Austrian Securities Supervision Act 2018 (WAG 2018)
Investor Information Document on L-Token
(qualifies as financial contract for difference/CFD)

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1 General information requirements

This Investor Information Document pursuant to the Securities Supervision Act 2018 ("**WAG 2018**") applies exclusively to all transactions, contracts and business relationships concerning L-Token between Bitpanda Financial Services GmbH (hereinafter also "**Financial Services**") and its customers, and to transactions and business relationships with regard to the provision of financial services for payment using the online platform https://www.bitpanda.com or mobile applications provided by the Bitpanda GmbH ("**Bitpanda**" or "**Issuer**") and any associated technical interfaces/APIs of any said platform and application ("**Bitpanda Systems**").

The Bitpanda Systems are not only used by Financial Services, but also by other companies in the Bitpanda Group. For this reason, Financial Services pages are specifically marked, for example, with the text "**Powered by Bitpanda Financial Services**" or similar.

1.1 Legal entity information

Bitpanda Financial Services GmbH
Stella-Klein-Löw Weg 17
1020 Vienna
Email: support@bitpanda.com
Internet: www.bitpanda.com
Commercial register: Commercial Court Vienna
Company Register number: FN 551181 k
VAT number: ATU76536535

Bitpanda Financial Services GmbH is subject to supervision by the Austrian Financial Market Authority ("**FMA**"), 1090 Vienna, Otto-Wagner Platz 5.

1.2 Licence

Pursuant to the licence granted by the FMA, Financial Services is an investment firm as defined in section 3 of the WAG 2018 and is therefore entitled to provide the investment services of "*accepting and transmitting orders relating to financial instruments*".

1.3 Legislation and applicable Law

The applicable legal provisions are, in particular, WAG 2018 and the Delegated Regulation (EU) 2017/565 in their respective valid version. The contractual relationships are subject to Austrian law.

1.4 Communication

The customer (also referred to as "**L-Token Client**") shall use German or English as the language of communication with Financial Services and Bitpanda. All contact, both on the part of the customer and by Financial Services and Bitpanda, shall be conducted electronically only. The customer has explicitly agreed to this electronic communication, as well as to the receiving of documents via electronic means.

2 Information on the services and the financial instruments

Financial Services brokerages (markets) financial instruments (e.g., derivative products and financial contracts for differences) issued by Bitpanda as Issuer. Financial Services provides the investment service of receiving and transmitting orders in relation to financial instruments, issued by Bitpanda. Financial Services is required under section 73 para. 7 WAG 2018 to point out that the products marketed are proprietary products (as defined below).

"**Proprietary Products**" are financial products, whose distribution produces a direct or indirect benefit for the investment firm, for an affiliated undertaking or for a relevant person within the investment firm beyond the compensation for the investment service. As the parent company of Financial Services, Bitpanda is an affiliated company and is therefore offering its proprietary product through Financial Services.

Financial Services does not make any investment decisions, provide any dependent or independent investment advice, or provide any portfolio management services. Particularly the composition of the L-Token product or the crypto assets used as underlyings within this framework shall not be construed as (investment) advisory services.

For detailed information on the L-Token product and the respective underlyings, Financial Services refers to the respective PRIIPs-KIDs. Information about the fees is provided in the Cost Transparency Document. The contractual relationship between Bitpanda and the customers is based on the CFD Framework Agreement Long and Short (each including the applicable Terms and Conditions, "**T&Cs**").

With regard to the target market, the products marketed by Financial Services are intended for private customers, professional customers and eligible counterparties. Financial Services does not receive or hold client funds for customers. Financial Services also does not hold financial instruments of its customers at any time.

The financial instruments marketed by Financial Services, especially the L-Token, represent high-risk investments. A high level of risk tolerance is necessary for an investment. Customers are informed that investment products marketed by Financial Services represent a high risk and an equivalent risk tolerance is required.

Individuals should not invest in the products marketed by Financial Services if:

- they desire full protection of capital or full repayment of the amount invested;
- are risk averse or have no high risk tolerance;
- are not prepared to lose (at least parts of) their investment;
- want to acquire products marketed by Financial Services by means of a loan or on credit.

Prior to the first transaction with the L-Token, which qualifies as contract for difference ("**CFD**") under section 1 no 7 letter i of the WAG 2018, Financial Services is required, pursuant to the provisions of WAG 2018, to request personal data of its customers. This may include – where relevant – the following information:

- Knowledge and previous experience with investing, including: information on the nature of the service, transactions and financial instruments with which the customer is familiar, the nature, size and frequency of transactions using financial instruments carried out by the customer, educational background and occupation or previous professional activities;
- Further customer identification information in the sense of the Austrian Financial Market Anti-Money Laundering Act ("**FM-GwG**") is also obtained during the initial registration process.

The customers are classified as "appropriate" and "not appropriate" as part of the framework of the appropriateness test with regard to the products marketed by Financial Services. In the case of "not appropriate", customers are informed that the L-Token, which qualifies as CFD under the WAG 2018, is not appropriate for their experience and level of knowledge. After this warning the customer can decide whether the transaction should still be executed. Financial Services also recommends that the customers familiarise themselves with the risks of the product as part of the appropriateness test. Should a customer be classified as "not appropriate", Financial Services reserves the right to exclude the customer from the transaction.

Financial Services reserves the right to refuse customers for regulatory, prevention of money laundering or other reasons. If this is the case, the customer will not be able to acquire the L-Token, which qualifies as CFD under the WAG 2018.

Only fully registered and verified customers can make use of the services and benefits marketed via the Bitpanda Systems. If the establishment of a customer relationship between Bitpanda and/or Financial Services and the potential customer would lead to the violation of any applicable legal guidelines or other breaches of trust and/or business relationship, Bitpanda and/or Financial Services will exclude any such persons from using their services and benefits. In addition, legal guidelines can lead to Bitpanda or Financial Services terminating customer relationships which are already in place with immediate

effect or closing or blocking customer accounts. In all of the above cases, an affected (potential) customer is excluded from the acquiring and the returning of the financial instruments marketed via the Bitpanda Systems.

Furthermore, pursuant to the FM-GwG, Financial Services is obliged to obtain information from customers in order to prevent any potential risks of money laundering or terrorist financing. Furthermore, in order to prevent money laundering and terrorist financing, Financial Services is obliged to identify the account holders, persons with signing and disposal authority, as well as the beneficial owners and persons authorised to represent them and to query their PEP (politically exposed persons) status and the possible existence of trusteeship.

The data collected by Financial Services is processed and stored for as long as it is necessary for contractual and legal fulfilment.

3 Information on customer classification

WAG 2018 identifies three categories of investors: "Retail customers", "Professional clients" and "Eligible counterparties". As a rule, all customers are classified by Financial Services as retail customers and a change in classification is only made after internal approval. Customers are hereby informed of their respective classification as retail customers. The purpose of classification is to ensure that customers are appropriately handled according to their knowledge and experience of financial instruments and the nature, frequency and size of any such transactions.

3.1 Professional clients

Professional clients are defined by the WAG 2018 as the federal government, the federal states, credit institutions, investment firms, insurance companies, capital investment companies and companies that meet at least two of the following criteria:

- Balance sheet total of at least EUR 20 million;
- Net revenue of at least EUR 40 million;
- Equity of at least EUR 2 million.

3.2 Eligible counterparties

Certain professional clients, in particular credit institutions and investment firms, are to be considered eligible counterparties. Eligible counterparties are entitled to the lowest level of protection provided by WAG 2018, in particular, principles of order execution (execution policy) or the suitability and appropriateness tests for the placing of orders do not apply.

3.3 Retail customers

All customers, who are neither professional clients nor eligible counterparties, are retail customers. In the case of Financial Services, all customers are treated as "retail customers" pursuant to the provisions of WAG 2018, unless a different classification is applied to individual customers.

3.4 Modification to customer classification

Financial Services classifies all customers as retail customers pursuant to the provisions of WAG 2018; professional customers and eligible counterparties thus also fall into this customer category in principle. Any upgrading will only be made upon request and will be subject to the approval of the Managing Directors of Financial Services.

4 Information on reporting obligations

The customer will receive confirmation of the order no later than the first business day after the order has been executed. The report will be sent by email to the email address provided by the customer during their registration.

An overall statement of the costs associated with the transactions and the investment services which are carried out, is also sent to the customer annually.

