

L-Token-Short Terms for Financial Contracts for Difference Short

Section A - Introduction

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1 Introduction to these L-Token-Short Terms

- 1.1 **General.** These "L-Token-Short Terms" set out the contractual provisions applicable to any financial contract for difference ("CFD") for short positions on the Bitpanda Platform.

In addition to the provisions set out in this document, the general provisions of your "User Agreement" apply to your use of the "Bitpanda Platform" and any "Transaction" conducted over the Bitpanda Platform.

- 1.2 **Contracting Party.** Whenever you enter into a CFD, the Transaction is concluded between you and "Bitpanda GmbH". Bitpanda GmbH is the issuer and sole counterparty of all L-Token-Short Transactions.
- 1.3 "L-Token-Short Offers" will be exclusively received and transmitted by "Bitpanda Financial Services". Bitpanda Financial Services' involvement in L-Token-Short is limited to reception and transmission of orders as set out in the "Financial Services Terms".
- 1.4 **Conflicts of terms.** In case of a conflict between the "User Agreement", other "Product Terms" and these L-Token-Short Terms, these L-Token-Short Terms shall prevail.
- 1.5 The "Definitions" shall have the meanings ascribed to them in the Annex to these L-Token-Short Terms (*Definitions*).
- 1.6 L-Token-Short is not available to all customers in all jurisdictions. The availability of the product in specific countries may be restricted and certain functions may be disabled.

2 Product description

- 2.1 "L-Token-Short" enables customers to gain (leveraged) exposure to expected falling market prices of "crypto-assets" by entering into a CFD within the

meaning of Sec 1 No 7 lit i) of the Austrian Securities Supervision Act 2018 (*Wertpapieraufsichtsgesetz* 2018; "WAG 2018") with Bitpanda GmbH. L-Token-Short is displayed on the Account as "AAAxShort", where "AAA" is the 3 letters used to define the specific crypto-asset on the Bitpanda Platform (for example: BTC/EUR1xShort means an L-Token-Short on Bitcoin against Euro and ETH/EUR1xShort means an L-Token-Short on Ethereum against Euro).

- 2.2 L-Tokens are exclusively settled in E-Money and do not entitle a customer to any physical delivery or other direct or indirect right in the underlying crypto-assets.
- 2.3 L-Token-Short constitutes a type of financial instrument as defined in Sec 1 no 7 lit i) WAG 2018 which is neither securitised (*verbriefte*), listed (*börsegehandelt*) nor transferable (*übertragbar*). L-Tokens do not constitute a transferable security pursuant to Sec 1 no 5 WAG 2018.
- 2.4 The term "Token" or "L-Token" is used on the Bitpanda Platform solely for usability purposes. L-Tokens are not crypto-assets, but rather internal database entries at Bitpanda. A holder of L-Tokens does not hold the referenced asset or any rights to it, even if they are displayed as a certain amount of L-Token.
- 2.5 An L-Token represents the claim against Bitpanda GmbH to repayment of the investment amount plus or minus the value of the CFD position (plus in case of positive value development for the client, minus in case of negative value development for the client). An L-Token can never have a negative value, meaning that a customer never has an additional funding obligation and cannot lose more than they have invested.

3 Using L-Token-Short

- 3.1 L-Token-Short is offered by Bitpanda GmbH to selected eligible customers who:
 - (a) have demonstrated appropriate knowledge and experience (appropriateness test pursuant to Sec 57 WAG 2018) or wish to use such services despite being warned accordingly and as tested by Bitpanda Financial Services in accordance with the Financial Services Terms and the WAG 2018; and
 - (b) open/increase a CFD position on the Bitpanda Platform.
- 3.2 In order to invest in falling market prices of crypto-assets available for L-Token-Short, you can make an L-Token-Short Offer to enter into a CFD with Bitpanda GmbH pursuant to the terms set out in Section B and the offer process set out in the User Agreement.
- 3.3 If you make an L-Token-Short Offer, simultaneously you are making an offer to Bitpanda Financial Services to enter into a separate contract for reception and transmission of the L-Token-Short Transaction in accordance with the Financial Services Terms and the "Execution Policy". If your offer for the reception and transmission of L-Token-Short is accepted by Bitpanda Financial Services, it will transmit your L-Token-Short Offer to Bitpanda GmbH.

