

Summary of Custody Policy MiCAR – Celsion Bank AG

I. Introduction/Scope

Celsion Bank AG (hereinafter “Celsion Bank” or the “Bank”) is a bank authorised in Liechtenstein under the Banking Act (“BankA”) and supervised by the Financial Market Authority (“FMA”). In addition, Celsion Bank is authorised as a Crypto Asset Service Provider under the Regulation (EU) 2023/1114 (“MiCAR”) to provide custody and administration of Crypto Assets on behalf of Clients (as defined in Article 3(1)(17) of MiCAR).

This Summary of Custody Policy of Celsion Bank provide information about the Custody Policy of Celsion Bank as may be relevant to the Client (the “Client”) in connection with the business relationship with Celsion Bank.

This summary shall provide an overview of the Celsion Bank Custody Policy which is designed to provide a secure framework for the management, safekeeping, and administration of Client Crypto Assets according to MiCAR.

This document provides an overview of the controls and processes in place in order to ensure that Client’s assets are protected from unauthorised access and use, the legal and operational segregation from Client’s assets from Celsion Bank’s own assets. Furthermore, it outlines the rights of Client’s regarding their Crypto Assets and the procedures that Celsion Bank has implemented in this regard.

In line with Art. 75 para 3 MiCAR, this document provides an overview of the key aspects of the Custody Policy as required by Art. 70 MiCAR, ensuring that Clients have a clear understanding of how their assets are managed and protected.

Celsion Bank aims to ensure that there is a clear, transparent and non-misleading communication with its Clients, ensuring that Clients are supported regarding their Crypto Asset holdings with Celsion Bank. Celsion Bank provides various channels for the Clients to reach out in case of questions or if assistance is required.

In case of further questions to the Celsion Bank Custody Policy, the Client is kindly asked to refer to its dedicated Account Manager or reach out via clientservices@celsion-bank.com or any other communication channel as provided by Celsion Bank.

Further legal provision on the custody services of Celsion Bank are outlined in Celsion Bank’s Custody Regulations which are provided to Client’s upon onboarding and available here (www.celsion-bank.com/downloads).

Celsion Bank holds the Client’s Crypto Assets in custody in accordance with the Custody Regulations and General Terms and Conditions of Celsion Bank, which are available here (www.celsion-bank.com/downloads).

II. Summary of provided services

As part of its business activities, Celsion Bank offers a custody service for Crypto Assets and corresponding private keys. Celsion Bank’s objective is to hold its Clients’ Crypto Assets in secure custody, while affording these clients easy access to their tokens.

III. General Remarks on Celsion Bank’s Custody Strategy

In general, Celsion Bank’s custody strategy is based on the following principles:

1. Security and Trust

The primary concern for clients dealing with digital assets is security. By implementing a sophisticated segregated wallet structure. The custody setup is based on a Multi-Party Computation (MPC) framework, eliminating single points of failure and significantly reducing exposure to cyber risks. This architecture is complemented by strict access controls and transaction governance, ensuring that assets are protected at all times. A robust wallet structure builds trust with clients, demonstrating Celsion Bank’s commitment to safeguarding their assets.

2. Regulatory Compliance

Adhering to regulatory standards is critical in the financial industry, especially for a bank dealing with digital assets. A robust wallet structure ensures compliance with Anti-Money Laundering (“AML”) and Know Your Customer (“KYC”) regulations as well as the principle of client segregated assets. By integrating compliance checks at various stages—client deposit & withdrawal, internal settlement, and broker settlement—Celsion Bank can monitor and report transactions accurately, mitigating legal risks and fostering a compliant operational environment.

3. Operational Efficiency

A well-organised wallet structure streamlines internal processes and enhances operational efficiency. By categorizing wallets into deposit, cold, omnibus, and internal settlement wallets, Celsion Bank can manage funds effectively. This segmentation ensures that assets are allocated appropriately based on their usage and security requirements, facilitating smooth day-to-day operations and quick transaction settlements.

4. Scalability and Flexibility

As Celsion Bank grows, so will the volume of transactions and the variety of assets under management. A scalable wallet structure allows for the seamless integration of new digital assets and supports increasing transaction volumes. Built on a flexible MPC-based infrastructure, the setup supports automated workflows and API-based integrations, allowing seamless connectivity with client systems and internal processes. This flexibility ensures that Celsion Bank can adapt to market demands and expand its service offerings without compromising security or efficiency.

5. Enhanced Client Experience

Clients expect seamless, efficient, and secure services when dealing with their digital assets. A robust wallet architecture, built on a multi-party computation (MPC) infrastructure, enables Celsion Bank to meet these expectations. From depositing assets to executing trades and managing funds, Clients benefit from a streamlined and transparent process. Features like real-time monitoring, instant access to funds, and efficient transaction settlements enhance the overall client experience, positioning Celsion Bank as a leader in the digital asset space.