5 Information and risk disclosures regarding financial instruments

The following sections describe general risks associated with financial instruments and specific risks involved with CFDs. The below risk disclosure describes the most relevant risks but must not be understood as conclusive enumeration of all risks potentially involved. If any or a combination of these risks actually occurs, the business, prospects, shareholders' equity, net assets, financial condition and results of operations (*Vermögens-, Finanz- und Ertragslage*) or general affairs of the Issuer could be materially and adversely affected.

Customers must consider all of the risks and take their individual situation into account. Trading financial instruments and especially CFDs can result in partial or total loss of the invested capital.

Crypto assets are subject to significant price volatility and their future value cannot be determined with any certainty. Prospective customers should be prepared and able to sustain losses of the capital invested up to a total loss. Prospective customers are advised to carefully read the risks associated with the L-Token.

Prospective customers should note that the risks summarised in this section are the risks that the Issuer believes to represent the principal risks inherent in investing into the L-Token. Not all potential risks may be able to be anticipated. Additionally, certain or all risks mentioned in this section as examples may not only occur individually, but together and simultaneously. This will particularly be the case if there is a strong correlation between these risks. This means that the occurrence of one risk can also lead to the manifestation of other risks that are closely linked to this risk. The occurrence of individual risks can thus sometimes trigger a chain reaction and lead to the occurrence of other risks, which mutually exacerbate each other.

Trading CFDs is only appropriate for customers who fully understand the risk and have relevant trading experience as well as sufficient financial resources.

5.1 General investment risks

Liquidity risk

The ability to acquire, terminate or settle an investment at any time at fair market prices is called tradability (= liquidity). A liquid market can be defined as when an investor is able

to trade their financial instruments for an order of average size (measured by the usual market turnover volume) without causing noticeable price fluctuations. An illiquid market is characterised by which orders cannot be settled or can only be settled at a significantly changed price level. At the moment, the products brokered by Financial Services can only be returned to Bitpanda. As the contract can only be terminated back to Bitpanda and the contract is not transferable, there exists a substantial risk that Bitpanda is, due to various reasons, unable to fulfil its financial obligations, so that the product cannot be exited from at any time.

Credit risk

Credit risk is defined as the risk of counterparty insolvency, i.e. a possible inability to meet its obligations, such as dividend payments, interest payments, repayments, etc., on time or in full. Alternative terms for credit risk are debtor or issuer risk. In the case of L-Token, there is the credit risk of Bitpanda as the issuer of the derivative. High losses, up to and including a total loss, must be expected in the event of insolvency.

Price/Market risk

Price or market risk represents the possible fluctuations in value of individual investments. Price risk can lead to considerable losses of capital, as the value of the underlying and therefore the value of a CFD can fall considerably if the market moves against your open position in the case of a long position. Conversely, in the case of a short position, the market may move against you and leave you with a loss if the value of the underlying asset rises. Depending on the market movement and your position, the leverage effect increases the risk of a total loss of your invested capital. Additionally, the underlying of derivatives marked by Financial Services, due to various reasons, could considerably loss in value and consequently also decrease the invested capital.

Total loss risk

Total loss risk represents the risk that an investment may become worthless. In particular, total loss can occur if the issuer of a financial instrument is no longer able to meet its payment obligations for economic or legal reasons (insolvency). There is also a risk of total loss if the issuers of financial instruments get into financial distress.

Purchases of financial instruments on credit

The purchase of financial instruments on credit constitutes an increased risk. The loan taken out must be repaid irrespective of the success of the investment. In addition, the cost of the loan reduces the return. The purchase of financial instruments on credit is explicitly not recommended.

Tax aspects

The customer should consult a tax advisor to assess the implications of an investment on their personal tax situation. In all cases, the respective tax must be paid by the customer. Bitpanda/Financial Services neither retain any tax nor provide tax advice.

5.2 Particular investment risks

The following comments describe risks which, from the point of view of Financial Services, may arise in connection with the products (i.e., the L-Token) it markets. However, the listed risk factors are not exhaustive and the customer (L-Token Client) should carry out a thorough analysis before making an investment decision and, in particular, base this analysis on their own financial, legal and tax situation, their own risk tolerance and the statements in the documents provided by Financial Services. In addition, the potential L-Token Client's attention is drawn to the corresponding information documents, in particular, the PRIIPs-KID and other legal documents. In any case, an investment should only be made after a thorough analysis of these documents.

5.2.1 Issuer-related risk factors

Insolvency risk associated with Bitpanda GmbH

Financial Services intermediates Bitpanda products. Bitpanda is subject to the risk of insolvency. In the event of the insolvency of Bitpanda, repayment of the provided capital is not secured. As a limited liability company, the company's liability is limited to the existing corporate assets. There is therefore a risk that the L-Token Client's claims cannot be enforced. This risk exists, in particular, if Bitpanda's solvency deteriorates significantly and therefore its ability to make repayments is impaired. In the event of insolvency, a total loss or withdrawal in the amount of the insolvency amount must also be expected.

Risk of cyberattacks

Any unauthorised access to Bitpanda's specially secured crypto asset wallets and/or successful cyber attacks may lead to substantial losses for Bitpanda and jeopardise Bitpanda's economic solvency. The effects depend heavily on the scope and depth of the respective attack. Successful cyber attacks can therefore generally lead to considerable losses for Bitpanda. In this context, however, it should be noted that Bitpanda attaches great importance to IT security and uses appropriate security measures. Unauthorised access still cannot be ruled out.

Business model risks

The Bitpanda Group operates a comparatively new business model as a part of its core business (crypto assets) in a fast-moving industry. The business model and the success of the Bitpanda Group depend on various factors. Declining revenue, sharply rising costs, fierce competition and other factors may have a significant adverse effect on Bitpanda's business and financial position and on Financial Services. All of these factors are increasingly relevant to the financial product related to the L-Token.

Regulatory and tax risks regarding crypto assets

The legal status of crypto assets varies between different countries. The lack of international consensus concerning the regulation of crypto assets and their tax treatment causes uncertainty regarding the legal and tax status of the underlying crypto assets.

Bitpanda Group is exposed to risks related to (future) regulation of digital assets and related services, and blockchain technologies. The regulatory framework governing the underlying crypto asset is likely to evolve rapidly. Various legislative and executive bodies

in the European Union and elsewhere may in the future adopt laws, regulations (supplemented by detailed regulatory technical standards), guidance or other actions, including possible (re-)interpretation of existing laws or regulations, which may severely impact the future development of crypto assets and blockchain technologies. Failure by Bitpanda Group to comply with any laws, rules and regulations, some of which may not yet exist or may be subject to interpretation and change, may render operations in this area or investments in this asset class unattractive or unfeasible and could result in a variety of adverse consequences, including civil penalties and fines and Bitpanda Group being required to adapt or cease their business or investments altogether.

The Issuer is currently not required to be licensed for the issuing of financial products (such as L-Token). Any such requirement or change could require the Issuer to obtain licenses, registrations or authorisations and subject it to ongoing regulatory scrutiny. If this was the case, there is a risk that the Issuer may not be granted such licenses, registrations or authorisations or that it may face severe financial implications and thus consider it commercially unfeasible to obtain such authorizations. Furthermore, competent authorities may in the future decide to restrict the offer related to the L-Token.

Risk of default for Financial Services and Bitpanda partners

Financial Services and Bitpanda are exposed to the risk of default vis-à-vis financial institutions, crypto marketplaces and other partners with whom the company opens accounts or holds assets. Insolvencies in the financial or crypto trading sector may have a negative impact on the liquidity and solvency of the Bitpanda Group.

Reputation risk

Reputation risk is the risk of losing the trust of customers or other partners in Bitpanda or Financial Services. As reputation is closely linked to the success of the company, the Bitpanda Group always strives to meet all the requirements of customers, the community and other stakeholders in order to prevent damage to its reputation as far as possible. Damage to reputation may be caused by, among other things, customer complaints, hacking and data attacks, IT system failures, other technical disruptions, legal disputes or criminal or administrative proceedings on the part of the FMA. Reputation risk can lead not only to declining customer confidence, but also to lower trading volumes on the Bitpanda platform, illiquidity or even insolvency due to the associated decline in customer payments, which can lead to payment delays or a total loss of invested capital.

Conflict of interest

In general, conflicts of interest can take place between customers and Financial Services, between customers and other companies of the group of companies and between customers themselves. Information on conflicts of interests is set out in chapter 11 below of this WAG 2018 Investor Information Document.

The Issuer may use Bitpanda's trading platform for the sourcing (and sale) of the underlying crypto assets to hedge its exposure vis-à-vis L-Token Clients. Any conflict of interest arising from this situation cannot be excluded.

