

Austrian Securities Supervision Act 2018 (WAG 2018)

Investor Information Document on S-Token

Translation Disclaimer

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1 General information requirements

This Investor Information Document pursuant to the Securities Supervision Act 2018 (*Wertpapieraufsichtsgesetz 2018*) ("**WAG 2018**") applies exclusively for transactions, contracts and business relationships concerning the digital representation of assets listed under the section "Security Token" on the Bitpanda Systems (as such term is defined hereinafter; these "Security Token" are hereinafter referred to as "**S-Token**") between the Bitpanda Financial Services GmbH (hereinafter "**Bitpanda Financial Services**") and its customers, in particular for transactions and business relationships with regard to the provision of financial services using the online platform <https://www.bitpanda.com> or mobile applications provided by the Bitpanda GmbH ("**Bitpanda**") and any associated technical interfaces/APIs of any said platform and application ("**Bitpanda Systems**").

The Bitpanda Systems are not only used by Bitpanda Financial Services, but also by other companies in the Bitpanda Group. For this reason, some Bitpanda 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
UID number: ATU76536535

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

1.2 Licence

Pursuant to the licence granted by the FMA, Bitpanda Financial Services is an investment firm as defined in section 3 of the WAG 2018 and is as such entitled to provide the investment services of "accepting and transmitting orders in relation to financial instruments" and "trading in financial instruments for own account", as well as the ancillary service of "safekeeping and administration of financial instruments for the account of clients".

1.3 Legislation and applicable Law

The applicable legal provisions are, in particular, the 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 "**S-Token Client**") shall use German or English as the language of communication with Bitpanda Financial Services. All communication, both on the part of the customer and on the part of Bitpanda Financial Services, shall be conducted exclusively by electronic means. The customer has explicitly agreed to communication, as well as to the receipt of any information, documents or notifications to be provided by Bitpanda Financial Services, via electronic means.

Upon request, retail customers may also receive any information, documents or notifications to be provided by Bitpanda Financial Services in paper form, free of charge (section 48 para 5 WAG 2018).

1.5 Information to be obtained from the customer

(i) Information to be obtained for WAG 2018 purposes

Prior to the first transaction in relation to specific financial instruments pursuant to the WAG 2018 (including S-Tokens) on the Bitpanda Systems, Bitpanda Financial Services is required, pursuant to the provisions of the WAG 2018, to request certain personal data of its customers. This may include – where relevant – the following information: knowledge and previous experience with investing in general and with the relevant type of financial instrument, 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.

This information may be necessary in order for Bitpanda Financial Services to assess whether a specific type of financial instrument is appropriate for a customer (also referred to as "appropriateness test"). If a customer does not provide the information requested by Bitpanda Financial Services or the information provided by a customer regarding their knowledge and experience is insufficient, Bitpanda Financial Services will not be able to perform the appropriateness test and will issue a warning to the customer that, without such information, Bitpanda Financial Services will not be able to perform the appropriateness test. Bitpanda Financial Services is legally entitled to rely on the accuracy of the information provided by the customer and may therefore use the information provided by the customer for purposes of conducting the appropriateness test. Accordingly, it is thus of utmost importance, and in the customer's best interest, to provide up-to-date, accurate and complete information to Bitpanda Financial Services (if so requested by Bitpanda Financial Services) in order to enable Bitpanda Financial Services to properly conduct the appropriateness test, as the customer might otherwise be at risk of acquiring financial instruments which are, based on their knowledge and experience, not appropriate for them.

If the information provided by the customer leads Bitpanda Financial Services to conclude that the relevant financial instruments are not appropriate for that customer, Bitpanda Financial Services will warn the customer accordingly. Bitpanda Financial Services therefore reserves the right to exclude customers from any transactions and any services that relate to financial instruments which are not considered appropriate by Bitpanda Financial Services for that customer.

(ii) Information to be obtained for anti-money laundering purposes

Pursuant to the Financial Markets Money Laundering Act (*Finanzmarkt-Geldwäschegesetz*), Bitpanda Financial Services is obliged to obtain certain customer identification information from customers in order to prevent any potential risks of money laundering or terrorist financing. This information is (primarily) obtained as part of the initial registration process. Furthermore, in order to prevent money laundering and terrorist financing, Bitpanda 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 trust.

Only fully registered and verified customers can make use of the services and benefits offered via the Bitpanda Systems. If the establishment of a customer relationship between Bitpanda Financial Services and the potential customer would lead to the violation of any applicable laws or regulations or other breaches of trust and/or business relationships, Bitpanda Financial Services will exclude any such persons from using their services and benefits. In addition, applicable laws and regulations can lead to Bitpanda Financial Services terminating customer relationships which are already in place with immediate effect or closing or blocking Bitpanda customer accounts. In all of the above cases, an affected (potential) customer is excluded from the acquiring and the returning of the financial instruments distributed via the Bitpanda Systems.

Bitpanda 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 S-Tokens.

The data collected by Bitpanda Financial Services in accordance with the above is processed and stored for as long as it is necessary for contractual and legal fulfilment (but, in any case, no longer as is permitted by mandatory law).

2 Information on the services and financial instruments

2.1 Information on the services provided by Bitpanda Financial Services in relation to S-Tokens

Bitpanda Financial Services offers customers the possibility to purchase or sell S-Tokens issued by third parties not associated with Bitpanda Financial Services (the "**Issuers**") via the Bitpanda Systems.

Whenever a customer enters into a transaction in relation to S-Tokens via the Bitpanda Systems, the transaction is concluded between that customer and Bitpanda Financial Services. This means that Bitpanda Financial Services will be the sole contractual counterparty of any transaction entered into by a customer in relation to S-Tokens via the Bitpanda Systems, Bitpanda Financial Services in each case acting as principal on its own account. The contractual relationship between Bitpanda Financial Services and a customer in respect of the purchase or sale of S-Tokens via the Bitpanda Systems is governed by the Product Terms for Security Token (the "**S-Token Terms**").

