tokens purchased as part of Cash Plus, a payout fee (as defined in section 14.1.2) is subsequently deducted. For Cash Plus A-Tokens, the exact daily interest rate for each client is calculated based on the daily cash flows in each month. Distributions of the MMF underlying the Cash Plus A-Tokens are accrued and declared up to and including the last calendar day of the previous month. Distributions are credited to the Client on the 4th business day of each month. The determination of the dividend or fund distribution to be allocated to a client is performed through the Bitpanda Systems.

Example for illustration: Bitpanda holds 10 shares of B-AG. Client A holds 0.5 A-Tokens, Client B holds 7 A-Tokens, and Client C holds 1.8 A-Tokens (each of B-AG). Thus, the clients hold a total of 9.3 A-Tokens of B-AG. Bitpanda receives €1 dividend per share, thus €10 minus a dividend forwarding fee of €1. The 'received dividend' according to the above formula is therefore €9. Client A receives €0.45 ( $[\text{€}9 * 0.5 \text{ units}] / 10 \text{ units}$ ), Client B receives €6.3 ( $[\text{€}9 * 7 \text{ units}] / 10 \text{ units}$ ), and Client C receives €1.62 ( $[\text{€}9 * 1.8 \text{ units}] / 10 \text{ units}$ ) in allocated dividends. Bitpanda receives the remaining €0.63 for the 'remaining A-Tokens' (0.7 A-Tokens).

Example for Cash Plus: Client A has an F-Token Balance of EUR 10,000 and opts for Cash Plus. The yield is calculated daily based on the variable interest rate of the MMF underlying

**26.04.2024**

asset (e.g., 2.4%) set on the next business day for the previous day (or days). The calculation is based on the 'simple interest method' and act/365 days. Assuming that Client A's Cash Plus Balance remains at EUR 10,000 and the yield does not change for the first twenty days, the client is entitled to a daily distribution of 0.6575 cents. On the 21st business day, EUR 5,000 is credited to Client A's Cash Plus Balance and the yield increases to 2.5%. Client A receives EUR 1.0274 per day, which is also credited to the fund balance. On the 26th day, Client A withdraws EUR 15,000, reducing his Cash Plus Balance to zero. For the remaining days of the month, Client A receives no further distributions. On the fourth business day of the following month, all daily distributions credited from the previous month are paid out to the client, with the payout fee deducted. In the example above, the client would receive about EUR 18.29.

**11.7.5.** The Client is informed about the allocation of the respective dividends or fund distributions through the Bitpanda Systems or via email. This notification includes the amount of the dividend or fund distribution in relation to the A-Tokens held by the Client and, in the case of A-Tokens purchased as part of Cash Plus, the deducted payout fee (as defined in section 14.1.2). Upon the Client's request, a more detailed breakdown of the dividend/distribution minus the proportional fees is provided.

**11.7.6.** If Bitpanda receives dividends or fund distributions partially in the form of shares or fund units, these shares and fund units are passed on to the clients in the form of A-Tokens on a proportional basis. The calculation and process are carried out in accordance with sections 11.7.1 to 11.7.5.

**11.8.** Regarding Cash Plus A-Tokens, Bitpanda has the option to distribute the payout (minus the payout fee; see section 14.1.2) either (i) to the Client in the form of F-Tokens and exchange these F-Tokens into Cash Plus A-Tokens on the same day, or (ii) pay out directly in Cash Plus A-Tokens. Both options result in the same payout fee and the same Cash Plus A-Token value received by the Client.

**11.9.** The Client shall at no time be entitled to

**11.9.1.** Issuance or physical delivery of the underlying assets of the A-Tokens;

**11.9.2.** Exercise of the rights associated with the underlying assets, in particular:

(i) voting rights,

(ii) subscription rights in the event of a capital increase,,

(iii) Dividends or fund distributions of any kind, except for the Client's entitlement to dividends or fund distributions from Bitpanda in accordance with sections 11.1 to 11.7;

**11.9.3.** an allocation of specific Underlyings; and

**11.9.4.** other rights not expressly stated in these Derivative Terms (unless the customer is entitled to them by law).

