

## **STATUTORY DISCLOSURE OF PRIOR INFORMATION RELATING TO THE COMPANY AND ITS PRODUCTS AND SERVICES**

### **1. GENERAL**

This notice contains information as required by the Markets in Crypto-assets Regulation (MiCA) and information required by the Consumer Protection Act with the distance selling of financial and other services, which must be provided to consumers before completion of an agreement.

Tesseract Investment Ltd is an authorised crypto-asset service provider (CASP) under the Markets in Crypto-assets Regulation (MiCA). Lending-related activities offered by other group entities, including Tesseract Earn Ltd and Tesseract UK Access entities, do not fall under the MiCA authorisation and are not provided under the supervision of the Financial Supervisory Authority (FIN-FSA).

Notices and other statutory advance information are available on the [tesseract.fi](https://tesseract.fi) website.

Distance selling means a transaction where an agreement on services is made using remote communications without a face-to-face meeting between the client and the representative of the crypto-asset service provider. Amendments to agreements do not come under the scope of the distance selling of financial services referred to in the Consumer Protection Act, even if the agreement amendment is made without personally meeting a representative of the crypto-asset service provider.

The advance information required in distance selling and client service are provided in English, Service Provider is not obligated to serve its clients in any other languages.

The advance information that must be provided in distance selling and any other information concerning crypto-asset services or crypto-assets are issued as required under Finnish law. Distance agreements and the process of making distance agreements are subject to Finnish law.

Clients may choose to contact service providers by accessing online services or by email in person or through an authorized person.

Hereinafter, Tesseract Investment Ltd, Tesseract Earn Ltd and Tesseract UK Access I and II Ltd may be referred to jointly or individually as “Tesseract” and “Service Provider”.

### **2. INFORMATION ON COMPANY OFFERING CRYPTO-ASSET AND OTHER SERVICES**

#### **2.1 Tesseract Investment Ltd Authorised Crypto-Asset Service Provider**

Tesseract Investment Ltd is a Finnish limited liability company authorised by the Finnish Financial Supervisory Authority (FIN-FSA) to operate as a crypto-asset service provider under Regulation (EU) 2023/1114 (MiCA).

Authorised services under MiCA include:

- Reception and transmission of orders for crypto-assets
- Custody and administration of crypto-assets
- Provision of advice on crypto-assets
- Portfolio management of crypto-assets
- Transfer services of crypto-assets

These services are carried out in compliance with MiCA and are subject to FIN-FSA supervision. Only Tesseract Investment Ltd is authorized to provide crypto-asset services under MiCA within the Tesseract group.

Tesseract Investment Ltd is registered in the Trade Register maintained by the National Board of Patents and Registration of Finland under the business ID 3476334-8. Tesseract Investment Ltd is domiciled in Helsinki.

#### **Contact information**

Tesseract Investment Ltd  
Fredrikinkatu 47 A  
00100 Helsinki  
[info@tesseract.fi](mailto:info@tesseract.fi)

## 2.2 Tesseract Earn Ltd Crypto Lending (Not Authorised under MiCA)

Tesseract Earn Ltd is a Finnish limited liability engaged in software design and manufacturing company and provides crypto lending services. These lending services do not require MiCA authorisation and are not supervised as crypto-asset services under MiCA.

Tesseract Earn Ltd is registered in the Trade Register maintained by the National Board of Patents and Registration of Finland under the business ID 3478029-5 Tesseract Earn Ltd is domiciled in Helsinki.

### Contact information

Tesseract Earn Ltd  
Fredrikinkatu 47 A  
00100 Helsinki  
[info@tesseract.fi](mailto:info@tesseract.fi)

## 2.3 Tesseract UK Access I and II Ltd

Tesseract UK Access I and II Ltd are UK registered limited liability companies. Tesseract UK Access I and II Ltd provide crypto lending services. These entities are not authorised under MiCA and do not provide crypto-asset services subject to FIN-FSA or MiCA supervision.

Tesseract UK Access I Ltd is registered in the Companies House ID 14113779.

Tesseract UK Access II Ltd is registered in the Companies House ID 14113838.

Tesseract UK Access I and II Ltd are domiciled in Surrey.

### Address

Tesseract UK Access I and II Ltd  
7a Abbey Business Park, Monks Walk, Farnham,  
Surrey, England, GU9 8HT

### Contact information

Tesseract Earn Ltd  
Fredrikinkatu 47 A  
00100 Helsinki  
[info@tesseract.fi](mailto:info@tesseract.fi)

## 3. SUPERVISORY AUTHORITIES

### 3.1 Financial Supervisory Authority

Tesseract Investment Ltd is supervised by the Finnish Financial Supervisory Authority (FIN-FSA).

