

MIFID II PRODUCT GOVERNANCE / RETAIL INVESTORS, PROFESSIONAL INVESTORS AND ECPS TARGET MARKET – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that for the Offer Jurisdictions: (i) the target market for the Bonds is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Bonds to eligible counterparties, professional clients and retail clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "distributor") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

The Bonds do not constitute a participation in a collective investment scheme in the meaning of the Swiss Federal Act on Collective Investment Schemes (CISA) and are not subject to the supervision by the Swiss Financial Market Supervisory Authority FINMA, and investors will not benefit from the specific investor protection under the CISA.

Final Terms

Bitwise Physical Cardano ETP (RDAN)
issued pursuant to the

Programme for the issuance of Bonds secured by Cryptocurrencies

dated 30 October 2024

of

Bitwise[®]

Bitwise Europe GmbH

Issue Price:

Cryptocurrency Entitlement per Bond plus a subscription fee of up to 0.50 percent of the
Cryptocurrency Entitlement per Bond

Issue Date: 30 November 2021

Trade Date: 26 November 2021

Series No.: 8

Tranche: 2

ISIN: DE000A3GVKY4

These final terms dated 15 January 2025 (the "**Final Terms**") have been prepared for the purpose of Article 8(4) of Regulation (EU) 2017/1129. Full information on the Issuer and the offer of the Bonds is only available on the basis of the combination of the Final Terms when read together with the Base Prospectus of Bitwise Europe GmbH dated 30 October 2024, including any supplements thereto (the "**Base Prospectus**"). The Base Prospectus has been or will be, as the case may be, published on the website of the Issuer (<https://www.etc-group.com>). In case of an issue of Bonds which are listed on the regulated market of a stock exchange, the Final Terms relating to such Bonds will also be published on the website of the Issuer (<https://www.etc-group.com>). A summary of the individual issue of the Bonds is annexed to these Final Terms.

These Final Terms will be deposited with SIX Exchange Regulation Ltd. as review body (*Prüfstelle*) in Switzerland and published according to Article 64 of the Swiss Federal Financial Services Act ("**FinSA**") for the purposes of an offer of the Bonds to the public in Switzerland on the basis of the combination of these Final Terms and the Base Prospectus which has been included as a foreign prospectus that is deemed approved according to Article 54(2) FinSA in the list of approved prospectuses according to Article 64(5) FinSA by SIX Exchange Regulation Ltd., deposited with this review body and published according to Article 64 FinSA.

Terms not otherwise defined herein shall have the meanings specified in the Terms and Conditions of the Bonds as set out in the Base Prospectus (the "**Terms and Conditions**").

The Base Prospectus under which the Bonds specified in these Final Terms are issued loses its validity at the end of 29 October 2025 or the publication of a new base prospectus in relation to the Programme for the issuance of Bonds secured by Cryptocurrencies of Bitwise Europe GmbH immediately succeeding the Base Prospectus (the "**New Base Prospectus**"), depending on which event occurs earlier

(the "**Expiry Date of the Base Prospectus**"). Notwithstanding the above, the Bonds specified in these Final Terms (the "**Continuously Offered Bonds**") shall continue to be subject to the terms and conditions of the Base Prospectus. From the Expiry Date of the Base Prospectus, these Final Terms must be read in conjunction with the New Base Prospectus. The New Base Prospectus will be available (no later than the Expiry Date of the Base Prospectus) on <https://etc-group.com>.

PART I.: TERMS AND CONDITIONS
TEIL I.: EMISSIONSBEDINGUNGEN

§ 1
Currency, Denomination, Form, Subscription
Restrictions, Certain Definitions

(1) *Currency, Denomination.* This issue of notes of Bitwise Europe GmbH (the "**Issuer**") is being issued in an aggregate amount of up to 1,000,000,000 bonds (the "**Bonds**") on 30 November 2021 (the "**Issue Date**"). Each Bond represents the right of the Bondholder to demand from the Issuer (a) delivery of Cardano (also referred to as "**ADA**"), an open-source project designed to be a decentralised application (DApp) development platform, (the "**Cryptocurrency**") equal to the Cryptocurrency Entitlement in accordance with these Terms and Conditions or, if the Bondholder is prevented from receiving units of the Cryptocurrency for legal or regulatory reasons applicable to it, (b) payment of a cash amount determined in accordance with the conditions set out in § 4 (2) or § 4 (4) below.

(2) *Subscription Restrictions.* The Bonds may only be subscribed or purchased by Authorised Participants from the Issuer in the primary market against transfer of a number of units of the Cryptocurrency corresponding to the Cryptocurrency Entitlement (as of the date of the subscription or purchase in the primary market) per Bond to be subscribed or purchased.

(3) *Form.* The Bonds are being issued in bearer form.

(4) *Global Note.* The Bonds are represented by a global note (the "**Global Note**") without coupons. The Global Note shall be signed by or on behalf of the Issuer and shall be authenticated by or on behalf of the Fiscal Agent. Definitive certificates representing individual Bonds and coupons will not be issued and the right of the Bondholders to request the issue and delivery of definitive Bonds shall be excluded.

§ 1
Währung, Stückelung, Form
Zeichnungsbeschränkungen, Bestimmte
Definitionen

(1) *Währung, Stückelung.* Diese Emission der Bitwise Europe GmbH (die "**Emittentin**") wird in der Gesamtanzahl von bis zu 1.000.000.000 Schuldverschreibungen (die "**Schuldverschreibungen**") am 30. November 2021 (der "**Begebungstag**") begeben. Jede Schuldverschreibung verbrieft das Recht des Schuldverschreibungsinhabers von der Emittentin (a) die Lieferung von Cardano (auch "**ADA**" genannt), ein Open-Source-Projekt, das als Plattform für die Entwicklung dezentraler Anwendungen (Dapp) konzipiert ist (die "**Kryptowährung**"), entsprechend dem Kryptowährungsanspruch gemäß den Emissionsbedingungen, oder, falls ein Anleihegläubiger aus rechtlichen oder regulatorischen Gründen daran gehindert ist Einheiten der Kryptowährung zu erhalten, (b) die Zahlung eines gemäß dieser Bestimmung festgelegten Barbetrags zu verlangen gemäß den in § 4 (2) bzw. § 4 (4) dargelegten Bedingungen.

(2) *Zeichnungsbeschränkungen.* Eine Zeichnung oder ein Erwerb der Schuldverschreibungen von der Emittentin durch Autorisierte Teilnehmer ist im Primärmarkt nur gegen Übertragung einer Anzahl von Einheiten der Kryptowährung entsprechend des Kryptowährungsanspruchs (zum Tag der Zeichnung oder des Erwerbs im Primärmarkt) je zu zeichnender bzw. zu erwerbender Schuldverschreibung.

(3) *Form.* Die Schuldverschreibungen lauten auf den Inhaber.

(4) *Globalurkunde.* Die Schuldverschreibungen sind durch eine Globalurkunde (die "**Globalurkunde**") ohne Zinsscheine verbrieft. Die Globalurkunde wird von der Emittentin oder in deren Namen unterschrieben und ist von der Emissionsstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Urkunden in effektiver Form, die einzelne Schuldverschreibungen und Zinsscheine verbiefen, werden nicht ausgegeben und das Recht der Anleihegläubiger, die Ausstellung und

Lieferung von Einzelurkunden zu verlangen, ist ausgeschlossen.

(5) *Clearing System.* The Global Note will be kept in custody by or on behalf of the Clearing System until all obligations of the Issuer under the Bonds have been satisfied. "**Clearing System**" means Clearstream Banking AG, Frankfurt, Mergenthalerallee 61, 65760 Eschborn, Germany and any successor in such capacity.

(6) *Bondholder.* "**Bondholder**" means any holder of a proportionate co-ownership or other beneficial interest or right in the Bonds and shall include those persons who are the beneficiaries of Secured Put Option Obligations or Secured Settlement Obligations.

(7) *United States.* For the purposes of these Terms and Conditions, "**United States**" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

(8) *Definitions.*

"**Administrator**" means Apex Corporate & Advisory Services Ltd, Central North Business Centre Level 1 Sqaq il-Fawwara Sliema SLM1670, Malta, in its function as agent who shall approve any transfer of Issuer-Owned Bonds or Deposited Cryptocurrency, which have been pledged as security for the benefit of the Bondholders, the Security Trustee and the Bondholders' Representative (if appointed);

"**Affiliate**" means any company within the meaning of Section 15 of the German Stock Corporation Act (*Aktiengesetz*);

"**Announcement Date**" shall have the meaning ascribed to it in § 14 (1);

"**Auction Price Determination Date**" shall have the meaning ascribed to it in § 14 (1);

"**Auction Start Date**" shall have the meaning ascribed to it in § 14 (1);

(5) *Clearing System.* Die Globalurkunde wird von oder im Namen des Clearing Systems verwahrt, bis sämtliche Verpflichtungen der Emittentin aus den Schuldverschreibungen erfüllt sind. "**Clearing System**" bezeichnet Clearstream Banking AG, Frankfurt, Mergenthalerallee 61, 65760 Eschborn, Deutschland, und jedes Nachfolgesystem in dieser Funktion.

(6) *Anleihegläubiger.* "**Anleihegläubiger**" bezeichnet jeden Inhaber eines Miteigentumsanteils oder anderen vergleichbaren Anteils oder Rechts an den Schuldverschreibungen und umfasst solche Personen, die die Begünstigten der Gesicherten Put-Options-Verpflichtungen bzw. der Gesicherten Abwicklungsverpflichtungen sind.

(7) *Vereinigte Staaten.* Für die Zwecke dieser Emissionsbedingungen bezeichnet "**Vereinigte Staaten**" die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des District of Columbia) sowie deren Territorien (einschließlich Puerto Rico, der der Amerikanischen Jungferninseln, Guam, Amerikanisch-Samoa, Wake Island und dem Commonwealth der Nördlichen Marianen).

(8) *Definitionen.*

"**Administrator**" bezeichnet Apex Corporate & Advisory Services Ltd, Central North Business Centre Level 1 Sqaq il-Fawwara Sliema SLM1670, Malta, in ihrer Funktion als Beauftragter, der Übertragungen von Emittenteneigenen Schuldverschreibungen oder Hinterlegten Kryptowährung genehmigt, die als die als Sicherheit zugunsten der Anleihegläubiger des Sicherheitentreuhanders und des Gemeinsamen Vertreters (sofern bestellt) verpfändet wurden;

"**Verbundenes Unternehmen**" bezeichnet ein Unternehmen im Sinne des § 15 des deutschen Aktiengesetzes (AktG);

"**Ankündigungstag**" hat die diesem Begriff in § 14 (1) zugeschriebene Bedeutung;

"**Auktionspreisfestsetzungstag**" hat die diesem Begriff in § 14 (1) zugeschriebene Bedeutung;

"**Starttermin der Auktion**" hat die diesem Begriff in § 14 (1) zugeschriebene Bedeutung;

"**Auctioneer**" means the Issuer or any entity appointed by the Issuer to carry out the Cryptocurrency Auction Procedure;

"**Authorised Participant**" means any entity supervised by a financial supervisory authority in a member state of the European Economic Area, the United Kingdom, Canada, Australia, Singapore, New Zealand, Japan, Switzerland, Hong Kong (SAR) or the United States which has been appointed by the Issuer as an Authorised Participant;

"**Authorised Participant Agreement**" means an agreement entered into between the Issuer and an Authorised Participant, appointing the Authorised Participant and the fees, terms and conditions in respect of which it acts in such role;

"**Bid Guarantee Amount**" shall have the meaning ascribed to it in § 14 (3);

"**Bondholders' Meeting**" means a meeting of Bondholders held in accordance with § 17;

"**Bondholders' Representative**" shall have the meaning ascribed to it in § 17 (5);

"**Business Day**" means a day (other than a Saturday, a Sunday or a public holiday) on which (i) the Clearing System, (ii) the banks in Frankfurt am Main, London and New York and (iii) the Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET2), or any successor system thereto ("**TARGET**") settle payments;

"**Cryptocurrency Auction Procedure**" shall have the meaning ascribed to it in § 14;

"**Cryptocurrency Entitlement**" means, as of any Business Day, the Bondholder's claim against the Issuer in respect of each Bond, expressed as the number of the units of the Cryptocurrency per Bond, and calculated by the Issuer in its sole discretion in accordance with the following formula:

$$CE = ICE \times (1 - DER)^n$$

"**Auktionator**" bezeichnet die Emittentin oder ein Unternehmen, das von der Emittentin zur Durchführung des Kryptowährungs Auktionsverfahrens bestellt wurde;

"**Autorisierter Teilnehmer**" bezeichnet jedes von einer Finanzaufsichtsbehörde überwachte Unternehmen in einem Mitgliedstaat des Europäischen Wirtschaftsraums, des Vereinigten Königreichs, Kanada, Australien, Singapur, Neuseeland, Japan, der Schweiz, Hong Kong (SAR) oder den Vereinigten Staaten, das von der Emittentin als ein Autorisierter Teilnehmer ernannt wurde;

"**Autorisierter Teilnehmer-Vertrag**" bezeichnet einen zwischen der Emittentin und einem Autorisierten Teilnehmer geschlossenen Vertrag, durch den der Autorisierte Teilnehmer ernannt wird und die Kosten und Bedingungen in Bezug auf die Ausführung dieser Funktion festgelegt werden;

"**Gebotsgarantiebetrug**" hat die diesem Begriff in § 14 (3) zugeschriebene Bedeutung;

"**Gläubigerversammlung**" bezeichnet eine Versammlung der Anleihegläubiger, die gemäß § 17 abgehalten wird;

"**Gemeinsamer Vertreter**" hat die diesem Begriff in § 17 (5) zugeschriebene Bedeutung;

"**Geschäftstag**" bezeichnet einen Tag (außer einem Samstag, einem Sonntag oder einem Feiertag), an dem (i) das Clearingsystem, (ii) die Banken in Frankfurt am Main, London und New York und (iii) das Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET2) oder jedes Nachfolgesystem ("**TARGET**") Zahlungen abwickeln;

"**Kryptowährungs-Auktionsverfahren**" hat die diesem Begriff in § 14 zugeschriebene Bedeutung;

"**Kryptowährungsanspruch**" bezeichnet, zu einem beliebigen Geschäftstag, den Anspruch eines Anleihegläubigers gegenüber der Emittentin in Bezug auf jede Schuldverschreibung, ausgedrückt als die Anzahl der Einheiten der Kryptowährung je Schuldverschreibungen, und von der Emittentin nach eigenem Ermessen gemäß folgender Formel berechnet:

$$CE = ICE \times (1 - DER)^n$$

Where:

"CE" means Cryptocurrency Entitlement;

"ICE" means Initial Cryptocurrency Entitlement (as defined below);

"DER" means Diminishing Entitlement Rate (as defined below); and

"n" means Number of Days/365.

In case the Diminishing Entitlement Rate is lowered by the Issuer, the Issuer may make in its sole and absolute discretion those changes to the above formula that are required in order to ensure that the new Diminishing Entitlement Rate only applies as of the date such change has been notified to the Bondholders in accordance with § 18 (including, but not limited to, adjusting the definition of the Initial Cryptocurrency Entitlement to mean the "Cryptocurrency Entitlement per Bond at the date on which the change to the relevant Diminishing Entitlement Rate has been notified to the Bondholders in accordance with § 18" and adjusting the definition of Number of Days to mean "the number of days that have passed since the date on which the change to the relevant Diminishing Entitlement Rate has been notified to the Bondholders in accordance with § 18 up until and including the date on which the Cryptocurrency Entitlement is calculated");

"Cryptocurrency Put Option" shall have the meaning ascribed to it in § 4 (3);

"Cryptocurrency Sale Proceeds" shall have the meaning ascribed to it in § 4 (2);

"Custodian" shall have the meaning ascribed to it in § 19 (4);

"Default Rate" shall have the meaning ascribed to it in § 4 (4);

"Depo Bank" means Baader Bank AG, Weihenstephaner Straße 4, 85716 Unterschleißheim, Germany, a financial intermediary maintaining the Issuance Account

Wobei:

"CE" den Kryptowährungsanspruch bezeichnet;

"ICE" den Anfänglichen Kryptowährungsanspruch (wie nachstehend definiert) bezeichnet;

"DER" die Abnehmende Anspruchsrate (wie nachstehend definiert) bezeichnet; und

"n" die Anzahl der Tage/365 bezeichnet.

Falls die Abnehmende Anspruchsrate von der Emittentin herabgesetzt wird, kann die Emittentin nach eigenem und absoluten Ermessen solche Änderungen an der vorstehenden Formel vornehmen, die erforderlich sind, um sicherzustellen, dass die neue Abnehmende Anspruchsrate nur ab dem Tag gilt, an dem diese Änderung den Anleihegläubigern gemäß § 18 mitgeteilt wurde (einschließlich (ohne Einschränkung) der Anpassung der Definition des Anfänglicher Kryptowährungsanspruchs, der "Kryptowährungsanspruch je Schuldverschreibung an dem Tag, an dem die Änderung der maßgeblichen Abnehmenden Anspruchsrate den Anleihegläubigern gemäß § 18 mitgeteilt wurde" bezeichnet und der Anpassung der Definition der Anzahl der Tage, die "die Anzahl der Tage, die von dem Tag, an dem die Änderung der maßgeblichen Abnehmenden Anspruchsrate den Anleihegläubigern gemäß § 18 mitgeteilt wurde, bis zu dem Tag (einschließlich), an dem der Kryptowährungsanspruch berechnet wird" bezeichnet);

"Kryptowährungs-Put-Option" hat die diesem Begriff in § 4 (3) zugeschriebene Bedeutung;

"Kryptowährungs-Verkaufserlöse" hat die diesem Begriff in § 4 (2) zugeschriebene Bedeutung;

"Depotbank" hat die diesem Begriff in § 19 (4) zugeschriebene Bedeutung;

"Ausfallrate" hat die diesem Begriff in § 4 (4);

"Depo Bank" bezeichnet Baader Bank AG, Weihenstephaner Straße 4, 85716 Unterschleißheim, Deutschland, ein Finanzintermediär, der das Emissionskonto im

on behalf of the Issuer and any successor in such capacity;

"Depository" means Coinbase Custody Trust, LLC, a fiduciary under New York State Banking Law and a qualified custodian regulated under the Investment Company Act of 1940 and the Investment Advisers Act of 1940 or such other financial institution(s) that the Issuer, from time to time, has designated as the Depository for its holdings of the Cryptocurrency pledged as security for the Bonds;

"Depository Wallet" means a cryptocurrency wallet or wallets operated by the Depository on behalf of the Issuer, where the assets held in such wallet are (i) segregated from the assets of any other customers of the Depository and from any other assets of the Issuer; and (ii) are pledged as security in favour of the Bondholders pursuant to the Security Documents;

"Deposited Cryptocurrency" means the number of units of the Cryptocurrency held on the Depository Wallet with the Depository at any given time;

"Digital Wallet" means the relevant digital cryptocurrency wallet of each Bondholder required to receive and transfer units of the Cryptocurrency;

"Diminishing Entitlement Rate" means the management fee expressed as the rate at which the Cryptocurrency Entitlement decays over time. As of the Issue Date, the Diminishing Entitlement Rate is 1.95 percent. The Diminishing Entitlement Rate may be lowered by the Issuer at any time and the Issuer shall notify the Bondholders thereof in accordance with § 18;

"Event of Default" shall have the meaning ascribed to it in § 11 (1);

"Exercise Fee" means

- (i) in the case of Bondholders who are Authorised Participants an amount which is set out in the relevant Authorised Participant Agreement, which shall not exceed an amount equal

Namen der Emittentin verwaltet, sowie etwaige Nachfolger in dieser Funktion;

"Verwahrstelle" bezeichnet Coinbase Custody Trust, LLC, ein nach dem New York State Banking Law tätiger Treuhänder, welcher entsprechend des Investment Company Act von 1940 und dem Investment Advisers Act von 1940 reguliert wird, oder (ein) solche(s) anderes (anderen) Finanzinstitut(e), das (die) die Emittentin von Zeit zu Zeit als Verwahrstelle für ihre Anteile an der Kryptowährung, die als Sicherheit für die Schuldverschreibungen hinterlegt sind, benennt;

"Verwahrstellen-Wallet" bezeichnet ein Kryptowährungs-Wallet oder Wallets (Konto), welches von der Verwahrstelle im Namen der Emittentin betrieben wird, wobei die in diesem Wallet gehaltenen Vermögenswerte (i) von den Vermögenswerten anderer Kunden der Verwahrstelle abgegrenzt sind und (ii) als Sicherheit zugunsten der Anleihegläubiger gemäß den Sicherheitendokumenten hinterlegt sind;

"Hinterlegte Kryptowährung" bezeichnet die Anzahl der Einheiten der Kryptowährung, welche bei der Verwahrstelle auf dem Verwahrstellen-Wallet zu jeder Zeit gehalten werden;

"Digitales Wallet" bezeichnet das maßgebliche digitale Kryptowährungs-Wallet jedes Anleihegläubigers, das für den Empfang und die Übertragung von Einheiten der Kryptowährung erforderlich ist;

"Abnehmende Anspruchsrate" bezeichnet die Managementgebühr, angegeben als die Rate, mit welcher der Kryptowährungsanspruch im Laufe der Zeit abnimmt. Am Emissionstag beträgt die Abnehmende Anspruchsrate 1,95 %. Die Abnehmende Anspruchsrate kann von der Emittentin zu jeder Zeit herabgesetzt werden und die Emittentin teilt dies den Anleihegläubigern gemäß § 18 mit;

"Kündigungsgrund" hat die diesem Begriff in § 11 (1) zugeschriebene Bedeutung;

"Ausübungsgebühr" bezeichnet

- (i) im Falle von Anleihegläubigern, die Autorisierte Teilnehmer sind, einen Betrag, der in dem maßgeblichen Autorisierten Teilnehmer-Vertrag angegeben ist, der einen Betrag, der

to 0.50 percent of the Cryptocurrency Entitlement for each Bond in relation to which the Put Option is exercised; or

- (ii) in the case of other Bondholders who are not Authorised Participants an amount equal to 1.00 percent of the Cryptocurrency Entitlement for each Bond in relation to which the Put Option is exercised.