## **12. TERMINATION BY CLIENT**

**12.1.** The Client can terminate an A-Token contract at any time. In the case of A-Tokens acquired through a Manual Acquisition or as part of a Bitpanda Savings Plan, this can be done by the Client making a termination offer to Bitpanda in the Bitpanda Systems, which Bitpanda will accept in accordance with these Derivative Terms. In the case of A-Tokens acquired through Cash Plus, this can be done by the Client opting out of Cash Plus in accordance with these Derivative Terms. The termination takes place at the price displayed in the Bitpanda Systems for the termination of the respective A-Tokens (and formed according to section 4).

**12.2.** Excluded from the possibility of terminating A-Token contracts at any time as per section 12.1 are cases of market disruptions (section 6.) and technical problems of the Bitpanda Systems (section 7.), temporary suspensions of the termination option in relation to A-Token contracts as per section 8., as well as cases of nationalization, bankruptcy, delisting, fund closure, share redemption, and deterioration of the underlying asset (section 9.) (each in relation to the A-Token contract(s) affected by such an event). This exclusion from the possibility of terminating A-Token contracts at any time applies – unless otherwise specified in these Derivative Terms – until the relevant event ceases to exist.

## **13. TERMINATION BY BITPANDA**

**13.1.** Bitpanda is authorized to terminate all or individual A-Token contracts with the Client by giving four weeks' notice, whereby an appropriate notification to the Client via the Bitpanda Systems and/or by email is sufficient. During the ongoing termination period,



the Client can terminate the A-Token contracts at any time themselves. If this is not done, the relevant A-Token contracts will be terminated at the end of the termination period at the current price of the underlying asset (without the Bitpanda spread).

**13.2.** In cases of suspected fraudulent, money laundering-related, or other criminal activities by the Client, or in the presence of other important reasons related to the Client (e.g., incorrect information provided by the Client concerning general legal obligations in relation to Bitpanda or the compliance with regulatory or similar legal obligations by Bitpanda) that make it impossible or unreasonable for Bitpanda to maintain the A-Token contract(s) with the Client, Bitpanda may terminate all or any individual A-Token contracts held by the Client (depending on whether the important reasons pertain to individual or all A-Token contracts held by the Client) immediately and without notice.

**13.3.** Excluded from the termination option according to section 13.1 are cases of termination of A-Token contracts by Bitpanda according to section 9.

#### **14. BITPANDA SPREAD, COSTS AND FEES FOR THE CLIENT**

**14.1.** Bitpanda charges the following fees during the acquisition and termination of A-Token contracts:

14.1.1. For A-Tokens acquired through a Manual Acquisition or as part of a Bitpanda Savings Plan: The Bitpanda Spread, which is based on the acquisition or termination price of the respective underlying asset of an A-Token contract. The Bitpanda Spread is generally charged for each transaction, meaning for each acquisition and each termination of an A-Token contract. The prices Bitpanda receives from the price information service already include its spread. The Bitpanda Spread depends on the desired trading time of the Client. Depending on the time, either the Bitpanda Day Spread (see section 14.2) or the Bitpanda Night Spread is charged (see section 14.3). Further details on the amount and the calculation method of these fees are outlined in the Cost Transparency Document and the A-Token Prospectus.

**14.1.2.** For Cash Plus A-Tokens, the following applies: The Client agrees that Bitpanda will retain a service fee from each credited distribution ("**payout fee**"). This payout fee is automatically deducted from the distributions before they are paid out to the Client. Depending on the 'BEST VIP-Level' of the Client on the day of the distribution (as set

26.04.2024

and defined in section 1 of Annex I of the conditions for the Bitpanda Loyalty Program), the payout fee retained by Bitpanda is as follows (each as a percentage of the distribution):

BEST VIP-Level	Payout fee
no BEST VIP-Level	20%
Level 1	18%
Level 2	16%
Level 3	14%
Level 4	12%
Level 5	10%

For information on the forwarding fee, see section 14.5. Further details on the payout fee are provided in the Cost Transparency Document and the A-Token Prospectus.

