

## ISSUE SPECIFIC SUMMARY

### 1.1. INTRODUCTION AND WARNINGS

This summary relates to the public offering of secured bonds (the "**Bonds**") in Austria, Czechia, Denmark, Germany, Ireland, Italy, Luxembourg, Malta, Norway, The Netherlands, Finland, France, Poland, Portugal, Spain, Sweden and Switzerland and the admission of the Bonds to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange and on a Swiss regulated exchange. The Bonds' International Securities Identification Number ("**ISIN**") is DE000A3G3ZL3.

The date of approval of the base prospectus is 21 November 2022 (the "**Base Prospectus**") and it was approved by the *Bundesanstalt für Finanzdienstleistungsaufsicht* ("**BaFin**"), Marie-Curie-Str. 24-28, 60439 Frankfurt am Main, Germany, Email: [poststelle@bafin.de](mailto:poststelle@bafin.de), Phone: +49 (0)228 4108-0.

This summary should be read as an introduction to the Base Prospectus. Any decision to invest in the Bonds of the Issuer should be based on consideration of the Base Prospectus as a whole by the investor. Investors could lose all or part of their capital invested in the Issuer's Bonds. ETC Issuance GmbH with its registered office at Thurn- und Taxis-Platz 6, 60313 Frankfurt am Main, Germany (the "**Issuer**") assumes responsibility for the information contained in this summary and its German translation. The Issuer can be held liable but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Base Prospectus, or where it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in such securities. In the event that a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states of the European Economic Area, be required to bear the costs of translating the Base Prospectus prior to the commencement of any legal proceedings.

The Issuer's legal entity identifier ("**LEI**") number is 875500BTZPKWM4X8R658.

Steubing AG Wertpapierhandelsbank, with its registered office at Goethestrasse 29, 60313 Frankfurt am Main, Germany, Legal Entity Identifier (LEI) 39120043LUI1WJS8IX30, has applied for the Bonds to be admitted to trading on the regulated market.

### 1.2. KEY INFORMATION ON THE ISSUER

#### 1.2.1. Who is the issuer of the securities?

The legal and commercial name of the issuer is ETC Issuance GmbH. The Issuer's LEI number is 875500BTZPKWM4X8R658. The Issuer is incorporated and operates under the laws of Germany and maintains its principal place of business at Gridiron, One Pancras Square, London, N1C 4 AG, United Kingdom. The Issuer's address and registered office is at Thurn- und Taxis-Platz 6, 60313 Frankfurt am Main, Germany and the Issuer is registered in the commercial register of the local court (*Amtsgericht*) of Frankfurt am Main under HRB 116604. The Issuer's website is <https://www.etc-group.com> and the phone number is +49 69 8088 3728.

##### 1.2.1.1. Principal activities of the Issuer

The only activity of the Issuer is the issue of bonds which are secured by cryptocurrencies and other digital assets. Through the issue of the Bonds, the Issuer intends to satisfy investor demand for tradeable securities through which an investment in cryptocurrencies and other digital assets is made.

##### 1.2.1.2. Major shareholders

The Issuer's sole shareholder is ETC Management Ltd ("**ETCM**"). ETCM's sole shareholder is ETC Holdings Ltd (the "**Holding Company**"). Shares in Holding Company are highly concentrated: (i) Alexander Gerko controls indirectly, via XTX Investments UK Limited ("**XTX**"), 22.17 percent of the shares; (ii) Oleg Mikhasenko controls indirectly, via BCS Prime Brokerage Ltd ("**BCS**") and regulated by the Financial Conduct Authority (the "**FCA**"), 10.69 percent of the shares; (iii) Maximilian Monteleone controls indirectly, via MLM Holdings Ltd ("**MLM**"), a further 21.38 percent of the shares, with the remaining 45.76 percent of the shares held by other co-founders, partners and management.

##### 1.2.1.3. Key managing directors

The Issuer is managed by its managing directors Leyla Sharifullina and Timothy Bevan.