The Exercise Fee may be lowered by the Issuer at any time and the Issuer shall notify the Bondholders thereof in accordance with § 18;

"Failed Auction" shall have the meaning ascribed to it in § 14 (6);

"FATF" means The Financial Action Task Force (on Money Laundering), an intergovernmental organization founded in 1989 to develop policies to combat money laundering;

"Fiscal Agent" means Baader Bank AG, Weihenstephaner Straße 4, 85716 Unterschleißheim, Germany or any other fiscal agent appointed by the Issuer;

"German Security and Security Trust Agreement" shall have the meaning ascribed to it in § 7 (1);

"Initial Cryptocurrency Entitlement" means 5 units of the Cryptocurrency per Bond, i.e. the Cryptocurrency Entitlement per Bond at the Issue Date;

"Issuance Account" means a securities account maintained by the Depo Bank on behalf of the Issuer where Bonds beneficially owned by the Issuer are held or registered;

"Issuer-Owned Bonds" means the Bonds held in the Issuance Account, or any Bonds of which the Issuer itself is a Bondholder;

0,50 % des Kryptowährungsanspruchs für jede Schuldverschreibung, für die eine Put-Option ausgeübt wird, entspricht, nicht überschreiten darf; oder

- (ii) im Falle sonstiger Anleihegläubiger, die keine Autorisierten Teilnehmer sind, einen Betrag, der 1,00 % des Kryptowährungsanspruchs für jede Schuldverschreibung, für die eine Put-Option ausgeübt wird, entspricht;

Die Ausübungsgebühr kann von der Emittentin zu jeder Zeit herabgesetzt werden und die Emittentin teilt dies den Anleihegläubigern gemäß § 18 mit;

"Fehlgeschlagene Auktion" hat die diesem Begriff in § 14 (6) zugeschriebene Bedeutung;

"FATF" bezeichnet die Arbeitsgruppe "Finanzielle Maßnahmen (gegen die Geldwäsche)" (*The Financial Action Task Force (on Money Laundering)*), eine zwischenstaatliche Organisation, die 1989 gegründet wurde, um Maßnahmen zur Bekämpfung der Geldwäsche zu entwickeln;

"Emissionsstelle" bezeichnet Baader Bank AG, Weihenstephaner Straße 4, 85716 Unterschleißheim, Deutschland oder jede von der Emittentin ernannte andere Emissionsstelle;

"Deutsche Sicherheiten- und Sicherheiten-Treuhandvertrag" hat die diesem Begriff in § 7 (1) zugeschriebene Bedeutung;

"Anfänglicher Kryptowährungsanspruch" bezeichnet 5 Einheiten der Kryptowährung je Schuldverschreibung, d.h. den Kryptowährungsanspruch je Schuldverschreibung am Emissionstag;

"Emissionskonto" bezeichnet ein Wertpapierdepot, das von der Depo Bank im Namen der Emittentin geführt wird, auf dem Schuldverschreibungen, die sich im wirtschaftlichen Eigentum der Emittentin befinden, gehalten werden bzw. registriert sind;

"Emittenteneigene Schuldverschreibungen" bezeichnet die Schuldverschreibungen, die in dem Emissionskonto gehalten werden, oder Schuldverschreibungen, deren Anleihegläubiger die Emittentin selbst ist;

"Mandatory Redemption" shall mean the ability of the Issuer to redeem the Bonds at its option, as further described in § 4 (2);

"Mandatory Redemption Date" shall have the meaning ascribed to it in § 4 (2);

"Mandatory Redemption Event" shall have the meaning ascribed to it in § 4 (2);

"Mandatory Redemption Notice" shall have the meaning ascribed to it in § 4 (2);

"Mandatory Redemption Price" shall have the meaning ascribed to it in § 4 (2);

"Number of Days" means the number of days that have elapsed since the Issue Date (excluding) up until and including the date on which the Cryptocurrency Entitlement is calculated;

"Outstanding Amount" means, at any given time, the total number of Outstanding Bonds multiplied by the Cryptocurrency Entitlement;

"Outstanding Bonds" means Bonds issued and placed with investors that have not yet been repurchased or otherwise cancelled by the Issuer (excluding, for the avoidance of doubt, Issuer-Owned Bonds);

"Paying Agent" means Baader Bank AG, Weihenstephaner Straße 4, 85716 Unterschleißheim, Germany or any other paying agent appointed by the Issuer;

"Permitted Indebtedness" shall have the meaning ascribed to it in § 12 (2);

"Put Option" means the USD Put Option and the Cryptocurrency Put Option;

"Put Option Exercise Date" shall have the meaning ascribed to it in § 4 (3) and § 4 (4);

"Put Option Exercise Form" shall have the meaning ascribed to it in § 4 (3) and § 4 (4);

"Qualified Majority" shall have the meaning ascribed to it in § 17 (2);

"Zwangsrückzahlung" bezeichnet die Fähigkeit der Emittentin, die Schuldverschreibungen nach ihrer Wahl zurückzuzahlen, wie in § 4 (2) näher beschrieben;

"Zwangsrückzahlungstag" hat die diesem Begriff in § 4 (2) zugeschriebene Bedeutung;

"Zwangsrückzahlungsereignis" hat die diesem Begriff in § 4 (2) zugeschriebene Bedeutung;

"Zwangsrückzahlungsmitteilung" hat die diesem Begriff in § 4 (2) zugeschriebene Bedeutung;

"Zwangsrückzahlungspreis" hat die diesem Begriff in § 4 (2) zugeschriebene Bedeutung;

"Anzahl der Tage" bezeichnet die Anzahl der Tage, die seit dem Emissionstag (ausschließlich) bis zu dem Tag (einschließlich), an dem der Kryptowährungsanspruch berechnet wird, vergangen sind;

"Ausstehender Betrag" bezeichnet zu jedem Zeitpunkt die Gesamtsumme der Ausstehenden Schuldverschreibungen multipliziert mit dem Kryptowährungsanspruch;

"Ausstehende Schuldverschreibungen" bezeichnet ausgegebene und bei Investoren platzierte Schuldverschreibungen, die noch nicht zurückgekauft oder anderweitig von der Emittentin gekündigt wurden (zur Klarstellung: ausgenommen Emittenteneigene Schuldverschreibungen);

"Zahlstelle" bezeichnet Baader Bank AG, Weihenstephaner Straße 4, 85716 Unterschleißheim, Deutschland oder jede von der Emittentin ernannte andere Zahlstelle;

"Zulässige Verbindlichkeiten" hat die diesem Begriff in § 12 (2) zugeschriebene Bedeutung;

"Put-Option" bezeichnet die USD-Put-Option und die Kryptowährungs-Put-Option;

"Put-Options-Ausübungstag" hat die diesem Begriff in § 4 (3) und § 4 (4) zugeschriebene Bedeutung;

"Put-Options-Ausübungsformular" hat die diesem Begriff in § 4 (3) und § 4 (4) zugeschriebene Bedeutung;

"Qualifizierte Mehrheit" hat die diesem Begriff in § 17 (2) zugeschriebene Bedeutung;

"Reference Price" means, as of the relevant determination date, the CryptoCompare Cryptocurrency Fixing for Cardano as calculated by CryptoCompare under CryptoCompare ticker ADA CCCAGG Price Index between 16:00 and 16:15 (EST);

"Relevant Taxing Jurisdiction" shall have the meaning ascribed to it in § 9 (1);

"SchVG" shall have the meaning ascribed to it in § 17 (1);

"Secured Put Option Obligations" means obligations of the Issuer (i) to settle the Cryptocurrency Entitlement with respect of those Bonds which are redeemed at the discretion of the Issuer due to a Mandatory Redemption Event in the Cryptocurrency, as further described in § 4 (2); or (ii) to transfer the Cryptocurrency Entitlement to the Bondholder exercising the Cryptocurrency Put Option, as further described in § 4 (3);

"Secured Put Option Obligations Amount" means amount in the Cryptocurrency of those Secured Put Option Obligations which are not yet fulfilled by the Issuer and remain outstanding;

"Secured Settlement Obligations" means obligations of the Issuer to transfer Bonds to the Authorised Participant subscribing to or purchasing Bonds from the Issuer in the primary market, but only if such subscribing or purchasing Authorised Participant has transferred (or arranged to be transferred) at least the Cryptocurrency Entitlement (as of the date of the subscription or purchase in the primary market) per Bond being subscribed or purchased in the primary market to the Depository Wallet;

"Secured Settlement Obligations Amount" means amount in the Cryptocurrency (aggregate Cryptocurrency Entitlement of the Bonds to be settled) of those Secured Settlement Obligations which are not yet fulfilled by the Issuer and remain outstanding;

"Referenzpreis" bezeichnet, zum maßgeblichen Festsetzungstag, die CryptoCompare Kryptowährungsfestsetzung für Cardano, wie von CryptoCompare unter dem CryptoCompare Ticker ADA CCCAGG Preisindex zwischen 16:00 Uhr und 16:15 Uhr (MEZ) berechnet;

"Maßgebliche Steuerjurisdiktion" hat die diesem Begriff in § 9 (1) zugeschriebene Bedeutung;

"SchVG" hat die diesem Begriff in § 17 (1) zugeschriebene Bedeutung;

"Gesicherte Put-Options-Verpflichtungen" bezeichnet Verpflichtungen der Emittentin, (i) den Kryptowährungsanspruch in Bezug auf die Schuldverschreibungen, welche im Ermessen der Emittentin aufgrund eines Ereignisses der Zwangsrückzahlung in der Kryptowährung zurückgezahlt werden, abzuwickeln, wie in § 4 (2) näher beschrieben; oder (ii) den Kryptowährungsanspruch derjenigen Anleihegläubiger zu übertragen, welche die Kryptowährungs-Put-Option ausüben, wie in § 4 (3) näher beschrieben;

"Betrag der Gesicherten Put-Options-Verpflichtungen" bezeichnet den Betrag in der Kryptowährung derjenigen Gesicherten Put-Options-Verpflichtungen, die noch nicht von der Emittentin erfüllt wurden und noch ausstehend sind;

"Gesicherte Abwicklungsverpflichtungen" bezeichnet Verpflichtungen der Emittentin, Schuldverschreibungen auf Autorisierte Teilnehmer zu übertragen, welche Schuldverschreibungen der Emittentin zeichnen oder von der Emittentin im Primärmarkt erwerben, jedoch nur wenn der zeichnende oder erwerbende Autorisierte Teilnehmer zumindest den Kryptowährungsanspruch (zum Tag der Zeichnung oder des Erwerbs im Primärmarkt) je gezeichneter bzw. im Primärmarkt erworbener Schuldverschreibung auf das Verwahrstellen-Wallet übertragen hat (bzw. die Übertragung angewiesen hat);

"Betrag der Gesicherten Abwicklungsverpflichtungen" bezeichnet den Betrag in der Kryptowährung (Gesamt-Kryptowährungsanspruch der abzuwickelnden Schuldverschreibungen) jener Gesicherten Abwicklungsverpflichtungen, die noch nicht von der Emittentin erfüllt wurden und noch ausstehend sind;

"Secured Obligations Amount" means the sum of Secured Settlement Obligations Amount, Outstanding Amount and Secured Put Option Obligations Amount;

"Security" shall have the meaning ascribed to it in § 2 (2);

"Security Documents" means (a) the German Security and Security Trust Agreement; (b) the Cryptocurrency Security Agreement entered into between the Issuer and the Security Trustee, (c) the Depositary Account (Wallet) Control Agreement entered into between the Issuer, the Security Trustee and the Depositary; (d) the Issuance Account Control Agreement entered into between the Issuer, the Depo Bank and the Security Trustee; (e) any other agreement or document granting, acknowledging, perfecting or giving legal effect to Bondholder's security interest in the Depositary Wallet and/or the Deposited Cryptocurrency; or (f) any other agreement or document granting, acknowledging, perfecting or giving legal effect to Bondholder's security interest in the Issuance Account and/or Issuer-Owned Bonds;

"Security Trustee" means Apex Corporate Trustees (UK) Limited, 6th Floor, 140 London Wall, London EC2Y 5DN United Kingdom, which holds security interest in (i) the Depositary Wallet and the Deposited Cryptocurrency and (ii) the Issuance Account for the benefit of the Bondholders or any successor or replacement security trustee;

"Settlement Requirements" shall have the meaning ascribed to it in § 14 (5);

"Split" means a split, or fork, in the blockchain of the Cryptocurrency, leading to a division of the Cryptocurrency into two or more separate cryptocurrencies;

"Split Notification Event" means either of the following: (i) Bondholders representing at least 20 percent of all Outstanding Bonds have notified the Issuer in writing about the occurrence of the

"Betrag der Gesicherten Verpflichtungen" bezeichnet die Summe des Betrags der Gesicherten Abwicklungsverpflichtungen, des Ausstehenden Betrags und des Betrags der Gesicherten Put-Options-Verpflichtungen;

"Sicherheit" hat die diesem Begriff in § 2 (2) zugeschriebene Bedeutung;

"Sicherheitendokumente" bezeichnet (a) den Deutschen Sicherheiten- und Sicherheiten-Treuhandvertrag; (b) den Kryptowährungs-Sicherheitenvertrag, der zwischen der Emittentin und dem Sicherheitentreuhänder geschlossen wurde, (c) den Depot-Konto-(Wallet)steuerungsvertrag, der zwischen der Emittentin, dem Sicherheitentreuhänder und der Verwahrstelle geschlossen wurde; (d) den Emissionskontosteuerungsvertrag, der zwischen der Emittentin, der Depo Bank und dem Sicherheiten-treuhänder geschlossen wurde; (e) jeden sonstigen Vertrag bzw. jedes sonstige Dokument, das die Sicherungsrechte des Anleihegläubigers an dem Verwahrstellen-Wallet und/oder der Hinterlegten Kryptowährung gewährleistet, anerkennt, vollendet oder diesen rechtliche Wirkung verleiht; oder (f) jeder sonstige Vertrag bzw. jedes sonstige Dokument, das die Sicherungsrechte des Anleihegläubigers an dem Emissionskonto und/oder den Emittenteneigenen Schuldverschreibungen gewährleistet, anerkennt, vollendet oder diesen rechtliche Wirkung verleiht;

"Sicherheitentreuhänder" bezeichnet Apex Corporate Trustees (UK) Limited, 6th Floor, 140 London Wall, London EC2Y 5DN, Vereinigtes Königreich, die Sicherungsrechte an (i) dem Verwahrstellen-Wallet und der Hinterlegten Kryptowährung und (ii) dem Emissionskonto zugunsten der Anleihegläubiger hält, oder etwaige Nachfolger oder Ersatz-Sicherheitentreuhänder;

"Abwicklungsanforderungen" hat die diesem Begriff in § 14 (5) zugeschriebene Bedeutung;

"Teilung" bedeutet eine Teilung oder eine Weiterentwicklung, in der Blockchain der Kryptowährung, die zu einer Trennung der Kryptowährung in zwei oder mehrere getrennte Kryptowährungen führt;

"Ereignis einer Teilungsmittelung" bezeichnet jeweils Folgendes: (i) Anleihegläubiger, die mindestens 20 % aller Ausstehenden Schuldverschreibungen vertreten, haben die

Split; or (ii) the Issuer has notified the Bondholders about the occurrence of the Split in accordance with § 18;

"**Substitute Debtor**" shall have the meaning ascribed to it in § 15 (1);

"**Termination Notice**" shall have the meaning ascribed to it in § 11 (2);

"**Upfront Redemption Fee**" shall mean an amount of EUR 50.00 (EUR fifty) which the Issuer may charge at its sole and absolute discretion for the exercise of a Put Option by a Bondholder who is not an Authorised Participant, and where the Put Option is exercised in relation to a number of Bonds which, if multiplied by the Cryptocurrency Entitlement and then multiplied by the Reference Price, in each case as of the date on which the Issuer receives the Put Option Exercise Form, have a value of less than USD 250,000.00 (USD two hundred fifty thousand);

The Upfront Redemption Fee may be lowered by the Issuer at any time and the Issuer shall notify the Bondholders thereof in accordance with § 18;

"**USD**" means U.S.\$, the lawful currency of the United States;

"**USD Put Option**" shall have the meaning ascribed to it in § 4 (4); and

"**Website**" means the Issuer's official website at <https://etc-group.com>.

§ 2 Status, Security

(1) *Status.* The obligations under the Bonds constitute direct, unsubordinated and secured obligations of the Issuer ranking *pari passu* among themselves, together with Secured Put Option Obligations and Secured Settlement Obligations.

(2) *Security.* As continuing security for the payment and discharge of the obligations to the Bondholders under the Bonds the Issuer pledges in favour of the Bondholders, the Security Trustee and the Bondholders' Representative (if appointed) pursuant to the Security Documents (i) all of its rights, title, interest and benefit, present and future, in, to and under the

Emittentin schriftlich über das Ereignis der Teilung informiert; oder (ii) die Emittentin hat die Anleihegläubiger über das Ereignis einer Teilung gemäß § 18 informiert;

"**Ersatzschuldner**" hat die diesem Begriff in § 15 (1) zugeschriebene Bedeutung;

"**Kündigungserklärung**" hat die diesem Begriff in § 11 (2) zugeschriebene Bedeutung;

"**Rückzahlungsgebühr**" bezeichnet einen Betrag in Höhe von EUR 50,00 (EUR fünfzig), welchen die Emittentin nach eigenem und absoluten Ermessen für die Ausübung einer Put-Option durch einen Anleihegläubiger, der kein Autorisierter Teilnehmer ist und die Put-Option für eine Anzahl von Schuldverschreibungen ausgeübt wird, die, wenn sie mit dem Kryptowährungsanspruch multipliziert und sodann mit dem Referenzpreis multipliziert werden, einen Wert von weniger als USD 250.000,00 (USD zweihundert-fünzigtausend) in jedem Falle zu dem Tag, an dem die Emittentin das Put-Options-Ausübungsformular erhält, ergibt, in Rechnung stellen kann;

Die Rückzahlungsgebühr kann von der Emittentin jederzeit verringert werden. Die Emittentin teilt dies den Anleihegläubigern gemäß § 18 mit;

"**USD**" bezeichnet US-\$, die rechtliche Währung der Vereinigten Staaten;

"**USD-Put-Option**" hat die diesem Begriff in § 4 (4) zugeschriebene Bedeutung; und

"**Website**" bezeichnet die offizielle Website der Emittentin auf <https://etc-group.com>.

§ 2 Status, Sicherheit

(1) *Status.* Die Schuldverschreibungen begründen unmittelbare, nicht nachrangige und besicherte Verbindlichkeiten der Emittentin, die untereinander und mit den Gesicherten Put-Options-Verpflichtungen und Gesicherten Abwicklungsverpflichtungen gleichrangig sind.

(2) *Sicherheit.* Als fortwährende Sicherheit für die Zahlung und Erfüllung der Verpflichtungen gegenüber den Anleihegläubigern aus den Schuldverschreibungen verpfändet die Emittentin (i) sämtliche ihrer gegenwärtigen und zukünftigen Rechte, Titel, Anteile und Nutzen an, zum und aus dem Verwahrstellen-Wallet und

Depository Wallet and the Deposited Cryptocurrency and (ii) all of its rights, title, interest and benefit, present and future, in, to and from the Issuance Account and Issuer-Owned Bonds (the "**Security**"). Details of the accounts and the terms and conditions of the respective pledges shall be stipulated in the Security Documents between the Security Trustee and the Issuer. The Issuer shall make copies of the Security Documents available for inspection by the Bondholders at the Issuer's principal place of business (Gridiron, One Pancras Square, London, N1C 4AG, United Kingdom or any successor address in the United Kingdom or Germany, as communicated to the Bondholders in accordance with §18). The Issuer shall also make copies of the Security Documents available on the Website. The Issuer reserves the right to redact certain provisions related to the procedures of repossessing the Depository Wallet by the Security Trustee from the copy of the Depository Account (Wallet) Control Agreement for security reasons. The Security will be held, administered and enforced by the Security Trustee in accordance with the German Security and Security Trust Agreement.

der Hinterlegten Kryptowährung und (ii) sämtliche ihrer gegenwärtigen und zukünftigen Rechte, Titel, Anteile und Nutzen an, zum und vom Emissionskonto und den Emittenteneigenen Schuldverschreibungen (die "**Sicherheit**") zugunsten der Anleihegläubiger, des Sicherheitentreuhänders und des Gemeinsamen Vertreters gemäß den Sicherheitendokumenten zu. Einzelheiten der Konten und der Bedingungen der jeweiligen Pfandrechte sind in den Sicherheitendokumenten zwischen dem Sicherheitentreuhänder und der Emittentin festzulegen. Die Emittentin wird Kopien der Sicherheitendokumente zur Einsicht durch die Anleihegläubiger an ihrem Hauptgeschäftssitz (Gridiron, One Pancras Square, London, N1C 4AG, Vereinigtes Königreich oder jede Nachfolgeadresse im Vereinigten Königreich oder Deutschland, wie durch die Emittentin an die Anleihegläubiger gemäß § 18 mitgeteilt) zur Verfügung stellen. Die Emittentin wird außerdem Kopien der Sicherheitendokumente auf der Website zur Verfügung stellen. Die Emittentin behält sich hierbei das Recht vor, bestimmte Bestimmungen in Bezug auf das Verfahren zur Wiederinbesitznahme der Verwahrstellen-Wallet durch den Sicherheitentreuhänder aus der Kopie des Depot-Konto-(Wallet)steuerungsvertrags aus Sicherheitsgründen zu streichen. Die Sicherheit wird durch den Sicherheitentreuhänder in Übereinstimmung mit dem Deutschen Sicherheiten- und Sicherheiten-Treuhandvertrag gehalten, verwaltet und durchgesetzt.