IV. Safekeeping of Clients' Crypto Assets

Client Crypto Assets are held within Celsion Bank's integrated custody environment, which combines key management, transaction processing and client-level allocation within a unified system.

Assets are secured using a MPC framework, eliminating single points of failure and enabling secure transaction execution without exposing private keys. This architecture supports institutional-grade security, operational resilience and controlled access governance.

Client holdings are typically maintained in pooled structures. However, full segregation and attribution at client level is ensured at all times through the bank's internal records, allowing precise and auditable allocation of assets to each Client.

Security is reinforced through a layered control framework, including strict access management, transaction governance, and continuous monitoring, designed to protect Client Crypto Assets against both operational and external risks.

The allocation of assets within the custody setup is managed dynamically, balancing security considerations and operational requirements, and is continuously monitored in line with the Bank's risk framework.

V. Asset Segregation

Celsion Bank applies strict asset segregation practices to ensure that client crypto assets are held securely and remain fully separated from the Bank's own assets at all times.

Client assets are safeguarded within a dedicated custody framework that ensures clear attribution, operational separation and full transparency across all holdings.

VI. Rights of the Client and Reporting

The Client has certain rights which are associated with the custody of Crypto Assets. Celsion Bank's Custody Policy aims to ensure the recognition and protection of Client's rights with regard to Crypto Assets and ensures that such rights are prioritised. The rights of each Client with respect to the Crypto Assets held by such Client are registered in Celsion Bank's CBS. The CBS reflects and records the specific holdings of each Client and tracks all transactions such as deposits, withdrawals, transfers and trades. The register is always kept up to date and represents the Client's holdings at any given point in time, ensuring that the Client has a comprehensive and transparent view of the Crypto Asset holdings.

The CBS register ensures clear assignability of Crypto Assets and supports the legal and operational custody framework. Any movement affecting the Client's Crypto Assets is recorded in order to ensure that each Client's ownership is clearly defined and recorded. Instructions from Client's will be executed swiftly and visibility of movements and Client's Crypto-Asset holdings will be fully visible to the Client via the Celsion Bank eBanking solution. In there, Clients can view their holdings, detailed reports on their positions, transaction history and other relevant information relating to the Crypto-Assets held with Celsion Bank.

Celsion will provide its Clients with regular reports on their Crypto Asset Holdings as required by MiCAR. These reports aim at giving the Client detailed information on the Crypto Asset, the account balances, the value of the Crypto Assets and any transactions. Clients have access to a secure online portal where they can view and download reports at any time. The Client has the possibility to view holdings in Crypto Assets in real-time which ensures that the Client is constantly informed on the current status of the Crypto Asset holdings. Celsion Bank ensures that the reporting regarding Crypto Assets is in line with the requirements outlined in MiCAR.

VII. Transactions

Celsion Bank's policy on transactions in Crypto Assets is based on principles of security, controls and integrity. All transactions, including deposits and withdrawals are conducted with the highest level of security and are governed by strict internal

controls. The controls consist of various measures such as verification of client instructions including the use of secure channels to transmit instructions and authorisation procedures including various authorisation levels.

Celsion Bank approval policies ensure that each transaction is approved prior to on-chain execution. These policies allow to control which users can create, sign or approve transactions. The rules are applied in an automated manner, scanning each outgoing transaction for certain parameters before the transaction can be signed by the users. Upon the successful approval of the transaction, the shared key signing happens. This two-stepped mechanism provides a first layer of security via the transaction authorisation and a second layer of security through the shared key signing.

Transactions and other movements in Crypto Assets (such as trades) are tracked and recorded in the Celsion Bank's CBS reflecting the current holdings of each Client.

VIII. Risk Management/Compliance Considerations

Celsion Bank is subject to the regulatory and legal requirements of the Liechtenstein compliance framework which aligns with MiCAR and the respective requirements of the applicable Anti-Money Laundering requirements. As an EEA member, Liechtenstein has implemented the 4th and 5th EU Anti-Money Laundering Directives as well as Regulation (EU) 2015/847 on information accompanying transfers of funds.

Client funds deposited with Celsion Bank are managed applying the mentioned regulatory requirements and based on best practice recommendations. Furthermore, all movements in Crypto Assets are subject to ongoing monitoring and review to ensure compliance with regulatory requirements and internal policies.

Risk management plays a vital role in Celsion Bank's custody procedures and includes measures regarding operational risks and other risks such as market risks and information security risks.

As a licensed Bank and MiCAR Crypto Asset Service Provider, Celsion Bank is subject to regular audits which aim at assessing the effectiveness of risk management measures and compliance with applicable laws and regulations.