- 3.4 If Bitpanda GmbH accepts an L-Token-Short Offer, it will be filled by Bitpanda GmbH, the acquired L-Token-Short amounts will be credited to your Account and the amount due in E-Money will be deducted. Your short positions are denominated in EUR, which means that the value of the L-Token position you hold (in anticipation that the price of the underlying crypto-asset will fall) is expressed in euros (EUR). If you do not have E-Money denominated in Euro, your invested E-Money will be converted into Euro to settle the due amount (for example: If you wish to invest USD E-Money in L-Token Short, such USD E-Money will be converted into Euro to settle the due amount).

You may at any time increase, or (partially or fully) decrease your L-Token position (CFD position) by selling back (redeeming) L-Tokens to Bitpanda GmbH. The same principles set out in this clause apply to any increase or decrease of any existing L-Token position (CFD).

- 3.5 You may enter into several L-Token positions (CFDs) in parallel (up to one for each underlying for L-Token-Short). Each such L-Token position (CFD) shall constitute an independent agreement. For the avoidance of doubt, any increase of an existing L-Token-Short position will not result in a new and separate CFD agreement.

4 No Right of withdrawal

You have no right of withdrawal for L-Token positions (CFDs) you have concluded at distance (*Fernabsatz*), e.g. through the Bitpanda Platform, as the value of the crypto-asset, which is the underlying of the L-Token position (CFD), depends on fluctuations in the financial markets over which Bitpanda has no control and which may occur within the withdrawal period.

5 Risks

Buying and holding L-Token-Short bears material risks, which each in the worst case may lead to the total loss of your investment or assets (i.e. the entire invested capital). It is important that you fully understand the risks involved before making a decision to enter into an L-Token position (CFD). If you are in any doubt about the risks involved in addition to the risks set out in [Annex III of the User Agreement](#), please refer to the risk disclosure in the [Investor Information Document](#).

If you open an L-Token Position in a currency other than the legal tender of your country of residence or the currency of your E-Money Wallet, the value and return of your position will also be affected by fluctuations in the exchange rate. Adverse movements in the exchange rate could result in losses, regardless of the asset's performance.

SECTION B: L-Token-Short contract for difference

Each L-Token-Short Offer may only be made on the following terms which, upon fulfilment of the L-Token-Short Offer, form part of the CFD:

Scope:	Subject to the following terms, the " <u>Issuer</u> " (see below) and you enter into this CFD which is represented on the Bitpanda Platform as an L-Token-Short position.
Definitions:	<p>In this CFD, the terms defined in the L-Token-Short Terms, in the User Agreement and the terms defined herein apply.</p> <p>The term "L-Token-Short" is used to describe all contracts with the Issuer creating a short position. L-Token-Short of a specific crypto-asset have trade names assigned by the Issuer such as BTC/EUR1xShort and ETH/EUR1xShort.</p>
Issuer:	Bitpanda GmbH, A-1020 Vienna, Stella-Klein-Löw Weg 17, registered with the Austrian Commercial Register under registration number FN 569240v.
L-Token-Short Customer:	The customer making the L-Token-Short Offer.
Type of product:	Contract for difference, qualifying as a financial instrument as defined in Sec 1 No 7 lit i) WAG 2018, creating a short position in the underlying.
Availability:	L-Token-Short is available on the Bitpanda Platform only.
Underlying:	A crypto-asset as selected by the L-Token-Short Customer from a list of available crypto-assets prior to making the L-Token-Short Offer. The Issuer shall not be required to acquire and/or hold a specific amount of the underlying asset at any time.
Securitisation:	L-Token-Short are not securitised. Neither the Issuer nor the L-Token-Short Customer may request a securitization at a later time.
Tradability:	The L-Token-Short is not tradable with third parties.
Listing:	L-Token-Short are not publicly listed. Neither the Issuer nor the L-Token-Short Customer may request a listing or other form of tradability at a later time.