- 14.2.** In regard to the Bitpanda Spread, the prices provided by the price information services are always used during trading hours (see section 4). In conjunction with these prices, the Bitpanda Spread is calculated (with no doubling of the spread from Monday to Friday from 08:30-22:00 CET/CEST ("**Normal Times**"), referred to as the "**Bitpanda Day Spread**"). Specifically, the acquisition price is multiplied by 1.005 (1 + 0.5%) and the termination price by 0.995 (1 - 0.5%). The price displayed to the Client during the acquisition or termination process already includes this Bitpanda Spread, and the Client is made aware of these charged costs during these processes.
- 14.3.** Outside of trading hours (as explained in section 4.4), a stable price is used. During weekends and holidays ("**Weekend and Night Times**"), Bitpanda doubles the spread, and this price is multiplied by 1.005 or 0.995 (see section 14.2), collectively called the 'Bitpanda Night Spread'. Thus, the costs during Weekend and Night Times with the Bitpanda Night Spread are higher than those during Normal Times with the Bitpanda Day Spread. It is explicitly noted that Bitpanda sets a cap on the doubling of the spread, with Bitpanda adding a maximum of 1.5% to both the acquisition and the

termination price. However, this does not exclude the possibility that the overall spread is higher than 3%, as only the doubling of Bitpanda's own spread is limited to 3%. The calculation is detailed as follows:

- 14.3.1. The last price provided by the price information service provider before the close of trading is used until trading resumes, and this price can also be seen on the homepage of the price information service provider outside of trading hours, where it can be viewed.
- 14.3.2. In relation to the last price transmitted by the price information service provider as per section 14.3.1, the absolute spread is calculated (by subtracting the termination price from the acquisition price).
- 14.3.3. Bitpanda doubles the absolute spread (with the doubling being limited according to section 14.3) and subsequently divides it evenly between the acquisition and termination price.
- 14.3.4. Based on these increased acquisition and termination prices, the price is multiplied by 1.005 or 0.995 (as mentioned in section 14.2).
- 14.3.5. Example:

	<b>During Normal Times (Bitpanda Day Spread)</b>	
	Termination price	Acquisition price
Price received from the price information service provider	100,00	100,20
Including a price adjustment of 0.5%	99,50	100,70
Absolute Spread	(100,20 - 100 =) 0,20	
	<b>During Weekend and Night Times (Bitpanda Night Spread)</b>	
	Termination price	Acquisition price
Price received from the price information service provider before the close of trading	100,00	100,20

26.04.2024

Price received from the price information service provider before the close of trading, including double spread	99,90	100,30
Including a price adjustment of 0.5%	99,40	100,80
Double spread	<p>(0.20 x 2 =) 0.40</p> <p>1.) 0.20 from the price information service provider,</p> <p>2.) 0.20 from Bitpanda, thus 0.10 each added to the termination and acquisition prices</p>	