(3) *Security Release and Proceeds.* The Security shall be released in accordance with the provisions of the German Security and Security Trust Agreement.

(3) *Freigabe der Sicherheit und Verfahren.* Die Sicherheit soll gemäß den Regelungen des Deutschen Sicherheiten- und Sicherheiten-Treuhandvertrags freigegeben werden.

**§ 3
Interest**

**§ 3
Verzinsung**

There will be no payments of interest on the Bonds.

Es erfolgen keine Zinszahlungen auf die Schuldverschreibungen.

**§ 4
Redemption**

**§ 4
Rückzahlung**

(1) *Redemption.* The Bonds do not have a fixed maturity date.

(1) *Rückzahlung.* Die Schuldverschreibungen haben keinen festgelegten Fälligkeitstag.

(2) *Mandatory Redemption.* Upon occurrence of a Mandatory Redemption Event (as defined below) the Issuer at its sole and absolute discretion may, (but is not obliged to) give notice to the Bondholders in accordance with § 18 (the

(2) *Zwangsrückzahlung.* Nach Eintritt eines Zwangsrückzahlungsereignisses kann die Emittentin, nach eigenem und absolutem Ermessen (sie ist jedoch nicht dazu verpflichtet), dies den Anleihegläubigern gemäß § 18 mitteilen

"Mandatory Redemption Notice"), such notice stating the applicable Mandatory Redemption Event. Upon giving a Mandatory Redemption Notice, the Bonds shall be redeemed on the Mandatory Redemption Date at their Mandatory Redemption Price. A Mandatory Redemption Event means each of the following events:

- (a) for a continuous period of 90 (ninety) days the USD equivalent of the Outstanding Amount, calculated as the Outstanding Amount multiplied by the Reference Price, is less than USD 100,000,000.00 (USD one hundred million); or
- (b) any new or existing law or regulation, or interpretation of any existing law or regulation, requires the Issuer to obtain any license, permission or approval, or to become regulated or supervised in any way in Germany or elsewhere, to continue fulfilling its obligations under these Terms and Conditions, but excluding requirements to publish an approved prospectus with respect to the Bonds; or
- (c) as a result of any change in, or amendment to, the laws or regulations of the United Kingdom, the Federal Republic of Germany or any other member state of the European Economic Area or any political subdivision or taxing authority thereto or therein affecting taxation, the tax treatment of the Cryptocurrency in general changes materially, such change was not reasonably foreseeable at the Issue Date, and such change is in the assessment of the Issuer materially disadvantageous to the business of the Issuer (regardless of whether this affects the issuance of the Bonds); or
- (d) any third-party service provider, including the Issuer's auditors, legal

(die "Zwangsrückzahlungsmitteilung"). Diese Mitteilung gibt das anwendbare Zwangsrückzahlungsereignis an. Bei Abgabe einer Zwangsrückzahlung-Mitteilung werden die Schuldverschreibungen am Zwangsrückzahlungstag zu deren Zwangsrückzahlungspreis zurückgezahlt. Jedes der folgenden Ereignisse bezeichnet ein Zwangsrückzahlungsereignis:

- (a) für einen fortwährenden Zeitraum von 90 (neunzig) Tagen ist der USD-Gegenwert des Ausstehenden Betrags, berechnet als der Ausstehende Betrag multipliziert mit dem Referenzpreis, geringer als USD 100.000.000,00 (USD einhundert Millionen); oder
- (b) durch neue oder bestehende Gesetze oder Verordnungen, oder durch die Auslegung eines bestehenden Gesetzes oder einer Verordnung, wodurch die Emittentin verpflichtet ist, Lizenzen, Zulassungen oder Genehmigungen einzuholen oder sich in irgendeiner Weise in Deutschland oder anderswo einer Regulierung oder Überwachung zu unterstellen, um ihre Verpflichtungen gemäß diesen Emissionsbedingungen zu erfüllen, jedoch mit Ausnahme vom Erfordernis zur Veröffentlichung eines gebilligten Prospekts in Bezug auf die Schuldverschreibungen; oder
- (c) als Folge jeglicher Änderungen oder Ergänzungen der Gesetze oder Verordnungen des Vereinigten Königreichs, der Bundesrepublik Deutschland oder eines anderen Mitgliedstaats des Europäischen Wirtschaftsraums oder deren Gebietskörperschaften oder Steuerbehörden, die die Besteuerung betreffen oder sich darauf auswirken, die steuerliche Behandlung der Kryptowährung sich im Allgemeinen wesentlich ändert, die Änderung am Emissionstag vernünftigerweise nicht vorhersehbar war, und diese Änderung, nach Einschätzung der Emittentin, als wesentlich nachteilig für das Geschäft der Emittentin bewertet wird (ungeachtet, ob dies die Emission der Schuldverschreibungen beeinträchtigt).
- (d) ein Drittanbieter, einschließlich die Wirtschaftsprüfer, Rechtsberater, das

advisers, the Clearing System, the Paying Agent, the Fiscal Agent, the Administrator, the Trustee and the Depository, stops providing services to the Issuer, and the Issuer fails to find a replacement within reasonable time; or

- (e) if the Issuer was ordered by the competent court or otherwise became required by law to arrange for mandatory redemption.

The "**Mandatory Redemption Price**" per Bond shall be (i) the amount in the Cryptocurrency equal to the Cryptocurrency Entitlement; or (ii) if a Bondholder is prevented from receiving units of the Cryptocurrency for legal reasons, in particular due to regulatory provisions applicable to it, the amount in USD equal to the Cryptocurrency Sale Proceeds, divided by the number of Bonds redeemed in USD, minus any reasonable third-party fees related to redemption of the Bonds.

In order for a Bondholder to receive the Cryptocurrency Entitlement, such Bondholder needs to (i) submit a duly completed Mandatory Redemption Form (obtainable from the Website), including any documents requested in such form for verification of the Bondholder's identity; and (ii) transfer its Bonds to the Issuance Account free of payment.

If a Bondholder fails to perform (i) or (ii) within a twenty-day period after the Mandatory Redemption Notice has been published, the Issuer will treat the relevant Bondholder as prevented from receiving units of the Cryptocurrency for legal or regulatory reasons and redeem the relevant Bonds in USD.

"**Mandatory Redemption Date**" shall mean (i) for those Bonds redeemed in the Cryptocurrency, the third Business Day after the expiry of a thirty-

Clearing System, die Zahlstelle, die Emissionsstelle, den Administrator, der Sicherheitentreuhänder und die Verwahrstelle der Emittentin, stellt seine Dienstleistungen gegenüber der Emittentin ein, und der Emittentin gelingt es nicht, innerhalb eines angemessenen Zeitraums einen Ersatz zu finden; oder

- (e) wenn das zuständige Gericht anordnet, dass die Emittentin eine Zwangsrückzahlung zu veranlassen hat oder die Emittentin anderweitig gesetzlich dazu verpflichtet wurde.

Der "**Zwangsrückzahlungspreis**" pro Schuldverschreibung entspricht (i) dem Betrag in der Kryptowährung, der dem Kryptowährungsanspruch entspricht, oder (ii) falls ein Anleihegläubiger aus rechtlichen Gründen daran gehindert ist, Einheiten der Kryptowährung zu erhalten, insbesondere aufgrund von für ihn geltenden regulatorischen Vorschriften, dem Betrag in USD, der den Kryptowährungs-Verkaufserlösen entspricht, dividiert durch die Anzahl der Schuldverschreibungen, die in USD zurückgezahlt werden, abzüglich etwaiger, mit der Rückzahlung der Schuldverschreibungen verbundener angemessener Fremdgebühren.

Damit ein Anleihegläubiger den Kryptowährungsanspruch erhält, muss dieser Anleihegläubiger (i) ein ordnungsgemäß ausgefülltes Zwangsrückzahlungsformular (das über die Website erhältlich ist) einreichen, einschließlich sämtlicher Dokumente, die in diesem Muster für die Verifizierung der Identität des Anleihegläubigers verlangt werden und (ii) seine Schuldverschreibungen frei von Zahlung auf das Emissionskonto übertragen.

Wenn ein Anleihegläubiger (i) oder (ii) innerhalb einer Frist von zwanzig Tagen nach der Veröffentlichung der Zwangsrückzahlungsmittelteilung nicht erfüllt, wird die Emittentin den maßgeblichen Anleihegläubiger so behandeln, als sei er aus rechtlichen oder regulatorischen Gründen am Erhalt von Einheiten der Kryptowährung gehindert und die maßgeblichen Schuldverschreibungen in USD zurückzahlen.

"**Zwangsrückzahlungstag**" bezeichnet (i) für Schuldverschreibungen, die in der Kryptowährung zurückgezahlt werden, den

day period after the Mandatory Redemption Notice has been published; or (ii) for those Bonds redeemed in USD, the third Business Day after successful completion of the Cryptocurrency Auction Procedure or alternative sale arrangements in case of its failure. The Cryptocurrency Auction Procedure shall begin (if required) upon expiry of a forty-day period after the Mandatory Redemption Notice has been published.

"Cryptocurrency Sale Proceeds" means the amount in USD obtained from the sale of units of Cryptocurrency corresponding to the Cryptocurrency Entitlement (as of the date of the Mandatory Redemption Notice), multiplied by the number of Bonds being redeemed in USD, from Deposited Cryptocurrency using one or several Cryptocurrency Auction Procedure(s). If the Auctioneer fails to complete the sale using the Cryptocurrency Auction Procedure within 90 (ninety) days, the Auctioneer shall – following instructions from the Issuer (if applicable) – arrange for the sale of units of the Cryptocurrency using any other procedure aiming to achieve the best price within a reasonable amount of time.

In case the Issuer has given a Mandatory Redemption Notice, the Issuer shall no longer issue new Bonds or sell Issuer-Owned Bonds and arrange for cancellation of all Issuer-Owned Bonds.

(3) *Redemption at the Option of the Bondholders with Cryptocurrency Settlement.* Each Bondholder may redeem in whole or in part its Bonds against payment of the Cryptocurrency Entitlement for each of the Bonds held by the Bondholders in the Cryptocurrency (the **"Cryptocurrency Put Option"**). In order to exercise the Cryptocurrency Put Option and redeem its Bonds, the Bondholder needs to (i) submit a duly completed put option exercise notice in the form obtainable from the Website (the **"Put Option Exercise Form"**), specifying that Cryptocurrency Settlement shall be applicable, including any documents requested in

dritten Geschäftstag nach dem Ablauf eines 30-tägigen Periode, nachdem die Zwangsrückzahlungsmitteilung veröffentlicht worden ist oder (ii) für Schuldverschreibungen, die in USD zurückgezahlt werden, den dritten Geschäftstag nach erfolgreichem Abschluss des Kryptowährungs-Auktionsverfahrens oder alternative Verkaufsarrangements im Fall des Scheiterns des Verfahrens. Das Kryptowährungs-Auktionsverfahren beginnt (falls erforderlich) nach Ablauf einer 40-tägigen Periode, nachdem die Zwangsrückzahlungsmitteilung veröffentlicht worden ist.

"Kryptowährungs-Verkaufserlöse" bezeichnet den Betrag in USD, der aus dem Verkauf von Einheiten der Kryptowährung erhalten wurde, entsprechend dem Kryptowährungsanspruch (zum Tag der Zwangsrückzahlungsmitteilung), multipliziert mit der Anzahl der Schuldverschreibungen, die in USD zurückgezahlt werden, aus Hinterlegter Kryptowährung unter Durchführung eines oder mehrerer Kryptowährungs-Auktionsverfahren. Falls es dem Auktionator nicht gelingt, den Verkauf unter Anwendung des Kryptowährungs-Auktionsverfahrens innerhalb von 90 (neunzig) Tagen abzuschließen, veranlasst der Auktionator – gemäß den Anweisungen von der Emittentin (falls anwendbar) – den Verkauf von Einheiten der Kryptowährung unter Anwendung eines anderen Verfahrens mit dem Ziel, den besten Preis innerhalb eines angemessenen Zeitraums zu erreichen.

Im Falle dass die Emittentin eine Zwangsrückzahlungsmitteilung abgegeben hat, wird die Emittentin keine neuen Schuldverschreibungen mehr ausgeben oder Emittenteneigene Schuldverschreibungen verkaufen und eine Annullierung aller Emittenteneigenen Schuldverschreibungen veranlassen.

(3) *Rückzahlung nach Wahl der Anleihegläubiger mit Kryptowährungs-Abwicklung.* Jeder Anleihegläubiger kann bezüglich seiner Schuldverschreibungen im Ganzen oder in Teilen gegen Zahlung des Kryptowährungsanspruchs für jede der Schuldverschreibungen, die von den Anleihegläubigern in der Kryptowährung gehalten werden, die Rückzahlung verlangen (die **"Kryptowährungs-Put-Option"**). Zur Ausübung der Kryptowährungs-Put-Option und der Rückzahlung seiner Schuldverschreibungen muss der Anleihegläubiger (i) eine ordnungsgemäß ausgefüllte Mitteilung über die

such form for verification of the Bondholder's identity; (ii) pay the Upfront Redemption Fee (if any) to an account specified by the Issuer; and (iii) transfer the Bonds in relation to which the Cryptocurrency Put Option is exercised to the Issuance Account free of payment. The date on which all of (i) to (iii) have been completed, shall be the **"Put Option Exercise Date"**.

No Upfront Redemption Fee shall be payable if: (i) no Authorised Participants are appointed by the Issuer; (ii) the Outstanding Amount multiplied by the Reference Price, in each case as of the date on which the Issuer receives the Put Option Exercise Form, is less than USD 10,000,000.00 (ten million USD); (iii) the Cryptocurrency Put Option is exercised in relation to a number of Bonds which, if multiplied by the Cryptocurrency Entitlement and then multiplied by the Reference Price, in each case as of the date on which the Issuer receives the Put Option Exercise Form, have a value of greater than USD 250,000.00 (two hundred fifty thousand USD); or (iv) the Cryptocurrency Put Option is exercised by an Authorised Participant.

On the Put Option Exercise Date, the Issuer shall transfer the Cryptocurrency Entitlement in the Cryptocurrency for each Bond in relation to which the Cryptocurrency Put Option was exercised, calculated as of the Put Option Exercise Date, less the Exercise Fee (if any) to the relevant Bondholder's Digital Wallet as designated in the relevant Put Option Exercise Form,

(i) in case of Bondholders who are Authorised Participants, as soon as practicable after the Put Option Exercise Date, but under all circumstances within the time-frame of a normal settlement/transfer cycle of the Cryptocurrency in the Cryptocurrency network (which may vary depending on the level of the network fees the Bondholder agrees to pay pursuant to the

Ausübung der Put-Option in der Form, die über die Website erhältlich ist (das **"Put-Options-Ausübungsformular"**) einreichen, in der er angibt, dass Kryptowährungs-Abwicklung anwendbar ist, sowie alle Dokumente, die in diesem Formular zur Überprüfung der Identität des Anleihegläubigers erforderlich sind, (ii) die Rückzahlungsgebühr (falls zutreffend) auf das von der Emittentin genannte Konto zahlen und (iii) die Schuldverschreibungen, für die die Kryptowährungs-Put-Option ausgeübt wird, auf das Emissionskonto frei von Zahlung übertragen. Der Tag, an dem alles unter (i) und (iii) Genannte abgeschlossen ist, ist der **"Put-Options-Ausübungstag"**.

Keine Rückzahlungsgebühr wird erhoben, wenn (i) keine Autorisierten Teilnehmer von der Emittentin ernannt werden; (ii) der Ausstehende Betrag multipliziert mit dem Referenzpreis, in jedem Fall zu dem Tag, an dem die Emittentin das Put-Options-Ausübungsformular erhält, weniger als USD 10.000.000,00 (USD zehn Millionen) beträgt; (iii) die Kryptowährungs-Put-Option für eine Anzahl von Schuldverschreibungen ausgeübt wird, die, wenn sie mit dem Kryptowährungsanspruch und anschließend mit dem Referenzpreis multipliziert werden, in jedem Fall zu dem Tag, an dem die Emittentin das Put-Options-Ausübungsformular erhält, einen Wert haben, der größer ist als USD 250.000,00 (USD zweihundertfünfzigtausend); oder (iv) die Kryptowährungs-Put-Option von einem Autorisierten Teilnehmer ausgeübt wird.

Am Put-Options-Ausübungstag überträgt die Emittentin den Kryptowährungsanspruch in die Kryptowährung für jede Schuldverschreibung, für die die Kryptowährungs-Put-Option ausgeübt wurde, berechnet zum Put-Options-Ausübungstag, abzüglich der Ausübungsgebühr (falls vorhanden) an das maßgebliche Digitale Wallet des Anleihegläubigers, welches in dem maßgeblichen Put-Options-Ausübungsformular benannt wurde,

(i) im Fall von Anleihegläubigern, die Autorisierte Teilnehmer sind, so bald wie möglich nach dem Put-Options-Ausübungstag, aber unter allen Umständen innerhalb des Zeitraums eines normalen Abwicklungs-/Übertragungszyklus der Kryptowährung im Kryptowährungs-Netzwerk (welche je nach Höhe der Gebühren für das Netzwerk variieren

Put Option Exercise Form) plus 3 (three) Business Days; and

- (ii) in case of Bondholders who are not Authorised Participants, as soon as practicable after the Put Option Exercise Date, but under all circumstances within the time-frame of a normal settlement/transfer cycle of the Cryptocurrency in the Cryptocurrency network (which may vary depending on the level of the network fees the Bondholder agrees to pay pursuant to the Put Option Exercise Form) plus 30 (thirty) days.

If the Issuer fails to transfer the Cryptocurrency when due, the Issuer shall pay to the Bondholder the Default Rate (as defined below). Such Default Rate does not apply if the Issuer fails to deliver the Cryptocurrency for reasons beyond its control, which should include (but is not limited to) circumstances where the Issuer is required to comply with any provision of applicable law relating to the funding of terrorist activities or money laundering.

(4) *Redemption at the Option of the Bondholders with USD Settlement.* If a Bondholder is prevented from receiving the Cryptocurrency for legal reasons, in particular due to regulatory provisions applicable to the Bondholder, such Bondholder may redeem in whole or in part its Bonds against payment of USD for each of the Bonds held by such Bondholder in an amount equal to the proceeds of sale of the Cryptocurrency Entitlement using the Cryptocurrency Auction Procedure (the "**USD Put Option**"). In order to exercise the USD Put Option and redeem its Bonds, the Bondholder needs to (i) submit a duly completed put option exercise notice in the form obtainable from the Website (the "**Put Option Exercise Form**"), specifying that USD settlement shall be applicable, including any documents requested in such form for verification of the Bondholder's identity and inability to receive the Cryptocurrency; (ii) pay the Upfront Redemption Fee (if any) to an account specified by the Issuer; and (iii) transfer the Bonds in relation to which

können, die der Anleihegläubiger gemäß dem Put-Options-Ausübungsformular zu zahlen bereit ist) zuzüglich 3 (drei) Geschäftstage; und

- (ii) im Fall von Anleihegläubigern, die keine Autorisierten Teilnehmer sind, so bald wie möglich nach dem Put-Options-Ausübungstag, aber unter allen Umständen innerhalb des Zeitraums eines normalen Abwicklungs-/Übertragungszyklus der Kryptowährung im Kryptowährungs-Netzwerk (welche je nach Höhe der Gebühren für das Netzwerk variieren können, die der Anleihegläubiger gemäß dem Put-Options-Ausübungsformular zu zahlen bereit ist) zuzüglich 30 (dreißig) Tage.

Falls die Emittentin nicht in der Lage ist, die Kryptowährung bei Fälligkeit zu überweisen, zahlt die Emittentin die Ausfallrate (wie nachstehend definiert) an die Anleihegläubiger. Diese Ausfallrate gilt nicht, wenn die Emittentin nicht zur Lieferung der Kryptowährung aus Gründen, die außerhalb ihrer Kontrolle liegen, in der Lage ist. Hierzu zählen Umstände (ohne Beschränkung auf diese Umstände), unter denen die Emittentin verpflichtet ist, Vorschriften geltenden Rechts zur Finanzierung von terroristischen Aktivitäten oder Geldwäsche einzuhalten.

(4) *Rückzahlung nach Wahl der Anleihegläubiger mit USD-Abwicklung.* Falls ein Anleihegläubiger aus rechtlichen Gründen daran gehindert wird, die Kryptowährung zu erhalten, insbesondere aufgrund von für den Anleihegläubiger geltenden regulatorischen Vorschriften, kann dieser Anleihegläubiger bezüglich seiner Schuldverschreibungen im Ganzen oder in Teilen die Rückzahlung in USD für jede der von diesem Anleihegläubiger gehaltenen Schuldverschreibungen, zu einem Betrag verlangen, der den Verkaufserlösen des Kryptowährungsanspruchs nach dem Kryptowährungs-Auktionsverfahren entspricht (die "**USD-Put-Option**"). Zur Ausübung der USD-Put-Option und der Rückzahlung seiner Schuldverschreibungen muss der Anleihegläubiger (i) eine ordnungsgemäß ausgefüllte Mitteilung über die Ausübung der Put-Option in der Form, die über die Website erhältlich ist (das "**Put-Options-Ausübungsformular**") einreichen, in der er angibt, dass USD-Abwicklung anwendbar sein

the USD Put Option is exercised to the Issuance Account free of payment. The date on which all of (i) to (iii) have been completed, shall be the **"Put Option Exercise Date"**.