Tokenisation / use of DLT:	The L-Token-Short is not based on the distributed ledger technology. The term "token" is used solely for usability purposes.
Collateralisation:	The L-Token-Short is not secured by any kind of asset, insurance or guarantee.
Denomination:	For illustration purposes only, the L-Token-Short is virtually denominated to represent a certain amount of the underlying as displayed to the L-Token-Short Customer when making the L-Token-Short Offer.
Settlement:	All payments under this CFD are exclusively settled in E-Money denominated in Euro. If the L-Token Short Customer does not have E-Money denominated in Euro, E-Money denominated in another selected currency will be converted into Euro to settle the due amount. The L-Token-Short Customer is not entitled to any physical delivery or other direct or indirect right in the underlying assets.
Conclusion of the CFD:	<p>The CFD is concluded by the Issuer with filling the relevant L-Token-Short Offer, upon which the Investment Amount becomes due and payable in E-Money denominated in Euro and will immediately be deducted by the Issuer.</p> <p>All L-Token-Short positions are recorded in the L-Token-Short wallet on the Bitpanda Platform.</p>
Investment Amount:	The amount initially invested by the L-Token-Short Customer is an amount in E-Money determined by the L-Token-Short Customer when making the L-Token-Short Offer (" <u>Investment Amount</u> "). The Return Price is based on the Investment Amount which is increased/decreased from time to time as set out below as a result of an increase and/or decrease of the position.
Minimum investment:	EUR 1.00 per L-Token-Short Offer.
Maximum investment:	EUR 50,000.00 per L-Token-Short Offer.
Return price:	Upon termination of the CFD agreement, the L-Token-Short is subject to a return price calculated as follows: L-Token spot price in Euro x amount of L-Token-Short. The return price already includes the overnight fees.

	<p>The L-Token-Short Customer receives the return price minus the return fee as set out in Section C of the L-Token-Short Terms. If the L-Token Short Customer chooses to receive E-Money denominated in another currency than Euro, the return price will be converted from Euro to the applicable currency of E-Money.</p>
L-Token-Short spot price:	<p>The L-Token-Short spot price is calculated by the Issuer and continuously displayed on the Bitpanda Platform on the basis of the following formula:</p> <p>Daily opening L-Token-Short price in Euro + (-1 percentage intraday movements of underlying market price x target L-Token-Short price).</p> <p>"Opening" refers to the time starting immediately after any Re-Leveraging has occurred.</p>
Price information service provider:	<p>The market price for all L-Tokens Short is the relevant Euro spot price of the underlying as retrieved by the Issuer from the publicly available APIs from Kraken or Binance or any other reputable price provider as selected by the Issuer. The price information service providers may not be benchmark administrators under the EU Regulation 2016/1011/EU (Benchmark Regulation) and thus not be regulated under the Benchmark Regulation in the EU. The prices derived from these price information service providers are outside the Issuer's influence and may show high volatility.</p> <p>In the event that no prices are available from the price information service providers, for whatever reason, the Issuer is entitled, at its discretion, to display the most recently received prices as the stable price or to suspend the possibility of acquisition or return.</p> <p>If an L-Token Short Customer chooses to invest in L-Token Short with E-Money not denominated in Euro, the price information used for calculating the value of L-Token Short will still be in Euro and such Euro amount will be converted to the E-Money currency selected by the L-Token Client.</p>
Term:	<p>Unlimited. While the terms of this CFD is unlimited, it is explicitly stated that the recommended holding period as set out in the KID is 1 (one) day.</p>
Fees:	<p>The Issuer charges the L-Token-Short Customer the following fees:</p> <p>(a) a return fee as set out in Section C (L-Token-Short Fees) calculated from the return price; and</p>