Risk of an IT systems failure

The Issuer's business processes are complex, with significant reliance placed upon the proper functioning of its IT landscape, including that of its group affiliates (i.e. affiliates of the Bitpanda Group). IT systems and applications may fail for a variety of factors such as power outages, disruptions in internet traffic, software bugs or human error and may thus not achieve the desired results or fail to gain traction with customers. Furthermore, if the Issuer is not effective in anticipating the impact of changing (blockchain) technologies and artificial intelligence ("**AI**") on its business and is unable to effectively adapt to the constantly evolving technological landscape, its ability to successfully compete and attract customers may be impaired. In addition, Issuer highly depends on the functionality of crypto asset networks of the underlying crypto asset.

A failure of the IT systems of Bitpanda or Financial Services can have a significant impact on business operations. To a large extent, the severity of the impact on the Bitpanda Group depends on the duration of the outage. Technical or operational problems include e.g. the inability to log in, prices being displayed erroneously, errors or problems with regard to pricing, defects regarding technical interfaces, failure of the systems. All this could have a negative impact on the Issuer's creditworthiness and profitability and L-Token Clients may incur losses on their investment. A material failure in the Issuer's business processes, IT systems and applications or in its business continuity planning may severely disrupt the Issuer's business and could result in unanticipated reputational loss or damage and L-Token Clients may incur losses on their investment.

Hacking risk

The Issuer is inherently exposed to the risk that malicious third parties may seek to penetrate their systems and disrupt online operations, including gaining access to and stealing customer data or assets or perpetrate acts of fraud, extortion or other crimes using digital media.

Any hack of the crypto assets purchased by the Issuer for its own hedging purposes could result in a default of the Issuer.

Data breach risk

The Issuer maintains significant amounts of customer data such as: (i) proof of identity and/or incorporation documents; (ii) residence or incorporation address; (iii) certain bank and securities accounts details; (iv) blockchain digital wallets information; (v) contact information and (vi) such other information re-quested by the Issuer from time to time. If a data breach or misappropriation of data occurred, or the Issuer is in non-compliance with applicable data protection rules this could have far reaching consequences for the Issuer including trading losses and reputational damage. Any of these factors may adversely impact the Issuer's business and could therefore have a negative impact on the Issuer's creditworthiness and profitability and L-Token Clients may incur losses on their investment.

Market risk

Bitpanda is subject to various market risks, the materialisation of which can have a significant adverse effect. These include, in particular, market fluctuations that have a

negative impact on the products marketed by Financial Services.
Large and unexpected price fluctuations, incorrect data or prices and weaknesses in hedging can therefore have a significant impact on the solvency of the Bitpanda Group. As other currencies are also accepted for transactions via the Bitpanda platform, exchange rates related to foreign currencies also represent a risk.

Market disruptions risk

There is a risk of market disruptions. A market disruption exists, if one of the following events occur and Bitpanda determines the existence of such event, at its own discretion: (i) Disruption of trade, (ii) disruption of the trading platform, (iii) failure to open or the early closure of a respective platform and (iv) concerns regarding pricing or other indications of incorrect pricing.

Operational risk

Financial Services, as well as Bitpanda, is subject to operational risks, the materialisation of which may have a significant adverse effect on the business and financial position of Financial Services and Bitpanda. Operational risk is the risk of losses that may occur as a result of the inadequacy or failure of internal procedures, people and systems or as a result of external events. This refers, for example, to misconduct by an employee (deletion of databases, falsification of data due to typing errors, etc.). There is also the possibility of technical errors occuring, e.g. erroneous programming, incorrect prices or double payments. Furthermore, the possibility of fraudulent or malicious actions by employees, business partners or customers cannot be excluded. Appropriate measures have been taken as part of the internal control framework to avoid any such risks. Nevertheless, the possibility of operational risk occurring cannot be ruled out.

Occurrence of unexpected risks

Despite risk analysis, both Bitpanda and Financial Services could be exposed to unidentified or unexpected risks that could have a significant adverse effect on its business, financial position or operating results.

Combination of several risk factors

It can occasionally be the case that the risk factors listed here as examples do not occur individually, but instead together and at the same time. This will be the case especially if there is a strong interrelation (i.e. correlation) between the risks. This means that the occurrence of one risk can also lead to the manifestation of other risks that are related to this particular risk. The occurrence of individual risks can thus sometimes trigger a chain reaction and lead to the occurrence of further risks that mutually reinforce one another.

5.2.2 Investor and CFD product-related risk factors

Market value risk

The market value of financial instruments depends on various factors and can be considerably lower than the purchase price. The price of CFDs is derived from the price of the underlying crypto asset as provided by price information service providers. The price development can be negative for you when the market goes against your position and, in

certain cases, a sudden massive loss in value can also occur or can lead to a total loss of your invested capital.

Issuer risk of insolvency

Insolvency risk is the risk that a company can no longer meet its liabilities or payment obligations. Even in the event that the issuer of a financial instrument marketed by Financial Services becomes insolvent, the customer shall bear the total loss of the invested capital.

Risk of suspension of trading

There is a risk that the trading of financial instruments may be suspended, interrupted or terminated due to market disruptions or other reasons. In addition to the suspension of trading, the trading of certain financial instruments may also be suspended for an indefinite period of time or terminated altogether.

Tax risk

Financial Services does not provide tax advice. The products marketed by Financial Services are complex products from a tax point of view and may be assessed differently depending on the applicable jurisdiction. Financial Services recommends the use of a tax advisor. Customers are solely responsible for the payment of all taxes.

CFDs

All products marketed by Financial Services are derivative instruments.

CFDs are financial instruments of which the value is derived from the price of another financial instrument or asset (the underlying). Underlyings can generally be instruments, such as commodities, interest rates, stocks, currencies, etc. In case of the L-Token marketed by Financial Services, crypto assets are used as underlying.

The L-Token is based on crypto assets as underlying. The value of the derivatives is therefore calculated on the basis of price information that Bitpanda receives from external price service providers. Based on the derivative contract, the user will indirectly and virtually have a stake in the performance of the selected underlying. Bitpanda is at no time obliged to procure or arrange for the L-Token Client to procure ownership of the underlying instruments or any other rights associated with the ownership of crypto assets.

The return on derivatives is usually determined by the price developments of the underlying and the formula set out in the CFD Agreement. Depending on whether the CFD creates a short or long position and whether the position is leveraged, the price of the CFD may not move in the same direction and in the same amount as the underlying.

In addition to the risks described above (such as the risk of insolvency on the part of Bitpanda, risk of trading being suspended, etc.) the following additional risks exist involved with CFDs with crypto assets as underlying:

- **Market price risk / closing of position**

The price depends on the underlying assets. Fluctuations in the price of the underlying assets (cryptocurrencies) will have an effect on the profitability of the trade. The underlying assets are subject to ongoing price changes. There can be significant intraday

price movements. Your position will be closed automatically if at any time 50% of your initial investment is lost.

- **Volatility induced risk**

Due to the leverage of the CFD in conjunction with the margin closeout and the re-leveraging mechanism applied to L-Token, the L-Token Client may potentially incur losses due to high volatility triggering the closeout and/or re-leveraging. This can even be the case in sideways or favourable market trends and would not occur if the L-Token Client had invested directly into the underlying asset.

CFD creating a long position will be closed automatically if at any time 50% or more of your initial investment is lost (margin closeout protection).

CFD creating a short position will be closed automatically if at any time 50% or more of your initial investment is lost (margin closeout protection) or if at any time the CFD position has gained 100% in value compared to the initial investment.

- **Crypto assets as underlying**

Different crypto assets serve as underlying of the L-Token.

Cryptocurrency CFDs are complex, extremely risky and highly speculative. Thus, trading L-Token involves a high risk of loss of funds over a short period of time due to high market volatility, execution issues and market and industry specific disruptive events (e.g., regulatory bans or insolvency of market actors). When you open CFD positions, you do not actually own the underlying crypto asset. CFDs do not provide any right to the underlying instruments (the respective crypto asset).

Investing into L-Token does not exclusively depend on the price development of the underlying crypto asset. Fees accrue in relation to the L-Token. Accordingly, the return on the L-Token may not reflect the return an L-Token holder had generated if s/he had invested directly into the underlying crypto asset.

Please refer to chapter below 5.2.3 for general risk disclosure on crypto assets.

- **Risk of forks**

There is a risk of soft and hard forks of the underlying assets. Any such fork is outside of Bitpanda's control but could severely impact the market price of the underlying and thus the L-Token. These situations can lead to a decline or even a total loss of the capital invested by the customer.

