

Purpose

This information document provides key information about this investment product. It is not marketing material. This information is required by law to help you understand the nature, risk, costs and potential gains and losses of this product, and to help you compare it to other products.

Product

Name of the product	DOTetc – ETC Group Physical Polkadot (“ PLKA ”)
Product numbers	ISIN: DE000A3GVKX6
PRIP manufacturer	ETC Issuance GmbH (the “ Issuer ”) (https://etc-group.com)
Phone number	+49 (0) 69 8088 3728
Competent authority of the manufacturer of the product	In connection with this key information document, the Federal Financial Supervisory Authority (BaFin)
Key information document created:	10 December 2021
Key information document last updated:	10 December 2021, Time: 8.00 am

Caution: You are about to purchase a product that is not straightforward and can be difficult to understand.

What type of product is this?

Type

PLKAs are bearer bonds under German law that are secured by Dot or “Polkadot” (The native cryptocurrency asset of the Polkadot network) deposited in a depository for safekeeping. The product does not have a fixed maturity date.

Objectives

Investors who wish to invest in the cryptocurrency Dot (“**Polkadot**”) as specified in the “Underlying” field in the table below as part of their investment strategy can purchase this product, the value of which is based on the Polkadot price, on the secondary market or from an “Authorised Participant”. The product is purchased through the secondary market in fiat currency. Payment of the product purchased through an Authorised Participant may be made either in Polkadot, in another cryptocurrency or in such fiat currency as the respective Authorised Participant accepts.

Polkadot received by the Issuer as consideration from the sale of the product to Authorised Participants are transferred to a designated security account as collateral. This means that for each unit of the product in circulation, a predefined Polkadot amount is available to hedge the product (the “**Cryptocurrency Entitlement**”). At the time of issue, this is 0.25 Polkadot and decreases continuously in value by 1.95% annually, calculated on a daily basis from the Cryptocurrency Entitlement of each unit of the product over the entire holding period of the product. This means that the Cryptocurrency Entitlement per share decreases by approximately 0.005342% every day (= 1/365 of 1.95%). Polkadot held to back PLKA are held institutionally by Coinbase Custody Trust Company, a regulated qualified cryptocurrency depository in New York, USA (the “**Depository**”). The Issuer has appointed APEX Corporate Trustees (UK) Limited (the “**Collateral Trustee**”) as a collateral trustee to hold the collateral rights for the Polkadot deposited with the Depository on behalf of all current and future PLKA holders.

Termination by the Investor: An investor may sell the product anytime on the stock exchange. Alternatively, the product can be terminated in whole or in part, with the Issuer or an Authorised Participant (Certain terms and conditions apply) at any time. Repayment always takes place in Polkadot. The Investor’s claim to repayment corresponds to the Cryptocurrency Entitlement on the repayment date less repayment fees. An Authorised Participant or the Issuer transfers this claim to the Digital Wallet specified by the Investor on the repayment date.

If, for legal reasons, an investor is prevented from receiving payments in Polkadot, the Investor may request repayment in US dollars (“**USD**”) as an alternative to repayment in Polkadot. The investor will then receive an amount of money in USD equal to the amount obtained in an auction for the collateral Polkadot.

Mandatory Redemption by the Issuer: The product terms and conditions also state that, if certain events occur, the Issuer may repay the product prematurely in Polkadot or, if an investor is prevented from obtaining Polkadot for legal reasons, in USD. These events are explained in more detail in the product terms and conditions. It is likely that any return the Investor receives in the event of such early repayment will be different from the scenarios described above and may be considerably less than the amount that the Investor invested upon purchase. Total loss is also possible. Furthermore, investors run the risk that termination will be requested at a time that is unfavourable to them and that they will only be able to reinvest the terminated amount on worse conditions.

Underlying	Polkadot (CryptoCompare ticker: DOT CCCAGG)	Product currency	Euro, <u>US-Dollar</u>
Issue Date	29/11/2021	Trading Day	A day on which the Frankfurt Stock Exchange is open.
Cryptocurrency Entitlement per unit of security	Initially 0.25 Polkadot, reduced over time by a fee of 1.95% p.a.	Mandatory Redemption	The Issuer is entitled to Mandatory Redemption if certain events occur, as stated in the product conditions.
Rights of bondholders	PLKA holders may sell on exchange or return the product for Polkadot at any time or, if a pay out in Polkadot is not possible due to applicable regulatory requirements, the equivalent value in USD (the exact amount is determined in the product conditions).		