No Upfront Redemption Fee shall be payable if: (i) no Authorised Participants are appointed by the Issuer; (ii) the Outstanding Amount multiplied by the Reference Price, in each case as of the date on which the Issuer receives the Put Option Exercise Form, is less than USD 10,000,000.00 (ten million USD); (iii) the USD Put Option is exercised in relation to a number of Bonds which, if multiplied by the Cryptocurrency Entitlement and then multiplied by the Reference Price, in each case as of the date on which the Issuer receives the Put Option Exercise Form, have a value of greater than USD 250,000.00 (two hundred fifty thousand USD); or (iv) the USD Put Option is exercised by an Authorised Participant.

On the Put Option Exercise Date, the Auctioneer shall auction such number of units of the Cryptocurrency as corresponds to the Cryptocurrency Entitlement for the Bonds in relation to which the USD Put Option is exercised, calculated as of the Put Option Exercise Date, in accordance with the Cryptocurrency Auction Procedure, described in § 14.

After successful completion of the Cryptocurrency Auction Procedure, the Issuer shall transfer the proceeds of the Cryptocurrency sale less the Exercise Fee (if any) to the respective Bondholder's account, as specified in the Put Option Exercise Form, within 7 (seven) Business Days from the receipt of the relevant Cryptocurrency Auction Procedure proceeds. If the Issuer fails to transfer the proceeds of the Cryptocurrency sale when due, the Issuer shall pay to the Bondholder 0.01 percent of the Cryptocurrency Entitlement multiplied by the number of Bonds in relation to which the Put Option was exercised for each day of delay (the **"Default Rate"**). Such Default Rate does not

soll, sowie alle Dokumente, die in diesem Formular zur Überprüfung der Identität des Anleihegläubigers und die Unfähigkeit, die Kryptowährung zu erhalten, erforderlich sind, (ii) die Rückzahlungsgebühr (falls zutreffend) auf das von der Emittentin genannte Konto zahlen und (iii) die Schuldverschreibungen, für die die USD-Put-Option ausgeübt wird, auf das Emissionskonto frei von Zahlung übertragen. Der Tag, an dem alles unter (i) bis (iii) Genannte abgeschlossen ist, ist der **"Put-Options-Ausübungstag"**.

Keine Rückzahlungsgebühr wird erhoben, wenn (i) keine Autorisierten Teilnehmer von der Emittentin ernannt werden; (ii) der Ausstehende Betrag multipliziert mit dem Referenzpreis, in jedem Fall zu dem Tag, an dem die Emittentin das Put-Options-Ausübungsformular erhält, weniger als USD 10.000.000,00 (USD zehn Millionen) beträgt; (iii) die USD-Put-Option für eine Anzahl von Schuldverschreibungen ausgeübt wird, die, wenn sie mit dem Kryptowährungsanspruch und anschließend mit dem Referenzpreis multipliziert werden, in jedem Fall zu dem Tag, an dem die Emittentin das Put-Options-Ausübungsformular erhält, einen Wert haben, der größer ist als USD 250.000,00 (USD zweihundertfünfzigtausend); oder (iv) die USD-Put-Option von einem Autorisierten Teilnehmer ausgeübt wird.

Am Put-Options-Ausübungstag versteigert der Auktionator diejenige Anzahl an Einheiten der Kryptowährung, die für dem Kryptowährungsanspruch für die Schuldverschreibungen entspricht, für die die USD-Put-Option ausgeübt wird, berechnet zum Put-Options-Ausübungstag, gemäß dem Kryptowährungs-Auktionsverfahren, wie in § 14 beschrieben.

Nach erfolgreichem Abschluss des Kryptowährungs-Auktionsverfahrens überweist die Emittentin den Erlös des Kryptowährungs-Verkaufs abzüglich der Ausübungsgebühr (falls vorhanden) auf das jeweilige Konto des Anleihegläubigers, wie in dem Put-Options-Ausübungsformular angegeben, innerhalb von 7 (sieben) Geschäftstagen ab Erhalt der maßgeblichen Erlöse des Kryptowährungs-Auktionsverfahrens. Falls die Emittentin nicht dazu in der Lage ist, die Erlöse des Kryptowährungs-Verkaufs bei Fälligkeit zu überweisen, zahlt die Emittentin an den Anleihegläubiger 0,01 % des Kryptowährungsanspruchs multipliziert mit der

apply if the Issuer fails to deliver USD for reasons beyond its control, which includes (but is not limited to) circumstances where the Issuer is required to comply with any provision of applicable law relating to funding of terrorist activities or money laundering.

Without prejudice to other provisions of this same paragraph, in case of a Failed Auction, the Issuer shall return all Bonds in relation to which the USD Put Option was exercised, to the Bondholder within 7 (seven) Business Days. The Issuer may choose to charge any Exercise Fee to the respective Bondholder in case of a Failed Auction. In this case, the Issuer shall forfeit such number of Bonds for its own benefit to become Issuer-Owned Bonds from the Bonds to be returned to the Bondholder, so that Cryptocurrency Entitlement, as of the Put Option Exercise Date, multiplied by the number of Bonds forfeited does not exceed the Exercise Fee.

For the avoidance of doubt: The Bondholder shall be entitled to exercise any Put Option with respect to the returned Bonds at any time.

§ 5 Payments

(1) *Payment of Mandatory Redemption Price.* In the case of a Mandatory Redemption pursuant to § 4 (2) and in the case the Bonds are to be redeemed in USD, payment of the Mandatory Redemption Price in respect of those Bonds shall be made to the Paying Agent for further forwarding to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.

(2) *Discharge.* The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

Anzahl der Schuldverschreibungen, für die die Put-Option ausgeübt wurde, für jeden Tag des Verzugs (die "**Ausfallrate**"). Diese Ausfallrate gilt nicht, wenn die Emittentin nicht zur Lieferung von USD in der Lage ist aus Gründen, die außerhalb ihrer Kontrolle liegen. Dies umfasst (unter anderem) Umstände, unter denen die Emittentin verpflichtet ist, Vorschriften geltenden Rechts zu Finanzierung von terroristischen Aktivitäten oder Geldwäsche einzuhalten.

Unbeschadet sonstiger Bestimmungen dieses Absatzes gilt: Im Falle einer Fehlgeschlagenen Auktion gibt die Emittentin alle Schuldverschreibungen, für die die USD-Put-Option ausgeübt wurde, an die Anleihegläubiger innerhalb von 7 (sieben) Geschäftstagen zurück. Die Emittentin kann im Falle einer Fehlgeschlagenen Auktion vom jeweiligen Anleihegläubiger eine Ausübungsgebühr verlangen. In diesem Fall verliert die Emittentin diese Anzahl von Schuldverschreibungen zu ihrem eigenen Vorteil, damit sie zu Emittenteneigenen Schuldverschreibungen aus den Schuldverschreibungen werden, da sie an die Anleihegläubiger zurückzugeben sind, so dass der Kryptowährungsanspruch, zum Put-Options-Ausübungstag, multipliziert mit der Anzahl der verfallenen Schuldverschreibungen die Ausübungsgebühr nicht übersteigt.

Zur Klarstellung: Die Anleihegläubiger sind berechtigt, eine Put-Option im Hinblick auf die zurückgegebenen Schuldverschreibungen jederzeit auszuüben.

§ 5 Zahlungen

(1) *Zahlung des Zwangsrückzahlungspreises.* Im Falle einer Zwangsrückzahlung gemäß § 4 (2) und im Falle, dass die Schuldverschreibungen in USD zurückzuzahlen sind, erfolgt die Zahlung des Zwangsrückzahlungspreises in Bezug auf diejenigen Schuldverschreibungen an die Zahlstelle zur weiteren Weiterleitung an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems.

(2) *Erfüllung.* Die Emittentin wird durch Zahlung an das Clearing System oder dessen Order von ihrer Zahlungspflicht befreit.

§ 6

Paying Agent, Fiscal Agent and Depository

(1) *Appointment; Specified Offices.* The initial Paying Agent, the Fiscal Agent, the Depository and their initial specified offices shall be:

Paying Agent and Fiscal Agent:

Baader Bank AG
Weihenstephaner Straße 48
85716 Unterschleißheim
Germany

Depository:

Coinbase Custody Trust, LLC
200 Park Avenue
Suite 1208
New York, NY 10003
United States of America

The Paying Agent, the Fiscal Agent and the Depository reserve the right at any time to change their specified offices to some other office in the same country.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the Paying Agent and/or the Depository and to appoint: (i) a replacement Paying Agent or additional paying agents; and/or (ii) a replacement or additional Depository. The Issuer shall at all times maintain a Paying Agent and a Depository. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after prior notice to the Bondholders given not less than 30 (thirty) but not more than 45 (forty-five) days from these events in accordance with § 18.

(3) *Agent of the Issuer.* The Paying Agent, the Depository and any additional or replacement Paying Agent or Depository appointed pursuant to paragraph (2) above act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust with any Bondholder.

§ 6

Zahlstelle, Emissionsstelle und Verwahrstelle

(1) *Bestellung; bezeichnete Geschäftsstellen.* Die anfänglich bestellte Zahlstelle, die Emissionsstelle, die Verwahrstelle und deren anfänglich bezeichneten Geschäftsstellen sind:

Zahlstelle und Emissionsstelle:

Baader Bank AG
Weihenstephaner Straße 48
85716 Unterschleißheim
Deutschland

Verwahrstelle:

Coinbase Custody Trust, LLC
200 Park Avenue
Suite 1208
New York, NY 10003
Vereinigte Staaten von Amerika

Die Zahlstelle, die Emissionsstelle und die Verwahrstelle behalten sich das Recht vor, jederzeit ihre bezeichneten Geschäftsstellen durch eine andere Geschäftsstelle im selben Land zu ersetzen.

(2) *Änderung oder Beendigung der Bestellung.* Die Emittentin behält sich das Recht vor, jederzeit die Bestellung der Zahlstelle und/oder der Verwahrstelle zu ändern oder zu beenden und (i) eine Ersatz-Zahlstelle oder zusätzliche Zahlstellen; und/oder (ii) eine Ersatz-Verwahrstelle oder zusätzliche Verwahrstelle zu bestellen. Die Emittentin wird zu jedem Zeitpunkt eine Zahlstelle und eine Verwahrstelle unterhalten. Eine Änderung, Beendigung, Bestellung oder ein Wechsel wird nur wirksam (außer im Insolvenzfall, in dem eine solche Änderung sofort wirksam wird), sofern die Anleihegläubiger hierüber gemäß § 18 vorab unter Einhaltung einer Frist von mindestens 30 (dreißig) und höchstens 45 (fünfundvierzig) Tagen nach dem Eintritt dieser Ereignisse informiert wurden.

(3) *Erfüllungsgehilfe der Emittentin.* Die Zahlstelle, die Verwahrstelle und etwaige zusätzliche oder Ersatz-Zahlstellen oder zusätzliche oder Ersatz-Verwahrstellen, die nach dem vorstehenden Absatz (2) bestellt wird, handeln ausschließlich als Erfüllungsgehilfen der Emittentin und übernehmen keinerlei Verpflichtungen gegenüber den Anleihegläubigern, und es wird kein Auftrags-

oder Treuhandverhältnis zwischen ihnen und den Anleihegläubigern begründet.

§ 7 Security Trustee

(1) *Appointment.* Apex Corporate Trustees (UK) Limited is appointed as Security Trustee for the Security. Any Security hereunder shall be held and managed by the Security Trustee on behalf of all present and future Bondholders. The Security Trustee shall, in relation to third parties, act as the holder of the Security and manage it on behalf of the Bondholders. The detailed duties of the Security Trustee shall solely be governed by the security trust agreement entered into between the Issuer and the Security Trustee (the "**German Security and Security Trust Agreement**") as set out in Annex 1 to the respective Global Note.

(2) *Authorisation.* Each Bondholder instructs and authorises the Security Trustee (with the right of sub-delegation) to act as its security trustee (*Treuhand*) and in particular (without limitation) to enter into and amend any documents evidencing Security, and to make and accept all declarations and take all actions it considers necessary or useful in connection with any Security on behalf of that Bondholder. The Security Trustee shall further be entitled to enforce or release any Security, to perform any rights and obligations under any documents evidencing Security and to execute new and different documents evidencing or relating to the Security.

(3) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the Security Trustee and to appoint another Security Trustee. The Issuer shall at all times maintain a Security Trustee. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after prior notice to the Bondholders given not less than 30 (thirty) but not more than 45 (forty-five) days from these events in accordance with § 18.

§ 7 Sicherheitentreuhand

(1) *Ernennung.* Apex Corporate Trustees (UK) Limited wird als Sicherheitentreuhand für die Sicherheit ernannt. Alle Sicherheiten hierunter werden von dem Sicherheitentreuhand im Namen aller gegenwärtigen und zukünftigen Anleihegläubiger gehalten und verwaltet. Der Sicherheitentreuhand handelt gegenüber Dritten als Inhaber der Sicherheit und verwaltet diese im Namen der Anleihegläubiger. Die einzelnen Pflichten des Sicherheitentreuhanders unterliegen allein dem Sicherheiten-Treuhandvertrag, der zwischen der Emittentin und dem Sicherheitentreuhand geschlossen wurde (der "**Deutsche Sicherheiten- und Sicherheiten-Treuhandvertrag**"), wie in Anhang 1 zur jeweiligen Globalurkunde angegeben.

(2) *Autorisierung.* Jeder Anleihegläubiger weist den Sicherheitentreuhand an und bevollmächtigt diesen (mit dem Recht auf Weiterübertragung), als sein Sicherheitentreuhand zu handeln und insbesondere (uneingeschränkt) Unterlagen auszufertigen und abzuändern, die die Sicherheit belegen, und alle Erklärungen abzugeben und anzunehmen und alle Maßnahmen zu ergreifen, die er im Namen dieses Anleihegläubigers für notwendig oder nützlich im Zusammenhang mit einer Sicherheit hält. Der Sicherheitentreuhand ist zudem berechtigt, Sicherheiten durchzusetzen oder freizugeben, alle Rechte und Verpflichtungen unter Dokumenten auszuführen, die die Sicherheit belegen, und neue und andere Dokumente geltend zu machen, die die Sicherheit belegen oder in Bezug zur Sicherheit stehen.

(3) *Änderung oder Beendigung der Ernennung.* Die Emittentin behält sich das Recht vor, jederzeit die Ernennung des Sicherheitentreuhanders zu ändern oder zu beenden und einen anderen Sicherheitentreuhand zu benennen. Die Emittentin hat zu jeder Zeit einen Sicherheitentreuhand. Eine Änderung, Beendigung, Bestellung oder ein Wechsel wird nur wirksam (außer im Insolvenzfall, in dem eine solche Änderung sofort wirksam wird), sofern die Anleihegläubiger hierüber gemäß § 18 vorab unter Einhaltung einer Frist von mindestens 30

(dreißig) und höchstens 45 (fünfundvierzig) Tagen nach dem Eintritt dieser Ereignisse informiert wurden.

**§ 8
Information Duties**

Copies of the relevant transaction documents in connection with the Bonds will be made available to Bondholders pursuant to the German Security and Security Trust Agreement as soon as reasonably practicable after the Issue Date.

**§ 8
Informationspflichten**

So bald wie möglich nach dem Emissionstag werden den Anleihegläubigern Kopien der maßgeblichen Transaktionsdokumente im Zusammenhang mit den Schuldverschreibungen gemäß dem Deutschen Sicherheiten- und Sicherheiten-Treuhandvertrag zur Verfügung gestellt.

**§ 9
Taxation**

(1) *Payments Free of Taxes.* All amounts payable in respect of the Bonds shall be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied at source by way of withholding or deduction by or on behalf of the Federal Republic of Germany (the "**Relevant Taxing Jurisdiction**") or any respective political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law.

(2) *Other Tax Jurisdiction.* If at any time the Issuer becomes subject to any taxing jurisdiction other than, or in addition to, the Relevant Taxing Jurisdiction references in this § 9 to the Federal Republic of Germany shall be read and construed as references to the jurisdiction of the Issuer, and/or to such other jurisdiction(s).

**§ 10
Presentation Period, Prescription**

The presentation period provided for in section 801 paragraph 1, sentence 1 German Civil Code is reduced to ten years for the Bonds. The period of limitation for claims under the Bonds presented during the period for presentation will be two years calculated from the expiration of the relevant presentation period.

**§ 9
Steuern**

(1) *Zahlungen ohne Einbehalt oder Abzug von Steuern.* Alle in Bezug auf die Schuldverschreibungen zu zahlenden Beträge werden ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftigen Steuern oder Abgaben gleich welcher Art gezahlt, die von oder im Namen der Bundesrepublik Deutschland (die "**Maßgebliche Steuerjurisdiktion**") oder einer jeweiligen steuererhebungsberechtigten Gebietskörperschaft oder Steuerbehörde dieses Länder im Wege des Einbehalts oder Abzugs an der Quelle auferlegt oder erhoben werden, es sei denn, ein solcher Einbehalt oder Abzug ist gesetzlich vorgeschrieben.

(2) *Andere Steuerjurisdiktion.* Falls die Emittentin zu irgendeinem Zeitpunkt einer anderen oder zusätzlichen Steuerrechtsordnung als der Maßgeblichen Steuerjurisdiktion unterworfen wird, sollen die Bezugnahmen in diesem § 9 auf die Bundesrepublik Deutschland als Bezugnahmen auf die Rechtsordnung der Emittentin und/oder diese anderen Rechtsordnungen gelesen und ausgelegt werden.

**§ 10
Vorlegungsfrist, Verjährung**

Die Vorlegungsfrist gemäß § 801 Absatz 1 Satz 1 BGB für die Schuldverschreibungen wird auf zehn Jahre verkürzt. Die Verjährungsfrist für Ansprüche aus den Schuldverschreibungen, die innerhalb der Vorlegungsfrist zur Zahlung vorgelegt wurden, beträgt zwei Jahre vom Ende der betreffenden Vorlegungsfrist an.

§ 11
Events of Default

(1) *Events of Default.* If an Event of Default occurs and is continuing, each Bondholder shall be entitled to declare all but not some of its Bonds due and payable by submitting a Termination Notice (pursuant to sub-paragraph (2) below) to the Issuer for its entire claim arising from the Bonds and demand (subject to sub-paragraph (3) below) an immediate payment of the Cryptocurrency Entitlement per Bond. Each of the following is an "Event of Default":

- (a) the Issuer fails to pay out the Cryptocurrency Entitlement or any other amount in respect of the Bonds within 15 (fifteen) days from the relevant due date, except if the Issuer fails to pay out the Cryptocurrency Entitlement or any other amount in respect of the Bonds for reasons beyond its control, which should include (but is not limited to) circumstances where the Issuer is required to comply with any provision of applicable law relating to the funding of terrorist activities or money laundering.

For the avoidance of doubt: Failure to exercise the Put Option in USD due to an unsuccessful Cryptocurrency Auction Procedure shall not amount to such failure; or

- (b) the Issuer fails to duly perform any other obligation arising from the Bonds and such failure, if capable of remedy, continues unremedied for more than 45 (forty five) days after the Issuer has received notice thereof from a Bondholder; or
- (c) the Issuer is unable or admits its inability to pay its debts as they fall due; or
- (d) insolvency proceedings against the Issuer are instituted and have not been discharged or stayed within 90 (ninety)

§ 11
Kündigungsgründe

(1) *Kündigungsgründe.* Tritt ein Kündigungsgrund ein und dauert dieser an, so ist jeder Anleihegläubiger berechtigt, alle, jedoch nicht nur einzelne, seiner Forderungen aus den Schuldverschreibungen durch Abgabe einer Kündigungserklärung (gemäß nachfolgendem Unterabsatz (2)) gegenüber der Emittentin fällig zu stellen und (vorbehaltlich des nachfolgenden Unterabsatz (3)) die unverzügliche Zahlung des Kryptowährungsanspruchs je Schuldverschreibung zu verlangen. Jedes der folgenden Ereignisse stellt einen "Kündigungsgrund" dar:

- (a) die Emittentin ist nicht in der Lage, den Kryptowährungsanspruch oder sonstige Beträge in Bezug auf die Schuldverschreibungen innerhalb von 15 (fünfzehn) Tagen ab dem maßgeblichen Fälligkeitstag auszuzahlen, es sei denn, die Emittentin zahlt einen Kryptowährungsanspruch oder sonstige Beträge nicht aus aufgrund von Ereignissen, die außerhalb ihrer Kontrolle liegen. Hierzu zählen Umstände (ohne Beschränkung auf diese Umstände), unter denen die Emittentin verpflichtet ist, Vorschriften geltenden Rechts zur Finanzierung von terroristischen Aktivitäten oder Geldwäsche einzuhalten.

Zur Klarstellung: Eine Nichtausübung der Put-Option in USD aufgrund eines erfolglosen Kryptowährungs-Auktionsverfahrens zählt nicht zu dieser Nichterfüllung; oder

- (b) die Emittentin erfüllt eine andere Verpflichtung aus den Schuldverschreibungen nicht und die Nichterfüllung dauert – sofern sie geheilt werden kann – jeweils länger als 45 (fünfundvierzig) Tage fort, nachdem die Emittentin eine Mitteilung darüber von dem Anleihegläubiger erhalten hat; oder
- (c) die Emittentin ist nicht in der Lage oder räumt ihre Unfähigkeit ein, ihre Schulden bei Fälligkeit zu zahlen; oder
- (d) gegen die Emittentin wird ein Insolvenzverfahren eingeleitet und nicht innerhalb von 90 (neunzig) Tagen

days, or the Issuer applies for or institutes such proceedings; or

- (e) the Issuer enters into liquidation unless this is done in connection with a merger or other form of combination with another company and such company assumes all obligations of the Issuer in connection with the Bonds.

(2) *Termination Notices.* Any notice by a Bondholder to redeem its Bonds in accordance with this § 11 (a "**Termination Notice**") shall be made by means of a declaration in writing to the Paying Agent in the German or English language together with evidence by means of a certificate of the Custodian (as defined in § 19 (4)) that such Bondholder, at the time of such Termination Notice, is a Bondholder with respect of the relevant Bonds.