##### 1.2.1.4. Statutory auditors

The Issuer's statutory auditor is BFS Revisions- und Treuhand GmbH Wirtschaftsprüfungsgesellschaft, with their registered office at Berliner Straße 75, 63065 Offenbach am Main, Germany. BFS Revisions- und Treuhand GmbH Wirtschaftsprüfungsgesellschaft is a member of the German chamber of public accountants (*Wirtschaftsprüferkammer*).

### 1.2.2. What is the key financial information regarding the issuer?

The Issuer's financial information is included in the Issuer's annual financial statements as of 31 December 2020 and 31 December 2021 (together, the "Annual Financial Statements") as well as the Issuer's interim financial statements as of 30 June 2022 (together with the Annual Financial Statements, the "Financial Statements").

The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted in the European Union (the "EU").

The Annual Financial Statements have been audited and an unqualified auditor's report has been issued. Issuer's interim financial statements as of 30 June 2022 have neither been audited nor been reviewed by the auditors of the Issuer.

The following selected financial information is based on and extracted from the Financial Statements.

<b>Income Statement (in EUR)</b>	<b>30 June 2022</b>	<b>31 December 2020</b>	<b>31 December 2021</b>
Operating profit/loss	280,349	161,495	109,751

<b>Balance Sheet (in EUR)</b>	<b>30 June 2022</b>	<b>31 December 2020</b>	<b>31 December 2021</b>
Net financial debt	368,787,100	288,358,708	1,010,038,300

<b>Cash Flow Statement (in EUR)</b>	<b>30 June 2022</b>	<b>31 December 2020</b>	<b>31 December 2021</b>
Net Cash flows from operating activities	-1,642,140	190,211	3,490,039
Net Cash flows from financing activities	0	0	0
Net Cash flow from investing activities	0	0	0

### 1.2.3. What are the key risks that are specific to the issuer?

*The following risk factors are material with respect to the ability of the Issuer to fulfill its obligations under Bonds issued by it.*

*Risks related to the limited business objective of the Issuer:* The focus of the Issuer's business activities is the issuance of bonds linked to one Cryptocurrency or Cryptocurrencies comprising a basket. The Issuer will not carry out any other business than as described above (see under "1.2.1.1. Principal activities of the Issuer"). Because of this limited business objective, the Issuer is exposed to the risk that the underlying Cryptocurrency or the underlying Cryptocurrencies comprising a basket do not become successful or become less successful. The Issuer may then be unsuccessful in carrying out its business which could have an adverse impact on the Issuer's business and financial situation.

*Risks due to the Issuer not having a long and comprehensive track record:* The Issuer was registered with the commercial register of the local court (*Amtsgericht*) of Frankfurt am Main, Germany on 27 August 2019. Due to such a short period of existence, the Issuer does not have a long and comprehensive track record of successfully operating the business activity described herein adding to commercial risks which could have an adverse impact on the Issuer's business and financial situation.

*Major shareholders:* Shares in the Holding Company are highly concentrated; (i) Alexander Gerko controls indirectly, via XTX, 22.17 percent of the shares of the Holding Company, which is the ultimate parent company of the Issuer (ii) Oleg Mikhasenko controls, via BCS which is regulated by the FCA, indirectly 10.69 percent of the shares of the Holding Company; (iii) Maximilian Monteleone controls via MLM indirectly a further 21.38 percent of the shares of the Holding Company, with the remaining 45.76 percent of the shares of the Holding Company held by other co-founders, partners and management. Shareholders mentioned in (i) to (iii) (inclusive) above or their representatives have the ability to remove any and all members of the board of directors of the Issuer with a majority vote. As such, these shareholders have significant influence on the management of the Issuer.

There can be no assurance that these shareholders or their representatives will exercise their voting right in a manner that benefits the Issuer or the investors.

*Dependence on authorisations.* The Issuer depends on the Frankfurt Stock Exchange's authorisation and the permissibility under the rules and regulations of Germany to continue issuing and listing the Bonds. Any change to the listing requirements, the regulation of the Bonds, or acceptance of cryptocurrency as underlying asset could adversely impact the Issuer and investors in the Bonds.

