

This document constitutes a supplement (the "**Fourth Supplement**") pursuant to Article 23 (1) of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**").



ETC Issuance GmbH

(the "**Issuer**")

Fourth Supplement

dated 2 February 2021

to the prospectus for the issuance of up to 21,000,000,000 BTC_{ETC}TM Bonds secured by Bitcoin dated 4 June 2020

(the "**Prospectus**")

This Fourth Supplement is to be read and construed in conjunction with the Prospectus.

The Issuer accepts responsibility for the information contained in this Fourth Supplement and declares to the best of its knowledge that the information contained in this Fourth Supplement is in accordance with the facts and that this Fourth Supplement makes no omission likely to affect the import of such information.

IN ACCORDANCE WITH ARTICLE 23 OF THE PROSPECTUS REGULATION, WHERE THE PROSPECTUS RELATES TO AN OFFER OF BONDS TO THE PUBLIC, INVESTORS WHO HAVE ALREADY AGREED TO PURCHASE OR SUBSCRIBE FOR ANY BONDS BEFORE THE FOURTH SUPPLEMENT IS PUBLISHED HAVE THE RIGHT, EXERCISABLE WITHIN TWO WORKING DAYS AFTER THE PUBLICATION OF THIS FOURTH SUPPLEMENT ON 2 FEBRUARY 2021, I.E. UNTIL 4 FEBRUARY 2021, TO WITHDRAW THEIR ACCEPTANCES, PROVIDED THAT THE SIGNIFICANT NEW FACTOR, MATERIAL MISTAKE OR MATERIAL INACCURACY AROSE BEFORE THE FINAL CLOSING OF THE OFFER TO THE PUBLIC AND THE DELIVERY OF THE BONDS. INVESTORS WISHING TO EXERCISE THEIR RIGHT OF WITHDRAWAL MAY CONTACT ETC ISSUANCE GMBH UNDER THURN- UND TAXIS-PLATZ 6, 60313 FRANKFURT AM MAIN, GERMANY OR UNDER GRIDIRON, ONE PANCRAS SQUARE, LONDON N1C 4AG, UNITED KINGDOM.

Significant new factors within the meaning of Article 23 of the Prospectus Regulation have arisen: Following the United Kingdom's withdrawal from the European Union, XTX Markets Ltd, as entity with its registered seat in the United Kingdom, is no longer appointed as Authorised Participant. As replacement, as of 4 January 2021, XTX Markets SAS, having its registered seat in France, has been appointed as new Authorised Participants. Additionally, the Issuer has filed an application with the *Bundesanstalt für Finanzdienstleistungsaufsicht*, as the competent authority under the Prospectus Regulation, on 2 February 2021 to notify the Prospectus to further countries within the European Economic Area. Further, due to the continuing absence of a binding legal or administrative regulation with regard to the qualification of the Bonds as other capital claims (*sonstige Kapitalforderungen*) within the meaning of Sec. 20 para. 1 no. 7 German Income Tax Act (*Einkommensteuergesetz*) and the uncertainty regarding the tax law treatment of proceeds from the secondary market sale or redemption of the Bonds, the Issuer has implemented a new section containing the Issuer's assessment of the treatment

of the Bonds under German tax laws in the Prospectus. These new factors may affect the assessment of the Bonds. Thus, the following changes are made to the Prospectus.

This Fourth Supplement, the First Supplement dated 2 July 2020, the Second Supplement dated 4 November 2020, the Third Supplement dated 7 December 2021, the Prospectus as well as any further supplements to the Prospectus are published on the website of the Issuer (<https://www.btc-etc.com>).

Changes to the Prospectus:

1. In the section "**1. SUMMARY**", item "**1.1 INTRODUCTION AND WARNINGS**" on page 1, the first paragraph shall be amended as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

"1.1. INTRODUCTION AND WARNINGS

This Prospectus relates to the public offering in the United Kingdom, Germany, Austria, Italy, Denmark, Finland, Ireland, Luxembourg, the Netherlands, Norway, Spain, ~~and Sweden~~, Croatia, Cyprus, Czech Republic, Estonia, France, Greece, Malta, Poland, Portugal, Slovakia and Slovenia and the admission to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange of secured bonds (the "**Bonds**"). The Bonds' International Securities Identification Number ("**ISIN**") is DE000A27Z304."