(3) *Cure.* For the avoidance of doubt, the right to declare Bonds due in accordance with this § 11 shall terminate if the situation giving rise to it has been cured before the right is exercised.

§ 12 Covenants

(1) *Undertaking regarding Security.* So long as any Bond remains outstanding, the Issuer will not (except where explicitly permitted under the Terms and Conditions):

- (a) create or permit to subsist any mortgage, pledge, lien, security interest, charge or encumbrance securing any obligation of any person (or any arrangement having a like or similar effect) upon all or any of the Security; or
- (b) transfer, sell, lend, part with or otherwise dispose of, or grant any option or present or future right to acquire, any of the Security.

aufgehoben oder ausgesetzt, oder die Emittentin beantragt oder leitet ein solches Verfahren ein, oder

- (e) die Emittentin wird liquidiert, es sei denn, dies geschieht im Zusammenhang mit einer Verschmelzung oder einer anderen Form des Zusammenschlusses mit einer anderen Gesellschaft und die andere Gesellschaft übernimmt alle Verpflichtungen, die die Emittentin im Zusammenhang mit den Schuldverschreibungen eingegangen ist.

(2) *Kündigungserklärungen.* Eine Erklärung eines Anleihegläubigers zur Rückzahlung seiner Schuldverschreibungen gemäß diesem § 11 (eine "**Kündigungserklärung**") hat mittels einer Erklärung an die Zahlstelle in Textform in deutscher oder englischer Sprache zusammen mit einer Bescheinigung der Depotbank (wie in § 19 (4) definiert), die belegt, dass dieser Anleihegläubiger der Anleihegläubiger in Bezug auf die maßgeblichen Schuldverschreibungen zum Zeitpunkt der Kündigungserklärung ist, zu erfolgen.

(3) *Heilung.* Zur Klarstellung wird festgehalten, dass das Recht zur Kündigung der Schuldverschreibungen gemäß diesem § 11 erlischt, falls der Kündigungsgrund vor Ausübung des Rechts geheilt worden ist.

§ 12 Zusicherungen

(1) *Verpflichtung bezüglich der Sicherheit.* So lange Schuldverschreibungen ausstehend sind, unterlässt es die Emittentin (außer wenn dies unter den Emissionsbedingungen ausdrücklich zulässig ist):

- (a) Hypotheken, Pfandrechte, Sicherungsrechte, Gebühren oder Belastungen, die Verpflichtungen einer Person sicherstellen (oder eine Vereinbarung, die die gleiche oder eine ähnliche Wirkung hat), auf alle oder eine der Sicherheiten zu gründen oder deren Bestehen zuzulassen; oder
- (b) eine der Sicherheiten zu übertragen, zu verkaufen, zu verleihen, zu teilen oder anderweitig zu veräußern, oder eine Option oder ein gegenwärtiges oder zukünftiges Recht auf Erwerb einer der Sicherheiten zu gewähren.

(2) *Limitation on Incurrence of Indebtedness.* The Issuer shall not after the Issue Date, incur any indebtedness for financing purposes with the exception of Permitted Indebtedness.

"Permitted Indebtedness" means

- (i) any costs incurred by the Issuer in its ordinary course of business; or
- (ii) any bonds issued which are backed by the Cryptocurrency, other cryptocurrencies, cryptographic or digital assets;

provided, however, that such costs or debt incurred by the Issuer shall have no impact on the Bondholders' Security.

(3) *Deposited Cryptocurrency.* The Issuer shall at any given time procure that it holds such amount of the Cryptocurrency equal to or exceeding the Secured Obligations Amount on the Depository Wallet held with the Depository (the "**Deposited Cryptocurrency**").

§ 13 Split

(1) *Split of Cryptocurrency.* If a Split occurs and leads to the creation of two or more cryptocurrencies, each Bond shall thereafter represent a claim on a group of post-Split cryptocurrencies that corresponds to such Cryptocurrency Entitlement as each Bond represented before the Split. The weight of each post-Split cryptocurrency in such group shall be (i) the balance of each such cryptocurrency held on the Depository Wallet at the point of a Split Notification Event; divided by (ii) the Outstanding Amount at the point of the Split Notification Event. All such weights are subject to a maximum of 1.0.

(2) *Split of Bonds at the Discretion of the Issuer.* Following a Split, the Issuer may, in its sole discretion and after having notified the

(2) *Beschränkung des Eingehens von Verbindlichkeiten.* Nach dem Emissionstag verpflichtet sich die Emittentin, keine Verbindlichkeiten zu Finanzierungszwecken einzugehen, mit Ausnahme der Zulässigen Verbindlichkeiten.

"Zulässige Verbindlichkeiten" bezeichnet

- (i) alle der Emittentin im Lauf ihres gewöhnlichen Geschäftsbetriebs entstandene Kosten; oder
- (ii) ausgegebene Schuldverschreibungen, die durch die Kryptowährung, andere Kryptowährungen, kryptographische oder digitale Vermögenswerte gesichert sind;

vorausgesetzt jedoch, dass die der Emittentin entstandenen Kosten oder Verbindlichkeiten die Sicherheit der Anleihegläubiger nicht beeinträchtigen.

(3) *Hinterlegte Kryptowährung.* Die Emittentin wird zu jedem Zeitpunkt dafür sorgen, dass sie denjenigen Betrag der Kryptowährung hält, die dem Betrag der Gesicherten Verpflichtungen auf dem bei der Verwahrstelle gehaltenen Verwahrstellen-Wallet entspricht oder diesen übersteigt (die "**Hinterlegte Kryptowährung**").

§ 13 Teilung

(1) *Teilung einer Kryptowährung.* Im Fall einer Teilung, die zur Entstehung von zwei oder mehreren Kryptowährungen führt, stellt jede Schuldverschreibung nach der Teilung einen Anspruch auf eine Ansammlung von post-Teilungs Kryptowährungen dar, der dem Kryptowährungsanspruch entspricht, den jede Schuldverschreibung vor der Teilung dargestellt hat. Die Gewichtung jeder post-Teilungs Kryptowährung in dieser Ansammlung ist (i) das Saldo einer jeden solchen Kryptowährung, das zum Zeitpunkt eines Ereignisses einer Teilungsmitteilung auf dem Verwahrstellen-Wallet gehalten wird; dividiert durch (ii) den Ausstehenden Betrag zum Zeitpunkt des Ereignisses einer Teilungsmitteilung. Sämtliche dieser Gewichtungen haben einen Höchstwert von 1,0.

(2) *Teilung von Schuldverschreibungen nach Ermessen der Emittentin.* Nach einer Teilung kann die Emittentin nach eigenem

Bondholders in accordance with § 18, resolve to split the Bonds into separate Series of Bonds, each such new Series of Bonds representing a claim on the Issuer for a separate post-Split cryptocurrency in the group of cryptocurrencies that each Bond represented immediately following the Split.

(3) *Suspension of Put Option Exercises.* The Issuer may in its sole and absolute discretion and after having notified the Bondholders in accordance with § 18, suspend Put Option exercises, sales and/or issuances of Bonds for a reasonable period of time, not exceeding 90 (ninety) days, in order to allow for an arrangement described in paragraph (2).

§ 14 Cryptocurrency Auction Procedure

(1) *Cryptocurrency Auction Announcement.* If the Issuer is required, pursuant to these Terms and Conditions, to arrange for a Cryptocurrency Auction Procedure, the Auctioneer shall – upon instruction from the Issuer (if applicable) – within (i) 30 (thirty) days from the Put Option Exercise Date; or (ii) 40 (forty) days from the date of the Mandatory Redemption Notice, as the case may be, announce that it is auctioning the required number of units of the Cryptocurrency on the Website, starting on a date, which is a Business Day and which is no later than 14 (fourteen) Business Days, and not earlier than 7 (seven) Business Days from the date of such announcement (the "**Announcement Date**" and such date when the Cryptocurrency Auction Procedure starts, the "**Auction Start Date**") and ending on a date specified in such announcement being no earlier than 7 (seven) Business Days and no later than 14 (fourteen) Business Days from the Auction Start Date (the "**Auction Price Determination Date**").

(2) *Bidding Process.*

(a) Any legal entity incorporated in a FATF member state or any natural person resident in such state (except where the participation of such bidder would result, in the opinion of the Auctioneer, in violation of the laws of any jurisdiction and/or would require the Auctioneer to

Ermessen und nach Mitteilung an die Anleihegläubiger gemäß § 18 beschließen, die Schuldverschreibungen in separate Serien von Schuldverschreibungen zu teilen, wobei jede dieser neuen Schuldverschreibungen einen Anspruch gegen die Emittentin auf eine eigene post-Teilungs Kryptowährung in der Ansammlung der Kryptowährungen darstellt, die jede Schuldverschreibung unmittelbar nach der Teilung dargestellt hat.

(3) *Aussetzen der Put-Options-Ausübung.* Die Emittentin kann nach eigenem und absoluten Ermessen und nach Mitteilung an die Anleihegläubiger gemäß § 18 Put-Options-Ausübungen, Verkäufe und/oder Emissionen von Schuldverschreibungen für einen angemessenen Zeitraum, der 90 Tage nicht überschreitet, aussetzen, um eine in Absatz (2) beschriebene Regelung vorsehen zu können.

§ 14 Kryptowährungs-Auktionsverfahren

(1) *Ankündigung einer Kryptowährungs-Auktion.* Falls die Emittentin gemäß diesen Emissionsbedingungen verpflichtet ist, ein Kryptowährungs-Auktionsverfahren zu veranlassen, kündigt der Auktionator – auf Anweisung der Emittentin (falls zutreffend) – innerhalb von (i) 30 (dreißig) Tagen ab dem Put-Options-Ausübungstag; oder (ii) 40 (vierzig) Tag ab dem Tag der Zwangsrückzahlungsmitteilung an, dass er den erforderlichen Betrag an Einheiten der Kryptowährung auf der Website versteigert, beginnend an einem Tag, der ein Geschäftstag ist und spätestens 14 (vierzehn) Geschäftstage, und frühestens 7 (sieben) Geschäftstage ab dem Tag dieser Ankündigung (der "**Ankündigungstag**" und der Tag, an dem das Kryptowährungs-Auktionsverfahren beginnt, der "**Starttermin der Auktion**"), und endend an einem Tag, der in dieser Ankündigung genannt wird und frühestens 7 (sieben) Geschäftstage und spätestens 14 (vierzehn) Geschäftstage ab dem Starttermin der Auktion (der "**Auktionspreisfestsetzungstag**").

(2) *Bieterverfahren.*

(a) Eine juristische Person mit Sitz in einem FATF-Mitgliedstaat oder eine in diesem Staat ansässige natürliche Person (außer wenn die Teilnahme dieses Bieters nach Meinung des Auktionators zu einem Verstoß gegen die Gesetze einer Jurisdiktion führen würde und/oder den

obtain any license, permission, authorization, and/or would require the Auctioneer to become regulated or supervised in any way, or publish a prospectus within the meaning of Regulation (EU) 2017/1129) may submit written (including by email) bids to the Auctioneer for the full number of units of the Cryptocurrency being auctioned, expressed in the percentage of the Reference Price on the Auction Price Determination Date per unit of the Cryptocurrency in the future;

- (b) bids submitted at less than 80 percent of the relevant Reference Price or bids for less or more than the full number of units of the Cryptocurrency being auctioned shall be rejected;
- (c) bids submitted later than 48 hours before 13:00 (CET) on the Auction Price Determination Date, may, or may not be accepted by the Auctioneer, at its sole and absolute discretion;
- (d) bids submitted for the same amount as another bid received by the Auctioneer earlier (which has not been rejected by the Auctioneer or declared cancelled, null and void due to failure by the bidder to transmit a bid guarantee amount as provided by sub-paragraph (3) below) shall be rejected;
- (e) the Auctioneer reserves the right to reject otherwise qualifying bids if it has reasonable grounds to suspect that a bidder's funds are proceeds of activity which is criminal in Germany or the United Kingdom or would be criminal if occurred in Germany or the United Kingdom;
- (f) the Auctioneer shall either accept or reject a bid within 24 hours of receiving it, and notify the bidder of its decision.

Auktionator dazu verpflichten würde, eine Lizenz, Erlaubnis oder Autorisierung einzuholen und/oder den Auktionator dazu verpflichten würde, sich in irgendeiner Weise einer Regulierung oder Aufsicht zu unterstellen oder einen Prospekt im Sinne der Verordnung (EU) 2017/1129 zu veröffentlichen) kann schriftliche Gebote (auch per E-Mail) an den Auktionator abgeben für den vollen Betrag der versteigerten Einheiten der Kryptowährung, ausgedrückt in Prozent des Referenzpreises am Auktionspreisfestsetzungstag pro Einheit der Kryptowährung in der Zukunft;

- (b) Gebote, die weniger als 80 % des maßgeblichen Referenzpreises betragen, oder Gebote für weniger oder mehr als den vollen Betrag der Einheiten der Kryptowährung, die versteigert werden, sind abzuweisen;
- (c) Gebote, die später als 48 Stunden vor 13:00 Uhr (MEZ) am Auktionspreisfestsetzungstag abgegeben werden, können vom Auktionator nach eigenem und absoluten Ermessen angenommen oder nicht angenommen werden;
- (d) Gebote, die zu dem gleichen Betrag abgegeben werden wie ein früheres Gebot, welches der Auktionator zuvor empfangen hat (welches aufgrund des Versäumnisses des Bieters, einen Gebotsgarantiebtrag zu übermitteln, wie in nachstehendem Unterabsatz (3) vorgesehen, vom Auktionator nicht abgewiesen oder für ungültig erklärt wurde) sind abzuweisen;
- (e) Der Auktionator behält sich das Recht vor, anderweitig qualifizierende Gebote abzuweisen, wenn er berechtigte Gründe hat anzunehmen, dass die Gelder des Bieters Erlöse einer in Deutschland oder dem Vereinigten Königreich kriminellen Handlung sind oder strafbar wären, wenn sie in Deutschland oder im Vereinigten Königreich geschehen wären;
- (f) Der Auktionator akzeptiert ein Gebot oder lehnt es innerhalb von 24 Stunden

nach Empfang ab und teilt den Bietern seine Entscheidung mit.

(3) *Acceptance of Bids.* In case the bid is accepted by the Auctioneer, the bidder shall arrange for the transfer of 10 percent of the Reference Price, calculated based on the Reference Price at the Business Day preceding the Announcement Date, multiplied by the number of units of the Cryptocurrency being auctioned, to the Issuer as a guarantee for its bid (the "**Bid Guarantee Amount**"). Bids, for which no bid guarantees have yet been received by the Auctioneer, are not considered valid and legally binding on either the Auctioneer or the bidder. Bids for which the bidders have posted a Bid Guarantee Amount are irrevocable and may not be cancelled by the bidders, but may be improved on request by the bidder submitted no later than 24 hours before 13:00 (CET) on the Auction Price Determination Date. Upon receiving a Bid Guarantee Amount from the bidder, or upon receiving an amendment (increase) of the bid by the bidder, the Auctioneer shall announce such received or updated bid on the Website within 24 hours of receipt.

(4) *Notification of Cryptocurrency Auction Results.* No later than 12 hours before 13:00 (CET) on the Auction Price Determination Date, the Auctioneer shall notify the highest bidder (among those who fulfilled the obligations to transfer the bid guarantee), if any, that such bidder has won the auction. The bidder shall arrange for the payment of the balance between the value of its bid, expressed as a percentage of the Reference Price at the Auction Price Determination Date, multiplied by such Reference Price and the number of units of the Cryptocurrency being auctioned, and the Bid Guarantee Amount credited to the Issuer pursuant to sub-paragraph (3) above, within 7 (seven) Business Days from the Auction Price Determination Date. If such balance is negative, the Issuer shall transfer the balance to the bidder within 7 (seven) Business Days from the Auction Price Determination Date.

(5) *Settlement of Cryptocurrency Auction.* The winning bidder shall (i) provide the Issuer with details of its digital cryptocurrency wallet to

(3) *Annahme von Geboten.* Im Fall, dass ein Gebot vom Auktionator angenommen wird, veranlasst der Bieter die Überweisung von 10 % des Referenzpreises, berechnet auf Basis des Referenzpreises an dem Geschäftstag, der dem Ankündigungstag vorausgeht, multipliziert mit dem Betrag der Einheiten der Kryptowährung, die versteigert wurden, auf die Emittentin als Garantie für sein Gebot (der "**Gebotsgarantiebtrag**"). Gebote, für die noch keine Gebotsgarantie vom Auktionator empfangen worden sind, sind weder für den Auktionator noch den Bieter gültig und rechtlich bindend. Gebote, für die die Bieter einen Gebotsgarantiebtrag überwiesen haben, sind unwiderruflich und dürfen von den Bietern nicht storniert werden; sie können jedoch auf Wunsch durch den Bieter nachgebessert und spätestens 24 Stunden vor 13:00 Uhr (MEZ) am Auktionspreisfestsetzungstag abgegeben werden. Nach Empfang eines Gebotsgarantiebtrags vom Bieter, oder nach Empfang einer Änderung (Erhöhung) des Gebots durch den Bieter kündigt der Auktionator dieses empfangene und aktualisierte Gebot auf der Website innerhalb von 24 Stunden nach Empfang an.

(4) *Mitteilung der Kryptowährungs-Auktionsergebnisse.* Spätestens 12 Stunden vor 13:00 Uhr (MEZ) am Auktionspreisfestsetzungstag teilt der Auktionator dem Höchstbietenden (unter denen, die die Verpflichtungen zur Übertragung der Gebotsgarantie erfüllt haben), falls zutreffend, mit, dass dieser Bieter die Auktion gewonnen hat. Der Bieter veranlasst die Zahlung der Differenz zwischen dem Wert seines Gebots, ausgedrückt als Prozentsatz des Referenzpreises am Auktionspreisfestsetzungstag, multipliziert mit diesem Referenzpreis und der Anzahl der Einheiten der Kryptowährungen, die versteigert werden, und dem Gebotsgarantiebtrag, der der Emittentin gemäß vorstehendem Unterabsatz (3) gutgeschrieben wird, innerhalb von 7 (sieben) Geschäftstagen ab dem Auktionspreisfestsetzungstag. Falls diese Differenz negativ ist, überweist die Emittentin die Differenz an den Bieter innerhalb von 7 (sieben) Geschäftstagen ab dem Auktionspreisfestsetzungstag.

(5) *Abwicklung der Kryptowährungs-Auktion.* Der erfolgreiche Bieter (i) gibt der Emittentin Auskunft über die Einzelheiten seines

which the auctioned units of the Cryptocurrency shall be credited, in the form agreed between the Issuer and the winning bidder and (ii) notify the Issuer of the level of Cryptocurrency network fees it agrees to bear for the processing of the transfer (the "**Settlement Requirements**"). After (i) completion of the Settlement Requirements; and (ii) receipt of funds from the winning bidder pursuant to sub-paragraph (4) above (if any have to be transferred), the Issuer shall transfer the units of the Cryptocurrency (less the fees that the winning bidder has agreed to bear) to the designated digital cryptocurrency wallet of the winning bidder within the time-frame of a normal settlement/transfer cycle of the Cryptocurrency in the Cryptocurrency network (which may vary depending on the level of the network fees the winning bidder agreed to bear) plus 7 (seven) Business Days. Unless the Cryptocurrency Auction Procedure is performed as part of the Mandatory Redemption process, the winning bidder and the Issuer have the right to agree that instead of transferring units of the Cryptocurrency to the winning bidder's digital cryptocurrency wallet, the Issuer will transfer such number of Issuer-Owned Bonds as agreed between the winning bidder and the Issuer, provided however, that the Cryptocurrency Entitlement, as of the Auction Price Determination Date, per Bond multiplied by the number of Issuer-Owned Bonds to be so transferred shall not exceed the number of units of the Cryptocurrency being auctioned.

digitalen Kryptowährungs-Wallets, dem die versteigerten Einheiten der Kryptowährung gutgeschrieben werden sollen, in der Form, wie sie zwischen der Emittentin und dem erfolgreichen Bieter vereinbart wird und (ii) teilt der Emittentin die Höhe der Kryptowährungs-Netzwerk-Gebühren mit, die der Bieter bereit ist, für die Bearbeitung der Überweisung zu tragen (die "**Abwicklungsanforderungen**"). Nach (i) Erfüllung der Abwicklungsanforderungen und (ii) Erhalt von Geldern vom erfolgreichen Bieter gemäß vorstehendem Absatz (4) (falls diese überwiesen werden müssen) überträgt die Emittentin Einheiten der Kryptowährung (abzüglich der Gebühren, die der erfolgreiche Bieter bereit ist zu tragen) auf das angegebene digitale Kryptowährungs-Wallet des erfolgreichen Bieters innerhalb des Zeitraums eines normalen Abwicklungs-/Übertragungszyklus der Kryptowährung im Kryptowährungs-Netzwerk (welche je nach Höhe der Gebühren für das Netzwerk variieren können) zuzüglich 7 (sieben) Geschäftstage. Sofern das Kryptowährungs-Auktionsverfahren nicht als Teil eines Zwangsrückzahlungsverfahrens durchgeführt wird, haben der erfolgreiche Bieter und die Emittentin das Recht zu vereinbaren, dass anstelle der Übertragung von Einheiten der Kryptowährung auf das digitale Kryptowährungs-Wallet des erfolgreichen Bieters, die Emittentin diejenige Anzahl an Emittenteneigenen Schuldverschreibungen überträgt, wie zwischen dem erfolgreichen Bieter und der Emittentin vereinbart, vorausgesetzt, dass der Kryptowährungsanspruch zum Auktionspreisfestsetzungstag pro Schuldverschreibung, multipliziert mit der Anzahl der Emittenteneigenen Schuldverschreibungen, die auf diese Weise übertragen werden, den Betrag der Einheiten der Kryptowährung, die versteigert werden, nicht überschreitet.

