



bitfly staking gmbh

Up to ETH 1 000 000 Floating Rate Investments  
pursuant to the Austrian Capital Market Act 2019

## § 1. General

- (1) *Issuer, Issuing.* Bitfly staking gmbh, FN 569385 g, Wiedner Gürtel 9, 1100 Vienna, Austria (the "**Issuer**"), pursuant to shareholder resolution dated 28 March 2022, issues investments (*Veranlagungen*) pursuant to § 1 (1) 3 of the Austrian Capital Market Act 2019 (the "**Investment(s)**") in a total nominal amount of up to ETH 1 000 000 (one million Ether).
- (2) *Denomination, Units.* The Investments and any payment obligations thereunder are denominated in Ether (ETH) and are divided into 10 000 000 units (each a "**Unit**") with a nominal value of ETH 0.1 each (the "**Nominal Value**").
- (3) *Price.* The price of a Unit is equal to its Nominal Value (the "**Issue Price**").
- (4) *No Transferability.* Neither the Investment as a whole nor any part thereof, or claim thereunder, may be assigned or otherwise transferred to any third party.
- (5) *Pari Passu.* The Issuer shall ensure that its obligations under the Investments rank at all times at least equal in right of priority and payment with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.
- (6) *Duration.* The Investments do not have a final maturity date and can be terminated by the Investor and the Issuer as provided for under § 6.
- (7) *Limitation.* Claims to Interest according to § 5 expire after three (3) years, claims to repayment according to § 6 expire after thirty (30) years from the respective due date.

## § 2. Definitions

The following terms shall have the respective meanings set forth or referenced below:

"**Accrued Interest**" has the meaning set forth in § 4 (5).

"**Active Validators**" means all Validators that attest and propose blocks on the Ethereum Network during an entire Reward Day.

"**Calculation Agent**" means bitfly gmbh, FN 472953 w, Wiedner Gürtel 9, 1100 Vienna, Austria.

"**Consensus Rewards**" means rewards received by validators for proposing and attesting in accordance with the consensus rules of the Ethereum Network.

"**Effective Balance**" means the Ether balance of a validator used to determine the size of a reward or penalty on the Ethereum Network.

"**Ethereum Network**" means the open-source, public, blockchain-based distributed computing platform featuring smart contract functionality that launched on 30 July 2015 and is recognized by the official Go Ethereum client.

"**ETH.STORE**" means the rate *per annum* determined by the Calculation Agent by dividing (i) the Total Staking Rewards by (ii) the Total Effective Balance; ETH.STORE is short for Ether Staking Offered Rate.

"**Fee Rate**" means the number of basis points the Issuer deducts from the ETH.STORE when calculating Interest; the applicable Fee Rate is based on the aggregate Nominal Value of the Units held by the Investor throughout an entire Reward Day. The Fee Rate is expressed in percent of the ETH.STORE. Until the Ethereum Network has been upgraded to proof-of-stake, the Fee Rate will be 0 %. After such upgrade, the Fee Rate will be as follows:

<u>Investment Amount</u>	<u>Fee Rate</u>
0.1 to 31.9 ETH	15 %
32 to 95.9 ETH	13 %
96 to 959.9 ETH	10 %
960+ ETH	8 %

"**Interest**" has the meaning set forth in § 4 (1).

"**Investment Address**" has the meaning set forth in § 3 (2) (b).

"**Investment Amount**" has the meaning set forth in § 3 (1).

"**Investment Date**" has the meaning set forth in § 3 (3).

"**Investment(s)**" has the meaning set forth in § 1 (1).

"**Investor**" has the meaning set forth in § 3 (3).

"**Issue Price**" has the meaning set forth in § 1 (3).

"**Issuer**" has the meaning set forth in § 1 (1).

"**Minimum Investment Amount**" has the meaning set forth in § 3 (1).

"**Nominal Value**" has the meaning set forth in § 1 (2).

"**Payout**" has the meaning set forth in § 5 (2).

"**Payout Address**" has the meaning set forth in § 5 (1).

"**Payout Date**" has the meaning set forth in § 5 (2).

