

PRE-SPLIT ANNOUNCEMENT

**for the attention of the holders of the ETHetc Physical Ethereum ETC bonds with the
ISIN DE000A3GMKD7
issued by
ETC Issuance GmbH**

This notice relates to the ETHetc Physical Ethereum ETC bonds with the ISIN DE000A3GMKD7 (the "**Bonds**"), offered by ETC Issuance GmbH (the "**Issuer**") under its base prospectus dated 23 November 2021, as supplemented from time to time (the "**Base Prospectus**") and must be read in conjunction with the Terms and Conditions of the Bonds (the "**T&Cs**"). Terms not otherwise defined herein shall have the meaning as specified in the T&Cs.

1. The Merge

The Issuer hereby informs the **Bondholders**, that the current Mainnet of Ethereum will merge with the Ethereum Beacon Chain proof-of-stake system (the "**Merge**"). The Merge is expected to take place on or around 15 September 2022.

Following the Merge, it is expected, that the Ethereum blockchain will be subject to a hard-fork, resulting in a split of the Ethereum blockchain into two separate blockchains and a corresponding split of the cryptocurrency Ether ("**ETH**") in two cryptocurrencies: (1) the main Ethereum blockchain and the cryptocurrency ETH, which will be based on a proof-of-stake system and (2) a separate blockchain for a forked version of Ethereum and a newly created cryptocurrency ("**ETHW**"), which will continue to be based on a proof-of-work system.

This event will constitute a **Split** in accordance with §1 (8) of the T&Cs.

2. Notification of the Split

On or around 15 September 2022, the Issuer will inform the **Bondholders** via separate notice, in accordance with §18 of the T&Cs, that the **Split** has occurred in relation to ETH, as underlying Cryptocurrency of the Bonds and that the consequences set out in 3. – 5. below will be triggered.

The publication of that notice constitutes a **Split Notification Event** in accordance with §1 (8) of the T&Cs.

Further information on how the Issuer will deal with the **Split** has been communication to **Bondholders** via its notice of 07 September 2022

https://etc-group.com/resources/announcements/zeth_bondholder_notice_092022.pdf

3. Relevant dates for the Bonds and Bondholders

- (a) The Ex date for ZETH is 14th September 2022. Accordingly, an acquisition of ZETH **Bonds** on 14th September 2022 will not entitle that **Bondholder** to a claim of the new series of bonds (the “**ETHW Bonds**”) following the **Split**;
- (b) The Record date for the **Split** is 15th September 2022. **Bondholders** of ZETH prior as of the Record date of 15th September 2022 will be entitled to receive the ETHW Bonds on a 1:1 ratio against their ZETH holdings.
- (c) The Payment date for ZETW **Bonds** following the **Split** will be 16th September 2022.

4. Reference Prices for ZETH and ZETW Bonds

The reference prices for ZETH and ZETW will be calculated on the following basis:

(a) ZETH

On the 13th September, we will use the market close (5:30 CET) spot price of ETH and ETHW from CryptoCompare to calculate a discount rate. The discount will then be applied to the market close price of ZETH on XETRA to determine a reference price for ZETH.

(b) ZETW

On the 15th September, we will determine the reference price ZETW by multiplying the crypto entitlement by the spot price of ETHW on CryptoCompare at the market close (5:30 CET) and further multiplying it by Bloomberg spot rate for USDEUR BGN Currency.

This document is provided by ETC Issuance GmbH, in its capacity as the issuer of the Bonds. It is directed at **Bondholders** and prospective investors in the Bonds to draw particular attention to the modalities and consequences of the Split of Ether and the subsequent split of the Bonds and the subsequent Mandatory Redemption of the ETHW Bonds that might impact the decision of prospective investors to invest in the Bonds.

A full description of the risks and the terms applicable to the Bonds is contained in the offering documentation for the Bonds, available on <https://etc-group.com/>.

PLEASE CONSIDER THESE RISKS CAREFULLY BEFORE MAKING ANY INVESTMENT DECISIONS IN RELATION TO THE BONDS AND, IF IN DOUBT, PLEASE SPEAK TO A FINANCIAL ADVISER TO UNDERSTAND THE IMPLICATIONS OF SUCH RISKS FOR YOUR INVESTMENT.

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60313 Frankfurt, Germany



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THE BONDS AND THE ETHW BONDS HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, (THE "**SECURITIES ACT**"). THE BONDS AND THE ETHW BONDS ARE BEING OFFERED OUTSIDE THE UNITED STATES OF AMERICA (THE "**UNITED STATES**" OR "**U.S.**") IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT, AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

Yours faithfully,

A handwritten signature in black ink, appearing to be "J. Lee", written over a horizontal line.

for and on behalf of

ETC Issuance GmbH