- **Price information service provider**

The pricing of the crypto asset underlying is derived from specific crypto asset exchanges (Kraken and Binance) as price information service providers. These cryptocurrency marketplaces are not benchmark administrators under the EU Regulation 2016/1011/EU (Benchmark Regulation) and thus not regulated under the Benchmark Regulation in the EU. The prices derived from these price information service providers are outside of Bitpanda's influence and may show high volatility.

There is a risk that the prices are incorrect and/or (temporarily) unavailable. Any incorrect display of a price or a(n) (temporary) unavailability of such price could have far reaching

adverse consequences for the Issuer, including mismatched hedging transactions, which in turn may adversely impact the Issuer's business and could therefore lead to L-Token Clients incurring losses on part or all of their investment.

In the event that no prices are available from the price information service providers and trading platforms with regard to the relevant underlying assets of the L-Token, for whatever reason, Bitpanda is entitled, at its sole discretion, to display the most recently received prices as the stable price or to suspend the possibility of acquisition or return.

- **Leverage Effect**

Trading CFDs on leverage means you can participate in the losses/gains of an underlying asset for a fraction of that underlying asset's value as initial investment. The use of leverage magnifies the size of the trade, which means that your potential gain and your potential loss are equally magnified. Depending on the actual leverage of the specific product this can lead to a way higher price movement of the CFD in relation to the underlying and therefore can influence your account balance considerably. Customers should closely monitor all the open positions to manage the risk of large losses.

Bitpanda L-Token Clients should not invest in L-Token with money they cannot afford to lose.

- **Counterparty risk**

The L-Token Client is additionally exposed to the credit risk of the counterparty with respect to the risk of default of Bitpanda arising from the transaction and prior to the final settlement of the cash flow.

Any person who purchases L-Token is relying on the creditworthiness of the Issuer. Pursuant to the T&Cs, the L-Token will be obligations solely of the Issuer. No person has guaranteed the performance of the Issuer's obligations, and no L-Token Client has any direct enforcement right against any such person (including against any other partner or group affiliate of the Issuer or any shareholder of the Issuer). L-Token Clients are therefore subject to the risk of a partial or total failure of the Issuer to meet its obligations under the L-Token. Should this risk materialise, L-Token Clients may lose part or all of their investment.

- **No right to the underlying**

CFDs do not provide any right to the underlying asset (the different crypto assets). Bitpanda L-Token Clients are not entitled to ownership of the underlying asset of the L-Token. There is no option for any delivery of the underlying asset.

- **No collateralisation**

Bitpanda L-Token Clients must consider that Bitpanda does not pledge any collateral for the benefit of L-Token Clients regarding any L-Token investment.

- **Fees**

CFDs are not suited as long-term investments. The associated Bitpanda Fee (Return and Overnight Fee) is disclosed in the Cost Transparency Document. The Overnight Fee (0.1% per day) applies every day at 11 pm (CET) based on the total exposure.

If Bitpanda L-Token Clients hold a L-Token position open over a long period of time the associated costs increase, and it may be more beneficial to buy the underlying asset instead.

5.2.3 General risks involved with crypto assets

Volatility and actual or perceived valuation

The market value of the underlying crypto asset is not directly related to any specific company, government or traditional financial asset but the valuation of these assets depends on future expectations of the value of the network, the number of transactions (scalability) and overall use (e.g. means of payment) of a particular crypto asset. Accordingly, a significant amount of the value in the underlying crypto asset is highly speculative and exposes those assets to increased volatility.

Risk of market abuse

Markets for crypto assets are local, national and international and include a broadening range of products and participants. Significant trading may occur on any system or platform and with minimum predictability and varying degrees of transparency and (regulatory) oversight. A sudden, rapid change in demand and supply of the respective underlying crypto asset causes significant price volatility.

The reduced regulatory oversight makes crypto asset markets increasingly prone to market abuse, compared to markets for more traditional financial products. Abusive behaviour such as front-running (a form of insider dealing, whereby inside information of a future transaction is exploited to buy or sell financial assets for own account), spoofing (a form of fraud, whereby the communication with the target is disguised to gain access to its personal information and/or network for further attacks), pump-and-dump (a form of fraud, whereby the price of a financial asset is artificially inflated through false and misleading information) or other forms of market abuse may impact the value of the underlying crypto asset. Market abuse events of significant scale and impact have occurred in the past and the markets for crypto assets remain overly vulnerable to abusive behaviour for as long as regulatory standards are not comparable to those found in markets for more traditional financial products. As a result, should any of these risks materialise, investors may incur a partial or total loss on their investment. That said, the regulatory global ecosystem is constantly striving to ameliorate the protection and essentially assuring that virtual assets benefit from the same control and regulation of other “traditional” financial instruments. The upcoming regulation known as MiCar is intended to establish uniform rules for transparency and disclosure requirements for the issuance, public offering, and admission to trading of crypto assets. Bitpanda is fully committed to support the implementation of these systeming and regulatory changes which are aimed at mitigating inherent risks.

Risk of misuse for criminal activities, including money laundering

As with financial and payment instruments, transactions in crypto assets carry an inherent risk of abuse and malicious use for the scope of money laundering, funding of terrorist activities and fraud. Bitpanda operates within a regulated ecosystem, thus enforcing controls and programs for the prevention of abuse ensuring all of its customers are identified and verified prior to commencement of the business relationship. This to ensure that the level of anonymity around crypto asset is avoided. The crypto assets market, and therefore the value of the L-token, is particularly sensitive to depreciation that occurs following major crypto networks being shut down by regulators on the basis of abuse which resulted from non-compliance with the law. Same can be true for defaults of major crypto asset service providers or for regulatory actions against the sector.

6 Execution policy

The following Execution Policy is relevant for each Financial Services customer ("**FS Client**"). The Execution Policy sets out the general execution principles pursuant to the WAG 2018.

This Execution Policy implements sections 62 to 65 WAG 2018 and the relevant sections of the Delegated Regulation (EU) 2017/565. The Execution Policy describes the principles of executing client orders to acquire and dispose of the financial instruments offered by Financial Services in the best interest of the FS Client.

Financial Services solely accepts orders from the FS Client and transmits those orders to the Issuer. The Issuer then fulfils the orders.

By accepting a FS Client's order, a contract is concluded between that FS Client and Financial Services. Financial Services is hence obliged to transmit the order to the Issuer and if the Issuer accepts the terms of the order transmitted to it by factually fulfilling (i.e. providing the FS Client with the financial instrument set out in that FS Client's order) the FS Client is obliged to pay the agreed purchase price to the Issuer.

By agreeing to the (adapted) Financial Services TC, the FS Client has agreed to this Execution Policy in the respective applicable version. In the event that consent is not granted by the FS Client, Financial Services cannot accept orders from the FS Client. If consent is revoked, Financial Services will neither accept purchase orders, nor terminate orders, nor orders for the closing of open derivative positions and will not execute them in accordance with the explicit instructions of the FS Client.

6.1 Scope of application

Financial Services applies this Execution Policy to the acceptance and fulfilment of orders related to A-Token and L-Token. For all other services, assets and products offered on Bitpanda Systems, the principles set forth in this policy do not apply.

6.2 Precedence of client instructions

In principle, it is assumed that the FS Client's instructions comply with this Execution Policy. However, it is possible for the FS Client to issue explicit instructions to Financial Services regarding the execution of their orders. If any such instruction deviates from this Execution Policy, Financial Services shall be released from any obligation to comply with this Execution Policy to the extent required to carry out the FS Client's instruction and that, as a result of the foregoing, the attainment of the best possible result for the FS Client can no longer be ensured.

Financial Services reserves the right to reject instructions in individual cases or the orders associated with them, if the execution of the derivative contract and the instruction of the FS Client is not operationally or legally possible.

6.3 General execution policy

Financial Services shall, in the absence of explicit instructions, process all orders in accordance with this Execution Policy and shall endeavour to achieve the best possible result for the FS Client in respect of each individual order.

In order to determine the best possible result, the factors taken into account by Financial Services are in particular the price of the financial instrument, the execution costs, the promptness and probability of execution and settlement, as well as the type and size of the order.

By entering into a business relationship with Financial Services, the FS Client therefore accepts the above items taking precedence over other aspects, such as the best available price, the availability of different trading venues or the fact that the FS Client does not acquire actual stocks/ETFs/crypto assets nor ownership of the stocks/ETFs/crypto assets.