"**Payout Request**" has the meaning set forth in § 5 (1).

"**Repayment**" has the meaning set forth in § 6 (3).

"**Reward Day**" means the period of elapsed time that begins at 12:00:23 UTC and ends 24 hours later at 12:00:22 UTC.

"**Subscriber**" has the meaning set forth in § 3 (1).

"**Subscription**" has the meaning set forth in § 3 (2).

"**Termination Date**" has the meaning set forth in § 6 (2).

"**Total Effective Balance**" means the sum of Effective Balances of Active Validators as at the start of a Reward Day.

"**Total Staking Rewards**" means the sum of (i) Consensus Rewards and (ii) Transaction Fees earned by Active Validators in a Reward Day.

"**Transaction Fees**" means fees received by validators for processing transactions on the Ethereum Network.

"**Unit**" has the meaning set forth in § 1 (2).

"**Waiting Period**" means the period of time determined by the Issuer and published at <https://staking.ethermine.org/statistics> that begins twelve (12) hours after the transfer of the Investment Amount has been confirmed by sixty-five (65) blocks.

### § 3. Investment Process

- (1) *Subscription.* A person interested in subscribing to the Investments is referred to as a "**Subscriber**". The minimum amount to subscribe is one (1) Unit (the "**Minimum Investment Amount**"). A subscription can be made only in full Units. The Nominal Value multiplied by the number of Units subscribed by a Subscriber is referred to as the "**Investment Amount**".
- (2) *Subscription Process.* To validly subscribe to the Investments ("**Subscription**"),
  - (a) the Subscriber shall provide the Issuer with a duly completed subscription form as well as any additional information requested by the Issuer to verify the Subscriber's identity and source of funds used to subscribe to the Investments;
  - (b) upon instruction by the Issuer, the Subscriber shall transfer the Investment Amount and the processing fee indicated by the Issuer to an Ethereum wallet address provided by the Issuer (the "**Investment Address**");
  - (c) after receiving the Investment Amount and the processing fee on the Investment Address, the Issuer may accept the Subscription by notifying the Subscriber of such acceptance via email. Subscriptions will be effective only upon the Issuer's acceptance of the Subscription. The Issuer reserves the right to reject any Subscription in whole or in part;
  - (d) any subsequent transfer of Ether from the same Ethereum address of the Subscriber to the Investment Address shall constitute a separate offer for Subscription that the Issuer may accept pursuant to subparagraph (c).
- (3) *Investment Date.* The Reward Day the Issuer accepts the Subscription is referred to as the "**Investment Date**". Beginning on the Investment Date the Subscriber is referred to as "**Investor**".

### § 4. Interest

- (1) *Interest.* Each Unit shall bear interest at a floating rate equal to the ETH.STORE minus the Fee Rate ("**Interest**").
- (2) *Interest Commencement Date.* The accrual of Interest shall commence on the Reward Day following the Waiting Period.

- (3) *Interest Calculation.* The Issuer will calculate Interest on a daily basis (act/act) on all Units held by the Investor throughout an entire Reward Day. The Issuer will calculate Interest for a given Reward Day on the next Reward Day.

*Example: If the ETH.STORE on a Reward Day is 6 % per annum and the Investor holds 1 000 Units with an aggregate Nominal Value of 100 Ether on that Reward Day, then the applicable Interest for that Reward Day is 5.4 % per annum (600 basis points – 10 % = 540).*

- (4) *Market Disruption.* If the ETH.STORE on a Reward Day is more than three standard deviations above the mean of the last thirty (30) ETH.STORE values, the Issuer may use the last ETH.STORE value within three standard deviations of such mean as the ETH.STORE value for that Reward Day.
- (5) *Accrued Interest.* Interest accrues over time and is not paid out unless requested by the Investor pursuant to § 5. Interest accrued but not paid out is referred to as "**Accrued Interest**". Accrued Interest is not interest-bearing, Interest does not compound.