*Attacks by "hackers" and sabotage from outside the Issuer:* The whole business of the Issuer depends on certain IT infrastructure. Additionally, service providers (e.g. the Administrator, the Paying Agent and the Clearing System) also rely on IT systems to provide services to the Issuer. Both Issuer's IT systems and IT systems of such service providers may be hacked by criminals. The Issuer is exposed to the risk of being partially, temporarily or even permanently prevented from carrying out its business activities and even become insolvent, and the holders of the Bonds (the "**Bondholders**") may lose part or all of their investment in the Bonds due to such security breach.

### 1.3. KEY INFORMATION ON THE SECURITIES

#### 1.3.1. What are the main features of the securities?

The Bonds are secured bonds. The Bonds do not have a fixed maturity date. The Bonds do not bear interest. Each Bond represents the right of the Bondholder to demand from the Issuer (a) delivery of a basket of cryptocurrencies (the "**Cryptocurrencies**"), equal to the Bondholder's claim, as of any Business Day, against the Issuer in respect of each Bond, expressed as the amount of the Cryptocurrency per Bond, and calculated by the Issuer in its sole discretion in accordance with the formula below ("*1.4.1. Method of determination of the Issue Price*") (the "**Cryptocurrency Entitlement**") or (b) payment of an amount in Euro ("**EUR**") determined in accordance with the relevant provisions of the terms and conditions (the "**Terms and Conditions**"). The obligations under the Bonds constitute direct, unsubordinated and secured obligations of the Issuer ranking *pari passu* among (i) themselves, (ii) any Secured Put Option Obligations (as defined below) ("*1.3.3. Risks related to the exercise of the Put Option*") and (iii) any obligation of the Issuer to transfer Bonds to any entity which has been appointed by the Issuer as an authorised participant (the "**Authorised Participant**") if such Authorised Participant has transferred at least the Cryptocurrency Entitlement per Bond being subscribed or purchased to a depository wallet operated by Komainu (Jersey) Limited (the "**Depository Wallet**" and, such obligations, the "**Secured Settlement Obligations**"). The Bonds are freely transferable.

The following rights are attached to the Bonds:

**Security:** Pledge and assignment, as applicable, by the Issuer in favour of the Bondholders of its rights, title, interest and benefit, present and future, in, to and under the Depository Wallet and the Deposited Cryptocurrencies and pledge by the Issuer over the Issuance Account and the Issuer-owned Bonds in favour of the Bondholders (the "**Security**"). Details of the accounts and the terms and conditions of the respective pledges shall be stipulated in the Security Documents which shall be available for inspection by the Bondholders at the Issuer's principal place of business (Gridiron, One Pancras Square, London, N1C 4 AG, United Kingdom).

**Mandatory Redemption:** Upon occurrence of certain mandatory redemption events, the Issuer may at any time (but is not required to), on not less than 30 (thirty) days' notice to the Bondholders, redeem the Bonds at the mandatory redemption date at their Mandatory Redemption Price (as defined below). Such mandatory redemption events include, among others, the entering into force of any new law or regulation that requires the Issuer to obtain any license in order to be able to fulfil its obligations under the Bonds; or any changes in the tax treatment of the Cryptocurrency; or if the Issuer was ordered by a competent court or otherwise became required by law to arrange for mandatory redemption. The exercise of the mandatory redemption right by the Issuer leads inevitably to a redemption of the Bonds for the Bondholders.

**Put Option of the Bondholders:** The Bonds do not have a fixed maturity date. However, each Bondholder may terminate his Bonds against payment of the Cryptocurrency Entitlement or against payment of EUR. If Bonds are redeemed in EUR, the redemption amount will be equal to the proceeds of sale of the Cryptocurrency Entitlement using the Cryptocurrency Divestment Procedure (as defined below) ("*1.3.3. Failure of Cryptocurrency Divestment Procedure due to missing purchase orders or unavailability of the required reference price*"), if such procedure results in a successful sale. In order to terminate his Bonds, the Bondholder needs to (i) submit the put option exercise form, (ii) pay an upfront redemption fee in an amount of EUR 500.00 (which is subject to certain exemptions) (the "**Upfront Redemption Fee**") and (iii) transfer the Bonds, in relation to which the Put Option (as defined below) is exercised, to the Issuance Account free of payment. If a Bondholder exercises his Put Option vis-à-vis the Issuer or vis-à-vis an Authorised Participant an exercise fee in addition to the Upfront Redemption Fee (where applicable) in an amount equal to a maximum of 5.00 percent of the Cryptocurrency Entitlement for each Bond in relation to which the Put Option is exercised will be charged (the "**Exercise Fee**"). However, if the Bondholder sells his Bonds on the stock exchange - then no redemption fees from the Issuer or Authorised Participant will be incurred. If a Bondholder opts for redemption in EUR, the Issuer has to arrange for a procedure for the divestment of the Cryptocurrency. The sale proceeds will be used for redemption of the Bonds. Purchase