As far as S-Tokens are concerned, Bitpanda Financial Services does not provide any investment services or ancillary investment services pursuant to the WAG 2018 other than the investment services and ancillary investment services further specified in the S-Token Terms and in sections 6 and 7 of the General Terms & Conditions of Bitpanda Financial Services. In particular, Bitpanda Financial Services does not provide any form of investment advice to customers in relation to S-Tokens. In this respect, no information provided, and no communications made, by Bitpanda Financial Services via or in connection with the Bitpanda Systems in relation to S-Tokens should be construed as a personal recommendation to a customer to enter into transactions for S-Tokens. The customer takes investment decisions in relation to S-Tokens exclusively on their own and must, therefore, bear any (total) losses incurred in connection with any transaction for S-Token entered into by the customer via the Bitpanda Systems.

Likewise, Bitpanda Financial Services does not render any legal or tax advice to customers. Accordingly, customers may not seek any such investment, legal and/or tax advice from Bitpanda Financial Services. Bitpanda Financial Services recommends and encourages customers to seek comprehensive professional advice before taking any investment decisions in respect of S-Tokens (and entering into respective transactions) on the Bitpanda Systems.

2.2 Information on S-Tokens

(i) General information on S-Tokens

S-Tokens are tokens issued by Issuers through distributed-ledger-technology which qualify as financial instruments within the meaning of the WAG 2018 based on their securities-like characteristics and structure.

Accordingly, S-Tokens are digital assets that represent ownership or a stake in a real-world asset or financial product, encoded on a blockchain. Unlike traditional securities, these tokens leverage blockchain technology to enhance transparency, reduce transaction costs, and streamline the transfer of ownership. S-Tokens are compliant with regulatory standards and are backed by underlying assets, such as equity, bonds, real estate, or commodities, providing intrinsic value and security to investors. Their main characteristics include among others programmable compliance, fractional ownership, automated processes through smart contracts, and liquidity potential in secondary markets.

(ii) Specific information on Steelcoins

Steelcoins are a specific form of S-Tokens. Steelcoins are transferable bearer securities that are issued in the form of ERC-20 tokens on the "Ethereum" blockchain.

Steelcoins have no specific term or maturity and do not grant rights to interest or dividend payments. There are, however, certain other rights attached to Steelcoins. For further information on the rights attached to Steelcoins, please refer to sections 5 et seqq. of Part III of the Prospectus (as such term is defined under (iii) below) published in respect of Steelcoins. Those rights are linked to a certain weight of steel goods, which is reduced over time. This reduction of the amount of steel goods has a significant impact on the rights attached to Steelcoins and, ultimately, on the value of Steelcoins. In addition, certain rights attached to Steelcoins (namely, the cash settlement option) depend to a certain extent on the development of the steel price or the European market for finished steel. Hence, developments of the steel price or the European market for finished steel may, ultimately, have a (significant) impact on the value of Steelcoins.

Please note that there is no guarantee attached to Steelcoins and that any obligations and liabilities of the Issuer under the Steelcoins are unsecured.

For further information on the characteristics and the functioning of Steelcoins, please refer to the Prospectus (as such term is defined under (iii) below) published in respect of Steelcoins.

(iii) Prospectus published by Issuer

Specific and detailed information about an S-Token can be found in the prospectus (and any supplements thereto) published by the relevant Issuer in accordance with the Capital Markets Act 2019 or Regulation (EU) 2017/1129 (the "**Prospectus**"). The Prospectus for an S-Token (and any supplements thereto) are available for download on the Bitpanda Systems. In addition, the Prospectus published by the Issuer of the relevant S-Token will be made available for download by the customer (in the form of hyperlinks) as part of the purchase process in respect of that S-Token.

Bitpanda Financial Services advises customers **to carefully and comprehensively review the Prospectus** published in respect of an S-Token **prior to taking any investment decisions** on the Bitpanda Platform in relation to S-Tokens.

This Investor Information Document, as such, does not constitute a sufficient basis for taking an investment decision and does not claim to serve as a conclusive description of the characteristics and features of, and the risks related to, an S-Token. **Customers may thus not solely rely on the information contained in this Investor Information Document when taking investment decisions in relation to S-Tokens. Rather, the information contained in this Investor Information Document must be read in conjunction with the relevant Prospectus.**

For the avoidance of any doubt, customers must be aware that Bitpanda Financial

Services is not responsible, and will thus not be liable, for the content of any Prospectus in respect of an S-Token (or any supplements thereto). Bitpanda Financial Services has neither contributed to the preparation of any Prospectus nor scrutinized the content of any Prospectus. Moreover, beyond the fees charged by Bitpanda Financial Services for carrying out transactions in relation to S-Tokens (see section 11 below and the separate Cost Transparency Document), Bitpanda Financial Services has no commercial interest in the issue of any S-Token by the relevant Issuer.

The respective Issuer is responsible, and will thus be liable, for the content of the relevant prospectus (and any supplements thereto).

Please refer to section 12 of the General Terms & Conditions of Bitpanda Financial Services for further details.

(iv) Target market

With regard to the target market of S-Tokens, S-Tokens are intended for retail customers, professional customers and eligible counterparties.

(v) High-risk investment

S-Tokens represent **high-risk investments**. Accordingly, a high level of risk tolerance of a customer is necessary for an investment into S-Tokens. Customers must be prepared to **lose all or parts of the capital invested**.

Customers should not invest in S-Tokens if:

- they desire full protection of capital or full repayment of the capital invested;
- they are risk averse and/or do not have a high risk tolerance;
- they are not prepared to lose all or parts of their investment;
- they want to acquire instruments offered by Bitpanda Financial Services by means of a loan or on credit.