### Contact information

Snellmaninkatu 6, PO Box 159, FI-00101  
Helsinki,  
tel. +358 (0)10 831 51 (switchboard),  
email [finanssivalvonta@finanssivalvonta.fi](mailto:finanssivalvonta@finanssivalvonta.fi),

Further information is available at [finanssivalvonta.fi](http://finanssivalvonta.fi).

## 4. OTHER AUTHORITIES

### 4.1 Consumer Ombudsman

The Consumer Ombudsman monitors procedures related to consumers' financial security under the Consumer Protection Act. The Consumer Ombudsman is responsible for supervising the marketing of financial services and the fairness of contract terms. Financial services include, among others, household investment activities in various forms.

### Contact Information

Competition and Consumer Authority (KKV)  
Postal Address: KKV, P.O. Box 5, 00531 Helsinki  
Phone: +358 29 505 3000 (switchboard)

Further information is available at [kkv.fi](http://kkv.fi)

### 4.2 Data Protection Ombudsman

The Data Protection Ombudsman supervises, guides, and inspects the lawfulness of personal data processing. The Data Protection Ombudsman can be contacted in cases involving the use of personal data, access rights, rectification of inaccuracies, disclosure, and protection.

### Contact Information

Office of the Data Protection Ombudsman  
Visiting Address: Lintulahdenkuja 4, 00530  
Helsinki  
Postal Address: P.O. Box 800, 00531 Helsinki  
Phone: +358 29 566 6700 or +358 29 566 6768

Further information is available at [tietosuoja.fi](http://tietosuoja.fi)

## 5. RIGHT OF WITHDRAWAL IN DISTANCE SELLING

Consumer clients have a right of withdrawal in distance selling. The right of withdrawal does not apply, however, to investment products whose value varies according to changes taking place on the markets. Therefore, a consumer client does not have the right of withdrawal, for example, subscription or redemption order or an order to buy or sell crypto-assets.

There is no right of withdrawal when a transaction conducted over the telephone or in an online service concerns an existing agreement, or if the agreement is fully completed at the express request of the consumer client before the expiry of the withdrawal period.

There is no right of withdrawal when making amendments to agreements.

The right of withdrawal is valid for 14 days after the client has made a new agreement and has received or has had the possibility to receive the prior information and agreement terms and conditions.

Consumers who wish to exercise their right of withdrawal must provide written notification of this to Tesseract Investment. The agreement to be terminated must be specified in the notification.

After terminating the agreement the consumer client is required, under penalty that the termination be revoked, to return to the Service Provider any payments received from it based on the agreement no later than 30 days after making the withdrawal notification.

## **6. CLIENT SERVICE AND LEGAL REMEDIES**

### **6.1 Client Complaints**

The client is required to promptly notify the Service Provider of any errors related to the service, along with any associated claims or demands.

Clients should initially contact client service via email at [info@tesseractinvestment.com](mailto:info@tesseractinvestment.com).

Complaints regarding Tesseract's procedures may be submitted free of charge. All complaints and any related claims must be submitted in writing to Tesseract. Upon receipt of a complaint, Tesseract will acknowledge its consideration

without undue delay and will address the issue as quickly as possible. In relation to client complaints, Tesseract will primarily communicate in writing.

Further details regarding the submission and handling of client feedback and complaints can be found on the [tesseractinvestment.com](http://tesseractinvestment.com) website.

### **6.2 Legal remedies**

Subject to an agreement between the client and Tesseract, disputes that cannot be resolved by negotiation shall be settled, at the District Court of Helsinki or in the general district court of the place of residence of the client.

In addition, the consumer client has access to the following out-of-court remedies:

#### **Consumer Disputes Board**

The Consumer Disputes Board may resolve disputes concerning consumer goods in which the buyer is the consumer and the seller is the merchant. The Consumer Disputes Board is an impartial and independent decision-making body whose core values are fairness and easy access to justice. The members of the Board represent consumers and merchants equally. The Consumer Disputes Board outlines and guides consumer law with its established resolution policy and new plenary solutions.

