



# Terms and Conditions

**Private Placement**

€100,000.00 Minimum Investment; for Professionals only  
Monetec GmbH, May 2024



**Monetec GmbH**

(a limited liability company pursuant to Austrian law,  
having its corporate seat in Vienna, Austria)

**Up to EUR 21 Million Tokenized MTC Profit Participation Rights  
(ISIN: AT0000A3CU04)**

**§ 1. General**

- (1) *Issuer, Issuing.* Monetec GmbH, FN 627195x, Stella-Klein-Löw Weg 8, 1020 Vienna (the "**Issuer**"), pursuant to shareholder resolution dated 28 May 2024, issues tokenized profit participation rights according to these terms and conditions (the "**Participation Right(s)**") in a total nominal amount of up to EUR 21 000 000.
- (2) *Denomination.* The tokenized Participation Rights are denominated in EUR and are divided into 21 000 single pieces with a nominal value of EUR 1 000 each. The total nominal amount of all tokenized Participation Rights issued and outstanding (i.e., not redeemed or cancelled) is referred to as the "**Participation Capital**".
- (3) *Offer.* A private placement is made within the European Union utilizing the exemption of the obligation to publish a capital markets prospectus under Article 1 (4) (b) of the EU Prospectus Regulation (an offer of securities addressed to fewer than 150 natural or legal persons per Member State, other than qualified investors) based on an information sheet pursuant to the Austrian Distance Financial Services Act (*Fern-Finanzdienstleistungs-Gesetz*; FernFinG). The Issuer reserves the right to, instead of the private placement, offer the securities in a public offer on the basis of a yet-to-be approved capital market prospectus.
- (4) *Offer Period.* The tokenized Participation Rights can be subscribed by interested investors in the period from 1 June 2024 to 1 June 2027.
- (5) *Token, Tokenization.* The Participation Rights are represented by 'MTC' tokens on the Ethereum blockchain (the "**Tokens**"). Any person holding a Token is referred to as a "**Tokenholder**". All rights in connection with the tokenized Participation Rights are linked to the possession of the Token. The Tokens are managed according to the ERC-1400 token standard under the following contract address:  
  
0x605380d0CD32746FBBe31f3F9A5a367EB92Bd5C0
- (6) *Transferability.* The tokenized Participation Rights may, at any time and without consent of the Issuer, be assigned to a third party by transferring the Token on the Ethereum blockchain. The Issuer considers an assignment as effective after the transfer has been confirmed by at least two (2) epochs on the Ethereum blockchain.
- (7) *Qualified Subordination.* The tokenized Participation Rights constitute qualified subordinated obligations of the Issuer ranking subordinated to all other existing and future unsubordinated obligations, except as otherwise provided by mandatory provisions of law. Tokenholders are not entitled to any payments if such payment would result in the insolvency of the Issuer. In the event of insolvency proceedings on the assets of the Issuer, the claims arising pursuant to the tokenized

Participation Rights will only be taken into account after all non-subordinated creditors have been fully satisfied. Pursuant to § 67 para (3) of the Austrian Insolvency Act, the claims of Tokenholders are only satisfied after the elimination of a negative equity (§ 225 para (1) of the Austrian Corporate Code) or in the case of liquidation after satisfaction of all creditors. The Tokenholder declares that because of the claims under these tokenized Participation Rights, no insolvency proceedings need be opened.

- (8) *Duration.* The tokenized Participation Rights do not have a maturity date and can be terminated as provided for under § 8.
- (9) *Limitation.* Claims pursuant to the tokenized Participation Rights expire after thirty years from the respective due date.