2. In the section "**1. SUMMARY**", the item "**1.2.1.2. Major shareholders**" on page 1 shall be amended as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

"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**") ~~22.5~~23.33 percent of the shares; (ii) Oleg Mikhasenko controls indirectly, via BCS Prime Brokerage Ltd ("**BCS**") and regulated by the Financial Conduct Authority (the "**FCA**"), 11.25 percent of the shares; (iii) Maximilian Monteleone controls indirectly, via MLM Holdings Ltd ("**MLM**"), 22.5 percent of the shares; (iv) ITI Capital Ltd. ("**ITI**"), which is also regulated by the FCA, controls a further ~~11.25~~11.67 percent of the shares, with the remaining ~~32.5~~31.25 percent of the shares held by other co-founders, partners and management."

3. In the section "**1. SUMMARY**", item "**1.2.3. What are the key risks that are specific to the issuer?**" on pages 2 and 3, the risk factor "Major shareholders" shall be amended as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

Major shareholders: Shares in the Holding Company are highly concentrated; (i) Alexander Gerko controls indirectly via XTX ~~22.5~~23.33 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 11.25 percent of the shares of the Holding Company; (iii) Maximilian Monteleone controls via MLM indirectly 22.5 percent of the shares of the Holding Company; (iv) ITI Capital Ltd, which is also regulated by the FCA, controls a further ~~11.25~~11.67 percent of the shares of the Holding Company, with the remaining ~~32.5~~31.25 percent of the shares of the Holding Company held by other co-founders, partners and management. Shareholders mentioned in (i) to (iv) (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."

4. In the section "**1. SUMMARY**", item "**1.4.1. Under which conditions and timetable can I invest in this security?**" on page 6, the third paragraph shall be amended as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

Offer to the Public: The Bonds will be offered by financial intermediaries (including Authorised Participants) to institutional and retail investors in compliance with applicable selling restrictions. As at the date of the Prospectus XTX Markets ~~Ltd~~SAS, ITI Capital Ltd, Bank Frick & Co. AG, Flow Traders B.V. and Jane Street Financial Limited have been appointed as Authorised Participants. Bonds bought directly from the Issuer in the primary market can only be purchased with Bitcoin and only by Authorised Participants. XTX Markets ~~Ltd~~SAS will not face or offer the Bonds to investors but will only subscribe for and redeem the Bonds for their own purposes. Bank Frick & Co. AG as one of the Authorised Participants will face their own clients who are professional investors to subscribe for and redeem the Bonds. The offer

period is expected to commence on 5 June 2020 and will be open until 3 June 2021 (the expiration date of the 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. As of the date of the Prospectus the Issuer has entered into agreements with three Authorised Participants."

5. In the section "1. SUMMARY", item "1.4.2.4. Material conflicts of interest pertaining to the offer or the admission to trading" on page 7, the paragraph shall be amended as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

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

ITI and XTX Investments UK Limited, ~~an affiliate of XTX Markets Ltd,~~ are shareholders of the Issuer. ITI and XTX Markets ~~Ltd~~SAS, which is an affiliate of XTX Investments UK Limited, have ~~also~~ been appointed as Authorised Participants. ~~As shareholders of~~ Both, ITI, as a shareholder of the Issuer, and XTX Investments UK Limited ~~Markets SAS,~~ as affiliate of ~~XTX Markets Ltd~~XTX Investments UK Limited, could gain an information advantage over the other Authorised Participants, especially as Authorised Participants act independently in setting fees and may therefore differ.

Other than the interests described above, there are no material interests, in particular no material conflicts of interest in relation to the public offering or the admission to trading."

6. In the section "2. ZUSAMMENFASSUNG" item "2.1 EINLEITUNG UND WARNHINWEISE" on page 8, the first paragraph shall be amended as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

"2.1. EINLEITUNG UND WARNHINWEISE

Dieser Prospekt bezieht sich auf das öffentliche Angebot im Vereinigten Königreich, Deutschland, Österreich, Italien, Dänemark, Finnland, Irland, Luxemburg, Niederlande, Norwegen, Spanien, ~~und~~ Schweden, Kroatien, Zypern, Tschechien, Estland, Frankreich, Griechenland, Malta, Polen, Portugal, Slowakei und Slowenien und die Zulassung zum Handel am regulierten Markt der Frankfurter Börse von besicherten Schuldverschreibungen (die "**Schuldverschreibungen**"). Die internationale Wertpapieridentifikationsnummer ("**ISIN**") der Schuldverschreibungen ist DE000A27Z304."