In the event of exceptional market conditions, a market disruption or other special circumstances, Financial Services may (if it deems to be necessary) deviate from this Execution Policy. This applies in particular in the event of significant intraday price fluctuations, significant temporary increases in the number of orders to be processed, a computer failure, system bottlenecks or software errors. Even under such circumstances, Financial Services will endeavour to execute orders in the best possible manner.

6.4 Execution outside normal trading hours

In order to ensure that, even outside normal stock exchange trading hours, orders are executed in the FS Client's best interests, the last available price of the financial instrument on the relevant trading day will be maintained and guaranteed by Financial Services until the relevant trading venue for the underlying instrument opens on the next possible trading day.

6.5 Execution venues

Financial Services is not a member of any exchange, regulated market or other regulated trading facility in accordance with § 1 item 26 WAG 2018.

All orders accepted and transferred by Financial Services are executed by the Issuer exclusively on Bitpanda Systems which is not a regulated trading facility in accordance with section 1 item 26 WAG 2018. It is not possible to execute orders in respect of financial instruments offered on Bitpanda Systems on other trading venues, or transfer such financial instruments to any other person or service provider.

6.6 Price information service provider

Price determination in relation to the A-Token and L-Token marketed on the Bitpanda Systems is carried out in accordance with the respective adapted Group TC and Bitpanda & BAM TC. One or more price information service providers will be used to determine the price. Which specific price information service providers are used at which time or in which competition is published on Bitpanda Systems. The aforementioned principles refer exclusively to which price information service provider offers the better outcome for the user in relation to the individual A-Token and L-Token. Price information service providers may not be benchmark administrators under the EU Regulation 2016/1011/EU (Benchmark Regulation) and thus not regulated in the EU.

6.7 Notification of changes to the Execution Policy

If Financial Services makes material changes to this Execution Policy, all FS Clients will be informed of these changes. Material changes are only defined as those which are relevant to the FS Client, such as participation in regulated markets or multilateral trading facilities. In the case of material changes to this Execution Policy pursuant to section 64 para. 1 WAG, the FS Client's consent is required for the changes to take effect.

7 Information on investor compensation

Financial Services is a member of Anlegerentschädigung von Wertpapieren GmbH (AeW), 1040 Vienna, Lambrechtgasse 1/10.

Financial Services shall at no time become a debtor to its customers. An attribution of activities of any of the Bitpanda companies, including the issuing company, Bitpanda is excluded. If customers do not recover funds from any of the Bitpanda companies, there is therefore no compensation through the statutory investor compensation of securities companies (AeW). This applies especially in view of the fact that the customer does not acquire any transferable securities, but instead merely a claim against Bitpanda, on the basis of which they are to participate in the price development of securities (in the case of A-Token). In case of L-Token, the customer is a contractual partner of a CFD with crypto asset as underlying. L-Token qualify contracts for difference and not as transferable securities under the WAG 2018.

8 Information on complaints management

Financial Services strives to provide the best possible service to customers in terms of their concerns, their wishes and their needs, and to offer a unique user experience. In particular, with regard to the financial instruments marketed through the Bitpanda Systems, Bitpanda aims to provide a fast, convenient and reliable service that complies with any rules and laws.

If, contrary to expectations, there is a cause for complaint, Financial Services asks customers to report any dissatisfaction so that Financial Services can continuously improve the service.

Complaints can be submitted at any time either via the contact form (Helpdesk) or email (support@bitpanda.com).

Financial Services requests the following information to be provided with each complaint:

- A brief description of the facts;
- First and last name;
- The email address used for registration;
- The interface used (desktop version or app).

In all cases, the complaint will be handled and resolved as soon as possible. As a rule, Financial Services aims to process the complaint within a few working days and tries to send an appropriate reply to the customer.

Financial Services has established a complaints management process. All complaints are forwarded to the complaints management department without delay. An attempt will be made to inform the complainant about the processing and the estimated time for resolution within two business days. Should there be any delays, the customer will be informed of the reasons for this. Customer complaints are subject to strict confidentiality. Records concerning the actions taken to resolve complaints shall be kept for at least five years.

Complaints are first subject to a formal examination. If the complaint cannot be attributed to the company, the complainant will be informed of this with a detailed explanation. If Financial Services or another company is obviously not responsible, the complaint will not be answered individually and instead, a general response will be given.

If accountability has been established, it will be examined whether the complaint is justified. If the complaint is unfounded because it is not a service shortcoming on the part of the company, the complainant will be informed of this in writing.

If the complaint is justified, it must be determined whether it is a shortcoming that can be remedied immediately or a shortcoming that requires further processing. A shortcoming that can be remedied immediately will be dealt with immediately and appropriate measures will be taken. The complainant will then be informed of the measures to be taken.

If the shortcoming cannot be remedied immediately, a solution will be worked out and the complainant will be informed accordingly. As soon as a suitable measure has been

worked out, it is to be implemented by the technically and appropriately responsible team member. The customer will then be informed that the shortcoming has been remedied.

In general, Financial Services strives to respond to each complaint within a few days. In exceptional cases, a longer processing time may be necessary.

The reply will always and exclusively be sent by email to the email address registered in the Bitpanda Systems.

Customers and potential customers also have the option of using one of the alternative complaints bodies listed below (alternative dispute resolution) or filing a civil lawsuit:

- Schlichtung für Verbrauchergeschäfte (Arbitration for consumer transactions), 1060 Vienna, Mariahilfer Straße 103/1/18: www.verbraucherschlichtung.at
- Ombudsman of the Professional Association of Financial Service Providers, available at fdl.ombudsstelle@wko.at
- The EU Commission platform for Online Dispute Revolution; Website: https://ec.europa.eu/consumers/odr/main/?event=main.home2.show
- Complaints to the FMA regarding Bitpanda Financial Services GmbH to the FMA, 1090 Vienna, Otto-Wagner Platz 5, Telephone: +43 1 24959-0; Website: www.fma.gv.at

9 Information on records

Financial Services is required by law to record telephone calls and electronic communications as part of the framework for accepting, forwarding and executing orders from customers. As telephone contact is not possible, the record-keeping requirement is only relevant for electronic communications. A copy of the records of electronic communication is available to the customer upon request for five years.

10 Information on costs and additional costs

A detailed breakdown of costs can be found in the separate costs document (Cost Transparency Document).

11 Information on the resolution of conflicts of interest

The following section describes the general dealing of Financial Services regarding conflict of interests. Not all cases are relevant to L-Token Clients.

Financial Services strives to avoid any potential conflicts of interest between the customers and Financial Services or any partner companies, as well as between other companies of the group of companies or between customers themselves.

A conflict of interest exists when the interests of Financial Services and its obligation to protect the best interests of the customer conflict with one another. Financial Services

must also accept an advantage while, at the same time, the customer suffers or may suffer a disadvantage.

11.1 Potential areas for conflicts of interest

Conflicts of interest can take place

- between customers and Financial Services;
- between customers and other companies of the group of companies;
- between customers themselves.

11.2 Information on advantage acceptance

Advantages include, for example, commissions from third parties in connection with investment services for customers. This category also includes non-monetary benefits from other service providers in connection with the marketed transactions, such as financial analyses or other information material, training, technical services and the opportunity to access third-party information systems.

Financial Services must not accept advantages from third parties unless they are designed to improve the quality of the investment service provided to the customer and this is disclosed to the customer in advance.

The Financial Services business model is based on a service contract between Bitpanda and Financial Services. The contract includes a service fee for the general acceptance and execution of orders. It does not include a fee for individual securities services between the customer and Financial Services. Financial Services therefore receives no third-party commission for investment services provided to the customer. Bitpanda's service fee covers all costs for the securities services provided.

11.3 Examples of conflicts of interest

Possible conflicts of interest could be, for example, the following:

- The existence of a financial or other incentive to place the interests of one customer or group of customers above the interests of another customer.
- Receiving or granting financial or non-financial advantages from or to third parties in connection with the provision of investment services to a customer without providing adequate quality enhancement related to the provision of investment services to customers.
- Receipt of performance-related remuneration by Financial Services or Bitpanda employees.
- The acquisition of information that is not known to the public.
- The brokerage of financial instruments for which there exists a credit relationship or an exclusive sales cooperation agreement with the issuer.

11.4 Information on the management of conflicts of interest

The managers, team members and all business partners of Financial Services act in a lawful, diligent and honest manner in the interest of the customer pursuant to the relevant

legal provisions. The aim of these regulations is to identify conflicts of interest at an early stage or to avoid them as much as possible.