## § 2. Subscription, Issuing and Returning of Tokens

- (1) *Subscription.* A person interested in subscribing to the Participation Rights is referred to as a "**Subscriber**". The subscription price per tokenized Participation Right is the price indicated on the subscription form before making a subscription (the "**Subscription Price**"). The Subscription Price multiplied by the number of tokenized Participation Rights subscribed by a Subscriber is referred to as the "**Subscription Amount**". Subscribers are entitled to receive one Token for each tokenized Participation Right subscribed. The tokenized Participation Rights may not be subscribed in fractions.
- (2) *Subscription Currency.* The tokenized Participation Rights may be subscribed in EUR or USDT only. The Issuer reserves the right to accept another subscription currency in individual cases. Conversion of the Subscription Amount into USDT shall be determined in accordance with § 11.
- (3) *Subscription Process.* To validly subscribe to the Participation Rights,
  - (a) the Subscriber shall provide to the Issuer a duly completed subscription form and any KYC/AML information requested by the Issuer;
  - (b) the Subscriber shall make a legally binding offer to subscribe to the tokenized Participation Rights by paying the Subscription Amount to the Issuer (the "**Offer**");
  - (c) the Issuer may accept the Offer by transferring the Tokens to the address provided by the Subscriber.

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.

- (4) *Returning of Tokens.* In the event of a termination of the tokenized Participation Rights by a Tokenholder pursuant to § 8, the Tokenholder must transfer the associated Tokens to the following Ethereum address (the "**Return Address**"): 0x0E1C938976eF6a77199F08ef8f8c51226cAa0dA7

## § 3. Distributions

- (1) *Regular Distributions.* Distributions of moneys in accordance with § 6 shall be made by the Issuer with liability-discharging effect by transferring the USDT Equivalent as determined pursuant to § 11 on the BNB Smart Chain blockchain to the address where the Token is located on Ethereum blockchain.
- (2) *Extraordinary Distributions.* In case of a distribution of the Balance Sheet Value or the Pro-rata Enterprise Value of the tokenized Participation Rights pursuant to § 8, the USDT Equivalent as determined pursuant to § 11 shall be transferred with liability-discharging effect on the BNB Smart

Chain blockchain to the address on the Ethereum blockchain where the Token was transferred to the Return Address from.

#### § 4. Tokenholders' Participation Rights

- (1) *Scope.* Tokenholders participate by means of the law of obligations (*schuldrechtlich*) in 85 % of
  - (a) the profit and loss of the Issuer (the "**Result**"); and
  - (b) in the event of a liquidation of the Issuer, the liquidation proceeds, the hidden reserves and the goodwill of the Issuer (the "**Liquidation Profit**");(the "**Profit Participation**").
- (2) *Capital Account and Results Account.* The Participation Capital shall be recorded in a balance sheet account of the Issuer (the "**Capital Account**"). The Result attributable to the Tokenholders shall be recorded in a separate balance sheet account (the "**Results Account**").
- (3) *Basis for Calculation.* When calculating the Tokenholders' portion of the Result, 85 % of the Issuer's net profit (the "**Profit**") or net loss (the "**Loss**") pursuant to § 231 para (2) item 21 of the Austrian Corporate Code (*Unternehmensgesetzbuch*) shall be the basis for calculation. When calculating the Tokenholders' portion of the Liquidation Profit, 85 % of the Issuer's liquidation profit pursuant to § 154 of the Austrian Corporate Code shall be the basis for calculation.
- (4) *Formula.* The following formula shall apply:

$$PP = [0.85 R \mid 0.85 L] \times \left( \frac{PC}{PC + APC} \right)$$

Where:

**PP** = Profit Participation  
**R** = Result  
**L** = Liquidation Profit  
**PC** = Participation Capital  
**APC** = Additional Participation Capital

Example: Participation Rights in the amount of 30 were issued; Later, Additional Participation Rights in the amount of 20 were issued; the Profit of the Issuer in year 1 is 15:

In this example, the Profit Participation is 7.65  $((0.85 \times 15) \times (30 / 30 + 20))$ .

#### § 5. Publication of Results, Balance Sheet Value

- (1) *Financial Statements.* The Issuer will publish, by 28 February and 30 August of each calendar year, its interim financial statements for the previous financial half year (the "**Interim Financial Statements**") prepared in accordance with applicable regulations. The balance sheet date (*Bilanzstichtag*) for each financial half year will be 31 December and 30 June. On the basis of the Interim Financial Statements, the Profit Participation shall be calculated and published. The first Interim Financial Statement will be published by the Issuer by 28 February 2025 for the financial half year ending on 31 December 2024.
- (2) *Results Account.* If the Interim Financial Statements show a Profit, the Profit Participation is credited towards the Results Account, unless the Profit is distributed to the Tokenholders pursuant to § 6. If

the Interim Financial Statements show a Loss, the Profit Participation is deducted from the Results Account. The Results Account can have a negative value.