- 14.4.** Generally, no additional costs such as custody fees, negative interest rates, or similar are separately charged. In particular, there are no minimum or fixed costs. The Bitpanda Spread as referred to in section 14.1 also covers all costs for the financial services. Therefore, there are no costs for holding an A-Token – except in connection with the provision of the dividend or fund distribution (see section 14.5) or for costs associated with another special event (as defined in section 10.) – costs are incurred only at the acquisition and termination of an A-Token contract according to section 14.1. Regarding A-Tokens whose underlying asset is a fund, ETF, ETC, ETN, Security Token, or certificate, it should be noted that specific ongoing costs incurred by third parties are deducted directly from the value of the underlying asset. The ongoing costs vary from year to year and from underlying asset to underlying asset, as they may be linked to the performance of the fund, ETF, ETC, ETN, Security Token, or certificate (e.g., performance fee) or may include other variable costs (e.g., advisory effort of the fund, ETF, ETC, ETN, Security Token or certificate, audit of the fund, ETF, ETC, ETN, Security Token or certificate). Information on the ongoing administrative and management fees concerning A-Tokens, whose underlying asset is a fund, ETF, ETC, ETN, Security Token or certificate, can be viewed in the Bitpanda Systems and in the respective basic information sheets/Key Information Documents under the PRIIP Regulation (EU Regulation No. 1286/2014).
- 14.5.** Costs associated with dividends or fund distributions incurred by Bitpanda are proportionately borne by the clients, as such costs reduce the clients' entitlement to dividends or fund distributions accordingly (see section 11). Thus, Bitpanda itself does not charge a fee in relation to dividends or similar, but only passes on the proportional costs of the custodian bank to the Client. The total costs arising from the process are deducted from the dividend or fund distribution, and the dividend or fund distribution, adjusted for costs, is distributed proportionally to the clients. The same applies to any taxes that are deducted by the custodian bank or otherwise become due for Bitpanda.
- 14.6.** As part of marketing/promotion campaigns, Bitpanda may offer clients more favorable conditions or not charge a Bitpanda Spread. Bitpanda bears the costs of individual marketing/promotion campaigns at its own discretion. These actions do not establish any future claim of clients against Bitpanda.

## **15. COLLATERALIZATION OF THE CLAIM OF BITPANDA CLIENTS**

- 15.1.** In order to provide the Client with additional security within the scope of the business relationship in connection with A-Tokens with Bitpanda, Bitpanda hereby pledges to the Client (a) all securities serving as Underlying (all securities and other instruments serving as Underlyings (stocks, fund shares etc) which are currently or in the future stated and/or accounted for in the securities account maintained with Bitpanda's custodian bank (the "**Custody Securities**"), together with all rights, claims and receivables associated with the Custody Securities, and (b) all current and future credit balances credited to clearing accounts associated with the Custody Account Securities, including any sub-accounts maintained by Bitpanda with the Custodian Bank (the "**Clearing Accounts**"), together with all rights, claims and receivables associated with the Clearing Accounts (the "**Pledged Assets**", together the "**Lien**").
- 15.2.** The Lien serves as first-ranking security for all existing and future receivables of the Client against Bitpanda arising from or in connection with A-Tokens acquired on the basis of these Derivative Terms (the "**Collateralised Receivables**"). The Client accepts the pledge and the lien by accepting these Derivative Terms.
- 15.3.** The Lien is pledged in equal, first rank to collateralise all existing and future receivables of all Bitpanda Clients in connection with the A-Tokens that are acquired based on the Derivative Terms. The Client explicitly acknowledges and agrees that for this purpose, the Pledged Assets are or will be pledged in equal, first rank, also in favour of other existing and future Bitpanda Clients, irrespective of whether the A-Token was acquired by Manual Acquisition, Bitpanda Savings or Cash Plus. Any and all Bitpanda Clients are thus be pledgees of equal rank in connection with any A-Tokens that are acquired or terminated based on these Derivative Terms.
- 15.4.** The prerequisite for any type of realisation of a Lien is the existence of a legally binding executory title on the existence of Collateralised Receivables, the legally binding initiation of insolvency proceedings regarding the assets of Bitpanda or the rejection of an application for the initiation of insolvency proceedings regarding the assets of Bitpanda for lack of assets to cover costs.
- 15.5.** Bitpanda is entitled to dispose of the Pledged Assets within the framework and scope of its ordinary business operations until the delivery of a legally binding executory title regarding the

**26.04.2024**

existence of Collateralised Receivables to Bitpanda, the legally binding initiation of insolvency proceedings regarding the assets of Bitpanda or the rejection of an application for the initiation of insolvency proceedings regarding the assets of Bitpanda due to a lack of assets to cover costs; this shall also include, within the framework and scope of ordinary business operations, the sale of pledged Custody Securities, the use of proceeds from the sale of pledged Custody Securities, as well as the disposal of the credit balances credited to the respective clearing accounts and the lending of the pledged Custody Securities to third parties against payment of a fee (securities lending), in each case in connection with the provision of collateral in favour of Bitpanda to fully secure Bitpanda's claim for return as lender against the respective borrower.