offers submitted for less than 80 percent of the reference price, which is on the relevant determination date, the price for the Cryptocurrencies calculated as prescribed by the Index methodology at a certain time (the "**Reference Price**") or purchase offers for less or more than the full amount of the Cryptocurrency being divested will be rejected. If such a failed divestment occurs, the Issuer shall return all Bonds to the Bondholder within a reasonable number of Business Days. The Issuer may choose to charge an Exercise Fee to the respective Bondholder in case of a failed divestment.

**Redemption in an Event of Default:** The Bonds provide for events of default entitling each Bondholder to demand immediate redemption at the Cryptocurrency Entitlement.

**Split:** If any of the Cryptocurrencies splits into two or more cryptocurrencies, each Bond will represent a claim on a basket of cryptocurrencies that corresponds to such Cryptocurrency Entitlement as each Bond represented before the split and the Issuer may, at its sole discretion, (i) resolve to split the Bonds into two, or more, separate Bonds, (ii) redeem the Bonds with regards to one or several of the post-split cryptocurrencies or (iii) exchange one or several of the post-split cryptocurrencies for the target cryptocurrency which is identified by the Issuer as the primary cryptocurrency within the available post-split cryptocurrencies.

**Resolutions of Bondholders:** In accordance with the German Act on Debt Securities of 2009 (*Schuldverschreibungsgesetz*) the Terms and Conditions contain provisions pursuant to which Bondholders may agree by resolution to amend the Terms and Conditions (with the consent of the Issuer) and to decide upon certain other matters regarding the Bonds. Resolutions of Bondholders properly adopted, either in a meeting of Bondholders or by vote taken without a meeting in accordance with the Terms and Conditions, are binding upon all Bondholders. Resolutions providing for material amendments to the Terms and Conditions require a majority of not less than 75 percent of the votes cast. Resolutions regarding other amendments are passed by a simple majority of the votes cast.

### 1.3.2. Where will the securities be traded?

Application is intended to be made by the Issuer for admission to trading of the Bonds on the regulated market of the Frankfurt Stock Exchange and on a Swiss regulated exchange. The Issuer may decide to list the Bonds on such other or further regulated markets and/or arrange for the trading of the Bonds on multilateral trading facilities, organised trading facilities or through systematic internalisers, all within the meaning of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments.

### 1.3.3. What are the key risks that are specific to the securities?

*The following key risks could lead to substantial losses for Bondholders. Each Bondholder would have to bear possible losses in case of selling its Bonds or with regard to repayment of principal:*

#### **Risks relating to the nature of the Bonds and the Terms and Conditions of the Bonds**

*Failure of Cryptocurrency Divestment Procedure due to missing purchase orders or unavailability of the required reference price:* If a Bondholder is opts for redemption in EUR, the Issuer will arrange for the divestment of the Cryptocurrencies to receive EUR to redeem the Bonds (the "**Cryptocurrency Divestment Procedure**"), which will be conducted by the Issuer itself or an entity nominated by the Issuer (the "**Divestment Agent**"). If such divestment fails, the Bondholder faces the risk that the Bonds cannot be redeemed in EUR. In addition, the transaction price achieved on the divestment can be below the current market price of the Cryptocurrencies which would have a negative impact on the Bondholders' investment.