- (3) *Balance Sheet Value*. The sum of Capital Account and Results Account forms the balance sheet value of the Participation Capital and, *pro rata*, the balance sheet value of a single Participation Right (the "**Balance Sheet Value**"). The Balance Sheet Value can be negative.
- (4) *No Additional Payment Obligation*. Also in case the Results Account and / or the Balance Sheet Value becomes negative, Tokenholders are not obligated to make any payments in order to compensate the negative balance of the Results Account and / or the negative Balance Sheet Value. The Results Account and the Balance Sheet Value remain negative until they reach a positive value by Profits of future financial years that are credited towards the Results Account.

## § 6. Profit Distribution

- (1) *Profit Distribution*. Starting on 31 March 2025, the Issuer shall distribute any balance greater than EUR 1,000 on the Results Account to the Tokenholders in accordance with this § 6 (the "**Distribution**"). The Results Account must not become negative as a result of such a distribution.
- (2) *Distribution Date*. The Issuer shall make Distributions pursuant to para. (1) on 31 March and 30 September at 14:00 CET of each calendar year.

## § 7. Capital Measures, No Dilution Protection

- (1) *Additional Participation Capital*. In addition to issuing additional participation rights which do not form a single series with these tokenized Participation Rights, the Issuer may, at any time and without consent of the Tokenholders, issue additional participation rights having the same characteristics (with the exception of the issue date or the issue price) in a way to form a series with these tokenized Participation Rights. There is no protection against dilution with regard to the issuance of additional participation rights or certificates (the "**Additional Participation Capital**").
- (2) *Repurchase on the Market*. The Issuer may purchase any number of tokenized Participation Rights on the market or otherwise at any marketable price. The Issuer may hold such tokenized Participation Rights, resell them at a later point in time, or cancel them at will. There is no dilution protection with regard to the repurchase of tokenized Participation Rights.
- (3) *Capital Structure*. The Issuer may take actions resulting in a change of its capital structure, in particular with respect to capital increases or decrease, changes of its legal form or the admission of new shareholders. There is no dilution protection with regard to any such corporate measures that lead to a change in the capital structure of the Issuer.

## § 8. Termination

- (1) *Termination by the Tokenholder*. The tokenized Participation Rights may be cancelled by the Tokenholder, subject to a notice period of six months, as at 31 December of each calendar year (ordinary termination). The right to a termination for good cause remains unaffected. The termination shall not affect the terminating Tokenholder's *pro rata* right to the Profit Participation in the financial year of the termination.
- (2) *Minimum Term*. The Tokenholder waives its ordinary termination right for a period of five (5) years starting on 1 June 2024. The tokenized Participation Rights can therefore be cancelled by the Tokenholder for the first time only with effect as at 31 December 2029.