Financial Services has implemented measures, internal policies and procedures appropriate to its size and organisation and the nature, scope and complexity of its business to prevent or manage conflicts of interest.

These guidelines and measures are reviewed by the Compliance department on an ad hoc basis, as well as at least annually, and are adjusted as necessary to ensure the best possible sustainable and effective avoidance of conflicts of interest.

The measures mentioned above include in particular:

- Internal guidelines as a basis for raising and managing circumstances that significantly harm or could harm the interests of one or more customers. The definition of procedures and standards of conduct that ensure the protection of client interests and prevent or manage conflicts.
- Implementing an independent compliance function to ensure that activities on behalf of customers or services provided to the customer are conducted in their best interest.
- The monitoring of the measures taken to avoid conflicts of interest by the Compliance Officer and the Risk Manager.
- Within the group of companies, different, independent confidentiality areas have been created to ensure that the disclosure of information does not exceed what is necessary for conducting regular business proceedings (need-to-know principle).
- Financial Services has issued written standards of conduct for employees for their personal business/own business, which are specifically intended to prevent the misuse of confidential information about customers or about business conducted with or for customers by employees. In addition, written standards of conduct or rules regarding the acceptance of gifts that may lead to an impairment of an employee's impartiality or other breach of duty, as well as a Code of Conduct, have been issued.
- Financial Services does not conduct financial analysis itself.
- Financial Services does not use a volume-based remuneration system for employees or other third parties and does not receive any volume-based remuneration itself.
- A reporting system is in place for employees' personal transactions to monitor any misuse of confidential information about customers or about customer transactions.
- The employees of Financial Services and Bitpanda are continuously trained and made aware of these issues.
- Financial Services has not employed any advisors or agents and does not provide any advisory services or make any investment decisions.

11.5 Disclosure of conflicts of interest

In individual cases, conflicts of interest may be unavoidable. In this case, Financial Services will inform the customers in question of the conflict of interest and disclose it accordingly. It is then up to the customers to decide whether they wish to conclude the transaction despite the conflict. The disclosure of conflicts of interest is to be regarded as an ultima ratio and not as an alternative to conflict of interest management measures.

The following potential conflicts of interest are disclosed by Financial Services and Bitpanda.

11.5.1 Potential conflicts of interest in connection with trading suspensions

This potential conflict of interest arises between the customer and Bitpanda, as the customer has an interest in being able to acquire or terminate their positions at any time. However, it may be the case that Bitpanda suspends trading, resulting in a conflict of interest. It is also possible that Bitpanda does not receive the price information required to arbitrate the marketed financial instruments (e.g. due to technical difficulties). A further conflict may arise if Bitpanda suspends trading for a longer period of time in order to avoid a financial loss, which could result in a financial loss for the customer. In addition, Financial Services is also entitled to suspend the acceptance of orders, which in effect amounts to a suspension of trading.

11.5.2 Possible conflicts of interest in connection with own products

This potential conflict of interest arises between the customer and Financial Services. The conflict is characterised by the fact that the L-Token marketed by Financial Services is a Bitpanda proprietary product. The conflict is characterised by the fact that the L-Token marketed by Financial Services is a Bitpanda product and Financial Services, as an affiliated company, subsequently offers its own product (see also chapter 2 of this document), which can lead to a financial advantage for Financial Services and must be disclosed pursuant to section 73 (7) WAG 2018.

Accordingly, the fee structure of the entire Bitpanda group differs from the fee calculation for the brokerage of "classic" financial instruments. This also implies that an investment via the Bitpanda platform can generally be more expensive than via other brokers.

11.5.3 Potential conflicts of interest in connection with corporate actions

This potential conflict of interest exists between the customer and Bitpanda. A conflict may arise if the customer were to choose a different course of action to Bitpanda as part of any shareholder decision-making. This could occur, for example, if the customer wishes to use their pre-emptive right to additional stocks in a stock split, but Bitpanda does not. Another example would be the customer's wish to receive a cash dividend, while Bitpanda chooses the stock dividend. Bitpanda could place its own advantages above the customer's benefit here. Corporate actions are not strictly applicable in case of crypto assets as underlying, however a similar situation can arise due to forks.

11.5.4 Potential conflicts of interest related to Bitpanda’s exercisable rights

A potential conflict of interest exists between the customer and Bitpanda. The conflict is that Bitpanda can exercise the contractual exercisable rights at any time as part of the framework of the L-Token product. This can lead to a premature termination of the contract or a refusal to withdraw the L-Token. Both scenarios can be enforced against the interests of Bitpanda's customers.

12 Prohibited behaviour

Any market abuse and similar actions are prohibited. This especially applies to acquisition and termination procedures with the help of the Bitpanda Systems. The term "market abuse" essentially refers to insider trading and market manipulation. The definition originates from Regulation (EU) 596/2014 concerning market abuse (Market Abuse Regulation – MAR) and Directive 2014/57/EU concerning criminal sanctions for market manipulation (Market Abuse Directive – MAD). The objective of combatting market abuse is to ensure the integrity of the financial markets and to strengthen the confidence of investors in these markets.

Market abuse may be present if investors have been directly or indirectly harmed. In order to do this, other persons have:

- used confidential information (insider trading),
- influenced the price of financial instruments in a fraudulent manner or disseminated false or misleading information (market manipulation).

Any such behaviour may undermine the principle that all investors must be placed on equal terms. Even if the Bitpanda Systems do not qualify as a recognised trading platform pursuant to the legal acts mentioned above and the Austrian Stock Exchange Act 2018 ("BörseG 2018"), any form of market abuse by customers is prohibited. Suspicious cases may justify the (temporary or complete) exclusion of the customer from the Bitpanda Systems and will, without exception, be reported to the appropriate authorities and have criminal consequences.

12.1 Insider trading

Insider trading occurs when persons who have knowledge of insider information use this knowledge to withdraw financial instruments from the company concerned in order to obtain a special monetary advantage. Any person who obtains insider information about or from listed companies earlier than the other current and potential shareholders will be qualified as an insider. A distinction has to be made between two types of insiders:

- Primary insiders are persons who have insider information due to membership of a company's governing body, a shareholder position, completing duties for the issuer or criminal acts.
- Secondary insiders are all other persons who have insider information.

Information is considered insider information if the following criteria are met:

- It must be precise information that is not publicly known.

- It must be directly or indirectly linked to one or more issuers or one or more financial instruments.
- It must be likely to have a significant effect on the price of a financial instrument when it is made public.
- It must be sufficient for a reasonable investor to be likely to use it as part of the basis for their investment decision.

Insider trading is defined as the deliberate use of insider information to conduct business for one's own advantage. All financial instruments traded on regulated markets, MTFs or OTFs are covered by this prohibition. Additionally, all financial instruments are included which are not listed themselves, but the value of which is influenced by financial instruments or which reciprocally influence the value of financial instruments (e.g. derivatives). All types of transactions are included. Therefore, in addition to the acquisition of financial instruments, the return or cancellation of orders due to the possession of insider information is also prohibited.

This also means that the purchase or return of financial instruments marketed on the Bitpanda Systems is prohibited for insiders. This applies regardless of the circumstances under which the customer was made aware of the relevant information. Any violation of this prohibition may lead to criminal consequences.

As a special form of insider trading, Financial Services explicitly points out that so-called "front running" is also prohibited. This refers to the exploitation of insider information in the case of securities transactions by securities advisors, stock exchange traders or analysts in such a way that the persons mentioned above purchases stocks for their own account before recommending them to their customers for purchase or executing larger customer orders that they are already aware of. This enables the front runner to acquire the securities at low prices and to sell their own position at a profit after executing the client orders.

12.2 Market manipulation

The Market Abuse Regulation expressly prohibits market manipulation and any attempts to carry it out. Therefore, market manipulation includes transactions or orders to buy or sell which

- give, or are likely to give, false or misleading signals as to the supply of, demand for, or price of financial instruments; or
- influence the price of one or more financial instruments in such a way that an abnormal or artificial price level is achieved.

A violation is not deemed to be market manipulation if there were legitimate reasons for doing so and if authorised market practice was not violated. Transactions or purchase or termination orders under false pretences or under other acts of deception are also deemed to be market manipulation.

Furthermore, media dissemination of information, rumours or news that send false or misleading indications concerning a financial instrument in the market constitutes market manipulation.

Similarly, the transmission of false or misleading information or the provision of false or misleading initial data regarding a reference value is to be classified as market manipulation.