- 15.6.** The process for a legally effective establishment of the Lien is by means of notification of the custodian bank by Bitpanda (third-party debtor notification). If the applicable jurisdiction provides for a different mode of legally effective establishment of the pledge, Bitpanda shall take the necessary measures to establish legally effective collateralization of the claims of Bitpanda's clients within the meaning of this section.
- 15.7.** Please note, in particular, that Bitpanda assumes no liability for any default risk of the respective issuer of Custody Securities or the custodian bank.
- 15.8.** Since the acquisition of the underlying asset of an A-Token contract is bound to trading hours, unlike the acquisition of A-Token contracts, there can be a time delay between the acceptance of the Client's offer to conclude an A-Token contract according to point 3 by Bitpanda and the acquisition of the Underlying or booking of the underlying asset into Bitpanda's securities account at the custodian bank.

## **16. TAXES**

- 16.1.** The Client acknowledges the fact that the taxation of current income and capital gains or capital losses in connection with A-Tokens depends on individual tax circumstances.
- 16.2.** Taxes incurred in connection with A-Tokens are to be personally borne by the Client. The Client is solely responsible both for the payment of his own taxes and for the preparation of his own tax returns, for which Bitpanda assumes no liability whatsoever.

26.04.2024

- 16.3.** It is recommended that the Client consults his own tax consultant, since only this consultant can assess and take account of the Client's individual tax situation. This applies, in particular, if the Client is to pay tax abroad or if special personal circumstances may have an influence on his tax burden.

**17. CASH SETTLEMENT / SETTLEMENT IN F-TOKEN**

- 17.1.** With regard to the termination of A-Token contracts in accordance with these Derivatives Terms, settlement is agreed exclusively in F-Tokens. This means that upon termination of A-Token Contracts, the Client will not receive the (termination) price of the A-Tokens in EURO, but in F-Tokens (equivalent to the (termination) price displayed in EURO).
- 17.2.** Please note, in particular, that the Client, at no time, has any claim for delivery of the securities serving as Underlyings for the respective A-Token, which also includes any asset and delivery rights securitized by Underlyings.

**18. NO RIGHT OF WITHDRAWAL UNDER THE AUSTRIAN DISTANCE FINANCIAL SERVICES ACT**

If the Client is a consumer within the meaning of Section 1(1)(2) of the Austrian Consumer Protection Act ("KSchG"), the Client is informed that, in accordance with the Austrian Distance Financial Services Act ("FernFinG"), the Client has no right of withdrawal pursuant to Section 8 FernFinG in the case of contracts for goods or services concluded at a distance or off-premises, the price of which depends on fluctuations in the financial markets over which the entrepreneur has no influence and which may occur within the withdrawal period of 14 days.

This applies to transactions concluded between the consumer and Bitpanda regarding the purchase or termination of A-Token contracts, as the prices of A-Tokens depend on fluctuations on the financial markets over which Bitpanda has no influence and which may occur within the withdrawal period of 14 days. The Client therefore has no right of withdrawal in accordance with FernFinG with regard to transactions concluded with Bitpanda concerning the purchase or termination of A-Token contracts.

**19. COMPLAINT OPTIONS**



26.04.2024

**19.1.** If disputes arise between Bitpanda and the Client, the Client can contact Bitpanda at any time via the Bitpanda Systems (support contact form) or by sending a complaint via email (support@bitpanda.com).