- (3) *Balance Sheet Value.* In the event of termination by the Tokenholder, the Tokenholder shall receive the Balance Sheet Value of the canceled tokenized Participation Rights if the Balance Sheet Value is positive. If the Balance Sheet Value is zero or negative, the Tokenholder does not receive a payment. Payment shall be made within two weeks of the publication of the Interim Financial Statements and the Balance Sheet Value pursuant to § 5 but only after the Tokenholder has returned the Token pursuant to § 2. In the event of the ordinary termination by the Tokenholder, the formal equity after repayment must at least correspond to the sum of equity components protected against distributions. In particular, the payment of the Participation Rights to the Tokenholder may not be made at the expense of committed capital (nominal capital as well as capital reserves and retained earnings tied up by law or the Articles of Association) in compliance with the principle of capital maintenance, whereby losses and other capital-reducing measures must be taken into account.
- (4) *Termination by the Issuer.* The Participation Rights may be cancelled by the Issuer in its entirety but not in parts, subject to a notice period of six months, as at 31 December of each calendar year (ordinary termination). The right to a termination for good cause remains unaffected. The termination shall not affect the Tokenholders' right to the Profit Participation in the financial year of the termination.
- (5) *Minimum Term.* The Issuer waives its ordinary termination right for a period of five (5) years starting on 1 June 2024. The Participation Rights can therefore be cancelled by the Issuer for the first time only with effect as at 31 December 2029.
- (6) *Pro-rata Enterprise Value.* In the event of termination by the Issuer, the Tokenholders shall receive the *pro rata* enterprise value (the "**Pro-rata Enterprise Value**"), however, in no case less than the Balance Sheet Value. The Pro-rata Enterprise Value is calculated as of 31 December of the year of termination. The Issuer shall commission, at its own discretion and expense, an internationally reputable auditor who shall determine in an expert opinion (the "**Expert Opinion**") the Issuer's enterprise value on the basis of the expert report KFS BW 1 of the expert committee for business administration and organization of the Austrian Chamber of the Economic Trustees (*Fachgutachten KFS BW 1 des Fachsenats für Betriebswirtschaft und Organisation der Kammer der Wirtschaftstreuhandler zur Unternehmensbewertung*). A single Tokenholders' portion of the Pro-Rata Enterprise Value shall be determined in accordance with the formula in § 4 para (4) which is used for the Liquidation Profit, *mutatis mutandis*. Payment shall be made within two weeks of the publication of the Interim Financial Statements and the Expert Opinion.

## § 9. Costs and Taxes

- (1) *Costs and Taxes.* All costs associated with distributions and all taxes and other charges shall be borne and shall be payable by the Tokenholders. Insofar as the Issuer is legally obligated to deduct or withhold taxes, fees and other charges, only the remaining amount shall be distributed to the Tokenholders. In particular, the Issuer is obligated to withhold the capital gains tax at the expense of the Tokenholders and to transfer it to the competent tax authorities.
- (2) *Issuer's Tax Obligations.* The tax evaluation of the Participation Rights at the level of the Issuer and the resulting tax obligations for the Issuer are based on the tax law applicable to the Issuer. The Tokenholders accept that changes to the laws or case law may have an impact on the tax evaluation and obligations concerning the Participation Rights at the level of the Issuer.
- (3) *Tokenholders' Tax Obligations.* It is the responsibility of the Tokenholders to carry out a tax evaluation of the Participation Rights at their level in accordance with the tax law applicable to them and to comply with the resulting tax obligations at their level. Further any exemption from or refund of withholding taxes is the sole responsibility of the Tokenholders.

## § 10. Publications, Notifications

All notices and publications concerning these tokenized Participation Rights shall be published on the website of the Issuer under [www.monetec.io](http://www.monetec.io). Any such notice shall be deemed received by the Tokenholders on the third day following the day of their publication. An individual notification of Tokenholders is not required.

## § 11. Virtual Currency Conversion

- (1) *Subscription Amount*. The Subscription Amount to be transferred by a Subscriber to subscribe to tokenized Participation Rights shall be calculated by converting the Subscription Amount in EUR into USDT at the current Reference Rate.
- (2) *USDT Equivalent*. If payments are to be made by the Issuer to a Tokenholder under these tokenized Participation Rights, any payment amount shall be converted into USD Tether at the Reference Rate (the "**USDT Equivalent**") and only the USDT Equivalent shall be transferred to the Tokenholder pursuant to § 3.

"**Reference Rate**" means the respective exchange rate for a certain virtual currency published by [www.binance.com](http://www.binance.com) at the time the transaction request was placed on the respective blockchain. If [www.binance.com](http://www.binance.com) discontinues its service, the Issuer shall determine another source with comparable relevance and accuracy.

## § 12. Final Provisions

- (1) *Choice of Law*. These tokenized Participation Rights shall be subject to Austrian law, excluding reference norms of the Austrian International Private Law Statute (*Bundesgesetz über das internationale Privatrecht*).
- (2) *Place*. Place of fulfillment is Vienna, Austria.
- (3) *Jurisdiction*. For all disputes arising out of or in connection with these tokenized Participation Rights between the Issuer and Tokenholders who are not consumers in the sense of the Austrian Consumer Protection Act, the court responsible for commercial matters in Vienna, Inner City shall have exclusive jurisdiction.
- (4) *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.

**Monetec GmbH**