	(b) an overnight fee as set out in Section C (L-Token-Short Fees) per calendar day calculated daily at 11 pm Central European Time (CET) of each calendar day on the basis of the value of the underlying, displayed as total exposure on the Bitpanda Platform.
Leverage:	Leverage at any point in time refers to the ratio between the Investment Amount and the current market value of the underlying (" <u>Current Leverage</u> "), determined as described below. The target leverage for L-Token-Short is 1:1 (" <u>Target Leverage</u> ") and the acceptable leverage range is 0.8 to 1.2:1 (" <u>Target Leverage Range</u> ").
Calculation of Current Leverage:	<p>The current leverage for each L-Token-Short is calculated by the Issuer and is continuously displayed on the Bitpanda Platform</p> $\text{Current leverage} = \frac{((\text{Reference L-token price}) \times (\text{Target leverage}) \times (\text{Current underlying price}))}{((\text{Reference underlying price}) \times (\text{Current L-token prices}))}$
Re-Leveraging:	Bitpanda has implemented a system called " <u>Re-Leveraging</u> " which dynamically adjusts the Current Leverage of each L-Token-Short to the Target Leverage at 11 pm CET on each calendar day and whenever the Current Leverage falls outside the Target Leverage Range.
Ordinary termination by the Issuer:	Bitpanda may in parts or in full terminate any CFD by giving at least four weeks prior notice to the L-Token-Short Customer.
Ordinary termination by the L-Token-Short Customer:	The L-Token-Short Customer may at any time partially or fully terminate the CFD on the Bitpanda Platform. If the CFD is only partially terminated, the Investment Amount is deemed to be decreased <i>pro rata</i> .
Extraordinary termination	<p>Bitpanda may, with immediate effect, either partially or entirely, terminate the CFD provided that any events and/or circumstances justifying a termination for cause have occurred. These circumstances include:</p> <p>(a) any reasons for extraordinary termination in the User Agreement;</p> <p>(b) engagement or participation by L-Token-Short Customers, either directly or indirectly, in activities with the intention of</p>

	<p>manipulating or destabilising any market related to the underlying of the CFD;</p> <p>(c) if the offering of L-Tokens becomes illegal for Bitpanda or if it becomes unlawful for Bitpanda to fulfil any of its material obligations as outlined in the L-Token-Short Terms.</p> <p>(d) circumstances beyond Bitpanda's control, such as significant liquidity disruptions or price volatility in the markets for the underlying of the CFD, making it inevitable for Bitpanda to terminate the CFD to prevent greater damage to customers and/or its own existence.</p>
Margin close out protection:	<p>The Issuer has implemented a margin close out protection which automatically and fully terminates all CFD if the Return Price would be 50% or less of the Investment Amount. The L-Token-Short Customer irrevocably agrees that their CFD positions may be automatically terminated by the Issuer if such an event occurs.</p> <p>Automatic termination means that the amount of L-Tokens in your L-Token Wallet are reduced up to zero.</p>
Negative Balance Protection:	<p>Regardless of the changes to the underlying, the L-Token-Short Customer will not be required to make any additional payments in addition to the Investment Amount, including in case of margin close-outs ("Liquidation").</p>
Market disruption and forks:	<p>The Issuer shall not be liable for any market disruptions or forks affecting the underlying. In the event of a fork, the Bitpanda Fork Policy (available under https://cdn.bitpanda.com/terms-and-conditions/e-token-bitpanda-bitpanda-gmbh-en-latest.pdf) will be applied.</p>
Risk disclosure notices:	<p>Before entering into this CFD, the L-Token-Short Customer should read and consider all additional documents and risk disclosure notices the Issuer and/or Bitpanda Financial Services have provided, including the PRIIPs-KID, the cost transparency document and the investor information document.</p>
Place of performance:	<p>The place of performance (<i>Erfüllungsort</i>) is the address of the Issuer as set out above.</p>
Governing Law:	<p>Laws of the Republic of Austria excluding the provisions of the United Nations Convention on the International Sale of</p>

	<p>Goods and excluding the conflict of law rules of Austrian private international law.</p> <p>For customers who are "<u>Consumers</u>", this only applies to the extent that it does not restrict any mandatory statutory provisions of the state in which you reside.</p>
Place of jurisdiction:	<p>For all customers that are not Consumers, any dispute arising out of or in connection with the L-Token-Short Terms shall be subject to the exclusive jurisdiction of the competent court for commercial matters in 1010 Vienna, Austria (Handelsgericht Wien).</p>

SECTION C: L-Token-Short Fees

Purchase Fee	Return Fee	Overnight Fee Applies every day at 11 pm (CET)
0 %	1 %	0.1 %

The base values on which the above listed rates are applied to calculate the respective fee are set out in the CFD.