#### **Contact information**

Hämeentie 3, P.O. Box 306, 00531 Helsinki  
[www.kuluttajariita.fi](http://www.kuluttajariita.fi)

## **7. MAIN FEATURES OF SERVICES PROVIDED BY TESSERACT**

Sections 7.1–7.5 describe services provided by Tesseract Investment Ltd in its capacity as an authorised crypto-asset service provider under MiCA. These services are regulated and supervised by the Finnish Financial Supervisory Authority (FIN-FSA).

Section 7.6 describes crypto lending services offered by Tesseract Earn Ltd and Tesseract UK Access entities, which are not subject to MiCA authorisation or supervision. These activities do not fall under the scope of regulated crypto-asset services.

## 7.1 Transmission of orders

Reception and transmission of orders for crypto-assets on behalf of clients means the reception from a person of an order to purchase or sell one or more crypto-assets or to subscribe for one or more crypto-assets and the transmission of that order to a third party for execution.

Tesseract accepts orders for pre-determined list of crypto assets only. This list will be amended from time to time at Tesseract's discretion. Current list of available assets can be found at Tesseract's website at [www.tesseractinvestment.com](http://www.tesseractinvestment.com)

Tesseract has principles and processes for the execution and transmission of orders to ensure that the best possible outcome is achieved for the client, taking into account the essential factors for order execution, such as price, costs, speed, likelihood of execution and settlement, size, and nature.

Consumer clients are not entitled to the right of withdrawal in investment products whose value varies according to changes taking place in the markets. Therefore, a consumer client does not have the right of withdrawal when transmission and execution of orders is in question.

However, a consumer client may withdraw from a client agreement made through distance selling if the consumer client has no open orders.

## 7.2 Portfolio management (managed DeFi)

Portfolio management means managing portfolios in accordance with mandates given by clients on a discretionary client-by-client basis where such portfolios include one or more crypto-assets.

When providing portfolio management, Tesseract shall assess whether the crypto-asset services or crypto-assets are suitable for their clients or prospective clients, taking into consideration their knowledge and experience in investing in crypto-assets, their investment objectives, including risk tolerance, and their financial situation including their ability to bear losses. The Client shall undertake to provide Tesseract with sufficient information for suitability assessment. If the Client fails to provide Tesseract with sufficient information, Tesseract will be unable to assess suitability and

will therefore not be able to provide portfolio management.

Tesseract shall regularly review for each client the suitability assessment at least every two years after.

Tesseract shall provide periodic statements to its Clients, in an electronic format, of the portfolio management activities carried out on their behalf. Periodic statements shall contain a fair and balanced review of the activities undertaken and of the performance of the portfolio during the reporting period, an updated statement of how the activities undertaken meet the preferences, objectives and other characteristics of the client, as well as an updated information on the suitability assessment. The periodic statement shall be provided every three months, except in cases where a Client has access to an online system where up-to-date valuations of the client's portfolio and updated information on the suitability assessment referred can be accessed.

## 7.3 Advice on crypto assets

Advice on crypto-assets means offering, giving or agreeing to give personalized recommendations to a Client, either at the Client's request or on the initiative of Tesseract, in respect of one or more transactions relating to crypto-assets, or the use of crypto-asset services.

Tesseract provides non-independent advice on crypto assets. Advice is not based on a broad analysis of the crypto-assets available in the market, but is primarily limited to Tesseract's own products or products to which Tesseract has a close relationship.

When providing advice on crypto assets, Tesseract shall assess whether the crypto-asset services or crypto-assets are suitable for their clients or prospective clients, taking into consideration their knowledge and experience in investing in crypto-assets, their investment objectives, including risk tolerance, and their financial situation including their ability to bear losses. The Client shall undertake to provide Tesseract with sufficient information for suitability assessment. If the Client fails to provide Tesseract with sufficient information, Tesseract will be unable to assess suitability and will therefore not be able to recommend suitable products or services.

Tesseract shall regularly review for each client the suitability assessment at least every two years after.

#### **7.4 Custody and Administration**

Custody of crypto-assets means the safekeeping and administration of crypto-assets or the means of access to such assets (e.g. private keys) on behalf of the client. Tesseract provides custody services in accordance with the Markets in Crypto-Assets Regulation (MiCA). This includes the secure holding of clients' crypto-assets using robust technological solutions designed to protect against loss, theft, and unauthorized access.

Clients' assets are held separately from Tesseract's own assets and recorded individually to ensure proper segregation and transparency. In the initial phase, Tesseract may rely on a third-party sub-custodian to perform certain custody functions. Even in such cases, Tesseract remains responsible for the safekeeping of client assets and ensures that the service provider meets all regulatory requirements related to security, operational resilience, and data protection.