Please refer to section 5 below for a detailed description of the risks related to S-Tokens, as well as the risks involved in trading S-Tokens.

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 Bitpanda 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, for example, the federal government, the federal states, credit institutions, investment firms, insurance companies, capital investment companies as well as other large 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 Bitpanda 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

Bitpanda Financial Services classifies all customers as private 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 Bitpanda Financial Services.

4 Information on reporting obligations

Bitpanda Financial Services will promptly confirm, and provide the customer with the essential information of, any transaction carried out via the Bitpanda Systems in relation to S-Tokens and will send the customer a transaction confirmation via e-mail as soon as possible, and in any case no later than on the first business day, after the transaction has been carried out. The transaction confirmation will be sent to the e-mail address provided by the customer during the registration process or notified by the customer to Bitpanda Financial Services from time to time.

A statement on the aggregated costs and charges associated with any transactions entered into by the customer via the Bitpanda Systems (including any transactions in relation to S-Tokens) and the investment services and ancillary services provided by Bitpanda Financial Services to the customer will be provided to the customer annually ex post via e-mail.

5 Information and risk disclosures regarding financial instruments

The following sections describe general risks associated with financial instruments as well as specific risks involved with S-Token.

Prospective investors should **carefully scrutinize** the risks described below (also taking into account their individual situation) **before taking any investment decisions** on the Bitpanda Systems in relation to S-Tokens.

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.

In any case, materialization of one or more of the risks described below can result in **partial or total loss of the capital invested**. Prospective investors should thus be prepared and able to sustain losses of the capital invested up to a total loss.

The below risk information describes the most relevant risks but must not be understood as conclusive enumeration of all risks (potentially) involved with S-Tokens. In this respect, **Customers' attention is expressly drawn to the Prospectus published by the Issuer** in respect of the relevant S-Token and any supplements thereto. The risks associated with an S-Token are described in comprehensive form in the relevant Prospectus (and any supplements thereto). Prospective investors are, therefore, advised to carefully read and digest the Prospectus published by the Issuer in respect of the relevant S-Token (including, in particular, the sections on risks contained therein) before taking any investment decisions on the Bitpanda Systems in relation to that S-Token.

Moreover, prospective investors should note that the risks described below are the risks that Bitpanda Financial Services believes to represent the principal risks inherent in investing into S-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 the 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.

5.1 General investment risks

Currency risk

If a financial instrument in a foreign currency is chosen, the return or performance of this transaction depends not only on the local return of the financial instrument in the foreign market, but also strongly on the development of the exchange rate of the foreign currency in relation to the base currency (e.g. GBP, USD) compared to that used by the investor. The change in the exchange rate may therefore increase or decrease the return and value of the investment.

Transfer risk

For foreign currency transactions, there is, depending on the respective country, the additional risk that political or exchange control measures may prevent or hinder the investment from being made. In the case of foreign currency transactions, such measures may also result in the foreign currency no longer being freely convertible.

Country Risk

Country risk represents the credit risk of a country. If the country in question represents a political or economic risk, this can have a negative impact on all counterparties situated in that country and therefore on the underlyings.

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 and which cannot be settled or can only be settled at a significantly-changed price level. At the moment, the S-Tokens brokered by Bitpanda Financial Services are not traded on any other regulated or unregulated markets, such as other crypto-assets exchanges / trading venues. Therefore, the Bitpanda Systems are the only trading venue where the S-Tokens can be traded. This may have a negative impact on the liquidity of the S-Tokens. In addition, as a result, there is no reference price for the relevant S-Token, so that a S-Token Client may not compare the purchase or sale price (as the case may be) offered for that S-Token on the Bitpanda Systems with the purchase/sale price offered for the same S-Token on another trading venue.

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 S-Token, there are two different credit risks, that of the respective Issuer of the S-Token and that of Financial Services. In both cases, 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 S-Token can fall considerably.

The price displayed for purchasing or selling S-Tokens on the Bitpanda Systems is determined solely based on the price formula of the Issuer. Against this background, the customer's attention is drawn to the following risks:

- (i) The price formula provided by the Issuer may be complex and difficult to understand.
- (ii) The future development of (some of) the components of the price formula provided by the Issuer may be hard to predict or even unpredictable.
- (iii) Depending on the nature and characteristics of the price formula provided by the Issuer, the prices for S-Tokens may be subject to significant fluctuations.
- (iv) Information or data used to calculate prices on the basis of the price formula provided by the Issuer may not be publicly available and/or not (easily) verifiable.
- (v) Past price developments in relation to S-Tokens do not allow conclusions to be drawn regarding the future development of prices for those S-Tokens.

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 effects of an investment on their personal tax situation. In all cases, the respective tax must be paid by the customer. Financial Services neither retains tax nor provides tax advice.

5.2 Particular investment risks

The following sections describe risks which, from the point of view of Bitpanda Financial Services, may arise in connection with the S-Token offered via the Bitpanda Systems. However, the mentioned risk factors are not exhaustive and the investor (also referred to as "**S-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 Bitpanda Financial Services. In addition, the potential S-Token Client's attention is drawn to the corresponding information documents, in particular, the Prospectus and other legal documents in respect of the S-Token. 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

Bitpanda Financial Services (Bitpanda Financial Services) intermediates S-Tokens through Bitpanda Group Systems, and Bitpanda Group is exposed to insolvency risk. In the event that Bitpanda Group becomes insolvent, Bitpanda Financial Services may no longer be able to facilitate transactions or ensure the redemption or return of capital to investors. Given that S-Tokens are typically unsecured and unsubordinated obligations, an insolvency event could result in investors losing part or all of their investment. This presents both financial and reputational risk to Bitpanda Financial Services, as investors may seek recourse against it as the intermediary, particularly if their capital is not secured.