7. In the section "2. ZUSAMMENFASSUNG" the item "2.2.1.2. Hauptanteilseigner der Emittentin" on pages 8 and 9 shall be amended as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

"2.2.1.2 Hauptanteilseigner der Emittentin

Der alleinige Gesellschafter der Emittentin ist die ETC Management Ltd ("**ETCM**"). Alleinige Gesellschafterin der ETCM ist die ETC Holdings Ltd (die "**Muttergesellschaft**"). Die Gesellschaftsanteile an der Muttergesellschaft sind stark gebündelt, (i) Alexander Gerko kontrolliert indirekt, über die XTX Investments UK Limited ("**XTX**") ~~22,5~~23,33 Prozent der Anteile; (ii) Oleg Mikhasenko kontrolliert indirekt, über die BCS Prime Brokerage Ltd ("**BCS**"), welche durch die Finanzaufsichtsbehörde (Financial Conduct Authority – "**FCA**") beaufsichtigt wird, 11,25 Prozent der Anteile; (iii) Maximilian Monteleone kontrolliert indirekt über die MLM Holdings Ltd ("**MLM**") 22,5 Prozent der Anteile; (iv) ITI Capital Ltd ("**ITI**"), welche ebenfalls durch die FCA beaufsichtigt wird, kontrolliert weitere ~~11,25~~11,67 Prozent der Anteile, während der Rest der Anteile von ~~32,5~~31,25 Prozent von anderen Mitbegründern, Partnern und dem Management gehalten werden."

8. In the section "2. ZUSAMMENFASSUNG" the item "2.2.3. Welches sind die wesentlichen Risiken spezifisch auf die Emittentin bezogen" on page 10 the risk factor "Hauptgesellschafter" shall be amended as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

"*Hauptgesellschafter*: Die Gesellschaftsanteile der Muttergesellschaft sind stark gebündelt: (i) Alexander Gerko kontrolliert indirekt, über die XTX, ~~22,5~~23,33 Prozent der Anteile an der Muttergesellschaft; (ii) Oleg Mikhasenko kontrolliert indirekt, über die BCS, welche durch die FCA beaufsichtigt wird, 11,25

Prozent der Anteile an der Muttergesellschaft; (iii) Maximilian Monteleone kontrolliert indirekt, über die MLM, 22,5 Prozent der Anteile an Muttergesellschaft; (iv) ITI Capital Ltd., welche durch die FCA beaufsichtigt wird, kontrolliert weitere ~~41,25~~11,67 Prozent der Anteile an der Muttergesellschaft, während der Rest der 31,25 Prozent der Anteile an der Muttergesellschaft von anderen Mitbegründern, Partnern und dem Management gehalten werden. Die in (i) bis (iv) (einschließlich) genannten Gesellschafter oder deren Vertreter sind dazu in der Lage, sämtliche Mitglieder des Vorstands der Emittentin mit einem Mehrheitsbeschluss abzuberufen. Als solche haben diese Gesellschafter erheblichen Einfluss auf die Geschäftsführung der Emittentin. Es kann nicht garantiert werden, dass diese Gesellschafter oder ihre Vertreter ihre Stimmrechte in einer Weise ausüben, die der Emittentin oder den Anlegern zugutekommen."

9. In the section "**2. ZUSAMMENFASSUNG**" item "**2.4.1. Zu welchen Konditionen und nach welchem Zeitplan kann ich in dieses Wertpapier investieren?**" on page 14, the third paragraph shall be amended as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