## § 5. Payouts

- (1) *Payout Requests.* Subject to the conditions in paragraph (3) of this § 5, Accrued Interest is paid out upon request (each a "**Payout Request**"). The Payout Request must contain a specific address on the Ethereum blockchain on which the Investor wishes to receive the Accrued Interest (the "**Payout Address**"). The Issuer may require the Investor to provide evidence of having access to the Payout Address.
- (2) *Fulfillment.* Unless the Issuer is required by law, administrative ordinance or a court ruling to do otherwise, the Issuer shall fulfill a Payout Request without undue delay. Each payment of Accrued Interest to the Investor is referred to as a "**Payout**". Each day a Payout is made is referred to as a "**Payout Date**".
- (3) *Conditions.* Each Payout is subject to the following conditions: (a) the Investor has confirmed to the Issuer to have access to the Payout Address; (b) on the Payout Date, the Ethereum Network allows the withdrawal of Consensus Rewards and Transaction Fees.
- (4) *Effect.* A Payout to the Payout Address shall have liability discharging effect.

## § 6. Repayment, Termination

- (1) *Repayment.* Repayment (as defined below) occurs upon termination of the Investment.
- (2) *Ordinary Termination.* Subject to a notice period of twelve (12) weeks, the Investments can be terminated (a) by the Issuer only with respect to all Units held by an Investor, or (b) by an Investor in whole or in part only with respect to the Units held by that Investor, with effect as at the last full Reward Day in a calendar month (each a "**Termination Date**").
- (3) *Payment Obligations.* On the Termination Date, the Issuer shall pay to the Investor: (a) the Nominal Value of each terminated Unit; and (b) any Accrued Interest on the terminated Units (the "**Repayment**").
- (4) *Minimum Term.* Both parties waive their right to ordinary termination (a) until the Ethereum protocol allows the withdrawal of Consensus Rewards and Transaction Fees, or (b) for a period of five (5) years starting on the Investment Date, whichever occurs first.
- (5) *Extraordinary Termination.* The Issuer or an Investor may terminate the Investments for good cause (*außerordentliche Kündigung*) at any time and without having to observe any notice period.

## § 7. Costs, Taxes

- (1) *Costs.* All blockchain-based transaction fees in connection with (a) a Subscription pursuant to § 3, (b) a Payout pursuant to § 5, and (c) a Repayment pursuant to § 6 shall be borne by the Investor.
- (2) *Taxes.* All taxes, fees and other charges applied to the Investments or Interest on the Investments shall be borne and shall be payable by the Investor.
- (3) *Withholding Tax.* Insofar as the Issuer is legally obligated to deduct or withhold taxes, fees and other charges, only the remaining amount shall be paid to the Investor. This is the case, in particular, if the Issuer is or becomes obligated to withhold capital gains tax at the expense of the Investor and to transfer it to the competent tax authorities.

## § 8. Final Provisions

- (1) *Notices.* The Issuer shall publish all notices and publications concerning the Investments on its website under <https://staking.ethermine.org/investor-relations> and shall send such notices and publications to the Investor via email to the email address provided by the

Investor. All notices by the Investor to the Issuer concerning the Investments shall be given via electronic means as provided on the website of the Issuer under <https://staking.ethermine.org/>.

- (2) *Choice of Law.* These Investments shall be governed by Austrian law, excluding reference norms of the Austrian International Private Law Statute (*Bundesgesetz über das internationale Privatrecht*).
- (3) *Place.* Place of fulfillment is Vienna, Austria.
- (4) *Jurisdiction.* For all disputes arising out of or in connection with these Investments between the Issuer and the Investor who is not a consumer in the sense of the Austrian Consumer Protection Act, the court responsible for commercial matters in Vienna, Inner City, shall have exclusive jurisdiction. Claims against the Issuer must be brought before the competent courts in Vienna, Austria.
- (5) *Severability.* If any provision of these terms and conditions is or becomes invalid in whole or in part, the remaining provisions shall remain in full force and effect. Insofar as the Austrian Consumer Protection Act does not apply, the ineffective provision shall be replaced by an effective provision which, to the extent legally possible, takes account of the economic purposes of the invalid provision.

**bitfly staking gmbh**