Practices that are to be considered market manipulation in any case are:

- Securing a dominant position with the consequence of setting the purchase and return prices directly or indirectly or other unfair trading conditions;
- Buying or selling financial instruments at the close of the market with the consequence that investors acting on the basis of the closing price are misled;
- Exploiting access to media by giving an opinion on a financial instrument and then benefiting from the impact on the price of that financial instrument.

Any form of market manipulation in or by using the Bitpanda Systems as well as all indirect forms are strictly prohibited. Suspected incidents will be forwarded to the competent authority without exception. Any violation of this prohibition may lead to prosecution.

12.3 Special notes on crypto assets as Underlyings

Even if not all rules regarding MAR are applicable Bitpanda points out that Market abuse and insider information is not tolerated and will be forwarded to authorities accordingly.

13 Notice of considerable changes

Amendments and additions to this document may be made by Financial Services at any time and shall take effect on the earlier of:

(i) the customer accepting the amended information online;

(ii) the passing of one month following the publication of the amendments or additions to this document.

The customer is entitled to terminate all contractual relationships with Financial Services with immediate effect before any such changes come into effect, without the need to comply with any agreed termination dates or periods and without incurring any costs for such termination.

Changes to this information document, including which new charges are to be introduced or existing charges are to be increased, will be communicated to the customer by Financial Services. With this communication, Financial Services will request that the customer accepts the amended charges online within one month. If the customer does not agree, all contractual relationships shall be deemed terminated upon the expiration of the one month period.

14 Consumer's right of withdrawal

Financial Services offers financial services using a means of distance communication and is therefore within the scope of the Information pursuant to the Austrian Distance Financial Services Act (*Fern-Finanzdienstleistungs-Gesetz*/"**FernFinG**").

Pursuant to section 8 FernFinG, consumers are entitled to withdraw from their contract with Financial Services or Bitpanda within 14 days of the conclusion of the contract or upon receipt of the contractual terms and conditions and sales information without stating any reasons.

The products marketed by Financial Services or Bitpanda are contracts for financial services, the price of which is **subject to fluctuations** on the financial market over which the company has no influence and which may occur within the withdrawal period, therefore the **right of withdrawal** pursuant to section 10 para 1 item c FernFinG is excluded.

Please refer to the Annex of this document regarding the information pursuant to the FernFinG and Austrian Consumer Protection Act ("**KSchG**").

15 Confidentiality

Financial Services agrees to treat all information received from customers in connection with the customer account or transactions as confidential. Corresponding confidentiality areas have been established in order to maintain confidentiality.

ANNEX 1 Information pursuant to the FernFinG and the KSchG

Information pursuant to section 5, 7 and 8 FernFinG and information on the right of withdrawal pursuant to the FernFinG and the KSchG.

Annex 1 includes information on (i) Financial Services and (ii) Bitpanda. Financial Services receipts and transmits L-Token orders, which are issued by Bitpanda, to Bitpanda. Each L-Token Client has a contractual relationship with Financial Services regarding the reception and transmission of the L-Token order and with Bitpanda regarding the L-Token (financial contract for difference), which qualify as financial instruments pursuant to section 1 no 7 WAG 2018 ("**Financial Instruments**").

1 Information pursuant to Sec 5 FernFinG: Information on the company pursuant to Sec 5 para 1 no 1 FernFinG

1.1 Name, address of the company, register and register number:

Bitpanda Financial Services GmbH ("**Bitpanda Financial Services**")
Licensed investment service firm with the Austrian Financial Market Authority ("**FMA**") (see point 1.3)
Stella-Klein-Löw-Weg 17
1020 Vienna
Commercial register: Vienna Commercial Court
Register number: 551181 k
VAT no.: ATU69116734
Mobil: +43 (676) 903 74 05
Email: support@bitpanda.com
Bitpanda Website: www.bitpanda.com

Bitpanda Financial Services offers the financial service of reception and transmission of orders in relation to financial instruments issued by Bitpanda GmbH ("**Bitpanda**" or "**Issuer**").

Information on the Issuer:

Bitpanda GmbH
Stella-Klein-Löw-Weg 17
1020 Vienna
Commercial register: Vienna Commercial Court
Register number: 569240 v

Bitpanda GmbH is registered as a provider in relation to virtual currencies (virtual asset service provider; "**VASP**") pursuant to section 2 no 22 FM-GwG with the FMA.

1.2 Main business activities:

Bitpanda Financial Services: Financial services pursuant to section 1 no 3 litera a WAG 2018 (reception and transmission of orders of financial instruments) as licensed investment firm.

Bitpanda GmbH: VASP and issuer of Financial Instruments.

1.3 Competent supervisory authority:

Financial Market Authority ("**FMA**")
Otto-Wagner-Platz 5
1090 Vienna
P: (+43) 1 249 59-0
F: (+43) 1 249 59 5499
Website: www.fma.gv.at

2 Information on the financial services pursuant to section 5 para 1 no 2 FernFinG

2.1 Main characteristics of the financial services

The Financial Instruments (i.e., L-Token) which are distributed by Bitpanda Financial Services are issued by Bitpanda GmbH. The respective CFD Framework Agreements are concluded between Bitpanda and the Bitpanda L-Token Client as contractual parties.

Information about the L-Token (qualifies as financial contract for difference ("**CFD**") pursuant to section 1 no 7 letter i WAG 2018) is set out in the respective legal documents (especially in the Investor Information Document and the PRIIPs KID. The documents are available for download via the Bitpanda Website (www.bitpanda.com).

2.2 Total price/fees

Information about the fees and other costs involved with the L-Token is set out in the Cost Transparency Document. All documents can be downloaded on the Bitpanda Website.

2.3 Risk related to L-Token

The underlying of the L-Token are crypto assets, such as Bitcoin, Ether and comparable crypto assets. Fluctuations in the price of the underlying assets influence the market price of the L-Token. The price depends on fluctuations in the financial market outside of the control of Bitpanda Financial Services or the Issuer. Historical performances are no indicators for future performances.

Trading L-Token can result in the total loss of the invested capital.

Please refer to chapter 5 (risk disclosure) of this Investor Information Document and consider the risks involved with the L-Token.

2.4 Taxes

The L-Token Clients should consult a tax advisor to assess the effects of an investment on their personal tax situation. In all cases, the respective tax must be paid by the L-Token Clients. Bitpanda Financial Services or the Issuer neither retains tax nor provides tax advice.

2.5 Any limitation of the period for which the information provided is valid

No limitation exists. The information is valid until Bitpanda Financial Services provides any updated information.

2.6 Payment and performance

Bitpanda Financial Services does not charge any fee for the reception and transmission of L-Token orders from the L-Token Client.

Information on the payment procedure of L-Token is set out in the CFD Framework Agreements (please refer to Section B (information on Settlement) of the CFD Framework Agreements).

3 Information on the distance contract pursuant to section 5 para 1 no 3 FernFinG and section 3 KSchG

3.1 Right of withdrawal pursuant to section 8 FernFinG as well as section 3 and 3a KSchG

Consumers are fully informed about the statutory provisions regarding the right of withdrawal pursuant to section 8 FernFinG as well as section 3 and 3a KSchG. There is only a right of withdrawal if all legal provisions for the right of withdrawal are fulfilled and no exemptions exist.

Section 8 FernFinG

(1) The consumer shall have the right to withdraw the contract or his/her contract statement prior to the expiry of the periods set forth in para 2.

(2) The time limit for withdrawal shall be 14 days, except for life insurances within the meaning of the Directive 2009/138/EC on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) (recast), OJ L 335, 17.12.2009, p. 1, as amended by Directive 2014/51/EU, OJ L 153, 22.05.2014, p. 1, and for distance marketing contracts on old-age provision for individuals where the time limit shall be 30 days. In any case, the time limit shall be

deemed complied with if the withdrawal is stated in writing or on another permanent storage medium available and accessible to the recipient and if such statement has been sent off prior to the expiry of the time limit.

(3) The time limit for withdrawal shall begin on the day of conclusion of the contract. For life insurances (para 2), the time limit shall begin at the time when the consumer is notified of the conclusion of the contract.

(4) If, however, the consumer has received the contract terms and marketing information only after conclusion of the contract, the time limit for withdrawal shall begin upon receipt of all such terms and information.

(5) Within the time limit for withdrawal, the consumer's express consent shall be required for commencing on the performance of the contract.

Section 10 FernFinG establishes **statutory exemptions from the right of withdrawal**.