"Öffentliches Angebot: Die Schuldverschreibungen werden von Finanzintermediären (einschließlich Autorisierten Teilnehmern) institutionellen und privaten Anlegern unter Beachtung der geltenden Verkaufsbeschränkungen angeboten. Zum Datum dieses Prospekts sind XTX Markets ~~Ltd~~SAS, ITI Capital Ltd, Bank Frick & Co. AG, Flow Traders B.V. und Jane Street Financial Limited als Autorisierte Teilnehmer benannt. Im Primärmarkt können Schuldverschreibungen, die direkt von der Emittentin gekauft werden, nur mit Bitcoin und nur durch die Autorisierten Teilnehmer erworben werden. XTX Markets ~~Ltd~~SAS wird die Schuldverschreibungen nicht selbst Investoren anbieten, sondern die Schuldverschreibungen nur für ihre eigenen Zwecke zeichnen und zurückzahlen. Bank Frick & Co. AG als einer der Autorisierten Teilnehmer wird direkt mit ihren Kunden, die professionelle Investoren sind, für das Kaufen und Verkaufen der Schuldverschreibungen in Kontakt treten. Die Angebotsfrist beginnt voraussichtlich am 5. Juni 2020 und ist bis zum 3. Juni 2021 (dem Ablaufdatum des Prospekts) geöffnet, vorbehaltlich einer Verkürzung der Frist. Ein öffentliches Angebot erfolgt in den unter "*1.1 Einleitung und Warnhinweise*" genannten Ländern, vorbehaltlich der geltenden Verkaufsbeschränkungen. Zum Datum des Prospekts hat die Emittentin Verträge mit drei Autorisierten Teilnehmern geschlossen."

10. In the section "**2. ZUSAMMENFASSUNG**" item "**2.4.2.4. Wesentliche Interessenkonflikte in Bezug auf das Angebot oder die Zulassung zum Handel**" on pages 15 et seq., shall be amended as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

"2.4.2.4 Wesentliche Interessenkonflikte in Bezug auf das Angebot oder die Zulassung zum Handel
ITI und XTX Investments UK Limited, ~~eine Tochtergesellschaft der XTX Markets Ltd,~~ sind Gesellschafterinnen der Emittentin. ITI und XTX Markets ~~Ltd~~SAS, eine verbundene Gesellschaft der XTX Investments UK Limited, wurden ferner als Autorisierte Teilnehmer bestellt. ~~Als Gesellschafterinnen könnten~~ Sowohl die ITI, als Gesellschafterin der Emittentin, als auch die XTX ~~Investments UK Limited~~Markets SAS, als Tochtergesellschaft verbundene Gesellschaft der ~~XTX Markets Ltd~~XTX Investments UK Limited, könnten einen Informationsvorteil gegenüber den anderen Autorisierten Teilnehmern erlangen, insbesondere da Autorisierte Teilnehmer bei der Festlegung der Gebühren unabhängig voneinander handeln und daher abweichen können.
Abgesehen von den oben beschriebenen Interessen gibt es keine wesentlichen Interessen, insbesondere keine wesentlichen Interessenkonflikte im Zusammenhang mit dem öffentlichen Angebot oder der Zulassung zum Handel."

11. In the section "**3.1.2. Risks related to the Issuer's corporate structure**" on page 18, the risk factor "**Major shareholders.**" shall be amended as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

"Major shareholders.
Shares in the ETC Holdings Ltd the ultimate parent company of the Issuer (the "**Holding Company**") are highly concentrated; (i) Alexander Gerko controls indirectly, via XTX Investments UK Limited ("**XTX**") ~~22,5~~23,33 percent of the shares in Holding Company; (ii) Oleg Mikhasenko controls indirectly, via BCS Prime Brokerage Ltd ("**BCS**") and regulated by the Financial Conduct Authority (the "**FCA**"), 11,25

percent of the shares of the Holding Company; (iii) Maximilian Monteleone controls indirectly, via MLM Holdings Ltd ("MLM"), 22.5 percent of the shares of the Holding Company; (iv) ITI Capital Ltd, which is also regulated by the FCA controls a further ~~11.25~~11.67 percent of the shares of the Holding Company, with the remaining ~~32.5~~31.25 percent of the shares of the Holding Company, held by other co-founders, partners and management. Shareholders mentioned in (i) to (iv) (inclusive) above or their representatives can 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 rights in a manner that benefits the Issuer or the investors."

12. In the section "**7. CONSENT TO THE USE OF THE PROSPECTUS**" on page 38, the first paragraph shall be amended as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

"7. CONSENT TO THE USE OF THE PROSPECTUS

Each financial intermediary (including Authorised Participants) subsequently reselling or finally placing the Bonds is entitled to use the Prospectus (i) in the United Kingdom, Germany, Austria and Italy for the subsequent resale or final placement of the Bonds during the period commencing on (and including) 5 June 2020 and ending on (and including) 3 June 2021 during which a subsequent resale or final placement of the Bonds can be made, ~~and (ii)~~ in Denmark, Finland, Ireland, Luxembourg, the Netherlands, Norway, Spain and Sweden for the subsequent resale or final placement of the Bonds during the period commencing on (and including) 3 July 2020 and ending on (and including) 3 June 2021 during which a subsequent resale or final placement of the Bonds can be made and (iii) in Croatia, Cyprus, Czech Republic, Estonia, France, Greece, Malta, Poland, Portugal, Slovakia and Slovenia for the subsequent resale or final placement of the Bonds during the period commencing on (and including) 2 February 2021 and ending on (and including) 3 June 2021 during which a subsequent resale or final placement of the Bonds can be made, provided however, that the Prospectus is still valid in accordance with the Prospectus Regulation. The Issuer accepts responsibility for the information given in this Prospectus also with respect to such subsequent resale or final placement of the Bonds."