*Divestment Agent has the choice to accept or reject a purchase offer:* If it is required to conduct a Cryptocurrency Divestment Procedure, the Divestment Agent will inter alia reject purchase offers, if they are submitted for less than 80 percent of the Reference Price, or for less or more than the full amount of the Cryptocurrencies being divested. This means at the same time that purchase offers can be accepted at 80 percent of the Reference Price and therefore significantly less than the Reference Price.

*Risks related to the exercise of the Put Option:* Investors in the Bonds have a put option (the "**Put Option**") to redeem Bonds with the Issuer against payment of the Cryptocurrency Entitlement. However, investors may not be able to exercise the Put Option if they do not provide sufficient information to the Issuer in accordance with the Terms and Conditions. Additionally, if Bondholders exercise the Put Option and requests EUR settlement, obligations of the Issuer to remit EUR to such Bondholder after the surrender of the relevant Bonds to the Issuer constitute unsecured obligations of the Issuer. Only settlement obligations related to the exercise of the Cryptocurrency Put Option (the "**Secured Put Option Obligations**") constitute secured obligations of the Issuer. Claims of a Bondholder for payments in EUR due to the exercise of the EUR Put Option will only be settled after the relevant Bondholder has delivered the Bonds to the Issuer and, during the period from delivery of the Bonds until actual payment of EUR, the relevant Bondholder will no longer be the owner of the Bond, nor have a secured claim against the Issuer.

*Mandatory Redemption:* In case of occurrence of certain events as further specified in the Terms and Conditions, the Issuer may (but is not required to) at any time, in its sole and absolute discretion, elect to terminate and redeem

all but not some of the Bonds at their mandatory redemption price, which is (i) an amount equal to the Cryptocurrency Entitlement; or (ii) if a Bondholder opts for redemption in EUR, the Cryptocurrency Sale Proceeds divided by the number of Outstanding Bonds as of the relevant mandatory redemption date, minus any reasonable third-party fee related to redemption of the Bonds, (the "**Mandatory Redemption Price**"). The Cryptocurrency Sale Proceeds is the amount in EUR that results from the divestment of the Cryptocurrencies for the redemption of the Bonds. In exercising such discretion, the Issuer is not required to have any regard to the interests of the Bondholders, and Bondholders may receive less, or substantially less, than their initial investment. The Mandatory Redemption Price of the Bonds redeemed in EUR can be less or substantially less than the equivalent price of the Cryptocurrencies, as the Issuer will try to sell the Cryptocurrencies using the Cryptocurrency Divestment Procedure, and all risks related to the divestment of the Cryptocurrencies as described above apply. Additionally, should the Issuer fail to realise the Cryptocurrencies using the Cryptocurrency Divestment Procedure, it is entitled to use any other reasonable procedure to sell the Cryptocurrencies holdings, and there is a risk that such procedures would result in the sale of the Cryptocurrencies at a price less or substantially less than the minimum stipulated by the Cryptocurrency Divestment Procedure. Additionally, mandatory redemption might result in the effective disposal of the Bonds for tax purposes by some or all Bondholders on a date earlier than planned or anticipated, which can result in less beneficial tax treatment of the investment in the Bonds for such Bondholders than otherwise would be available should the investment be maintained for a longer period of time.

### **Risks related to the Security of the Bonds**

*Security granted to secure the Bonds may be unenforceable or enforcement of the security may be delayed:* The Issuer has undertaken to have an amount in the Cryptocurrencies equal to or higher than the Secured Obligations Amount always deposited with the Depositary, and have pledged such deposited Cryptocurrencies to the Bondholders as security for the Issuer's obligations towards the Bondholders. These security arrangements may not be sufficient to protect the Bondholders in the event of the Issuer's or the Depositary's bankruptcy or liquidation due to various reasons.