Pursuant to section 10 no 1 letter c FernFinG the consumer shall have no right of withdrawal with regard to contracts on financial services for which the price in the financial market is subject to fluctuations that are beyond the entrepreneur's control and may occur within the time limit for withdrawal, in particular on services in connection with certain financial instruments.

The products marketed by Bitpanda Financial Services or Bitpanda GmbH are contracts for financial services or financial instruments, the price of which is subject to fluctuations on the financial market over which the company has no influence and which may occur within the withdrawal period, therefore there is **no right of withdrawal** (Sec 10 no 1 letter c FernFinG).

Section 3a KSchG

(1) The consumer may also withdraw his/her contract application or contract if circumstances which are significant for his/her consent and which the entrepreneur has represented in the course of the contract negotiations as being highly likely to come to pass are found not to occur at all or only to a substantially lesser degree.

(2) Significant circumstances within the meaning of para 1 shall be:

1. the expectation of a third party's contribution or consent as required for the entrepreneur to render performance or the consumer to make use of it,

2. the prospect of tax benefits,

3. the prospect of public subsidies, and

4. the prospect of a loan.

(3) The contract may be withdrawed within one week. This period shall commence when it becomes obvious to the consumer that the circumstances listed in para 1 have not come to pass at all or to a substantially lesser extent than promised and the consumer has been furnished with written instructions on this right of withdrawal. At the latest, the right of withdrawal shall expire one month after the complete performance of the contract by both contracting parties, or, in the case of bank contracts of a term of more than one year, one month after the contract has been brought about.

(4) The consumer shall have no right of withdrawal if and when:

1. s/he knew or was bound to know already during the contract negotiations that the significant circumstances will not come to pass at all or only to a substantially lesser degree,

2. an exclusion of the right of withdrawal has been negotiated on a case-to-case basis,

3. the entrepreneur agrees to make a reasonable adjustment to the contract, or

4. the contract is subject to the Insurance Contract Act.

(5) Section 3 para 4 shall apply mutatis mutandis to the notice of withdrawal.

Section 3 para 3 KSchG establishes **statutory exemptions from the right of withdrawal**. Consumers have especially no right to withdraw if there was no meeting between the businessperson (here: Bitpanda Financial Services or Bitpanda) and the consumer before the contract was concluded (Sec 3 para 3 no 2 KSchG).

Section 3 KSchG

(1) If the consumer does not submit the contractual statement at the premises permanently used by the entrepreneur for the purposes of his business, or at a stand used by the entrepreneur for such purposes at a fair or market, the consumer may withdraw his order or contract. Notice of withdrawal may be given before the contract has been brought about or within fourteen days thereafter. This period shall commence upon delivery to the consumer of a document containing at least the name and address of the entrepreneur, all information required to identify the contract and instructions on the consumer's right of withdrawal, the period of withdrawal and the procedure of exercising the right of withdrawal, but at the earliest on the date on which the contract has been brought about, in the case of purchase contracts for goods

on the date on which the consumer obtains possession of the goods. If no such document is delivered, the consumer has the right of withdrawal for a period of twelve months and 14 days after conclusion of the contract or delivery of the goods; if the entrepreneur delivers the document within twelve months of the beginning of the period, the extended period of withdrawal ends 14 days after the time at which the consumer received the document.

(2) The right of withdrawal shall also arise where the entrepreneur or a third party working with him has conveyed the consumer, in the course of a direct marketing trip, excursion or similar event, or by personally and individually addressing the consumer on the street, to the premises used by the entrepreneur for the purposes of his business.

(3) The consumer shall not enjoy the right of withdrawal:

1. if he himself has established the business contact with the entrepreneur or his agent for the purpose of making the contract,

2. if no discussion has taken place between the parties or their agents before the contract has been brought about,

3. in the case of contracts which require immediate performance by both parties, if they are normally concluded by entrepreneurs outside their business premises and the agreed consideration does not exceed EUR 25, or if the business by its nature is not carried on at permanent business premises and the consideration does not exceed EUR 50.

4. in the case of contracts that are subject to the Distance and Off-Premises Contracts Act or the Insurance Contract Act, or

5. in the case of contractual statements that the consumer made while the entrepreneur was physically absent unless the entrepreneur urged the consumer to make the contractual statement.

(4) Withdrawing the contract does not require a specific form. The period of withdrawal is complied with if the notice of withdrawal is sent within the period.

(5) The consumer may furthermore withdraw the contract application or contract if and when the entrepreneur has violated trade law regulations governing the collection and acceptance of orders for services (section 54 of the Trade Act 1994), the addressing of private persons and the attendance of advertising events (section 57 of the Trade Act 1994), or the acceptance of orders for goods from private persons (section 59 of the Trade Act 1994). The provisions of para 1, para 3 sub-paras 4 and 5 and para 4 shall also be applied to this

right of withdrawal. This right shall also be due to the consumer in the cases referred to para 3 sub-paras 1 to 3.

3.2 Contract period

Bitpanda Financial Services: The contract between Bitpanda Financial Services and the L-Token Client automatically ends with the completion of the reception and transmission of the L-Token order.

Bitpanda GmbH: The contract between Bitpanda GmbH and the L-Token Client is not subject to any time limit.

3.3 Contractual termination rights

Bitpanda Financial Services: No contractual termination rights.

Bitpanda GmbH: Please refer to the CFD Framework Agreements (Section B) regarding contractual termination rights of the L-Token Client and the Issuer.

3.4 Law governing the pre-contractual relationship

All pre-contractual relations shall be governed by Laws of the Republic of Austria excluding the provisions of the United Nations Convention on the International Sale of Goods and excluding the conflict of law rules of Austrian private international law.

For Bitpanda Consumer Clients, this only applies insofar as the law of their country of residence does not grant them a more favourable legal position vis-à-vis the Issuer in the individual case.

3.5 Law governing the contractual relationship and jurisdiction

Laws of the Republic of Austria excluding the provisions of the United Nations Convention on the International Sale of Goods and excluding the conflict of law rules of Austrian private international law.

For Bitpanda Consumer Clients, this only applies insofar as the law of their country of residence does not grant them a more favourable legal position vis-à-vis the Issuer in the individual case.

Please refer to Section B (Governing Law and Place of Jurisdiction) of the CFD Framework Agreements.

3.6 Contract language and customer contact

All information as well as the contractual terms and conditions underlying this contract shall be communicated in German or English. The customer agrees that Bitpanda

Financial Services and/or Bitpanda GmbH will conduct customer communications in German or English during the term of the contract. Only the German versions of the documents are binding.

Any contact, both on the part of the customer and by Bitpanda Financial Services or Bitpanda GmbH, shall be made exclusively by electronic means. The customer has expressly consented to this electronic communication and to the receipt of documents by electronic means.

4 Information on legal remedies pursuant to section 5 para 1 no 4 FernFinG

Bitpanda Financial Services and Bitpanda always endeavour to provide the best possible service to customers regarding their concerns and wishes in all matters of securities services. Should the customer nevertheless have reason for a complaint, Bitpanda Financial Services and Bitpanda GmbH will promptly investigate this complaint. For this purpose, customers should submit their complaints either through the contact form (Helpdesk) or e-mail (support@bitpanda.com). For details, please refer to chapter 8 of this Investor Information Document.

The customer can also turn to the following institutions:

4.1 Schlichtung für Verbrauchergeschäfte (Arbitration for consumer transactions)
Mariahilfer Straße 103/1/18
1060 Vienna,
Website: www.verbraucherschlichtung.at

4.2 Ombudsman's Office of the Professional Association of Financial Service Providers
fdl.ombudsstelle@wko.at

4.3 The EU Comission platform for Online dispute Revolution; Website:
https://ec.europa.eu/consumers/odr/main/?event=main.home2.show

4.4 The customer also has the possibility to address his complaint directly to FMA:
Financial Market Authority (FMA)
Otto-Wagner-Platz 5
1090 Vienna
Website: www.fma.gv.at

4.5 Compensation Scheme:

There is no compensation scheme.

Bitpanda Financial Services shall at no time become a debtor to its customers. An attribution of activities of any of the Bitpanda companies, including Bitpanda as the issuer, is excluded. Therefore, if the customers do not recover funds from any of the Bitpanda companies, there will be no compensation provided under the statutory

investor compensation scheme of the Austrian Securities Companies GmbH (*Anlegerentschädigung von Wertpapierfirmen GmbH*, "**AeW**"). This is particularly true because the Bitpanda L-Token Client does not acquire any securities, but instead merely is a contractual party to a derivative contract.