13. In the section "**9. GENERAL INFORMATION ABOUT THE ISSUER**", item "**9.4. ORGANISATIONAL STRUCTURE**" on pages 41 and 42, the table showing the major shareholders of the Holding Company with a stake of more than 10 per cent. shall be amended as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

Shareholder	Shareholding percentage	Further Information
XTX Investments UK Ltd	22.5 <u>23.33</u> percent	XTX Investments UK Ltd is the investment arm of the XTX Markets group. XTX Markets is one of the world's largest electronic market makers and its FCA regulated entity, XTX Markets Ltd <u>one of its group's members, XTX Markets SAS, an entity supervised by the Autorité de Contrôle Prudentiel et de Résolution ("ACPR") and the Autorité des Marchés Financiers ("AMF")</u> , is a participant on XETRA and will be a designated sponsor when the Bonds are admitted to trading.
BCS Prime Brokerage Ltd	11.25 percent	BCS Prime Brokerage Ltd is a broker based in London and regulated by the Financial Conduct Authority. Until recently the managing director of the Issuer, Bradley Duke, was co-CEO Of BCS Prime Brokerage Ltd. The current CEO of BCS Prime Brokerage Ltd, Tim Bevan, acts as a

		non-executive director for ETCM and the Issuer.
ITI Capital Ltd	11.25 <u>11.67</u> percent	ITI Capital Ltd is a broker based in London and regulated by the Financial Conduct Authority. As a shareholder, they bring experience in structuring and selling exchange traded products and will also act as an Authorised Participant (as further described in the Terms and Conditions).
MLM Holdings Ltd	22.5 percent	MLM Holdings Ltd has been founded by Maximilian Monteleone who brings experience in managing complex projects, as well as knowledge about the relevant technology and operations to the venture. Maximilian has been running an IT development company, acted as a project manager on certain European Union initiatives, and holds a MSc. from NOVA School of Business and Economics and a CEMS MIM degree.

"

14. In the section "**9. GENERAL INFORMATION ABOUT THE ISSUER**", item "**9.10. MATERIAL CONFLICTS OF INTEREST**" on page 43, the paragraph shall be amended as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

"9.10. MATERIAL CONFLICTS OF INTEREST

ITI and XTX Investments UK Limited, ~~an affiliate of XTX Markets Ltd,~~ are shareholders of the Issuer. ITI and XTX Markets ~~Ltd~~SAS, which is an affiliate of XTX Investments UK Limited, have ~~also~~ been appointed as Authorised Participants. ~~As shareholders of~~ Both, ITI, as a shareholder of the Issuer, and XTX ~~Investments UK Limited~~Markets SAS, as affiliate of ~~XTX Markets Ltd~~XTX Investments UK Limited, could gain an information advantage over the other Authorised Participants, especially as Authorised Participants act independently in setting fees and may therefore differ.

Other than the interests described above, there are no material interests, in particular no material conflicts of interest in relation to the public offering or the admission to trading."

15. The section "**13. TAXATION WARNING**", on page 72, shall be amended as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

"13. TAXATION ~~WARNING~~

13.1 Warning regarding taxation

PROSPECTIVE PURCHASERS OF THE BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF BONDS, INCLUDING THE EFFECT OF ANY STATE OR LOCAL TAXES, UNDER THE TAX LAWS OF GERMANY AND EACH COUNTRY OF WHICH THEY ARE RESIDENTS. THE RESPECTIVE RELEVANT TAX LEGISLATION MAY HAVE AN IMPACT ON THE INCOME RECEIVED FROM THE BONDS

13.2 Taxation in the Federal Republic of Germany

The following section contains a summary of certain German income tax considerations in respect of a German tax resident individual person ("Private Investor") applicable in the context of acquiring and holding the Bonds as private assets (*Privatvermögen*). The summary does not purport to cover all potential tax aspects that may be relevant to the decision to purchase Bonds. In particular, it does not consider the particular situation or any circumstances relevant to a particular purchaser. The summary is based on the laws of Germany in force at the date of this Prospectus, which laws may be subject to short-term changes, possibly with retroactive or retrospective effect.