### **Risks related to the underlying Cryptocurrencies**

*Price volatility of the Cryptocurrencies:* The value of the Bonds is affected by the price of the underlying Cryptocurrencies. The price of the Cryptocurrencies fluctuates widely and, for example, may be impacted by global and regional political, economic or financial events, regulatory events or statements by regulators, investment trading, hedging or other activities by a wide range of market participants, forks in underlying protocols, disruptions to the infrastructure or means by which crypto assets are produced, distributed, stored and traded. The price of the Cryptocurrencies may also change due to shifting investor confidence in future outlook of the asset class. Characteristics of the Cryptocurrencies and divergence of applicable regulatory standards creates the potential for market abuse and could lead to high price volatility. Amounts received by Bondholders (i) upon redemption of the Bonds in EUR; or (ii) upon sale on the stock exchange depends on the price performance of the Cryptocurrencies and available liquidity.

*Political risk in the market of the Cryptocurrencies:* The entire business model of the Issuer depends on possible regulations or prohibitions, especially with regard to the Cryptocurrencies as the underlying of the Bonds. It is impossible to predict how exactly politics and future regulations may affect the markets and general economic environment for the Issuer's business model. However, future regulations and changes in the legal status of the Cryptocurrencies are political risks which may affect the price development of the Cryptocurrencies. If the Issuer fails to comply with potential future regulations, this may lead to the Issuer incurring losses and it may also have an adverse impact on the Issuer's ability to carry out its business.

*Transaction costs:* Charges apply when transferring the Cryptocurrencies as part of the redemption of the Bonds in the Cryptocurrency. Transaction costs may vary depending on network load (unpredictable for the Issuer and Bondholders). Transaction costs can also vary due to the timings of transactions and are therefore unpredictable. Depending on how much the redeeming Bondholder is willing to pay in transaction costs and fees to process the redemption, the Cryptocurrencies could be received later than expected, or, in extreme cases, not received at all, as blockchain transactions with low associated fees are allocated less processing power by the network.

### **Risks related to the admission of the securities to trading**

*Risks related to the admission to trading:* The trading price of the Bonds could decrease if the creditworthiness of the Issuer or associated parties worsens or is perceived to worsen irrespective of the fact that the Bonds are secured by the actual holdings of the Cryptocurrencies. The risk is that third parties would only be willing to purchase Bonds at a substantial discount relative to the price of the Cryptocurrencies, which in turn may result in a Bondholder's loss of the investment in the Bonds.

### **Taxation risks relating to the Bonds**

*Financial Transaction Tax:* In 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common financial transactions tax (the "**FTT**"). According to the Commission's Proposal, the FTT shall be implemented in certain EU Member States, including Germany. The specific risk is that the FTT may result in a negative tax treatment applied to the Bonds which in turn may have a detrimental effect on the return on the Bondholder's investment in the Bonds.

**1.4. KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND THE ADMISSION TO TRADING ON A REGULATED MARKET**

**1.4.1. Under which conditions and timetable can I invest in this security?**

The conditions and timetable for investing in the Bonds are set out below.

This issue of Bonds is being issued in an aggregate amount of up to 250,000,000 Bonds secured by the Cryptocurrencies.

**Purchase of the Bonds:** In the primary market the Issuer will sell Bonds only to Authorised Participants and such Bonds may only be purchased with the Cryptocurrency. Investors who are not Authorised Participants may purchase the Bonds in the secondary market either (i) from an Authorised Participant, in compliance with applicable selling restrictions, (ii) via a stock exchange through their broker or (iii) from any person over the counter. In connection therewith Flow Traders B.V., Jane Street Financial Limited, DRW Europe B.V. and GHCO Europe Investment Services S.A. have been appointed as Authorised Participants. The offer period is expected to commence on 28 March 2023 and will be open until the later of (i) the date of expiry of the Base Prospectus and (ii) the expiry of the validity of a new base prospectus immediately succeeding the Base Prospectus subject to shortening the period. An offer to the public may be made in the countries specified under "*1.1 Introduction and warnings*", subject to applicable selling restrictions.

**Conditions and technical details of the Offer:** The offer is not subject to any conditions or time limits other than the time limit resulting from the validity of the Base Prospectus as specified under "*Purchase of the Bonds*". There is no possibility to reduce subscriptions. No minimum or maximum subscription amounts have been specified, however financial intermediaries (including Authorised Participants) offering the Bonds can determine minimum or maximum subscription amounts when offering the Bonds in their sole and absolute discretion.