In addition to the insolvency risk of Bitpanda Group, Bitpanda Financial Services also faces significant risk if the third-party issuers of S-Tokens become insolvent. If the issuer of an S-Token, such as SteelCoin, is unable to fulfill its obligations—either by paying out cash settlements under the Cash Option or delivering physical goods under the Steel Goods Option—investors could suffer financial losses. The absence of collateralization further exacerbates this risk, as investors' claims may not be prioritized in insolvency proceedings, leading to a potential total loss. Such outcomes could harm Bitpanda Financial Services' reputation as a reliable platform.

Regulatory Compliance Risk

As Bitpanda Financial Services offers S-Tokens through Bitpanda Group Systems, it must ensure full compliance with Austrian and EU securities regulations, such as MiFID II and WAG 2018. Non-compliance with these regulations—such as failure to provide required documentation (e.g., PRIIPs KID) or inadequate transparency in ongoing disclosures—could result in significant legal liabilities for Bitpanda Financial Services and the Bitpanda Group. Regulatory breaches could lead to fines, sanctions, or reputational damage that might reduce investor confidence in both the S-Tokens and Bitpanda Financial Services.

Counterparty Risk

Bitpanda Financial Services is exposed to counterparty risk, particularly with respect to the issuers of S-Tokens. If an issuer fails to meet its obligations—whether due to financial distress, operational failure, or liquidity issues—Bitpanda Financial Services could face significant operational and reputational risks. Custodial failures, including issues with securing and managing the tokens, could result in delays in redemption or loss of tokens. For instance, if the issuer of SteelCoin is unable to calculate the Finished Steel Value or Sell Price due to a breakdown in its relationship with FRANKSTAHL, this could disrupt Bitpanda Financial Services' ability to facilitate trades or redemptions on behalf of investors.

Cybersecurity and Technological Risk

Bitpanda Group's operations, including the distribution of S-Tokens, are highly reliant on blockchain technology and other digital infrastructure, which makes it susceptible to cybersecurity risks. The integrity of the S-Token systems could be compromised by cyberattacks, unauthorized access, or technological failures, leading to disruption of services, financial losses, or data compromise. Despite the use of sophisticated security measures, the evolving nature of cyber threats means there is always a risk of technology failures, operational disruptions, or breaches in digital systems. If Bitpanda Group's IT infrastructure fails to provide secure and reliable services—whether through software malfunctions, external attacks, or internal mishandling—investor confidence may decline, leading to potential financial losses and reputational damage. Additionally, disruptions in digital communication channels or trading platforms could impair Bitpanda Group's ability to process transactions in a timely and efficient manner.

Market and Price Volatility Risk

S-Tokens are inherently linked to the value of underlying assets, such as commodities like steel in the case of SteelCoin. This connection makes S-Tokens highly sensitive to market volatility. Sudden and significant changes in market conditions—driven by fluctuations in supply and demand, geopolitical events, or macroeconomic factors—can drastically alter the value of these tokens. For instance, if steel prices experience large swings, the value of SteelCoin could be negatively affected, leading to investor losses. Additionally, extreme price volatility may limit the issuer's ability to hedge against risks effectively, which could further expose investors to financial losses. If the market fails to stabilize or experiences sustained disruptions, Bitpanda Group may face reputational damage as investors struggle to redeem or trade their S-Tokens at favorable terms.

Market Disruptions Risk

Market disruptions, such as failures in trading platforms, delays in executing transactions, or incorrect pricing data, could significantly affect Bitpanda Financial Services' ability to process S-Token trades or redemptions. External factors—such as global pandemics, political unrest, or regulatory changes—can exacerbate these disruptions by affecting liquidity, investor behavior, or the stability of trading platforms. In the event of a market disruption, investors may experience delays in accessing their assets, inaccuracies in token pricing, or an inability to trade their S-Tokens. If these disruptions persist, Bitpanda Group may face operational challenges, reduced investor confidence, and financial liabilities due to delays or incomplete transactions. Bitpanda Financial Services must be prepared to address market disruptions quickly to mitigate the risks posed to both operations and investor trust.

Liquidity and Hedging Risk

Issuers of S-Tokens like SteelCoin must maintain sufficient liquidity to meet their obligations to investors, whether through cash payments or the delivery of physical assets. However, liquidity risks can arise if the issuer is unable to acquire necessary commodities (such as steel) at reasonable prices or if it cannot adequately hedge against rising prices. In times of market stress, liquidity constraints may prevent the issuer from fulfilling redemptions, leading to investor dissatisfaction and potential losses. For example, if the steel market becomes volatile and the issuer is unable to secure sufficient inventory at competitive prices, they may fail to deliver under the Steel Goods Option or be unable to offer the Cash Option. This liquidity shortfall could negatively impact the issuer's financial health and damage Bitpanda Financial Services' reputation as a reliable intermediary.

Conflict of Interest Risk

Conflicts of interest may arise between Bitpanda Financial Services, its clients, and other entities within Bitpanda Group. For instance, certain executives or business partners of the issuer may have financial or personal interests that conflict with their fiduciary duties to investors. This could result in decision-making that prioritizes the interests of Bitpanda Group or related parties over the best interests of S-Token investors. Additionally, related-party transactions could raise concerns about fairness and transparency, leading to a potential loss of investor trust. Managing conflicts of interest effectively is crucial to maintaining the integrity of Bitpanda Financial Services and ensuring that decisions made within Bitpanda Group do not negatively impact investor outcomes.