Prospective purchasers of Bonds are advised to consult their own tax advisors as to the tax consequences of the purchase, holding and disposal of Bonds, including the effect of any state or local taxes, under the laws applicable in the Federal Republic of Germany and each other country in which they reside.

It should further be noted that the following summary only expresses the opinion of the Issuer and that the Issuer is neither aware of any formal guidance from the tax authorities nor any court rulings with respect to the taxation of Bitcoin linked bonds so that it cannot be excluded that the tax authorities or tax courts might take a differing view.

a) Income Taxation

The Bonds should not qualify as other capital claims within the meaning of Section 20 para. 1 no. 7 German Income Tax Act (*Einkommensteuergesetz*, "EStG") and the sale and redemption of the Bonds thus should not lead to taxable investment income pursuant to Section 20 EStG being subject to the flat tax regime (*Abgeltungsteuer*) (25% plus 5.5% solidarity surcharge and church tax as the case may be) irrespective of any holding period.

Rather the provisions on private sales transactions (also known as "short-term capital gains") pursuant to Sections 22 no. 2, 23 para. 1 sentence 1 no. 2 sentence 1 EStG should apply which means that the acquisition and sale of Bonds by a Private Investor should only be taxable in Germany if the period between acquisition and disposal does not exceed one year. If a Private Investor disposes of his Bonds more than one year after he has acquired them, such disposal should not be subject to tax. Moreover, the redemption of the Bonds should not constitute a sale under the private sales transactions rules.

The reason for the above analysis is that the Bonds have terms and conditions substantially identical in content or even stricter compared to certain gold linked bonds ("**Xetra-Gold bonds**") so that the tax treatment of the Bonds should be consistent with the taxation of such bonds. For Xetra-Gold bonds it has been clarified by the German Federal Fiscal Court (*Bundesfinanzhof*, "BFH"; BFH rulings of May 12, 2015, VIII R 4/15 and VIII R 35/14) and the German Federal Ministry of Finance (*Bundesministerium der Finanzen*, "BMF") that the sale and redemption of such bonds do generally not constitute income from capital assets being subject to the flat tax regime, but rather the provisions on private sales transactions apply. In the opinion of the BFH, the acquisition and sale of Xetra-Gold bonds should be considered for tax purposes as a direct acquisition and direct sale of physical gold.

In case of a taxability of the sale of the Bonds under the private sales transaction rules, the taxable income (gains or losses) corresponds to the difference between the price for the disposal of the Bonds - the value of the Bitcoins on the one hand and the initial costs of the Bonds and the tax allowable expenses on the other. The profit from a disposal will not be taxable if it amounts to less than EUR 600, set off against losses, if any, and together with gains from other private sale transactions in the same calendar year. Losses from private sale transactions can only be set off against gains from private sale transactions of the same calendar year. If such gains do not exist, it may be possible under certain circumstances to set off against the gains from private sale transactions from the previous year or from subsequent years.

If the Issuer exercises its right of replacement (Clause 15 of the Terms and Conditions), it cannot be ruled out that such replacement will, for tax purposes, be treated as a swap of the Bonds against new bonds of a different debtor. Such a replacement could entail tax relevant gains or losses for the relevant investor.

b) Withholding Tax (Kapitalertragsteuer/Quellensteuer)

Gains from private sales transactions should not be subject to German withholding tax (Kapitalertragsteuer) so that German custody banks should deduct no withholding tax on any sale or delivery of the Bonds.