Intended retail investor

The product is intended for private investors who:

- are able to bear a total loss of the amount invested;
- are seeking a speculative investment opportunity that is accompanied by the expectation that the underlying will gain sufficient value over time to exceed any fees;
- have only limited technical capabilities or lack the relevant technical expertise and therefore, instead of investing directly in Polkadot with the aid of bearer bonds with a value based on the Polkadot price, would like to invest in Polkadot without having to hold Polkadot themselves during the lifetime of the product;
- recognise that the value of the product can change frequently due to the extremely volatile underlying and, as a result, have sufficient time to actively monitor and manage the investment;
- have advanced knowledge and/or experience with comparable financial products and understand the cost structure of the product, including the Cryptocurrency Entitlement that decreases daily.

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

* If a bond holder decides to terminate the bond instead of selling it on the stock exchange or on the OTC market, they may have to pay an upfront redemption fee of EUR 50 (waived by the issuer in certain situations) plus an exercise fee.

Composition of costs

The table below shows:

- the impact of the different types of costs on the investment return you might get at the end of the recommended holding period;
- the meaning of the different cost categories.

This table shows the impact on annual returns			
One-off costs	Entry costs	0.20%	Impact of the costs already included in the price*
	Exit costs	0.20%	Impact of the costs incurred when you exit your investment**
Ongoing costs	Portfolio transaction costs	0.00%	Impact of the costs incurred for us to buy and sell the underlying investments for the product
	Other ongoing costs	1.95%	Impact of the costs we deduct annually for investment management

On the date of updating this key information document, the Issuer had not charged any one-off costs.

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* Secondary-market investors trade directly with a participating broker or via a stock exchange and pay the fees charged by their broker. The trading margins are publicly available on the stock exchanges on which the product is listed, or can be requested from brokers. You can find out the actual costs from your broker, financial adviser or sales company. The costs displayed above are estimates of such costs.

** Does not apply to secondary-market investors. If an investor decides to terminate the product instead of selling it on the stock exchange or on the OTC market, they may have to pay a upfront redemption fee of EUR 50 (waived by the issuer in certain situations) plus an exercise fee. Secondary-market investors trade directly with a participating broker or via a stock exchange and pay the fees charged by their broker. The trading margins are publicly available on the stock exchanges on which the product is listed, or can be requested from brokers. You can find out the actual costs from your broker, financial adviser or sales company.

How long should I hold it and can I take my money out early?

The recommended holding period of the product is 4 years

However, since Polkadot are very volatile, investors should constantly monitor the value of the product, as sudden changes in value can occur frequently and abruptly.

Investors can sell the product on the regulated market on which it is listed. You can sell the product over the counter by submitting a redemption application to an Authorised Participant or directly to the Issuer and surrendering the product to them. You must instruct your custodian bank responsible for executing the order for the specified product accordingly. After execution, you will receive 0.25 Polkadot less 1.95% p.a. administration fee (calculated from the date of issue of PLKA) as described above under "What type of product is it?".

Stock exchange listing	Frankfurt Stock Exchange – regulated market (XETRA); and from time to time additional stock exchanges	Last trading day on the stock exchange	One exchange trading day before the early redemption date, if the Issuer redeems the investment
Smallest tradable unit	One unit of the product	Listing	Listing per unit

In exceptional market situations or in the event of technical problems, it may be temporarily difficult or impossible to buy or sell the product.

How can I complain?

Complaints about the person/entity who/that advised you or sold the product to you may be lodged directly with the relevant person. Complaints regarding the product or behaviour of the Issuer of this product may be posted in writing to ETC Issuance GmbH, Thurn- und Taxis-Platz 6, 60313 Frankfurt am Main, Germany, or emailed to complaints@etc-group.com. Complaints should include the name of the product, the ISIN and the reason for the complaint.

Other relevant information

Updated and additional documents relating to the product, particularly the prospectus and any supplements, are published on the <https://etc-group.com> website in accordance with the relevant statutory provisions. We recommend that you read these documents for more information, especially about the structure of the product and the risks associated with investing in the product.