Business Model Risk

Bitpanda Group operates in a fast-evolving sector focused on crypto-assets, where the success of its business model is tied to its ability to adapt to new market conditions, technology trends, and regulatory frameworks. The crypto market's inherent volatility, coupled with the competition and rising operational costs, poses significant risks to the sustainability of Bitpanda Group's business model. If Bitpanda Group fails to generate sufficient revenue, control expenses, or innovate in response to market changes, it may face financial instability. This could directly impact its ability to support the distribution and redemption of S-Tokens, leaving investors vulnerable to losses. As Bitpanda Group introduces more complex products like S-Tokens, the importance of a stable and adaptable business model becomes critical for long-term success.

Operational Risk

Operational risks for Bitpanda Financial Services and Bitpanda Group stem from failures in internal processes, systems, or personnel management. Errors in data processing, pricing, or the management of transactions can lead to financial losses or delays for

investors. Additionally, Bitpanda Group is vulnerable to risks such as employee misconduct, third-party service provider failures, or external fraud attempts. Technical glitches, incorrect pricing, and system failures are examples of operational issues that could disrupt business continuity and negatively affect investor trust. Even with internal controls in place to manage these risks, the complexity of the operations involved in S-Tokens makes the potential for operational errors a significant concern. Any major operational failure could lead to legal liabilities, financial losses, and reputational damage.

While Bitpanda Financial Services has implemented safeguards and procedures to mitigate various risks associated with the distribution of S-Tokens via Bitpanda Group Systems, the occurrence of unexpected risks remains a significant concern. These unforeseen events, whether arising from market disruptions, regulatory changes, or technological failures, can severely impact Bitpanda Group's ability to fulfill its obligations. Additionally, the combination of several risk factors, such as insolvency, cyberattacks, operational failures, and market volatility, could amplify their individual impacts, leading to compounded financial losses for investors and reputational damage for Bitpanda Financial Services. It is crucial for Bitpanda Group and Bitpanda Financial Services to remain vigilant and proactive in managing these risks to ensure ongoing compliance, operational stability, and investor confidence.

5.2.2 Investor and product-related risk factors

Market Risk

S-Token clients' face substantial market risk due to the inherent volatility of the underlying assets, particularly commodities like steel. Price fluctuations can have a significant impact on the market value of S-Tokens, potentially leading to financial losses. Various factors, including geopolitical events, supply chain disruptions, and shifts in consumer demand, can create rapid changes in asset values. In scenarios where investors are unable to sell or redeem their tokens at favorable prices during periods of high volatility, they may incur considerable losses. Furthermore, the acceptance of multiple currencies in transactions introduces foreign exchange risk, complicating the market dynamics surrounding S-Tokens.

Additionally, investors must be cautious about market price risk, which includes reliance on price information service providers. Inaccurate or delayed pricing information can mislead investors and affect their decision-making.

Liquidity Risk

Liquidity risk is a critical consideration for investors in S-Tokens. While these tokens are designed to be tradable, actual liquidity in secondary markets may vary. In times of market stress or limited interest in specific S-Tokens, investors may find it challenging to sell their tokens without incurring substantial losses. This lack of liquidity could be exacerbated by broader market disruptions, such as trading suspensions due to regulatory actions or technical failures, affecting the ability to convert S-Tokens into cash or other assets quickly. If an issuer faces liquidity constraints, it may further limit investors' options for redemption, leading to dissatisfaction and potential financial losses.

Product Complexity and Understanding Risk

S-Tokens often involve complex structures and features that may not be easily understood by all investors. There is a risk that investors may not receive adequate information regarding the mechanics of S-Tokens, including valuation methods, risks associated with underlying assets, and specific rights and obligations. This complexity can lead to misunderstandings about investment performance, risks, and potential returns. As a result, investors may make decisions based on incomplete or inaccurate information, leading to unexpected financial outcomes. Additionally, investors should be aware of the risk from automated investments, as automated trading strategies could amplify losses if

market conditions are not interpreted correctly.

Regulatory and Compliance Risk

The regulatory environment surrounding S-Tokens and similar financial instruments is continually evolving. Changes in regulations, whether at the national or international level, can introduce significant uncertainty for investors. New regulations may impose additional compliance requirements on issuers or alter the framework governing S-Tokens, potentially impacting their value and liquidity. Moreover, the impact of investment measures, such as new tax policies or compliance rules, could change the risk-return profile of investments, leading to unforeseen losses. Investors must remain vigilant regarding the potential for regulatory enforcement actions, penalties, or alterations in investment treatment, all of which can adversely affect their returns.

Issuer-Specific Risk

S-Token clients' should also be aware of risks associated with the specific issuers of S-Tokens. If an issuer, such as the issuer of SteelCoin, faces financial difficulties, operational challenges, or insolvency, it may be unable to fulfill its obligations to investors. The issuer's reliance on external partners for essential functions can further magnify these risks. Investors may experience delays or defaults in redemptions, resulting in potential financial losses. Importantly, it is crucial for investors to understand that S-Tokens may not confer rights to the underlying assets, adding another layer of risk should the issuer default or fail to deliver.

Operational Risk Related to Product Delivery

S-Token clients' are exposed to operational risks tied to the delivery of underlying assets or cash settlements. If an issuer cannot deliver the promised steel goods or fails to provide cash settlements due to operational failures, liquidity issues, or market disruptions, investors may face delays or losses. The effectiveness of the issuer's operational processes, including inventory management and logistics, is crucial for ensuring that investors receive their expected returns in a timely manner. Any operational breakdown can lead to investor dissatisfaction and significant financial consequences.

Concentration Risk

S-Token clients', especially those tied to specific underlying assets, may face concentration risk. If a significant portion of the investment is tied to a single asset or issuer, adverse developments affecting that asset or issuer could result in substantial losses for investors. This risk is particularly pronounced in sectors like commodities, where price volatility can be influenced by various external factors, including economic conditions and regulatory changes. Investors should be aware of the potential for concentration risks in their portfolios and consider diversification strategies to mitigate this exposure.

6 Execution policy

Bitpanda Financial Services' execution policy is included as Annex II in the General Terms & Conditions of Bitpanda Financial Services.