(6) *Failed Auction.* The Cryptocurrency Auction Procedure shall be deemed unsuccessful if

- (a) the Reference Price is not available, or expected not to be available on the dates when it is required for the purposes of the procedure described in this § 14;
- (b) the winning bidder fails to transfer to the Issuer the balances pursuant to sub-paragraph (4) above within the

(6) *Fehlgeschlagene Auktion.* Das Kryptowährungs-Auktionsverfahren gilt als fehlgeschlagen, wenn

- (a) der Referenzpreis nicht verfügbar ist, oder erwartungsgemäß an den Tagen, an denen er zu Zwecken des in diesem § 14 beschriebenen Verfahrens erforderlich ist, nicht verfügbar ist;
- (b) der erfolgreiche Bieter es versäumt, der Emittentin die Differenz gemäß vorstehendem Unterabsatz (4) innerhalb

prescribed timeframe or the Issuer is unable to accept the balances due to applicable legislation;

- (c) there is no winning bidder in the auction, i.e. if either no bids were submitted or all bids were rejected or all bidders who submitted a qualifying bid failed to deposit a bid guarantee amount in accordance with sub-paragraph (2) above, or for any other reason (each, a "**Failed Auction**").

§ 15 Substitution

(1) *Substitution.* The Issuer may, without the consent of the Bondholders, if no Event of Default is occurring, at any time substitute the Issuer with any Affiliate of the Issuer as principal debtor in respect of all obligations arising from or in connection with this issue (the "**Substitute Debtor**") provided that:

- (a) the Substitute Debtor, in a manner legally effective, assumes all obligations of the Issuer in respect of the Bonds;
- (b) the Security will be legally effective at all times;
- (c) the Substitute Debtor and the Issuer have obtained all necessary governmental and regulatory approvals and consents for such substitution and that all such approvals and consents are in full force and effect and that the obligations assumed by the Substitute Debtor in respect of the Bonds are valid and binding in accordance with their respective terms enforceable by each Bondholder;
- (d) the Substitute Debtor is licensed (or exempt from the requirement to be licensed) to execute transactions in the Cryptocurrency;

des vorgeschriebenen Zeitrahmens zu überweisen oder die Emittentin nicht dazu in der Lage ist, die Salden aufgrund geltender Gesetzgebung anzunehmen;

- (c) es keinen erfolgreichen Bieter in der Auktion gibt, d.h. wenn entweder keine Gebote abgegeben wurden oder alle Gebote abgewiesen wurden oder alle Bieter, die ein qualifizierendes Gebot abgegeben haben, nicht in der Lage waren, einen Gebotsgarantiebetrag gemäß vorstehendem Unterabsatz (2) zu hinterlegen, oder aus sonstigen Gründen (jeweils eine "**Fehlgeschlagene Auktion**").

§ 15 Ersetzung

(1) *Ersetzung.* Sofern kein Kündigungsgrund eintritt, ist die Emittentin ohne Zustimmung der Anleihegläubiger berechtigt, jederzeit die Emittentin durch ein Verbundenes Unternehmen der Emittentin als Hauptschuldner in Bezug auf alle Verpflichtungen, die sich aus oder im Zusammenhang mit dieser Emission ergeben, zu ersetzen (der "**Ersatzschuldner**"), vorausgesetzt, dass:

- (a) der Ersatzschuldner in rechtswirksamer Weise alle Verpflichtungen der Emittentin in Bezug auf die Schuldverschreibungen übernimmt;
- (b) die Sicherheit zu jederzeit rechtswirksam ist;
- (c) der Ersatzschuldner und die Emittentin alle erforderlichen behördlichen und regulatorischen Genehmigungen und Zustimmungen für diese Ersetzung eingeholt haben und diese Genehmigungen und Zustimmungen allesamt rechtskräftig sind und die von dem Ersatzschuldner in Bezug auf die Schuldverschreibungen übernommenen Verpflichtungen gültig und bindend gemäß deren jeweiligen von jedem Anleihegläubiger durchsetzbaren Bedingungen sind;
- (d) der Ersatzschuldner ermächtigt (oder von dem Erfordernis der Ermächtigung befreit) ist, Transaktionen in der Kryptowährung auszuführen;

- (e) the Substitute Debtor can transfer to the Paying Agent in the currency required and without being obligated to deduct or withhold any taxes or other duties of whatever nature levied by the country in which the Substitute Debtor or the Issuer has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Bonds;
- (f) the Substitute Debtor has agreed to indemnify and hold harmless each Bondholder against any tax, duty, assessment or governmental charge imposed on such Bondholder in respect of such substitution; and
- (g) there shall have been delivered to the Paying Agent, at the cost of the Issuer, an opinion or opinions by lawyers of recognised standing to the effect that subparagraphs (a) to (f) above have been satisfied.
- (2) *Notice.* Any substitution of the Issuer pursuant to this paragraph and the date of effectiveness of such substitution shall be published in accordance with § 18.
- (3) *Change of References.* Upon effectiveness of the substitution any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the Substitute Debtor and any reference to the Relevant Taxing Jurisdiction with respect to the Issuer shall from then on be deemed to refer to the Relevant Taxing Jurisdiction with respect to the Substitute Debtor. Furthermore, in the event of such substitution and if the Relevant Taxing Jurisdiction of the Substitute Debtor does not include the Federal Republic of Germany, an alternative reference to the Federal Republic of Germany shall be deemed to have been included in addition to the reference according to the preceding sentence to the Relevant Taxing Jurisdiction of the Substitute Debtor.
- (4) *Release from Obligations.* Upon effective substitution of the Issuer as set forth in this paragraph, the Issuer shall be released from any obligation arising from or in connection with the Bonds.
- (e) der Ersatzschuldner alle erforderlichen Beträge zur Erfüllung der Zahlungsverpflichtungen aus den Schuldverschreibungen an die Zahlstelle in der erforderlichen Währung überweisen kann, ohne zum Abzug oder Einbehalt von Steuern oder sonstigen Abgaben, gleich welcher Art, die von dem Land, in dem der Ersatzschuldner oder die Emittentin seinen (ihren) Sitz oder Steuersitz hat, erhoben werden, verpflichtet zu sein,
- (f) der Ersatzschuldner sich verpflichtet hat, jeden Anleihegläubiger zu entschädigen und schadlos zu halten von jeglichen Steuern, Abgaben, Veranlagungen oder behördlichen Gebühren, die dem Anleihegläubiger in Bezug auf diese Ersetzung auferlegt werden; und
- (g) Rechtsgutachten von angesehenen Rechtsanwälten der Zahlstelle auf Kosten der Emittentin zugestellt wurden, in der Weise, dass die vorstehenden Unterabsätze (a) bis (f) erfüllt sind.
- (2) *Mitteilung.* Jede Ersetzung der Emittentin gemäß diesem Absatz und der Tag der Wirksamkeit einer solchen Ersetzung ist gemäß § 18 zu veröffentlichen.
- (3) *Änderung von Verweisen.* Nach Inkrafttreten der Ersetzung gilt jeder Verweis in diesen Emissionsbedingungen auf die Emittentin von diesem Zeitpunkt an als Verweis auf den Ersatzschuldner und jeder Verweis auf die Maßgebliche Steuerjurisdiktion in Bezug auf die Emittentin gilt von diesem Zeitpunkt an als Verweis auf die Maßgebliche Steuerjurisdiktion in Bezug auf den Ersatzschuldner. Im Falle einer solchen Ersetzung und wenn die Maßgebliche Steuerjurisdiktion des Ersatzschuldners nicht die Bundesrepublik Deutschland umfasst, gilt zudem ein alternativer Verweis auf die Bundesrepublik Deutschland als zusätzlich zu dem Verweis gemäß vorstehendem Satz zur Maßgeblichen Steuerjurisdiktion des Ersatzschuldners aufgenommen.
- (4) *Befreiung von Verpflichtungen.* Nach wirksamer Ersetzung der Emittentin, wie in diesem Absatz dargelegt, ist die Emittentin von allen Verpflichtungen aus oder in Verbindung mit den Schuldverschreibungen befreit.

§ 16
Further Issues, Purchases
and Cancellation

(1) *Further Issues.* Without prejudice to § 12 (3), the Issuer may from time to time, without the consent of the Bondholders, sell Issuer-Owned Bonds or issue further Bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the relevant issue date and/or issue price) so as to form a single series with the Bonds.

(2) *Purchases.* Without prejudice to § 12 (3), the Issuer may at any time purchase Bonds in the open market or otherwise and at any price. Bonds purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Paying Agent for cancellation.

§ 17
Amendments of the Terms and Conditions by
Resolutions of Bondholders,
Bondholders' Representative

(1) *Amendment of the Terms and Conditions.* The Terms and Conditions may be amended with consent of the Issuer by virtue of a majority resolution of the Bondholders pursuant to sections 5 et seqq. of the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen – "SchVG"*), as amended from time to time. In particular, the Bondholders may consent to amendments which materially change the substance of the Terms and Conditions, including such measures as provided for under section 5 paragraph 3 of the SchVG by resolutions passed by such majority of the votes of the Bondholders as stated under paragraph (2) below. A duly passed majority resolution shall be binding equally upon all Bondholders.

(2) *Majority.* Except as provided by the following sentence and *provided that* the quorum requirements are being met, the Bondholders may pass resolutions by simple majority of the voting rights participating in the vote. Resolutions which materially change the

§ 16
Begebung Weiterer Schuldverschreibungen,
Ankauf und Entwertung

(1) *Begebung weiterer Schuldverschreibungen.* Unbeschadet der Bestimmungen des § 12 (3), ist die Emittentin berechtigt, jederzeit ohne Zustimmung der Anleihegläubiger Emittenteneigene Schuldverschreibungen zu verkaufen oder weitere Schuldverschreibungen mit in jeder Hinsicht gleicher Ausstattung (gegebenenfalls mit Ausnahme des jeweiligen Begebungstags und/oder des Ausgabepreises) in der Weise zu begeben, dass sie mit diesen Schuldverschreibungen eine einheitliche Serie bilden.

(2) *Ankauf.* Unbeschadet der Bestimmungen des § 12 (3), ist die Emittentin berechtigt, jederzeit Schuldverschreibungen im freien Markt oder anderweitig zu jedem beliebigen Preis zu kaufen. Die von der Emittentin erworbenen Schuldverschreibungen können nach Wahl der Emittentin von ihr gehalten, weiterverkauft oder bei der Zahlstelle zwecks Entwertung eingereicht werden.

§ 17
Änderung der Emissionsbedingungen
durch Beschlüsse der Anleihegläubiger,
Vertreter der Anleihegläubiger

(1) *Änderung der Emissionsbedingungen.* Die Emissionsbedingungen können mit Zustimmung der Emittentin durch Mehrheitsbeschluss der Anleihegläubiger nach Maßgabe der §§ 5 ff. des Gesetzes über Schuldverschreibungen aus Gesamtemissionen ("**SchVG**") in seiner jeweils geltenden Fassung geändert werden. Die Anleihegläubiger können insbesondere einer Änderung wesentlicher Inhalte der Emissionsbedingungen, einschließlich der in § 5 Abs. 3 SchVG vorgesehenen Maßnahmen, durch Beschlüsse mit den in dem nachstehenden Absatz (2) genannten Mehrheiten zustimmen. Ein ordnungsgemäß gefasster Mehrheitsbeschluss ist für alle Anleihegläubiger gleichermaßen verbindlich.

(2) *Mehrheit.* Vorbehaltlich des nachstehenden Satzes und der Erreichung der erforderlichen Beschlussfähigkeit, beschließen die Anleihegläubiger mit der einfachen Mehrheit der an der Abstimmung teilnehmenden Stimmrechte. Beschlüsse, durch welche der

substance of the Terms and Conditions, in particular in the cases of section 5 paragraph 3 numbers 1 through 9 of the SchVG, may only be passed by a majority of at least 75 percent of the voting rights participating in the vote (a "**Qualified Majority**").

(3) *Vote without a meeting.* Subject to paragraph (4) below, resolutions of the Bondholders shall exclusively be made by means of a vote without a meeting in accordance with section 18 of the SchVG. The request for voting will provide for further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions shall be notified to the Bondholders together with the request for voting. The exercise of voting rights is subject to the Bondholders' registration. The registration must be received at the address stated in the request for voting no later than the third day preceding the beginning of the voting period. As part of the registration, Bondholders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian in accordance with § 19 (4) (i) (a) and (b) hereof by means of a declaration in writing and by submission of a blocking instruction by the Custodian stating that the relevant Bonds are not transferable from (and including) the day such registration has been sent to (and including) the day the voting period ends.

(4) *Second Bondholders' Meeting.* If it is ascertained that no quorum exists for the vote without meeting pursuant to paragraph (3) above, the scrutineer may convene a noteholders' meeting, which shall be deemed to be a second noteholders' meeting within the meaning of section 15 paragraph 3 sentence 3 of the SchVG. Attendance at the second noteholders' meeting and exercise of voting rights is subject to the Bondholders' registration. The registration must be received at the address stated in the convening notice no later than the third day preceding the second noteholders' meeting. As part of the registration, Bondholders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian in accordance with § 19 (4) (i) (a) and (b) hereof in text form and by submission of a blocking instruction by the Custodian stating that the relevant Bonds are not transferable from (and including) the day such registration has been sent

wesentliche Inhalt der Emissionsbedingungen geändert wird, insbesondere in den Fällen des § 5 Abs. 3 Nr. 1 bis 9 SchVG, bedürfen zu ihrer Wirksamkeit einer Mehrheit von mindestens 75 % der an der Abstimmung teilnehmenden Stimmrechte (eine "**Qualifizierte Mehrheit**").

(3) *Abstimmung ohne Versammlung.* Vorbehaltlich des nachstehenden Absatz (4) sollen Beschlüsse der Anleihegläubiger ausschließlich durch eine Abstimmung ohne Versammlung nach § 18 SchVG gefasst werden. Die Aufforderung zur Stimmabgabe enthält nähere Angaben zu den Beschlüssen und den Abstimmungsmodalitäten. Die Gegenstände und Vorschläge zur Beschlussfassung werden den Anleihegläubigern mit der Aufforderung zur Stimmabgabe bekannt gemacht. Die Ausübung der Stimmrechte ist von einer Anmeldung der Anleihegläubiger abhängig. Die Anmeldung muss unter der in der Aufforderung zur Stimmabgabe mitgeteilten Adresse spätestens am dritten Tag vor Beginn des Abstimmungszeitraums zugehen. Mit der Anmeldung müssen die Anleihegläubiger ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten besonderen Nachweis der Depotbank gemäß § 19(4)(i)(a) und (b) und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag der Absendung der Anmeldung (einschließlich) bis zum Tag, an dem der Abstimmungszeitraum endet (einschließlich), nicht übertragbar sind, nachweisen.

(4) *Zweite Gläubigerversammlung.* Wird für die Abstimmung ohne Versammlung gemäß dem vorstehenden Absatz (3) die mangelnde Beschlussfähigkeit festgestellt, kann der Abstimmungsleiter eine Gläubigerversammlung einberufen, die als zweite Versammlung im Sinne des § 15 Abs. 3 Satz 3 SchVG anzusehen ist. Die Teilnahme an der zweiten Gläubigerversammlung und die Ausübung der Stimmrechte sind von einer Anmeldung der Anleihegläubiger abhängig. Die Anmeldung muss unter der in der Bekanntmachung der Einberufung mitgeteilten Adresse spätestens am dritten Tag vor der zweiten Gläubigerversammlung zugehen. Mit der Anmeldung müssen die Anleihegläubiger ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten besonderen Nachweis der Depotbank gemäß § 19(4)(i)(a) und (b) und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die

to (and including) the stated end of the noteholders' meeting.

(5) *Bondholders' Representative.* The Bondholders may by majority resolution provide for the appointment or dismissal of a joint representative (the "**Bondholders' Representative**"), the duties and responsibilities and the powers of such Bondholders' Representative, the transfer of the rights of the Bondholders to the Bondholders' Representative and a limitation of liability of the Bondholders' Representative. Appointment of a Bondholders' Representative may only be passed by a Qualified Majority if such Bondholders' Representative is to be authorised to consent, in accordance with paragraph (2) above, to a material change in the substance of the Terms and Conditions.

(6) *Publication.* Any notices concerning this § 17 shall be made exclusively pursuant to the provisions of the SchVG.

§ 18 Notices

(1) *Notices.*

(a) All notices regarding the Bonds, other than any notices stipulated in § 17 (6) which shall be made exclusively pursuant to the provisions of the SchVG, will be published in the German Federal Gazette (*Bundesanzeiger*) and on the Website.

(b) The Issuer will be entitled to deliver all notices concerning the Bonds to the Clearing System for communication by the Clearing System to the Bondholders to the extent that the rules of the stock exchange on which the Bonds are listed or admitted to trading permit so.

(2) *Effectiveness of notices.* Any notice will be deemed to have been validly given on the date of the first publication (or, if required to be published in a newspaper, on the first date on which publication shall have been made in the required newspaper) or, as the case may be, on the fourth Business Day after the date of such delivery to the Clearing System.

betreffenden Schuldverschreibungen ab dem Tag der Absendung der Anmeldung (einschließlich) bis zum angegebenen Ende der Gläubigerversammlung (einschließlich) nicht übertragbar sind, nachweisen.

(5) *Gemeinsamer Vertreter.* Die Anleihegläubiger können durch Mehrheitsbeschluss die Bestellung oder Abberufung eines gemeinsamen Vertreters (der "**Gemeinsame Vertreter**"), die Aufgaben und Befugnisse des Gemeinsamen Vertreters, die Übertragung von Rechten der Anleihegläubiger auf den Gemeinsamen Vertreter und eine Beschränkung der Haftung des Gemeinsamen Vertreters bestimmen. Die Bestellung eines Gemeinsamen Vertreters bedarf einer Qualifizierten Mehrheit, wenn er ermächtigt werden soll, Änderungen des wesentlichen Inhalts der Emissionsbedingungen gemäß dem vorstehenden Absatz (2) zuzustimmen.

(6) *Veröffentlichung.* Bekanntmachungen betreffend diesem § 17 erfolgen ausschließlich gemäß den Bestimmungen des SchVG.

§ 18 Mitteilungen

(1) *Mitteilungen.*

(a) Alle Bekanntmachungen, die die Schuldverschreibungen betreffen, außer den in § 17(6) vorgesehenen Bekanntmachungen, die ausschließlich gemäß den Bestimmungen des SchVG erfolgen, werden im Bundesanzeiger und auf der Website veröffentlicht.

(b) Die Emittentin ist berechtigt, alle die Schuldverschreibungen betreffenden Mitteilungen an das Clearing System zur Weiterleitung an die Anleihegläubiger zu übermitteln, sofern die Regularien der Börse, an der die Schuldverschreibungen notiert oder zum Handel zugelassen sind, dies zulassen.

(2) *Wirksamkeit von Mitteilung.* Mitteilungen gelten am Tag der ersten Veröffentlichung als wirksam erfolgt (oder, wenn eine Veröffentlichung in einer Tageszeitung erforderlich ist, an dem ersten Tag, an dem die Veröffentlichung in der vorgeschriebenen Tageszeitung erfolgt sein soll) bzw. am vierten

Geschäftstag nach dem Tag der Lieferung an das Clearing System.

§ 19

Governing Law, Place of Performance and Place of Jurisdiction, Enforcement

(1) *Governing Law.* The Bonds, as to form and content, and all rights and obligations of the Bondholders and the Issuer, shall be governed by German law. The Security Documents, as to form and content, and all rights and obligations of the Bondholders and the Issuer, shall be governed by German law and the laws of the State of New York.

(2) *Place of Jurisdiction.* To the extent legally permissible, the courts of Frankfurt am Main, Federal Republic of Germany, shall have jurisdiction for any actions or other legal proceedings arising out of or in connection with the Bonds. The local court (*Amtsgericht*) of Frankfurt am Main shall have jurisdiction for all judgments in accordance with section 9 paragraph 2, section 13 paragraph 3 and section 18 paragraph 2 SchVG in accordance with section 9 paragraph 3 SchVG. The regional court (*Landgericht*) in the district of Frankfurt am Main shall have exclusive jurisdiction for all judgments over contested resolutions by Bondholders in accordance with section 20 paragraph 3 SchVG. Should the Issuer change its registered seat, the statutory jurisdiction pursuant to the SchVG shall apply.

(3) *Calculations and Determinations Binding.* All calculations and determinations required to be made by these Terms and Conditions shall be made by the Issuer, or any party appointed by the Issuer, in its sole and absolute discretion.

(4) *Enforcement.* Any Bondholder may in any proceedings against the Issuer, or to which such Bondholder and the Issuer are parties, protect and enforce in its own name its rights arising under the relevant Bonds on the basis of (i) a statement issued by the Custodian with which such Bondholder maintains a securities account in respect of the Bonds (a) stating the full name and address of the Bondholder, (b) specifying the aggregate principal amount of Bonds credited to such securities account on the date of such statement and/or specifying the

§ 19

Anwendbares Recht, Erfüllungsort und Gerichtsstand, Gerichtliche Geltendmachung

(1) *Anwendbares Recht.* Form und Inhalt der Schuldverschreibungen sowie die Rechte und Pflichten der Anleihegläubiger und der Emittentin bestimmen sich nach deutschem Recht. Form und Inhalt der Sicherheitendokumente und die Rechte und Pflichten der Anleihegläubiger und der Emittentin bestimmen sich nach deutschem Recht und dem Recht des Bundesstaats New York.

