

Bitpanda Custody MENA FZCO

Risk Disclosure

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November 2026

Bitpanda Custody MENA FZCO ("**Bitpanda**") places the utmost importance on protecting customers and customer assets through the implementation of robust risk management practices. Despite this, the use of the custody platform operated by Bitpanda (the "**Bitpanda Platform**"), and certain transactions carried out using the Bitpanda Platform carry risks that are beyond the control of Bitpanda, and Bitpanda shall have no liability for such risks. A non-exhaustive list of these risks is set out in this Risk Disclosure.

Safeguarding of Client Assets

In accordance with Rule II.B.1(c) of the VARA Custody Services Rulebook, Bitpanda confirms that it maintains operational and regulatory bank accounts with Commercial Bank of Dubai. No Client Virtual Assets or Client Money are held or maintained by any third party. All virtual assets held on behalf of clients are held directly by Bitpanda and safeguarded in accordance with applicable regulatory requirements.

Staking Services

Bitpanda is licensed by VARA to provide institutional staking but does not currently offer staking services.

General Risks of Investments

Every investment involves opportunities and risks. Investing in virtual assets of the kind in respect of which Bitpanda offers custody services through the Bitpanda Platform ("**Supported Assets**") carries inherent risks. In extreme cases, the invested amount may be lost entirely. You should carefully assess whether virtual assets align with your risk tolerance, investment objectives, financial and tax situation, personal and legal circumstances, and other relevant

considerations.

Risk of diminution in value, low liquidity and extreme volatility

1. The value of the Supported Assets are typically determined by their current market price and therefore might experience extreme volatility and/or their value might decline to zero. Past performance of a certain Supported Asset does not indicate future results. Such investment is only suitable for users who can bear a loss of the entire invested capital and should not be considered as, or entered into with the expectation of, a stable store of wealth.

Regulatory and jurisdictional risk

2. Regulatory and legal risk. It is possible that statutory or regulatory changes have material effects on the current setup of the Bitpanda Platform. Statutory or regulatory changes may also result in substantial modifications to any Supported Assets. Bitpanda is committed to design, modify and/or adapt the Bitpanda Platform in such a way that it complies with all applicable laws and regulations while at the same time retaining the flexibility for you, but cannot guarantee that certain regulatory or legal changes may result in the limitation or termination of certain services on any of the Bitpanda Platform.

3. No financial advice. The fact that Bitpanda has made a Supported Asset or a service available to you constitutes neither a recommendation to enter into a particular transaction nor a representation that any particular product is suitable or appropriate for you. Many of the Supported Assets involve significant risks, and you should not enter into any transactions with Bitpanda unless you have fully understood all such risks and have independently determined that such product is appropriate for you. You should not construe any of the information contained herein as financial, investment, trading, legal, regulatory, tax, or accounting advice.

4. Risk of lack of financial compensation systems. Be aware that in the majority of circumstances, financial services compensation schemes do not protect investments in Supported Assets as this type of investment does not attract public guarantees or protection.

Security and Access Risks

5. Risk of software weakness. The technology of Supported Assets and their underlying software applications and software platforms, such as the smart contract systems and other involved software and technology, as well as technical concepts and theories, are still in an early stage of development, unproven, and beyond Bitpanda's control or influence.

   There is an inherent risk that the technology could contain weaknesses, vulnerabilities or bugs. These can cause, for example, the complete loss of any virtual assets, even if the software and systems deployed under the control of Bitpanda function correctly.

   Many of these technologies or software applications required for the sale, transfer or holding of virtual assets are neither released by a software manufacturer nor in any other way certified by a central entity such that there would be a person or entity that could be held liable for such defects. Bitpanda uses and displays customary security certificates issued by third parties (certificate authorities) that are widely regarded as a security enhancing feature but ultimately cannot guarantee that the security certificates displayed on the Bitpanda Platform are valid or correct.

   Always keeping your mobile apps offered by Bitpanda, your internet browser and the underlying operating systems up to date helps to mitigate certain risks and vulnerabilities.

6. Risk of theft and internet vulnerability. The software application and software platform underlying the Supported Assets, the smart contract system(s) and/or other technology components and/or platforms may be exposed to electronic or physical attacks that could result in the irreversible theft or loss of Supported Assets or the theft or loss of private data.

7. 2FA is not foolproof. Bitpanda strongly recommends that you use 2FA. Please note however, that the safety benefit of using 2FA is effectively eliminated if both factors can be accessed with the same credentials or devices.

8. Risk of weak login credentials and risk of losing login credentials. If you do not use

2FA where available on the Bitpanda Platform, any person with knowledge of your password and e-mail address may be able to access your Account and the Supported Assets deposited with the Bitpanda Platform and may make transactions in your name.

The passwords you use for the purposes of your access to the Bitpanda Platform may be subject to attacks, even if it is unique and known only to you. The risk is greater if the password is weak (in length and/or complexity) and/or if the password contains personal details (for example your name, date of birth or place of residence) and/or words included in a dictionary. Bitpanda recommends that you always choose a strong and unique password (that is not used with any other service provider) and that you use the 2FA wherever available. Nevertheless, while stronger passwords are statistically (far) less likely to be successfully retrieved by an attacker, no password is fully safe.

The Bitpanda Platform may indicate password strength during account creation. However, this indicator is calculated from general parameters, and does not verify whether the specific password chosen contains any personal details or words included in a dictionary, and thus it should be regarded guidance only.