The execution policy can be found at:

<https://www.bitpanda.com/de/legal/general-terms-conditions-bitpanda-financial-services>.

7 Information on investor compensation

Investment firms providing investment services and ancillary services pursuant to § 3 (2) no 2 to 10 WAG 2018 (including the services provided by Bitpanda Financial Services in connection with S-Tokens as further described in points 6 and 7 of the General Terms & Conditions of Bitpanda Financial Services) are required by law to be members of a compensation scheme. This is the case with Bitpanda Financial Services. Bitpanda Financial Services is a member of the Austrian compensation scheme for investment firms established by Anlegerentschädigung von Wertpapieren GmbH ("**AeW**"), having its seat in Vienna and its registered address at Lambrechtgasse 1/10, 1040 Vienna, and registered with the companies' register (*Firmenbuch*) of the Commercial Court of Vienna (*Handelsgericht Wien*) under FN 187473x.

AeW will, subject to the paragraphs below, compensate FS Clients for claims arising from the Financial Services provided by Bitpanda Financial Services where such claims arose as a result of Bitpanda Financial Services' inability to return (in accordance with the legal and contractual conditions applicable) to FS Clients any financial instruments belonging to them and administered by Bitpanda Financial Services for their account in connection with the Financial Services (the "**Protected Claims**") due to the opening of bankruptcy proceedings against it.

FS Clients must register their Protected Claims (if any) with AeW within one year from the opening of bankruptcy proceedings against Bitpanda Financial Services. If not registered within that period, the relevant Protected Claims will preclude. If an FS Client was, however, not being able to register their Protected Claims with AeW in time, AeW would not be permitted to deny compensation for that reason.

The Protected Claims of an FS Client will, to the extent registered by the FS Client with the AeW in accordance with the preceding paragraph, be paid and discharged by AeW upon the FS Client's request up to a limit of EUR 20,000 (or an equivalent amount in foreign currency) within three months from the point in time when the amount and the justification of the relevant Protected Claims have been determined by AeW in accordance with § 50 (2) of the Deposit Protection and Investor Compensation Act (*Einlagensicherungs- und Anlegerentschädigungsgesetz – ESAEG*) (such deadline may, however, be subject to extension in accordance with § 74 (9) WAG 2018). Protected Claims of FS Clients not being natural persons are capped at 90% of the Protected Claims.

AeW will be entitled to set off compensation claims of an FS Client against claims owed by that FS Client to Bitpanda Financial Services (whether due or not and whether actual or contingent).

Please refer to point 20 of the General Terms & Conditions of Bitpanda Financial Services for further details.

8 Information on complaints management

Bitpanda 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 distributed through the Bitpanda Systems, Bitpanda and Bitpanda Financial Services aim 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, Bitpanda Financial Services asks customers to report any dissatisfaction so that Bitpanda 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).

Bitpanda 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, Bitpanda Financial Services aims to process the complaint within a few working days and tries to send an appropriate reply to the customer.

Bitpanda 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 Bitpanda 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, Bitpanda 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 Resolution; 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:

9 Information on records

Bitpanda Financial Services is required by law to record telephone communications and electronic communications between customers and Bitpanda Financial Services that result or may result in transactions for financial instruments (including S-Tokens).

As telephone communication is not possible with respect to transactions for S-Tokens, this record-keeping requirement is only relevant for electronic communications between customers and Bitpanda Financial Services.

Relevant records of electronic communications will be kept by Bitpanda Financial Services for a period of five years or, where so requested by a competent authority, for a period of up to seven years. Any such records kept by Bitpanda Financial Services in relation to a customer will be provided to the relevant customer upon their request, free of charge.

10 Information on costs and additional costs

A detailed breakdown of the fees and costs applicable in relation to transactions for S-Tokens and any related services provided by Bitpanda Financial Services can be found in the separate cost information document (the Cost Transparency Document) which will be provided to you by Bitpanda Financial Services prior to carrying out a transaction in relation to S-Tokens on the Bitpanda Systems.

Bitpanda Financial Services notes that any costs incurred will be (automatically) deducted from the F-Token balance available in your Bitpanda Account. The price displayed for the purchase or sale of an S-Token on the Bitpanda Systems already includes the costs payable for carrying out a transaction in relation to such S-Token.

11 Information on the resolution of conflicts of interest

The following section describes the general dealing of Bitpanda Financial Services regarding conflict of interests.

Bitpanda Financial Services strives to avoid any potential conflicts of interest between the customers and Bitpanda 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 Bitpanda Financial Services and its obligation to protect the best interests of the customer conflict with one another. Bitpanda 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 Bitpanda 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 offered transactions, such as financial analyses or other information material, training, technical services and the opportunity to access third-party information systems.

Bitpanda 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.

Bitpanda Financial Services does not receive any third-party commission for investment services or ancillary services provided to the customer. Bitpanda's service fee covers all costs for the investment services and ancillary 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 Bitpanda 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 Bitpanda 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.

Bitpanda 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 by the Compliance Officer and the Risk Manager to avoid conflicts of interest.
- 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).
- Bitpanda Financial Services has issued written standards of conduct for employees for their personal business/own issued, 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.
- Bitpanda Financial Services does not conduct financial analyses itself.
- Bitpanda 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 Bitpanda Financial Services and Bitpanda are continuously trained and made aware of these issues.
- Bitpanda 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, Bitpanda 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 Bitpanda 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 Financial Services, 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 Financial Services suspends trading, resulting in a conflict of interest. It is also possible that Bitpanda Financial Services does not receive the price information required to arbitrate the distributed financial instruments (e.g. due to technical difficulties). A further conflict may arise if Bitpanda Financial Services 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, Bitpanda 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 Proprietary Products

Accordingly, the fee structure of the entire Bitpanda group differs from the fee calculation for the brokerage of "classic" securities. This also implies that an investment via the Bitpanda platform can generally be more expensive than via other brokers. Due to the fee structure, the costs also depend significantly on customer investment behaviour.