(2) *Gerichtsstand.* Gerichtsstand für sämtliche im Zusammenhang mit den Schuldverschreibungen entstehenden Klagen oder sonstigen Verfahren ist, soweit rechtlich zulässig, Frankfurt am Main, Bundesrepublik Deutschland. Für Entscheidungen gemäß § 9 Abs. 2, § 13 Abs. 3 und § 18 Abs. 2 SchVG ist gemäß § 9 Abs. 3 SchVG das Amtsgericht Frankfurt am Main zuständig. Für Entscheidungen über die Anfechtung von Beschlüssen der Anleihegläubiger ist gemäß § 20 Abs. 3 SchVG das Landgericht Frankfurt am Main zuständig. Sollte die Emittentin ihren eingetragenen Sitz ändern, gilt die gesetzliche Zuständigkeit nach dem SchVG.

(3) *Verbindliche Berechnungen und Festsetzungen.* Alle Berechnungen und Festsetzungen, die durch diese Emissionsbedingungen vorzunehmen sind, werden von der Emittentin oder einer von der Emittentin nach eigenem und absolutem Ermessen ernannten Partei vorgenommen.

(4) *Gerichtliche Geltendmachung.* Jeder Anleihegläubiger ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Anleihegläubiger und die Emittentin Partei sind, seine Rechte aus den maßgeblichen Schuldverschreibungen im eigenen Namen auf der folgenden Grundlage zu sichern und geltend zu machen: (i) einer Bescheinigung der Depotbank, bei der er für die Schuldverschreibungen ein Wertpapierdepot unterhält, welche (a) den vollständigen Namen und die vollständige Adresse des

aggregate principal amount of Bonds transferred from such Bondholder's securities account to the Issuance Account (including effective dates of such transfer(s)) and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b), and (ii) a copy of the Global Note representing the relevant Bonds certified as being a true copy of the original Global Note by a duly authorised officer of the Clearing System or a depository of the Clearing System, without the need for production in such proceedings of the actual records or the Global Note representing the Bonds. For purposes of the foregoing, "**Custodian**" means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Bondholder maintains a securities account in respect of the Bonds, including the Clearing System. Each Bondholder may, without prejudice to the foregoing, protect and enforce its rights under these Bonds also in any other way which is admitted in the country of the proceedings.

§ 20 Language

These Terms and Conditions are written in the English language and provided with a German language translation. The English version shall be the only legally binding version. The German translation is for convenience only.

Anleihegläubigers enthält, (b) den Gesamtnennbetrag der Schuldverschreibungen bezeichnet, die unter dem Datum der Bestätigung auf dem Wertpapierdepot verbucht sind und/oder den Gesamtnennbetrag der Schuldverschreibungen bezeichnet, die von diesem Wertpapierdepot des Anleihegläubigers auf das Emissionskonto überwiesen wurde (einschließlich der Stichtage dieser Übertragung(en)) und (c) bestätigt, dass die Depotbank gegenüber dem Clearing System eine schriftliche Erklärung abgegeben hat, die die vorstehend unter (a) und (b) bezeichneten Informationen enthält, und (ii) einer Kopie der die betreffenden Schuldverschreibungen verbriefenden Globalurkunde, deren Übereinstimmung mit dem Original eine vertretungsberechtigte Person von dem Clearing System oder einer Verwahrstelle des Clearing Systems bestätigt hat, ohne dass eine Vorlage der Originalbelege oder der die Schuldverschreibungen verbriefenden Globalurkunde in einem solchen Verfahren erforderlich wäre. Für die Zwecke des Vorstehenden bezeichnet "**Depotbank**" jede Bank oder ein sonstiges anerkanntes Finanzinstitut, das berechtigt ist, das Depotgeschäft zu betreiben und bei der/dem der Anleihegläubiger ein Wertpapierdepot für die Schuldverschreibungen unterhält, einschließlich dem Clearing System. Unbeschadet der vorstehenden Bestimmungen ist jeder Anleihegläubiger berechtigt, seine Rechte aus diesen Schuldverschreibungen auch auf jede andere im Land des Verfahrens zulässige Weise geltend zu machen.

§ 20 Sprache

Diese Emissionsbedingungen sind in englischer Sprache abgefasst; eine Übersetzung in die deutsche Sprache ist beigelegt. Nur die englische Fassung ist rechtlich bindend. Die deutsche Übersetzung ist unverbindlich.

PART II.
TEIL II.

1. Net proceeds: The Bonds are initially purchased from the Issuer in the primary market with ADA. ADA 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 1,000,000,000 units of Bonds are sold and based on the ADA value of EUR 1.06 (as of 9 December 2024), the net proceeds for each 10,000 units of Bonds are EUR 53,000.00.
2. (i) Listing and Trading: The Bonds have been admitted to trading on the regulated market of the Frankfurt Stock Exchange.
(ii) Estimate of the total expenses related to the admission of trading: EUR 3,500
3. Interest of natural and legal persons involved in the issue/offer: As set out in the Base Prospectus.
4. Post-Issuance Information: The Issuer does not intend to provide post-issuance information unless required by any applicable laws and/or regulations.
5. Non-exempt Offer: An offer of the Bonds may be made other than pursuant to Article 1(4) of the Prospectus Regulation in the Offer Jurisdictions (as defined below) from 30 November 2021 (inclusive) to 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 (the "**Offer Period**").
6. Offer Jurisdictions: Austria, Czechia, Denmark, Germany, Ireland, Italy, Luxembourg, Malta, Norway, The Netherlands, Finland, France, Poland, Spain and Sweden.
7. Swiss Non-exempt Offer: Applicable
Withdrawal right according to Article 63(5) of the Swiss Federal Financial Services Ordinance (FinSO): If an obligation to prepare a supplement to the Base Prospectus according to **Article 56(5) FinSA** is triggered during the Offer Period (see 5. above), investors who have already subscribed or agreed to purchase or subscribe for Bonds before any such supplement to the Base Prospectus is published have the right to withdraw their subscriptions and acceptances within a period of three working days from the

publication of such supplement regardless of whether the Offer Period (see 5. above) closes prior to the expiry of such three working day period.

8. Consent to the use of the Base Prospectus:
- The Issuer consents to the use of the Base Prospectus by the following financial intermediaries (individual consent):
- Flow Traders B.V.**
Jacob Bontiusplaats 9
Amsterdam 1018 LL
The Netherlands
- Individual consent for the subsequent resale or final placement of the Bonds by the financial intermediaries is given in relation to:
- Austria, Czechia, Denmark, Germany, Ireland, Italy, Luxembourg, Malta, Norway, The Netherlands, Finland, France, Poland, Spain, Sweden and Switzerland.
- Any other clear and objective conditions attached to the consent which are relevant for the use of the Base Prospectus:
- Not applicable
- The subsequent resale or final placement of Bonds by financial intermediaries can be made:
- During the Offer Period (see item 5. above).
9. (i) Commissions and Fees: The Issuer will charge a subscription fee up to 0.50 percent of the Cryptocurrency Entitlement of the Bonds from the Authorised Participants selling the Bonds in the secondary market.
- (ii) Expenses and taxes specifically charged to the subscriber of the Bonds: None
10. Categories of potential investors: Retail investors and Professional investors
11. Information with regard to the manner, place and date of the publication of the results of the offer: Not Applicable
12. Name and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment (*Market Makers*):
- Flow Traders B.V.**
Jacob Bontiusplaats 9
Amsterdam 1018 LL
The Netherlands
- Flow Traders B.V. has agreed to make markets for the Bonds on certain exchanges and subject to specified bid/offer terms.
13. ISIN: DE000A3GVKY4
14. German Securities Code: A3GVKY
15. An indication where information about the past and the future performance of the
- CryptoCompare Cryptocurrency Fixing for Cardano as calculated by CryptoCompare

underlying Cryptocurrency and its volatility under CryptoCompare ticker ADA
can be obtained: CCCAGG Price Index

Signed on behalf of

Bitwise Europe GmbH

by: 
Duly Authorised

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, Spain, Sweden and Switzerland. The Bonds' International Securities Identification Number ("**ISIN**") is DE000A3GVKY4.

The date of approval of the base prospectus is 30 October 2024 (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, 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. Bitwise Europe 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.

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 Bitwise Europe 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 principal 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. ETC Holdings Ltd, is wholly-owned by Bitwise Asset Management, Inc., 250 Montgomery St., Suite 200, San Francisco, CA 94104, USA (the "**Holding Company**").

1.2.1.3. Key managing directors

The Issuer is managed by its managing directors Paul Fusaro, Katherine Dowling and Leyla Sharifullina.

1.2.1.4. Statutory auditors

Deloitte GmbH Wirtschaftsprüfungsgesellschaft, with their registered office at Europa-Allee 91, 60486 Frankfurt am Main, Germany had been appointed as the statutory auditor of the Issuer for the financial year ended 31 December 2022. Deloitte GmbH Wirtschaftsprüfungsgesellschaft is a member of the German chamber of public accountants (Wirtschaftsprüferkammer).

For the financial year ended 31 December 2023, Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, with their registered office at Cecilienallee 6-7, 40474 Düsseldorf, Germany are the statutory auditors of the Issuer. Baker Tilly GmbH & Co. KG 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 2022 and 31 December 2023 (together, the "**Annual Financial Statements**") as well as the Issuer's interim financial statements as of 30 June 2023 and 30 June 2024 (the "**Interim Financial Statements**", and, 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. The Interim Financial Statements 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.

Income Statement (in EUR)	Six months ended 30 June 2024 (unaudited)	Six months ended 30 June 2023 (unaudited)	2023	2022
Operating profit/loss	454,260	207,540	380,199	142,298

Balance Sheet (in EUR)	30 June 2024 (unaudited)	30 June 2023 (unaudited)	31 December 2023	31 December 2022
Net financial debt	1,316,735,809	671,474,280	1,147,020,673	297,516,002

Cash Flow Statement (in EUR)	Six months ended 30 June 2024 (unaudited)	Six months ended 30 June 2023 (unaudited)	2023	2022
Net Cash flows from operating activities	6,255,902	595,547	2,512,096	-3,257,493
Net Cash flows from financing activities	0	0	0	0
Net Cash flow from investing activities	0	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 Cryptocurrency. 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 does not become successful or becomes 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 related to the Issuer's dependence on its reputation and the reputation of associated parties: Due to the highly competitive market environment in the Issuer's core business, i.e. the issuance of bonds linked to Cryptocurrency, the Issuer depends on its reputation and the reputation of associated parties to maintain and grow its such core business. Any material adverse event, such as (but not limited to) defaults and insolvencies of associated parties, legal proceedings involving the Issuer or any associated party or negative media reports on the Issuer or its associated parties, could impact the Issuer's reputation, which could, in turn, depress the Issuer's profitability, creditworthiness and fundraising capacity. This, in turn, can affect the demand for and liquidity of the Bonds and price of the Bonds on the market related to the prices of the relevant Cryptocurrency and – in case such development triggers a Mandatory Redemption Event in relation to the Bonds – may result in the Issuer giving a Mandatory Redemption Notice.

Major shareholders: The Issuer is wholly owned by ETCM, which, in turn, is wholly owned by ETC Holdings Ltd, which, in turn, is wholly owned by the Holding Company, the ultimate parent company of the Issuer. As such, the shareholders of the Holding Company 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 Cardano ("**ADA**" or "**Cryptocurrency**"), an open-source project designed to be a decentralised application (DApp) development platform, 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) under certain conditions, payment of US dollars ("**USD**") 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 Coinbase Custody Trust, LLC (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 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 Cryptocurrency 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 USD if a Bondholder is prevented from receiving the Cryptocurrency due to legal or regulatory reasons). If Bonds are redeemed in USD, the redemption amount will be equal to the proceeds of sale of the Cryptocurrency Entitlement using the Cryptocurrency Auction Procedure (as defined below) ("*1.3.3. Auction cannot be carried out due to missing participants or insufficient bids*"), 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 50.00 (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 1.00 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 is prevented from receiving the Cryptocurrency due to legal or regulatory reasons and the Issuer holds a Cryptocurrency Auction Procedure, the Auctioneer (as defined below) will announce that it is auctioning the required amount of the Cryptocurrency on the Issuer's website (<https://www.etc-group.com>). The sale proceeds will be used for redemption of the Bonds.

Bids submitted for less than 80 percent of the reference price, which is on the relevant determination date, the price for the Cryptocurrency as displayed by CryptoCompare at a certain time (the "**Reference Price**") or bids for less or more than the full amount of the Cryptocurrency being auctioned will be rejected. If such a failed auction occurs, the Issuer shall return all Bonds to the Bondholder within 7 (seven) business days. The Issuer may choose to charge an Exercise Fee to the respective Bondholder in case of a failed auction.

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 the Cryptocurrency 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, resolve to split the Bonds into two, or more, separate Bonds.

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?

The Bonds have been admitted to trading on the regulated market of the Frankfurt Stock 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

Auction cannot be carried out due to missing participants or insufficient bids: If a Bondholder is prevented from receiving the Cryptocurrency for legal reasons, in particular due to regulatory provisions applicable to him, the Issuer will arrange for a the Cryptocurrency auction to receive USD to redeem the Bonds (the "**Cryptocurrency Auction Procedure**"), which will be conducted by the Issuer itself or an entity nominated by the Issuer (the "**Auctioneer**"). If such auction fails, the Bondholder faces the risk that the Bonds cannot be redeemed in USD. In addition, the transaction price achieved on the auction can be below the current market price of the Cryptocurrency which would have a negative impact on the Bondholders' investment.

Auctioneer has the choice to accept or reject a bid: If it is required to conduct a Cryptocurrency Auction Procedure, the Auctioneer will inter alia reject bids, if they are submitted for less than 80 percent of the Reference Price, or for less or more than the full amount of the Cryptocurrency being auctioned. This means at the same time that bids 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 USD settlement because they are prevented from receiving the Cryptocurrency for legal reasons, in particular due to regulatory provisions applicable to them, obligations of the Issuer to remit USD 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 USD due to the exercise of the USD 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 USD, 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 is prevented from receiving the Cryptocurrency for legal reasons, in particular due to regulatory provisions applicable to him, 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 USD that results from the auction of the Cryptocurrency 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 USD can be less or substantially less than the equivalent Cryptocurrency price, as the Issuer will try to sell the Cryptocurrency using the Cryptocurrency Auction Procedure, and all risks related to the auctioning of the Cryptocurrency as described above apply. Additionally, should the Issuer fail to realise the Cryptocurrency using the Cryptocurrency Auction Procedure, it is entitled to use any other reasonable procedure to sell the Cryptocurrency holdings, and there is a risk that such procedures would result in the sale of the Cryptocurrency at a price less or substantially less than the minimum stipulated by the Cryptocurrency Auction 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.

No direct investment: The market value of the Bonds does not exclusively depend on the prevailing price of the underlying Cryptocurrency and changes in the prevailing price of the underlying Cryptocurrency may not necessarily result in a comparable change in the market value of the Bonds. The performance of the Bonds may differ significantly from direct holdings of the underlying Cryptocurrency as a result of negative effects of fees and charges, in addition to the negative effect of any other risks described herein. The return on the Bonds may not reflect the return if the investor had actually owned the underlying Cryptocurrency and held such investment for a similar period.

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 Cryptocurrency equal to or higher than the Secured Obligations Amount always deposited with the Depositary, and have pledged such deposited Cryptocurrency 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 relating to the Issuer's exposure to the credit risk of the Depositary: The Issuer is exposed to the credit risk of the Depositary, which is the risk that the Depositary holding the underlying Cryptocurrency will fail to fulfil an obligation or commitment to the Issuer. The underlying Cryptocurrency is maintained by the Depositary in segregated accounts, which are intended to be protected in the event of insolvency of the Depositary. However, any insolvency of the Depositary may result in delayed access to the underlying Cryptocurrency provided as a Security. In such a situation, Bondholders may face a loss due to asset price fluctuation.

Risks related to ADA as underlying Cryptocurrency

Price volatility of the Cryptocurrency: The value of the Bonds is affected by the price of the Cryptocurrency as underlying. The price of the Cryptocurrency 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 Cryptocurrency may also change due to shifting investor confidence in future outlook of the asset class. Characteristics of the Cryptocurrency 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 USD, in cases where Bondholders are prevented from receiving the Cryptocurrency for legal or regulatory reasons; or (ii) upon sale on the stock exchange depends on the price performance of the Cryptocurrency and available liquidity.

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 Cryptocurrency. The risk is that third parties would only be willing to purchase Bonds at a substantial discount relative to the price of the Cryptocurrency, 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 1,000,000,000 Bonds secured by ADA.

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. has been appointed as Authorised Participant. The offer period has commenced on 30 November 2021 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:

$$CE = ICE \times (1 - DER)^n$$

Where:

"CE" means Cryptocurrency Entitlement;

"ICE" means initial cryptocurrency entitlement which means ADA 5 per Bond;

"DER" means diminishing entitlement rate which is 1.95 percent (subject to reduction by the Issuer); and

"n" means number of days/365.

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 ADA 5 per Bond, i.e. Authorised Participants purchasing Bonds from the Issuer would receive one Bond for each 5 ADA. In addition, the Issuer will charge a subscription fee of up to 0.50 percent of 5 ADA 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 9 December 2024, based on a ADA value of Euro 1.06 would be Euro 5.30. 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 5.30.

Expenses: The estimated total expenses of the issue and/or offer are EUR 35,500. 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 Cryptocurrency. Cryptocurrency received by the Issuer through the subscription of the Bonds will be transferred to the Depository 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 1,000,000,000 units of Bonds are sold and based on the ADA value of EUR 1.06 (as of 9 December 2024), the net proceeds for each 10,000 units of Bonds are EUR 53,000.00.

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.

EMISSIONSSPEZIFISCHE ZUSAMMENFASSUNG

1.1. EINLEITUNG UND WARNHINWEISE

Diese Zusammenfassung bezieht sich auf das öffentliche Angebot von besicherten Schuldverschreibungen (die "**Schuldverschreibungen**") in Österreich, Tschechien, Dänemark, Deutschland, Irland, Italien, Luxemburg, Malta, Norwegen, Niederlande, Finnland, Frankreich, Polen, Spanien, Schweden und in der Schweiz. Die internationale Wertpapieridentifikationsnummer ("**ISIN**") der Schuldverschreibungen ist DE000A3GVKY4.

Das Datum der Billigung des Basisprospekts ist der 30. Oktober 2024 (der "**Basisprospekt**"). Die Billigung erfolgte durch die Bundesanstalt für Finanzdienstleistungsaufsicht ("**BaFin**"), Marie-Curie-Str. 24-28, 60439 Frankfurt am Main, Deutschland, E-Mail: poststelle@bafin.de, Telefon: +49 (0)228 4108-0.

Diese Zusammenfassung ist als Einleitung zu dem Basisprospekt zu verstehen. Anleger sollten sich bei jeder Entscheidung, in die Schuldverschreibungen der Emittentin zu investieren, auf den Basisprospekt als Ganzes stützen. Anleger könnten einen Teil ihres Kapitals oder ihr gesamtes Kapital verlieren, das sie in die Schuldverschreibungen der Emittentin investiert haben. Bitwise Europe GmbH mit Sitz in Thurn- und Taxis-Platz 6, 60313 Frankfurt am Main, Deutschland (die "**Emittentin**") übernimmt die Verantwortung für die in dieser Zusammenfassung enthaltenen Informationen und deren deutsche Übersetzung. Die Emittentin haftet nur für den Fall, dass die Zusammenfassung verglichen mit den anderen Teilen des Basisprospekts irreführend, unrichtig oder inkohärent ist oder verglichen mit den anderen Teilen des Basisprospekts wesentliche Informationen, die in Bezug auf Anlagen in die Schuldverschreibungen für die Anleger eine Entscheidungshilfe darstellen, vermissen lässt. Ein Anleger, der wegen der in dem Basisprospekt enthaltenen Angaben Klage einreichen will, muss nach den nationalen Rechtsvorschriften des Mitgliedstaats des Europäischen Wirtschaftsraums möglicherweise für die Übersetzung des Basisprospekts aufkommen, bevor das Verfahren eingeleitet werden kann.

Die LEI-Nummer der Emittentin ist 875500BTZPKWM4X8R658.

1.2. BASISINFORMATIONEN ÜBER DIE EMITTENTIN

1.2.1. Wer ist die Emittentin der Wertpapiere?

Der gesetzliche und kommerzielle Name der Emittentin ist Bitwise Europe GmbH. Die LEI-Nummer der Emittentin ist 875500BTZPKWM4X8R658. Die Emittentin ist nach dem Recht der Bundesrepublik Deutschland eingetragen. Das für die Emittentin geltende Recht ist das Recht der Bundesrepublik Deutschland. Die Emittentin unterhält ihren Hauptgeschäftssitz in Gridiron, One Pancras Square, London, N1C 4 AG, Vereinigtes Königreich. Die Adresse und der registrierte Sitz der Emittentin ist in Thurn- und Taxis-Platz 6, 60313 Frankfurt am Main, Deutschland und die Emittentin ist im Handelsregister des Amtsgerichts Frankfurt am Main unter der HRB 116604 registriert. Die Webseite der Emittentin ist <https://www.etc-group.com> und die Telefonnummer lautet +49 69 8088 3728.

1.2.1.1. Haupttätigkeiten der Emittentin

Die Hauptgeschäftstätigkeit der Emittentin ist die Ausgabe von durch Kryptowährung besicherten Schuldverschreibungen und anderen digitalen Vermögenswerten.

Mit der Ausgabe der Schuldverschreibungen beabsichtigt die Emittentin, die Nachfrage von Anlegern nach handelbaren Wertpapieren, über die eine Investition in Kryptowährungen und anderen digitalen Vermögenswerten getätigt wird, zu bedienen.

1.2.1.2. Hauptanteilseigner der Emittentin

Der alleinige Gesellschafter der Emittentin ist die ETC Management Ltd ("**ETCM**"). Alleinige Gesellschafterin der ETCM ist die ETC Holdings Ltd. ETC Holdings Ltd. befindet sich vollständig im Besitz von Bitwise Asset Management, Inc. 250 Montgomery St., Suite 200, San Francisco, CA 94104, USA (die "**Muttergesellschaft**").