The Issuer assumes no responsibility for the withholding of taxes at source.

c) Tax assessment

Taxable gains from private sales transactions must be included by the investor in their tax return. They are subject to the standard rate of income tax (up to 45% plus 5.5% solidarity surcharge and any church tax as the case may be).

d) Disposal of Bitcoins delivered

In case of a redemption, the gains from the subsequent disposal of the Bitcoins are, in principle, subject to statutory income tax (up to 45%, plus solidarity surcharge at 5.5% and church tax as the case may be) if the Bitcoins are disposed of within a period of one year as of the acquisition. Due to the rulings of the BFH referred to above, it seems acceptable to assume that the point in time at which the Bitcoins were acquired corresponds to the point in time at which the Bonds were acquired and not only the point in time at which the Bitcoins were delivered. However, no comments of the tax authorities and no Supreme Court decisions are available on this issue either so that the tax authorities could have another opinion on this matter. In its ruling of 6 February 2018 – IX R 33/17 re. Xetra-Gold bonds the BFH does not express an opinion on this. Transactions through which Bitcoins are sold and where the period between acquisition and disposal is more than one year, are not taxable through argumentum e contrario from Section 23 para. 1 sentence 1 no. 2 EStG.

The capital gain from a disposal will not be subject to tax if such gain (where applicable, net of losses and together with gains from other private sales transactions effected in the same calendar year) amounts to less than EUR 600. Losses incurred upon disposal of the Bitcoins may only be set-off against gains from private sales transactions effected in the same calendar year. If there are no such gains, the losses may, under certain circumstances, be set-off against gains from private sales transactions effected in the preceding year or in subsequent years.

Gains subject to taxation have to be declared by the investor in his or her tax declaration."

16. In the section "**14. SUBSCRIPTION, SALE AND OFFER OF THE BONDS**", item "**14.1.1. Offer to the public**" on page 73, shall be amended as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

"14.1.1 Offer to the public

The Bonds will be offered by financial intermediaries (including Authorised Participants) to institutional and retail investors in compliance with applicable selling restrictions. The offer period is expected to commence on 5 June 2020 and will be open until 3 June 2021 (the expiration date of the Prospectus) subject to shortening the period. An offer to the public will be made in the countries specified under "*Consent to the Use of the Prospectus*".

As of the date of the Prospectus the Issuer has entered into agreements with three Authorised Participants.

The following Authorised Participants have been appointed as of the date of the Prospectus*:

<p>XTX Markets SAS Ltd (FCA Regulated)(ACPR & AMF Supervised)</p>	<p><u>3-5 Rue St Georges</u> <u>Paris 75009</u> <u>France</u> R7 14 18 Handyside St London, N1C 4DN United Kingdom</p>	<p>XTX Markets Ltd will register with Deutsche Börse to perform the role of designated sponsor (https://deutsche-boerse.com/dbg-en/our-company/know-how/glossary/glossary-article/Designated-Sponsor-242854).</p>
		<p>XTX Markets SAS Ltd will not face investors but will only subscribe for and redeem the Bonds for their own purposes.</p>
<p>ITI Capital Ltd (FCA Regulated)</p>	<p>Level 33 Tower 42 25 Old Broad Street, London, EC2N 1HQ United Kingdom</p>	<p>Will face investors to subscribe for and redeem the Bonds.</p>
<p>Bank Frick & Co. AG (FMA (Liechtenstein) Regulated)</p>	<p>Landstrasse 14 9496 Balzers Liechtenstein</p>	<p>Will face their own clients who are professional investors to subscribe for and redeem the Bonds.</p>
<p>Flow Traders B.V. (AFM Regulated)</p>	<p>Jacob Bontiusplaats 9, 1018 LL Amsterdam, The Netherlands</p>	<p>Flow Traders B.V. will register with Deutsche Börse to perform the role of designated sponsor (https://deutsche-boerse.com/dbg-en/our-company/know-how/glossary/glossary-article/Designated-Sponsor-242854).</p>
		<p>Flow Traders B.V. will face professional investors to subscribe for and redeem the Bonds.</p>
<p>Jane Street Financial Limited (FCA Regulated)</p>	<p>2 & A Half Devonshire Square London EC2M 4UJ United Kingdom</p>	<p>Will face professional investors to subscribe for and redeem the Bonds.</p>

* Any changes to the list of Authorised Participants will be detailed at <https://www.btc-etc.com>"

17. In the section "**15. GENERAL INFORMATION / INCORPORATION BY REFERENCE**", item "**15.2. NOTIFICATION**" on page 76, shall be amended as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

"15.2. NOTIFICATION

The Issuer has requested BaFin to provide the competent authority in the United Kingdom, Austria, Italy, Denmark, Finland, Ireland, Luxembourg, the Netherlands, Norway, Spain, ~~and Sweden~~, Croatia, Cyprus, Czech Republic, Estonia, France, Greece, Malta, Poland, Portugal, Slovakia and Slovenia with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Regulation."