Bonds can be purchased in the primary market either with the Cryptocurrency, Euro, USD or any other fiat currency or cryptocurrency as will be determined by each financial intermediary offering the Bonds. However, Bonds bought directly from the Issuer in the primary market can only be purchased with the Cryptocurrency and only by Authorised Participants. The Bonds will be delivered via book-entry through the clearing system and its account holding banks.

In the secondary market Bonds can be purchased exclusively with fiat.

**Method of determination of the Issue Price:** The issue price for Authorised Participants is equal to the Cryptocurrency Entitlement plus a subscription fee. The Cryptocurrency Entitlement will be determined pursuant to the following formula:

$$CE_t = \sum_{i \in B_t} SCE_t^i$$

Where:

"CE" means Cryptocurrency Entitlement on the day 't' calendar days after the Issue Date;

"SCE<sup>i</sup>" means the Single Cryptocurrency Entitlement in respect of the relevant cryptocurrency comprised in the Basket (denoted 'i') on the day 't' calendar days after the Issue Date;

"B<sub>t</sub>" means the set of cryptocurrencies comprising the Basket on the day 't' calendar days after the Issue Date.

The issue price for investors who are not Authorised Participants will be determined on an ongoing basis.

As of the issue date, the Cryptocurrency Entitlement would be:

Ticker	Weighting	C	SCE
BTC	34.1%	0.0	0.00
ETH	31.0%	0.0	0.01
XRP	8.6%	105.1	9.07
ADA	4.5%	142.4	6.44
MATIC	3.6%	46.7	1.68
SOL	2.8%	2.5	0.07
DOT	2.7%	8.3	0.22
LTC	2.3%	0.5	0.01

TRX	2.1%	785.5	16.15
AVAX	2.0%	3.0	0.06
UNI	1.6%	8.7	0.14
LINK	1.3%	7.1	0.09
ATOM	1.2%	4.6	0.06
XLM	0.9%	536.2	4.77
BCH	0.8%	0.4	0.00
NEAR	0.6%	26.3	0.16

per Bond, i.e. Authorised Participants purchasing Bonds from the Issuer would receive one Bond for each EUR 46.30. In addition, the Issuer will charge a subscription fee of up to 0.50 percent of each Bond from the Authorised Participant. Where an investor purchases a Bond from an Authorised Participant with Euro, the Euro equivalent of the Cryptocurrency Entitlement as of 27 March 2023, would be Euro 46.30. However, given that each Authorised Participant may charge a subscription fee from the investor who he is selling the Bonds at his own discretion, the purchase price for a Bond may be higher than Euro 46.30.

**Expenses:** The estimated total expenses of the issue and/or offer are EUR 35,000. The Issuer will charge a subscription fee up to 0.50 percent of the Cryptocurrency Entitlement of the Bonds from the Authorised Participants. The Issuer has no influence on whether and to what extent the respective Authorised Participant will charge additional fees. These fees may vary depending on the Authorised Participant.

#### **1.4.2. Why is this base prospectus being produced?**

##### **1.4.2.1. Reasons for the offer or for the admission to trading on a regulated market**

The Issuer intends to make profits with the issue of the Bonds. The Issuer makes profit through charging subscription fees, certain redemption fees and the Diminishing Entitlement Rate.

##### **1.4.2.2. Use and estimated net amounts of the proceeds**

The Bonds are purchased from the Issuer with the Cryptocurrencies. Cryptocurrencies received by the Issuer through the subscription of the Bonds will be transferred to the Depositary Wallet and secured by a security agreement for the benefit of the Bondholders, the Security Trustee and a bondholders' representative (if appointed). Based on the assumption that a total of 250,000,000 units of Bonds are sold and based on the value of EUR 46.30 (as of 27 March 2023), the net proceeds for each 10,000 units of Bonds are EUR 463,000.

##### **1.4.2.3. Underwriting Agreement**

The Issuer has not entered into an underwriting agreement.

##### **1.4.2.4. Material conflicts of interest pertaining to the offer or the admission to trading**

There are no material interests, in particular no material conflicts of interest in relation to the public offering or the admission to trading.