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 Bitpanda 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 distributed 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, Bitpanda 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 terminate 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.

13 Notice of considerable changes

Amendments and additions to this document may be made by Bitpanda 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 Bitpanda 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 Bitpanda Financial Services. With this communication, Bitpanda 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

Bitpanda Financial Services offers financial services using a means of distance communication and therefore falls within the scope of the Distance Financial Services Act (*Fernfinanzdienstleistungsgesetz*) ("**FernFinG**").

Pursuant to § 8 FernFinG, consumers are generally entitled to withdraw from a contract concluded by way of distance communication in accordance with the FernFinG within 14 days of conclusion of the contract or upon receipt of the contractual terms and conditions and sales information without giving any reasons.

Since the transactions concluded between a customer and Bitpanda Financial Services in relation to S-Tokens are contracts for financial services whose price is subject to fluctuations on the financial market over which Bitpanda Financial Services has no influence and which may occur within the withdrawal period, the right of withdrawal pursuant to § 8 FernFinG is excluded. This means that a customer has no right of withdrawal pursuant to the FernFinSG with respect to any transactions concluded between the customer and Bitpanda Financial Services in relation to S-Tokens via the Bitpanda Systems.

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

15 Confidentiality

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

ANNEX 1 Information pursuant to the FernFinG

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 Bitpanda Financial Services GmbH. Bitpanda Financial Services GmbH offers customers the possibility to purchase or sell S-Tokens issued by third parties not associated with Bitpanda Financial Services GmbH via the Bitpanda Systems. Each customer has a contractual relationship with Bitpanda Financial Services GmbH regarding the purchase or sale of S-Tokens, as well as the safekeeping and administration of the S-Tokens purchased from Bitpanda Financial Services GmbH for the account of the S-Token Client.

Since Bitpanda Financial Services offers those financial services using a means of distance communication, the provisions of the Distance Financial Services Act (*Fernfinanzdienstleistungsgesetz*) ("**FernFinG**") apply.

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 supervised by the Austrian Financial Market Authority (see point 1.3 below)

Stella-Klein-Löw-Weg 17

1020 Vienna

Commercial register: Vienna Commercial Court

Register number: 551181 k

VAT no.: ATU76536535

Mobil: +43 (676) 903 74 05

Email: support@bitpanda.com

Bitpanda Website: www.bitpanda.com

1.2 Main business activities:

The main business activities of Bitpanda Financial Services are:

- (a) acceptance and transmission of orders in relation to financial instruments issued by Bitpanda GmbH or any other third parties;
- (b) trading in financial instruments (namely, S-Token); and
- (c) safekeeping and administration of financial instruments (namely, S-Token).

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

Bitpanda Financial Services offers FS Clients the possibility to purchase or sell S-Tokens via the Bitpanda Systems.

S-Tokens are tokens issued by third parties (not associated with Bitpanda Financial Services; the "**Issuers**") through distributed-ledger-technology which qualify as financial instruments within the meaning of the WAG 2018 based on their securities-like characteristics and structure.

The respective purchase or sales contract in relation to an S-Token is concluded between Bitpanda Financial Services and the S-Token Client. This means that Bitpanda Financial Services is the sole contractual counterparty of any transaction entered into by the S-Token Client in relation to S-Tokens via the Bitpanda Systems, Bitpanda Financial Services in each case acting as principal on its own account.

Specific and detailed information about the relevant S-Token can be found in the prospectus (and any supplements thereto) published by the Issuer of that S-Token, as well as in the Investor Information Document provided by Bitpanda Financial Services to customers prior to carrying out a transaction in relation to the relevant S-Token on the Bitpanda Systems. The prospectus published by the Issuer in respect of the relevant S-Token is available for download on the Bitpanda website (www.bitpanda.com) and is made available to customers for download (in the form of hyperlinks) as part of the purchase process in respect of the relevant S-Token.

In addition, Bitpanda Financial Services will keep the S-Token(s) subject to a purchase contract concluded between the customer and Bitpanda Financial Services via the Bitpanda Systems in custody for the account and benefit of the FS Client.

Please refer to the Product Terms for Security Token (the "**S-Token Terms**") for further details on the financial services provided by Bitpanda Financial Services.

2.2 Total price/fees

Information about the fees and other costs applicable in relation to transactions for S-Tokens and any related services provided by Bitpanda Financial Services can be found in the Cost Transparency Document provided to customers by Bitpanda Financial Services prior to carrying out a transaction in relation to the relevant S-Token on the Bitpanda Systems.

2.3 Risk related to S-Tokens

S-Tokens represent **high-risk investments**. Accordingly, a high level of risk tolerance of a customer is necessary for an investment into S-Tokens. Customers must be **prepared to lose all or parts of the capital invested** and must be able to sustain losses of the capital invested up to a total loss.

Please note that the **price** of S-Tokens depends on **fluctuations** in the **financial market outside of the control of Bitpanda Financial Services**. Past price developments in relation to an S-Token are no indicators for, and do not allow conclusions to be drawn regarding, the future development of prices for that S-Token. In addition, the price development in relation to an S-Token may depend on the development of the financial markets in general (or certain parts thereof) and, therefore, the performance of an S-Token may vary (significantly) depending on the prevailing market conditions.

There is also a liquidity risk involved with S-Tokens given that the market for S-Tokens is

still very small and limited.

Please refer to chapter 5 (risk disclosure) of the Investor Information Document and the description of applicable risks contained in the relevant prospectus (including any supplements thereto) for further details on the risks involved with S-Tokens and carefully consider and review those risks.