**19.2.** Darüber hinaus gelten die folgenden Beschwerdemöglichkeiten:

**19.2.1.** Should complaints arise during the provision of investment services, Bitpanda Financial Services is available to support the Client in such cases. In the event of disputes between Bitpanda Financial Services and the Client, the Client may contact Bitpanda Financial Services. Bitpanda Financial Services will endeavor to settle any complaints amicably. If no agreement can be reached, consumers can also contact the out-of-court complaints bodies.

**19.2.2.** The following institution is responsible for out-of-court complaints in connection with A-Token contracts between Bitpanda and the Client:

Schlichtung für Verbrauchergeschäfte,

Mariahilfer Straße 103/1/18, 1060 Vienna,

can be reached via:

Tel: +43 (0)1 890 63 11, office@verbraucherschlichtung.at and also via the website <https://www.verbraucherschlichtung.at/>.

**19.3.** Furthermore, the ombudsman's office of the Association of Financial Service Providers in the Austrian Federal Economic Chamber can be contacted at [fdl.ombudsstelle@wko.at](mailto:fdl.ombudsstelle@wko.at) as well as the platform for online dispute resolution at [ec.europa.eu/consumers/odr](https://ec.europa.eu/consumers/odr).

## **20. FINAL PROVISIONS**

**20.1.** These Derivative Terms and all transactions concerning A-Tokens concluded between Bitpanda and the Client on the basis thereof are subject to Austrian law, excluding the conflict of law rules of private international law and the UN Convention on Contracts for the International Sale of Goods. The lien (point 15) is subject to German law, as the pledged object is held at a custodian bank in Germany.

**20.2.** Clients of Bitpanda Asset Management GmbH ("**BAM Clients**") enter into a contract with Bitpanda to use Cash Plus. For BAM Clients, any reference in these Derivative

**26.04.2024**

Terms to “F-Token” shall be deemed to be a reference to “e-money”.

- 20.3.** All disputes between Bitpanda and Clients arising from or in connection with A-Tokens are subject to the jurisdiction of the court in whose district Bitpanda's place of business is located. This only applies to consumers within the meaning of the KSchG if the consumer's domicile, habitual residence or place of employment is located in the jurisdiction of that court.
- 20.4.** Legal actions of an entrepreneur against Bitpanda may be exclusively brought before the court having subject-matter jurisdiction within whose judicial district Bitpanda's place of business is located.
- 20.5.** If these Derivative Terms exist in different language versions, it is expressly clarified that in the event of any resulting contradictions, only the provisions of the German-language version shall be binding.
- 20.6.** Should one or more provisions of these Derivative Terms be or become invalid, void or unenforceable in whole or in part, the validity, effectiveness and enforceability of the remaining provisions of these Derivative Terms shall not be affected thereby and, in particular, the principal obligations of the parties under these Derivative Terms shall remain unaffected thereby. An invalid, void or unenforceable provision of these Derivative Terms shall only be invalid to the extent that such invalidity, voidness or unenforceability has been determined with respect to a jurisdiction. Such a determination shall have no effect on the Derivative Terms in any other jurisdiction.

## Annex III - PRIIPS - Basic Information Sheet (Example)

The PRIIPS Basic Information Sheet has been attached for illustrative purposes only. It refers to the (exclusively valid) PRIIPS documents published on the Bitpanda homepage.

## Purpose :

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

## Product :

Product name: Sample Company

PRIIP manufacturer: Bitpanda GmbH ("Bitpanda")

Website: <https://support.bitpanda.com/hc/de/requests/new>

Regulated by: Gewerbebehörde für die Stadt Wien

Produced: XX/XX/XXXX

You are about to purchase a product that is not simple and may be difficult to understand.

## 1. What is this product?

### Type

This product is an over-the-counter (OTC) derivative that enables direct and one-to-one participation in the following underlying asset: Sample corporation (ISIN: SAMPLE000000)

### Objectives

The product Sample Corporation A-Token is a financial derivative contract. This is a futures contract whereby the value depends on the performance of an underlying asset. Shares in Sample Corporation serve as the underlying asset. Generally, Sample Corporation A-Token can be purchased in fractions and are therefore not restricted to whole pieces of Sample Corporation A-Token. At the time of purchase, you pay the proportional purchase price of Sample Corporation A-Token, which is determined based on your desired number of units or your desired investment amount and the price of the underlying (i.e. the Sample Corporation share) at the time of purchase.