#### **7.5 Transfer of crypto assets**

Transfer of crypto-assets refers to sending crypto-assets from one wallet to another, based on the client's instructions. Tesseract offers this service under the MiCA framework and applies appropriate technical and procedural safeguards to ensure accuracy and timeliness.

The transfer service is limited to the technical execution of the movement of crypto-assets and does not involve receiving, transmitting, or executing orders related to trading or exchange. Tesseract acts solely as the operator of the transfer process, ensuring that client instructions are carried out in line with regulatory and internal requirements.

The service may be provided either directly by Tesseract or via a regulated third-party provider acting under Tesseract's responsibility. In both cases, clients remain in a contractual relationship with Tesseract, and the company retains full accountability for the service.

Statutory information on the crypto-asset transfer service is available on the company's website at [www.tesseract.fi](http://www.tesseract.fi).

#### **7.6 Crypto lending**

The crypto-lending service allows clients to lend and borrow cryptocurrencies from other users. Through this service, client can use their cryptocurrencies as collateral to obtain loans in either fiat currency or another cryptocurrency, or lend cryptocurrencies to other users and earn interest.

##### *Lending:*

Clients can lend their cryptocurrencies to other users. Lenders can earn interest on the amount they lend, and the interest rate is determined by market demand and supply. The lender can choose the terms and loan period according to the rules defined by the service.

##### *Borrowing:*

Clients can use their cryptocurrencies as collateral to obtain loans in either fiat currency or another cryptocurrency. Loan amounts, interest rates, and loan periods are agreed upon between the lender and the borrower. Borrowers can choose the desired loan terms and repayment schedules.

#### **7.7 Recording of telephone calls and electronic messages**

Tesseract is entitled to record all telephone conversations and electronic messages with clients. The recordings may be used to resolve disputes and to fulfil Tesseract's other statutory obligations. The recordings will be stored for five years, or seven years at the request of a competent authority. Clients are entitled to request copies of recordings.

#### **7.8 Client reporting**

Tesseract shall report to the Client on its online service, or as otherwise separately agreed with the Client. Tesseract reports to its clients in accordance with the manner and at the times specified in the client agreement and the terms and conditions governing the products and services.

#### **7.9 Fees and charges**

Tesseract shall charge the fees or charges for its activities in accordance with the price list valid at any given time or as separately agreed with the Client. In addition to the fees for products and

services payable to Tesseract the Client shall be liable to pay any fees charged to Tesseract by a third party, any other costs related to products or services, custody of crypto assets or collateral management, and any related financial and other expenses, as well as any taxes and other similar charges.

If the price of a particular transaction or service is not specified in the price list or separately agreed, Tesseract shall be entitled to charge the reasonable expenses arising from the transaction or service.

### 7.10 Notice of Potential Tax Liabilities

The ownership of crypto assets or transactions in crypto assets may have some tax consequences. Tax treatment may vary from country to country and is dependent on the Client's individual circumstances. Tesseract does not provide any tax advice nor withhold any taxes. Before making an investment decision, the Client should consult his/her tax advisor.

## 8. KEY RISKS

### 8.1 General risk warning

Investment activities always involve financial risk. It is possible to miss the expected return and to lose all or part of the invested capital. Before making an investment decision, the Client should carefully read the terms and conditions, features and obligations of the crypto asset and services in order to understand the risks associated with the crypto asset and services and the potential impact of the investment decision on the Client's financial situation, including tax consequences. The Client should also familiarise with the crypto market, crypto assets and crypto services.

The Client acknowledges that

- vi. the value of crypto assets might fluctuate;
- vii. the crypto assets might be subject to full or partial losses;
- viii. the crypto assets might not be liquid;
- ix. the crypto assets are not covered by the investor compensation schemes under Directive 97/9/EC;
- x. the crypto-assets are not covered by the deposit guarantee schemes under Directive 2014/49/EU.

### 8.2 Risks related to portfolio management (Managed DeFi)

There are several risks associated with portfolio management, including:

*Incorrect Investment Strategies:* While efforts are made to choose appropriate investment strategies, market developments may differ from expectations, and the chosen strategies may not deliver the anticipated results.

*Lack of Diversification:* If the portfolio is not sufficiently diversified or appropriately balanced, it can increase risk and potentially lead to significant losses.

Portfolio management does not guarantee returns, and past performance is not indicative of future results.

*Distributed Ledger Technology (DLT) Risk:* This encompasses risks associated with the underlying blockchain technology, including smart contract vulnerabilities, network attacks, or other technological failures that could impact the integrity of decentralized finance (DeFi) protocols.