Please refer to the [Cost Transparency Document](#) for further details on all applicable costs and fees.

Annex
Definitions

Definition	Meaning
Bitpanda GmbH	means Bitpanda GmbH, with its corporate seat in A-1020 Vienna, Stella-Klein-Löw Weg 17, registered with the commercial register of the commercial court Vienna under FN 569240v.
Bitpanda Financial Services	means Bitpanda Financial Services GmbH, with its registered office in A-1020 Vienna, Stella-Klein-Löw Weg 17, registered with the commercial register of the commercial court Vienna under FN 551181 k.
Bitpanda Platform	means the platform operated by Bitpanda which is offered via online or electronic means, mobile application as well as associated APIs of such platform or application which enable the user to trade or invest in the supported Assets.
CFD	means financial contract for differences within the meanings of Sec 1 No 7 lit i) WAG 2018 which refers to a contract between a buyer and a seller stating that the buyer will pay the seller the difference between the opening trade price and the closing trade price of an asset.
Consumer	means a consumer in the sense of Sec 1 KSchG (Austrian Consumer Protection Act, <i>Konsumentenschutzgesetz</i>), for whom the business does not belong to the operation of their company.
crypto-asset	means a digital representation of a value or of a right that is able to be transferred and stored electronically using distributed ledger technology or similar technology.
Current Leverage	has the meaning given to such definition in Section B.
Definitions	means the capitalised words used throughout the User Agreement, Product Terms and these L-Token-Short Terms that have a certain meaning, which is set out in this Annex.
Execution Policy	means the Execution Policy of Bitpanda Financial Services available here .

FernFinG	means the Austrian Distance Financial Services Act (<i>Fern-Finanzdienstleistungsgesetz</i>).
Financial Services Term	means the Product Terms for Financial Services and all documents referred to therein.
Investment Amount	has the meaning given to such term in Section B.
Investor Information Document	means the Investor information on investment business pursuant to the WAG 2018, available here .
Issuer	has the meaning given to such definition in Section B.
L-Token	means L-Token-Short together with L-Token-Long.
L-Token-Short	means each financial contract for difference within the meanings of Sec 1 no 7 lit i) of the WAG 2018, which is issued by Bitpanda GmbH and available on the Bitpanda Platform and enables customers to invest in expected decreasing market prices of crypto-assets.
L-Token-Short Customer	has the meaning given to such term in Section B.
L-Token-Short Terms	means this document.
L-Token-Short Offer	means the binding offer of a Bitpanda customer to purchase L-Token-Short from the Issuer.
L-Token-Short	means each financial contract for difference within the meanings of Sec 1 no 7 lit i) of the WAG 2018, which is issued by Bitpanda GmbH and available on the Bitpanda Platform and enables customers to invest in expected falling market prices of crypto-assets.
Opening	means the time starting immediately after any Re-Leveraging has occurred.
Product Terms	means the entirety of the individual terms and conditions that shall apply for a specific product, which are set out in specific legal documents in our legal repository https://www.bitpanda.com/en/legal .
Re-Leveraging	has the meaning given to such term in Section B.

Target Leverage	means the ratio between the Investment Amount and the current market value of the underlying of 1x.
Target Leverage Range	means the range of ratio between the Investment Amount and the current market value of the underlying from 0.8x to 1.2x.
Transaction	means a contractual relationship that is the result of any Bitpanda Company accepting an Offer from you in accordance with the acceptance procedures set out in this User Agreement or any applicable Product Terms. The exact scope of a Transaction depends on what your respective Offer encompasses, which is detailed for each type of Offer in the User Agreement or applicable Product Terms.
User Agreement	means the document User Agreement and all Annexes and documents referred therein.
WAG 2018	means the Austrian Securities Supervision Act 2018 (<i>Wertpapieraufsichtsgesetz 2018</i>).