2.4 Taxes

Neither Bitpanda Financial Services nor the relevant Issuer provides tax advice to S-Token Clients. The S-Token Clients should consult a tax advisor to assess the effects of an investment on their personal tax situation.

Any taxes incurred by an S-Token Client in connection with the purchase or sale of S-Tokens via the Bitpanda Systems shall be borne by the S-Token Client. The S-Token Client is solely responsible for paying those taxes, as well as preparing and submitting their tax returns. Neither Bitpanda Financial Services nor the Issuer retain any taxes in connection with the purchase or sale of S-Tokens via the Bitpanda Systems.

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

S-Tokens can be purchased by utilizing F-Tokens credited to a customer's Bitpanda Account. This means that a customer can exchange a certain amount of F-Tokens for one S-Token.

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

Pursuant to § 8 FernFinG, consumers are generally entitled to withdraw from a contract concluded by way of distance communication in accordance with the FernFinG within 14 days of conclusion of the contract or upon receipt of the contractual terms and conditions and sales information without giving any reasons.

§ 8 FernFinG reads as follows:

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 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 purchase or sales contract concluded by the customer with Bitpanda Financial Services in relation to S-Token is a contract for financial services (in connection with financial instruments), the price of which is subject to fluctuations on the financial market over which Bitpanda Financial Services has no influence and which may occur within the withdrawal period. Therefore, the right of withdrawal of the customer in respect of the purchase or sales contract concluded with Bitpanda Financial Services in relation to S-Token is excluded.

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 withdrawn 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) and the consumer before the contract was concluded (Section 3 para 3 no 2 KSchG).

Section 3 KSchG

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-para 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-para 1 to 3.

3.2 Contract period

The contract concluded between Bitpanda Financial Services and the S-Token Client is not subject to any time limit.

3.3 Contractual termination rights

There are no contractual termination rights.

3.4 Law governing the pre-contractual relationship

The pre-contractual relationship between the S-Token Client and Bitpanda Financial Services shall be governed by the 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 an S-Token Client being a consumer pursuant to the KSchG, this only applies insofar as the law of their country of residence does not grant them a more favourable legal position vis-à-vis Financial Services in the individual case.

3.5 Law governing the contractual relationship and jurisdiction

The contractual relationship between the S-Token Client and Bitpanda Financial Services shall be governed by the 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 apply.

For an S-Token Client being a consumer pursuant to the KSchG, this only applies insofar as the law of their country of residence does not grant them a more favourable legal position vis-à-vis Financial Services in the individual case.

With respect to jurisdiction, the statutory places of jurisdiction shall apply.

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 will conduct customer communications in German or English during the term of the contract. Only the German versions of the documents are binding.

Any communication, both on the part of the customer and on the part of Bitpanda Financial Services, 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 always endeavors to provide the best possible service to customers regarding their concerns and wishes in all matters of services. Should the customer nevertheless have reason for a complaint, Bitpanda Financial Services 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.

4.1 Complaints bodies

The customer can also turn to the following institutions:

- Schlichtung für Verbrauchergeschäfte (Arbitration for consumer transactions)
Mariahilfer Straße 103/1/18
1060 Vienna,
Website: www.verbraucherschlichtung.at
- Ombudsman's Office of the Professional Association of Financial Service Providers
fdl.ombudsstelle@wko.at
- The EU Commission platform for Online dispute Resolution; Website:
<https://ec.europa.eu/consumers/odr/main/?event=main.home2.show>

- 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

4.2 Compensation Scheme

Investment firms providing investment services and ancillary services pursuant to § 3 (2) no 2 to 10 WAG 2018 (including the services provided by Bitpanda Financial Services in connection with S-Tokens as further described in points 6 and 7 of the General Terms & Conditions of Bitpanda Financial Services; the "**Financial Services**") are required by law to be members of a compensation scheme. This is the case with Financial Services. Financial Services is a member of the Austrian compensation scheme for investment firms established by Anlegerentschädigung von Wertpapieren GmbH ("**AeW**"), having its seat in Vienna and its registered address at Lambrechtgasse 1/10, 1040 Vienna, and registered with the companies' register (*Firmenbuch*) of the Commercial Court of Vienna (*Handelsgericht Wien*) under FN 187473x.

AeW will, subject to the paragraphs below, compensate FS Clients for claims arising from the Financial Services provided by Financial Services where such claims arose as a result of Financial Services' inability to return (in accordance with the legal and contractual conditions applicable) to FS Clients any financial instruments belonging to them and administered by Bitpanda Financial Services for their account in connection with the Financial Services (the "**Protected Claims**") due to the opening of bankruptcy proceedings against it.

FS Clients must register their Protected Claims (if any) with AeW within one year from the opening of bankruptcy proceedings against Bitpanda Financial Services. If not registered within that period, the relevant Protected Claims will preclude. If an FS Client was, however, not being able to register their Protected Claims with AeW in time, AeW would not be permitted to deny compensation for that reason.

The Protected Claims of an FS Client will, to the extent registered by the FS Client with the AeW in accordance with the preceding paragraph, be paid and discharged by AeW upon the FS Client's request up to a limit of EUR 20,000 (or an equivalent amount in foreign currency) within three months from the point in time when the amount and the justification of the relevant Protected Claims have been determined by AeW in accordance with § 50 (2) of the Deposit Protection and Investor Compensation Act (*Einlagensicherungs- und Anlegerentschädigungsgesetz – ESAEG*) (such deadline may, however, be subject to extension in accordance with § 74 (9) WAG 2018). Protected Claims of FS Clients not being natural persons are capped at 90% of the Protected Claims.

AeW will be entitled to set off compensation claims of an FS Client against claims owed by that FS Client to Bitpanda Financial Services (whether due or not and whether actual or contingent).

Please refer to point 20 of the General Terms & Conditions of Bitpanda Financial Services for further details.