Holding Sample Corporation A-Token allows you to indirectly and proportionally participate in the changes in value and dividends of Sample Corporation shares. However, we emphasize that at no point will you hold the Sample Corporation shares themselves. In particular, this means that at no point will you have any voting rights in relation to the share and you will not be assigned any shares.

You can hold Sample Corporation A-Token indefinitely, meaning there is no term or expiry date. You can terminate Sample Corporation A-Token at any time by submitting such a request to us, which we will fulfil as soon as possible, taking into account any applicable considerations. The termination always takes place at the current market price of Sample Corporation shares.

In certain exceptional cases, we have the right to (i) suspend the listing and the acquisition/termination of Sample Corporation A-Token and (ii) terminate the Sample Corporation A-Token held by you.

### Intended retail investor

This product is intended for customers who:

1.	want to make investments based on shares, both in terms of capital changes and potential dividends, with low denominations and low financial resources;
2.	want to make investments with a broad diversification of risk - without being charged a fixed/minimum fee, only a percentage fee based on the investment;
3.	have a variable investment time horizon;
4.	have sufficient knowledge of and/or experience with this type of product or similar products, and
5.	are able to bear losses up to a total loss of the investment.

## 2. What are the risks and what could I get in return?

Risk indicator	1	2	3	4	5	6	7
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← Lower risk Higher risk →



The risk indicator assumes you keep the product until the end of the recommended holding period. The actual risk can vary significantly if you cash in at an early stage and you may get back less. You may not be able to end your product easily or you may have to end your product at a price that significantly impacts the performance of your product.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as 7 out of 7, which is the highest risk class. We classify all OTC derivatives as being of the highest risk class. We expressly point out that this is an illiquid product. This rates the potential losses from future performance at a very high level, and poor market conditions will likely impact the capacity of Bitpanda to pay you.

Please be aware of the currency risk: If the product is denominated in a currency other than the currency of the country in which the product is marketed, your final return will depend on the exchange rate between the two currencies and you may suffer losses due to the development of the respective exchange rate. This risk is not taken into account in the risk indicator given above.

This product does not include any protection from future market performance so you could lose some or all of your investment. If we are not able to pay you what is owed, you could lose your entire investment.

### Performance scenarios

Nominal Amount of EUR 10,000.00		1 year	3 years	5 years (Recommended Holding Period)
Scenarios				
Stress scenario	What you might get back or pay after costs Percentage return	619.18 EUR -93.57%	869.69 EUR -55.53%	300.71 EUR -50.25%
Unfavourable scenario	What you might get back or pay after costs Percentage return	7,393.60 EUR -25.76%	8,316.85 EUR -5.93%	10,680.50 EUR 1.32%
Moderate scenario	What you might get back or pay after costs Percentage return	12,958.18 EUR 29.13%	21,631.17 EUR 29.18%	36,073.63 EUR 29.13%
Favourable scenario	What you might get back or pay after costs Percentage return	22,296.55 EUR 120.56%	56,097.06 EUR 77.22%	121,622.36 EUR 64.50%

This table shows the money you could get back over the next 5 years, under different scenarios, assuming a nominal value of EUR 10,000.00. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the product. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you. This product cannot be easily ended. This means it is difficult to estimate how much you would get if you end it early. You will either be unable to end early or you will have to pay high costs or make a large loss if you do so.