9. Risk of phishing and/or social engineering. SMS and e-mail services are vulnerable to spoofing and phishing attacks. You should always log into your account on the Bitpanda Platform to review any transactions or required actions if you have any uncertainty regarding the authenticity of any communication or notice. While Bitpanda strongly recommends participating in the 2FA, the 2FA cannot prevent successful phishing and/or social engineering attacks if your credentials and second factor are compromised in an attack.

10. Risk of blockchain mining attacks and other risks associated with blockchain. The Supported Assets available on the Bitpanda Platform may be susceptible to attacks including but not limited to double-spend attacks, majority mining power attacks, "selfish-mining" attacks, and race condition attacks or any other mining or non-mining related attacks which are out of Bitpanda's influence and control.

You must be aware of the risks that technology carries and the inherent functionality and security risks, such as, but not limited to, the failure of hardware, software, and Internet network connections, the risk of malicious software

introduction, the risk that third parties may obtain unauthorised access to information and/or virtual assets stored on your behalf, cyber attacks, virtual asset network failure (such as failure and outages on the blockchain) or other types of attacks.

Risks associated with virtual assets and virtual asset market

11. Risk of imperfect transaction processing. Bitpanda uses nodes on the respective blockchain, which scan each block for transactions (both deposits and withdrawals). As soon as such a transaction is identified, it is taken into account in Bitpanda's systems and reflected in your wallet held with Bitpanda. It is possible that a node does not record a transaction and therefore does not feed it into Bitpanda's systems.

12. Risk of abandonment/lack of success. The allocation and the development of any Supported Asset might be abandoned for a number of reasons, including lack of interest from industry, community and/or the public, lack of funding, or lack of commercial success or prospects (for example, caused by competing projects), all of which are beyond Bitpanda's control. Bitpanda offers no representation as to the current and future functionality, adoption or commercial success of any Supported Asset.

13. Risks of soft and hard forks. The protocols of virtual assets may be subject to forks that change the underlying blockchain protocol rules. These forks may materially change the value, function or name of virtual assets (for example, Ethereum and Ethereum Classic).

14. Market and community risk. Market and community risks may also be triggered and accelerated via communities that come together, for example in online forums, to discuss certain investment opportunities and products with the intention of placing jointly organized buy and sell offers which may lead to strong price fluctuations which carry a high risk of loss.

15. Counterparty risk. Bitpanda has no control over the financial stability of counterparties that Bitpanda is required to interact with as part of the Bitpanda's service provision. In the event that a counterparty defaults, Bitpanda may be unable

to retrieve or transfer Supported Assets held, potentially resulting in a full or partial loss.

16. Liquidity risks. As not all virtual assets are considered liquid assets (meaning that they can be quickly and easily converted into cash or a cash-equivalent with minimal loss in value) there may be limited options to sell or exchange your virtual assets for fiat currencies or other assets, especially during periods of market volatility or low trading activity. Demand for certain virtual assets may decrease, and it may take a considerable amount of time to complete a transaction or require you to sell or exchange the virtual asset at a price significantly lower than expected. As a result, there is a risk that you may not be able to liquidate your virtual assets when needed. We advise all clients to carefully consider their liquidity needs and to ensure that they are comfortable with the possibility of illiquidity when investing in virtual assets.

17. Collateralization risk. No Bitpanda Company takes any responsibility for Supported Assets that are or claim to be collateralised, backed or pegged by an underlying asset, whether legal tender or any other asset of whatever form (including other virtual assets) as all actions in connection to such Supported Assets are in the sole responsibility of its issuer and therefore beyond Bitpanda's control.

18. Transfer risk. Virtual assets may not always be transferable, and transfers are typically irreversible.

19. Privacy of transactions risk. Some transactions are not private and may be recorded on public DLTs.

20. Risk of fraud, manipulation and lack of legal protection. Virtual assets may be subject to fraud, manipulation and theft, including through hacks and other targeted schemes, and may not benefit from legal protections.

21. Tax risks. The purchase, sale, exchange, holding and/or alienation of Supported Assets available may trigger tax consequences for you.

    Bitpanda notes that while several countries have already implemented specific tax regulations for Supported Assets, further changes and/or additional tax regulations are to be expected. Bitpanda Companies may under certain circumstances (now and/or in the future) be required to deduct withholding tax. Withheld tax amounts

are remitted to the tax authorities, and Bitpanda is unable to refund these amounts. Bitpanda will report information with respect to transactions made by you and/or Supported Assets held by you to one or more tax authorities to the extent such reporting is required by applicable law. Bitpanda shall deduct and withhold tax on your transactions to the extent such withholding is required by applicable law. Bitpanda will collect tax documents, certificates regarding your status as a taxpayer, as well as your tax identification number or similar information, as required by applicable law. You should conduct your own assessment of your tax situation concerning Supported Assets and consult your tax advisor before making any decisions with respect to any transactions.

Tax consequences often (but not always) depend upon the tax laws of the country where you are tax resident and upon the international tax treaties that country has ratified. If Bitpanda is not obliged to withhold any taxes by law and such withholding does not constitute final taxation under the applicable tax laws, you are solely responsible to comply with all national and international tax laws from time to time applicable to you by virtue of using the Bitpanda Platform and holding, trading and/or exchanging the Supported Assets. Before you become a Bitpanda customer and before you make any Offer, as well as from time to time (for example, in connection with the annual tax return or financial statements) and as may be required in accordance with the tax laws applicable to you, Bitpanda thus advises you to consult a tax advisor about the tax consequences and their economic consequences in connection with your use of the Bitpanda Platform and that you ensure that you are able to take all steps required to comply with all applicable tax laws when using the Bitpanda Platform.