*Custody/Wallet Risk:* The risk related to the security and stability of assets held by Tesseract or third-party custodians, including the possibility of loss due to custodian failure.

*Liquidity Risk:* The risk that assets managed within DeFi protocols might not be easily accessible due to market conditions, protocol lock-up periods, or liquidity shortages in the DeFi markets.

### 8.3 Risks related to advice

*Uncertainty of Advice:* While the provided advice is based on current information, market conditions can change quickly. The advice given may prove to be incorrect or incomplete as circumstances evolve.

*No Guarantee of Profit:* Investment does not guarantee profit. The advice provided is not a guarantee of profitable investments.

#### **8.4 Risks related to order reception, transaction and execution**

*Delays and Errors in Orders:* There may be delays in executing orders, especially due to market volatility, technical issues, or high trading volumes. This can result in orders being filled at higher or lower prices than expected.

*Liquidity Risk:* Crypto-markets can be illiquid, meaning that executing large trades may be challenging. This can lead to significant price discrepancies between the time an order is placed and the time it is executed.

#### **8.5 Risks related to custody and administration services**

*Security and Theft Risk:* Despite robust technical and procedural safeguards, digital assets may be subject to hacking, fraud, or unauthorized access. If custody systems are compromised, there is a risk of partial or complete loss of client assets.

*Operational Risk:* Technical failures, human errors, or external service provider malfunctions may impact the proper safekeeping of assets. This includes risks related to wallet management, private key protection, and system outages.

*Insolvency of the Custodian:* In the case where custody is outsourced to a third-party sub-custodian, such as under a temporary arrangement, clients are exposed to counterparty risk. If the custodian becomes insolvent, asset recovery may be delayed or uncertain.

*Asset Segregation Risk:* Although regulatory requirements impose asset segregation, failures in internal controls or errors in systems may result in temporary co-mingling of client assets, which could complicate asset recovery in a default situation.

#### **8.6 Risk related to transfer of crypto assets**

*Irreversible Transactions:* Transfers of crypto-assets are typically irreversible. If an incorrect wallet address is provided, or if a transaction is sent to the wrong network, the assets may be permanently lost without the possibility of recovery.

*Network Congestion and Delays:* Transfers may be delayed due to blockchain network congestion, validator issues, or unforeseen technical failures. This can cause inconvenience or financial loss if transfers are time-sensitive.

*Execution Errors:* Errors in the implementation of transfer instructions—whether due to client input, system error, or external service failure—may result in failed or misrouted transactions.

*Third-Party Dependency:* Where transfer operations are outsourced (e.g. to a sub-custodian), there is a reliance on the service quality and operational integrity of third parties. Any deficiencies on their part may directly affect the execution of client transfers.

#### **8.7 Risks related to lending**

*Default Risk:* This refers to the potential risk of a borrower failing to meet their loan obligations. In the unlikely event that a borrower is unable to fully repay their obligations, the financial impact would be borne by the user.

*Concentration Risk:* This is the risk associated with having a loan portfolio that is overly concentrated with individual borrowers.

*Custodian Risk:* The collaterals provided for loans are stored with a third-party custodian, which introduces a minimal risk associated with the custodian's financial stability.

#### **8.8 Market risk and volatility**

Cryptocurrencies and other crypto-assets can be extremely volatile. Investing in crypto-assets carries significant risk, as market prices can change quickly and dramatically. Prices may experience large declines in a short period of time without any foreseeable reasons.

*Volatility:* Crypto-assets can fluctuate rapidly and significantly in price, making investing risky. This can lead to a substantial decrease in the value of the investment.

#### **8.9 Cyber Risks and Security Threats**

As the services are related to crypto-assets, cybersecurity risks are significant. While security measures are in place to protect the assets, there is no guarantee that malicious attacks, such as data breaches or hacking, will not result in the loss of the assets.



*Security Risks:* While security measures are in place, platforms that store crypto-assets may still be vulnerable to attacks.

*Risk of Asset Loss:* Cyberattacks could lead to partial or total loss of assets if the systems are compromised.

#### **8.10 Regulatory and Legal Risk**

The crypto-market is still evolving, and regulation may change. Changes in regulation can affect crypto-assets and their trading, and may also impact the services provided. Regulatory changes may result in trading restrictions or other operational limitations that could affect the investments.

*Regulatory Uncertainty:* Changes in regulation could affect the markets and, consequently, the value of the assets.