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

### 3. What happens if Bitpanda is unable to pay out?

The product is not subject to a system regarding investor compensation or deposit insurance. Bitpanda is the sole counterparty to payment claims arising from the Sample Corporation A-Token. Therefore, as our counterparty to financial derivative contracts, you are exposed to the risk that we may not be able to fulfill our obligations under the financial derivative contracts, up to and including a total loss (e.g., insolvency). Bitpanda would like to protect the customer from a possible (total) loss as far as possible. For this reason, the customer concludes a pledge agreement with Bitpanda at the same time as purchasing A-Token. This pledge agreement is a way of collateralizing the customer's claims against Bitpanda for the benefit of the customer.

### 4. What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the performance of the product. The total costs take into account one-off, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the product itself, for three different holding periods. They include potential early exit penalties. The figures assume a nominal value of EUR 10,000.00. The figures are estimates and may change in the future.

#### Costs over time

The person selling you this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

Nominal Amount of EUR 10,000.00	If you end at the Recommended Holding Period
Total costs	157.24 EUR

Impact on return (RIY) per year	0.26%
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## Composition of costs

The table below shows:

- the impact each year of the different types of costs on the performance of the product at the end of the Recommended Holding Period;
- What the different cost categories mean.

This table shows the impact on return (*)			
One-off costs	Entry costs	0.2%	The impact of the costs already included in the price. This is the most you will pay, and you could pay less.
	Exit costs	0.06%	The impact of the costs of exiting your product early.
Ongoing costs	Portfolio transaction costs	N/A	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	N/A	The impact of the costs that we take each year for managing your product.

(\*) This table reflects the costs during the weekend, holidays, and overnight hours (Monday to Friday 22:00 - 07:30). They can be lower if you enter the product inside regular hours (Monday to Friday 07:30 - 22:00).

For the creation and issuance of Sample Corporation A-Token, Bitpanda charges a price premium of 0.5% of the acquisition and termination price for each purchase and termination. Separate costs regarding the acceptance and transmission of the Sample Corporation A-Token by Bitpanda Financial Services GmbH will not be charged.

The purchase and return prices do not coincide and differ from each other, with a difference existing ("Spread"). The spread is the purchase price minus the return price. A higher Spread may be incurred for larger orders. This is determined on the basis of an individual price quotation (request-for-quote). The upper limit is always the Spread of the last prices received before the request-for-quote plus 1% point. Outside of trading hours, this Spread is doubled by Bitpanda, whereby Bitpanda limits its own Spread (doubling) with 3%.

In the event of any dividend payout, any costs, taxes and the like will be passed on to the customer on a pro rata basis as part of the dividend provision. In addition, costs may be incurred for the use of the platform (e.g. deposit costs, crypto transfer costs or similar costs). This depends on the respective selected deposit and withdrawal forms (there is the option of a free deposit) and is not directly related to this product.

### 5. How long should I hold it and can I take money out early?

There is no mandatory minimum holding period. However, in general, Bitpanda recommends a long-term investment horizon (5 years) because otherwise the costs can have a significant impact on performance. In principle, it is possible to terminate Sample Corporation A-Token at any time, provided that Bitpanda is ready to take them back. Bitpanda may suspend terminations in particular in the event of unexpected market movements, ad hoc announcements or other circumstances that make pricing more difficult. The above costs are incurred upon termination, further costs or penalties for early termination are not applicable.

### 6. How can I complain?

Complaints about the product and/or the behavior of the product manufacturer can be sent to Bitpanda GmbH, Jakov-Lind-Straße 2, Campus 2, 1020 Wien using the General Support contact form on the Bitpanda internet platform (<https://support.bitpanda.com/hc/de/requests/new>) or by e-mail ([support@bitpanda.com](mailto:support@bitpanda.com)). Further information on complaints can be found on the Bitpanda homepage ([www.bitpanda.com](http://www.bitpanda.com)).

### 7. Other relevant information

Further information about the product can also be found on the Bitpanda homepage ([www.bitpanda.com](http://www.bitpanda.com)) or on the Bitpanda Internet platform. Please note that the performance scenarios listed in the Key Information Document are calculated based on mandatory European Law. In some cases, the scenarios may require further explanations in order to be meaningful.