1.2.1.3. Identität der Hauptgeschäftsführer

Die Emittentin wird von ihren Geschäftsführern Paul Fusaro, Katherine Dowling und Leyla Sharifullina geleitet.

1.2.1.4. Identität der Abschlussprüfer

Deloitte GmbH Wirtschaftsprüfungsgesellschaft mit Geschäftssitz in Europa-Allee 91, 60486 Frankfurt am Main, Deutschland, waren als gesetzliche Abschlussprüfer der Emittentin für das am 31. Dezember 2022 endende Geschäftsjahr bestellt. Deloitte GmbH Wirtschaftsprüfungsgesellschaft ist Mitglied der deutschen Wirtschaftsprüferkammer.

Für das am 31. Dezember 2023 endende Geschäftsjahr ist Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft mit Geschäftssitz in Cecilienallee 6-7, 40474 Düsseldorf, Deutschland, der gesetzliche Abschlussprüfer der Emittentin. Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft ist Mitglied der deutschen Wirtschaftsprüferkammer.

1.2.2. Welches sind die wesentlichen Finanzinformationen über die Emittentin?

Die Finanzinformationen der Emittentin sind in den geprüften Jahresabschlüssen vom 31. Dezember 2022 und 31. Dezember 2023 (zusammen, die "**Jahresabschlüsse**") und in den Halbjahresabschlüssen zum 30. Juni 2023 und zum 30. Juni 2024 (die "**Halbjahresfinanzberichte**" und zusammen mit den Jahresabschlüssen, die "**Abschlüsse**") enthalten.

Die Abschlüsse wurden in Übereinstimmung mit den International Financial Reporting Standards ("**IFRS**"), wie sie in der Europäischen Union (der "**EU**") anzuwenden sind, erstellt.

Die Jahresabschlüsse wurden geprüft und mit einem uneingeschränkten Bestätigungsvermerk versehen. Die Halbjahresfinanzberichte wurden von den Wirtschaftsprüfern der Emittentin weder geprüft, noch prüferisch durchgesehen.

Die folgenden ausgewählten Finanzinformationen basieren auf den Abschlüssen und sind diesen entnommen.

Gewinn- und Verlustrechnung (in EUR)	Sechs-Monats- Zeitraum endend zum 30. Juni 2024 (ungeprüft)	Sechs-Monats- Zeitraum endend zum 30. Juni 2023 (ungeprüft)	2023	2022
Operativer Gewinn/Verlust	454.260	207.540	380.199	142.298

Bilanz (in EUR)	30. Juni 2024 (ungeprüft)	30. Juni 2023 (ungeprüft)	31. Dezember 2023	31. Dezember 2022
Nettofinanzverbindlichkeiten	1.316.735.809	671.474.280	1.147.020.673	297.516.002

Kapitalflussrechnung (in EUR)	Sechs-Monats- Zeitraum endend zum 30. Juni 2024 (ungeprüft)	Sechs-Monats- Zeitraum endend zum 30. Juni 2023 (ungeprüft)	2023	2022
Netto-Cashflows aus der laufenden Geschäftstätigkeit	6.255.902	595.547	2.512.096	-3.257.493
Netto-Cashflows aus Finanzierungstätigkeiten	0	0	0	0
Netto-Cashflow aus Investitionstätigkeiten	0	0	0	0

1.2.3. Welches sind die wesentlichen Risiken spezifisch auf die Emittentin bezogen?

Die folgenden Risikofaktoren sind wesentlich für die Fähigkeit der Emittentin, ihre Verpflichtungen aus den von ihr ausgegebenen Schuldverschreibungen zu erfüllen.

Risiken im Zusammenhang mit dem begrenzten Unternehmensgegenstand der Emittentin: Der Schwerpunkt der Geschäftstätigkeit der Emittentin liegt auf der Emission von Schuldverschreibungen, die in Verbindung mit einer Kryptowährungen oder mehreren Kryptowährungen, die einen Korb bilden, begeben sind. Die Emittentin wird keine weiteren Geschäfte, außer den oben beschriebenen, tätigen (siehe unter "**2.2.1.1. Haupttätigkeiten der Emittentin**"). Aufgrund dieses begrenzten Unternehmensziels ist die Emittentin dem Risiko ausgesetzt, dass die zugrunde liegende Kryptowährung bzw. die in einem Korb enthaltenen Kryptowährungen nicht erfolgreich oder weniger erfolgreich werden. Die Emittentin könnte deshalb möglicherweise nicht erfolgreich darin sein, ihr Geschäft auszuführen was negative Auswirkungen auf die geschäftliche und finanzielle Situation der Emittentin haben kann.

Risiken im Zusammenhang mit der Abhängigkeit der Emittentin von ihrer Reputation und der Reputation verbundener Parteien: Aufgrund des hart umkämpften Marktumfelds im Kerngeschäft der Emittentin, d. h. der Emission von durch Kryptowährung besicherten Schuldverschreibungen, ist die Emittentin auf ihre Reputation und die Reputation verbundener Parteien angewiesen, um ihr Kerngeschäft aufrechtzuerhalten und auszubauen. Jedes wesentliche nachteilige Ereignis, wie z.B. (aber nicht ausschließlich) Zahlungsausfälle und Insolvenzen verbundener Parteien, Gerichtsverfahren, an denen die Emittentin oder eine verbundene Partei beteiligt ist, oder

negative Medienberichte über die Emittentin oder ihre verbundenen Parteien könnten die Reputation der Emittentin beeinträchtigen, was wiederum die Rentabilität, Kreditwürdigkeit und Fundraising-Kapazität der Emittentin beeinträchtigen könnte. Dies kann wiederum die Nachfrage nach und die Liquidität der Schuldverschreibungen und den Preis der Schuldverschreibungen auf dem Markt in Bezug auf die Preise der betreffenden Kryptowährung beeinträchtigen und - falls eine solche Entwicklung ein Zwangsrückzahlungsereignis in Bezug auf die Schuldverschreibungen auslöst - dazu führen, dass die Emittentin eine Zwangsrückzahlungserklärung abgibt.

Hauptgesellschafter: Die Emittentin befindet sich zu 100 % im Besitz von ETCM, die wiederum zu 100 % im Besitz von ETC Holdings Ltd ist, die wiederum zu 100 % im Besitz der Muttergesellschaft, der Dachgesellschaft der Emittentin, ist. Als solche haben die Gesellschafter der Muttergesellschaft 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.

Angriffe von "Hackern" und Sabotage von außerhalb der Emittentin: Das gesamte Geschäft der Emittentin ist von einer bestimmten IT-Infrastruktur abhängig. Zusätzlich sind auch Dienstleister (z.B. der Administrator, die Zahlstelle und das Clearingsystem) auf IT-Systeme angewiesen, um Dienstleistungen für die Emittentin zu erbringen. Sowohl die IT-Systeme der Emittentin als auch die IT-Systeme der Dienstleister können von Kriminellen gehackt werden. Die Emittentin ist dem Risiko ausgesetzt, teilweise, vorübergehend oder sogar dauerhaft an der Ausübung ihrer Geschäftstätigkeit gehindert zu werden und sogar insolvent zu werden, und die Gläubiger der Anleihe (die "**Anleihegläubiger**") können durch einen solchen Sicherheitsverstoß einen Teil ihres Investments oder gar ihr ganzes Investment in die Schuldverschreibungen verlieren.

1.3. BASISINFORMATIONEN ÜBER DIE WERTPAPIERE

1.3.1. Welches sind die wichtigsten Merkmale der Wertpapiere?

Bei den Schuldverschreibungen handelt es sich um besicherte Schuldverschreibungen. Die Schuldverschreibungen haben keinen festgelegten Fälligkeitstag. Die Schuldverschreibungen werden nicht verzinst. Jede Schuldverschreibung verbrieft das Recht des Anleihegläubigers, von der Emittentin (a) die Lieferung von Cardano ("**ADA**" oder "**Kryptowährung**"), ein Open-Source-Projekt, das als Plattform für die Entwicklung dezentraler Anwendungen (Dapp) konzipiert ist, entsprechend dem Anspruch des Anleihegläubigers, zu einem beliebigen Geschäftstag gegenüber der Emittentin in Bezug auf jede Anleihe, ausgedrückt als der Betrag der Kryptowährung pro Anleihe und berechnet von der Emittentin nach eigenem Ermessen gemäß der nachstehenden Formel ("**2.4.1 Feststellungsmethode des Ausgabepreises**") (der "**Kryptowährungsanspruch**") oder (b) unter bestimmten Umständen, die Zahlung eines gemäß maßgeblichen Bestimmungen der Bedingungen der Anleihe (die "**Anleihebedingungen**") bestimmten Barbetrags in USD zu verlangen. Die Verpflichtungen unter den Anleihen begründen unmittelbare, nicht nachrangige und besicherte Verpflichtungen der Emittentin, die (i) untereinander, (ii) mit den Gesicherten Put-Options-Verpflichtungen (wie unten definiert) ("**2.3.3 Risiken im Zusammenhang mit der Ausübung der Put Option**") und (iii) mit jeder Verpflichtung der Emittentin, die Anleihen auf ein Unternehmen zu übertragen, das von der Emittentin als autorisierter Teilnehmer (der "**Autorisierte Teilnehmer**") benannt wurde und der Autorisierte Teilnehmer zumindest den Kryptowährungsanspruch pro Schuldverschreibung, die gezeichnet oder erworben wird, auf das Verwahrstellen-Wallet, welches von der Coinbase Custody Trust, LLC betrieben wird (das "**Verwahrstellen Wallet**" und, solche Verpflichtungen, die "**Gesicherten Abwicklungsverpflichtungen**") übertragen hat, gleichrangig sind. Die Schuldverschreibungen sind frei übertragbar.

Die folgenden Rechte sind mit den Schuldverschreibungen verbunden:

Sicherheiten: Verpfändung der gegenwärtigen und zukünftigen Rechte, Titel, Zinsen und der Vorteile durch die Emittentin zugunsten der Anleihegläubiger in, an und unter dem Verwahrstellen-Wallet, der Hinterlegten Kryptowährung und Verpfändung durch die Emittentin über das Emissionskonto und die im Besitz der Emittentin befindlichen Schuldverschreibungen zugunsten der Anleihegläubiger (die "**Sicherheit**"). Einzelheiten der Konten und der Bedingungen der jeweiligen Verpfändungen sind in den Sicherheitendokumenten festgelegt, die zur Ansicht durch die Anleihegläubiger am Hauptgeschäftssitz der Emittentin (Gridiron, One Pancras Square, London, N1C 4 AG, Vereinigtes Königreich) verfügbar sind.

Zwangsrückzahlung: Bei Eintritt bestimmter Ereignisse der Zwangsrückzahlung kann die Emittentin (ist jedoch nicht verpflichtet) zu jedem Zeitpunkt, mit einer Kündigungsfrist gegenüber den Anleihegläubigern von mindestens 30 (dreißig) Tagen, die Schuldverschreibungen am Zwangsrückzahlungstag zu ihrem Zwangsrückzahlungspreis (wie unten definiert) zurückzahlen. Diese Ereignisse der Zwangsrückzahlung umfassen unter anderem das Inkrafttreten neuer Gesetze oder Verordnungen, durch die ein Erwerb von Lizenzen für die Emittentin erforderlich wird, damit sie ihre Verpflichtungen unter den Schuldverschreibungen erfüllen kann, Änderungen in der steuerlichen Behandlung der Kryptowährung, oder den Fall, dass die Emittentin von einem zuständigen Gericht angewiesen oder anderweitig gesetzlich verpflichtet wird, eine Pflichtrückzahlung zu veranlassen. Eine solche Kündigung führt für die Anleihegläubiger zwangsläufig zur Rückzahlung der Schuldverschreibungen.

Rückzahlung nach Wahl der Anleihegläubiger (Put-Option): Die Schuldverschreibungen haben keinen festgelegten Fälligkeitstag. Jeder Anleihegläubiger kann seine Schuldverschreibungen jedoch gegen Zahlung des Kryptowährungsanspruchs (oder gegen Zahlung von USD sofern ein Anleihegläubiger aufgrund rechtlicher oder regulatorischer Gründe die Kryptowährung nicht empfangen kann), kündigen. Im Falle einer Zahlung in USD entspricht der Rückzahlungsbetrag dem Verkaufserlös des Kryptowährungsanspruchs unter Zuhilfenahme des Kryptowährungs-Auktionsverfahren ("**2.3.3. Die Auktion kann aufgrund fehlender Teilnehmer oder unzureichender Gebote nicht durchgeführt werden**"), sofern ein solches Verfahren in einem erfolgreichen Verkauf resultiert. Um seine Schuldverschreibungen kündigen zu können, muss der Anleihegläubiger (i) das Put-Options-Ausübungsformular einreichen, (ii) eine Rückzahlungsgebühr in Höhe von EUR 50,00 zahlen (vorbehaltlich bestimmter Ausnahmen) und (iii) die Schuldverschreibungen, für die die Put-Option (wie unten definiert) ausgeübt wird, zahlungsfrei auf das Emissionskonto übertragen. Falls ein Anleihegläubiger seine Put-Option gegenüber der Emittentin oder gegenüber einem Autorisierten Teilnehmer ausübt, fällt eine Ausübungsgebühr zusätzlich zur Rückzahlungsgebühr (falls anwendbar) an, in Höhe eines Betrages, der 1,00 Prozent des Kryptowährungsanspruchs für jede Schuldverschreibung, für die eine Put-Option ausgeübt wird, entspricht (die "**Ausübungsgebühr**"). Verkauft der Anleihegläubiger seine Schuldverschreibungen jedoch über die Börse, fallen keine Gebühren für die Rückzahlung gegenüber der Emittentin oder dem Autorisierten Teilnehmer an. Sofern ein Anleihegläubiger aus rechtlichen oder regulatorischen Gründen die Kryptowährung nicht erhalten darf und die Emittentin ein Kryptowährungs-Auktionsverfahren durchführt, wird der Auktionator (wie unten definiert) auf der Webseite der Emittentin (<https://www.etc-group.com>) bekannt geben, dass er die erforderliche Menge der Kryptowährung versteigert. Der Verkaufserlös wird zur Rückzahlung der Anleihe verwendet. Gebote, die auf weniger als 80 Prozent des Referenzpreises, der Preis, der am maßgeblichen Festlegungstag zu einer bestimmten Zeit von CryptoCompare angezeigt wird (der "**Referenzpreis**") abgegeben werden oder Gebote, die auf weniger oder mehr als den gesamten Betrag der zu versteigernden Kryptowährung entfallen, werden abgelehnt. Wenn eine solche fehlgeschlagene Auktion geschieht, wird die Emittentin alle Schuldverschreibungen innerhalb von 7 (sieben) Geschäftstagen an die Anleihegläubiger zurücktransferieren. Die Emittentin kann im Falle einer fehlgeschlagenen Auktion wählen, ob sie eine Ausübungsgebühr vom betreffenden Anleihegläubiger verlangt.

Rückzahlung bei einem verzugsbegründenden Ereignis ("Event of Default"): Die Schuldverschreibungen gewähren jedem Anleihegläubiger für den Fall eines außerordentlichen Kündigungsgrundes (*Event of Default*) das Recht, die sofortige Rückzahlung des Kryptowährungsanspruchs zu verlangen.

Teilung: Wenn die Kryptowährung in zwei oder mehrere Kryptowährungen geteilt wird, wird jede Schuldverschreibung einen Anspruch auf einen Korb von Kryptowährungen darstellen, der dem Kryptowährungsanspruch entspricht, den jede Schuldverschreibung vor der Teilung hatte und die Emittentin kann, nach eigenem Ermessen die Schuldverschreibungen in eine oder mehrere einzelne Schuldverschreibungen teilen.

Beschlüsse der Anleihegläubiger: In Übereinstimmung mit dem Schuldverschreibungsgesetz von 2009 sehen die Anleihebedingungen vor, dass die Anleihegläubiger durch Beschluss (mit Zustimmung der Emittentin) Änderungen der Anleihebedingungen zustimmen und gewisse sonstige Maßnahmen in Bezug auf die Schuldverschreibungen beschließen können. Beschlüsse der Anleihegläubiger können nach Maßgabe der Anleihebedingungen entweder in einer Gläubigerversammlung oder im Wege der Abstimmung ohne Versammlung gefasst werden und sind für alle Anleihegläubiger verbindlich. Beschlüsse der Anleihegläubiger, durch welche der wesentliche Inhalt der Anleihebedingungen geändert wird, bedürfen einer Mehrheit von mindestens 75 Prozent der an der Abstimmung teilnehmenden Stimmrechte. Sonstige Beschlüsse bedürfen der einfachen Mehrheit der teilnehmenden Stimmrechte.

1.3.2. Wo werden die Wertpapiere gehandelt?

Die Schuldverschreibungen wurden zum Handel im regulierten Markt der Frankfurter Börse zugelassen. Ferner kann die Emittentin beschließen, die Schuldverschreibungen an anderen oder weiter regulierten Märkten zu notieren und/oder den Handel der Schuldverschreibungen an multilateralen Handelssystemen, organisierten Handelssystemen oder durch systematische Internalisierer im Sinne der Richtlinie 2014/65/EU des Europäischen Parlaments und des Rates vom 15. Mai 2014 über Märkte für Finanzinstrumente zu regeln.

1.3.3. Welches sind die zentralen Risiken, die für die Wertpapiere spezifisch sind?

Die folgenden zentralen Risiken können zu erheblichen Verlusten bei Anleihegläubigern führen. Jeder Anleihegläubiger muss die möglichen Verluste im Falle einer Veräußerung seiner Schuldverschreibungen oder bei Kapitalrückzahlungen tragen:

Risiken im Zusammenhang mit der Art der Schuldverschreibungen und den Anleihebedingungen

Die Auktion kann aufgrund fehlender Teilnehmer oder unzureichender Gebote nicht durchgeführt werden: Sofern es einem Anleihegläubiger aus rechtlichen Gründen untersagt ist, die Kryptowährung zu erhalten, insbesondere aufgrund regulatorischer Bestimmungen, die auf ihn Anwendung finden, wird die Emittentin eine Kryptowährungs-Auktion organisieren (das "**Kryptowährungs-Auktionsverfahren**"), welche von der Emittentin selbst oder von einem Unternehmen, welches von der Emittentin ernannt wird, durchgeführt wird (der "**Auktionator**"), um US Dollar ("**USD**") zur Rückzahlung der Schuldverschreibungen zu erhalten. Scheitert eine

solche Auktion, besteht für den Anleihegläubiger das Risiko, dass die Schuldverschreibungen nicht in USD zurückgezahlt werden können. Darüber hinaus kann der bei der Auktion erzielte Transaktionspreis unter dem aktuellen Marktpreis der Kryptowährung liegen, was sich negativ auf die Investition der Anleihegläubiger auswirken würde.

Der Auktionator hat die Wahl, Gebote anzunehmen oder abzulehnen: Ist die Durchführung eines Kryptowährungs-Auktionsverfahrens erforderlich, wird der Auktionator unter anderem Gebote ablehnen, wenn sie auf weniger als 80 Prozent des Referenzpreises oder auf weniger oder mehr als den vollen der zu versteigernden Kryptowährungs-Betrags abgegeben werden. Dies bedeutet gleichzeitig, dass Gebote zu 80 Prozent des Referenzpreises und damit deutlich unter dem Referenzpreis angenommen werden können.

Risiken im Zusammenhang mit der Ausübung der Put Option: Anleger der Schuldverschreibungen haben eine Put-Option (die "**Put-Option**"), die es Ihnen erlaubt, der Emittentin die Schuldverschreibungen gegen Zahlung des Kryptowährungsanspruchs zurückzuzahlen. Jedoch können Anleger möglicherweise nicht dazu in der Lage sein, die Put-Option auszuüben, wenn sie der Emittentin nicht genügend Informationen gemäß den Anleihebedingungen zur Verfügung stellen. Wenn außerdem Anleihegläubiger die Put-Option ausüben und eine USD-Abwicklung verlangen, da ihnen aus rechtlichen Gründen untersagt ist, die Kryptowährung zu erhalten, insbesondere aufgrund regulatorischer Regelungen, die auf sie Anwendung finden, stellen die Verpflichtungen der Emittentin, USD an diesen Anleihegläubiger nach der Rückgabe der betreffenden Schuldverschreibungen an die Emittentin zu überweisen, unbesicherte Verpflichtungen der Emittentin dar. Nur Abwicklungsverpflichtungen, die im Zusammenhang mit der Ausübung der Kryptowährungs-Put-Option stehen (die "**Besicherten Put-Options-Verpflichtungen**"), stellen besicherte Verpflichtungen der Emittentin dar. Ansprüche eines Anleihegläubigers auf Zahlungen in USD aufgrund der Ausübung der USD-Put-Option werden erst erfüllt, wenn der jeweilige Anleihegläubiger die Schuldverschreibungen an die Emittentin geliefert hat. Während des Zeitraums von der Lieferung der Schuldverschreibungen bis zur tatsächlichen Zahlung von USD ist der jeweilige Anleihegläubiger nicht mehr Eigentümer der Schuldverschreibungen und hat auch keinen gesicherten Anspruch gegen die Emittentin.

Zwangsrückzahlung: Im Falle des Eintritts bestimmter Ereignisse, wie in den Anleihebedingungen näher beschrieben, kann die Emittentin jederzeit nach eigenem und absolutem Ermessen beschließen (sie ist jedoch nicht dazu verpflichtet), alle Schuldverschreibungen, jedoch nicht einen Teil davon, zu ihrem Zwangsrückzahlungspreis zu kündigen und zurückzuzahlen, der (i) dem Kryptowährungsanspruch; oder (ii) falls es dem Anleihegläubiger aus rechtlichen Gründen untersagt ist, die Kryptowährung zu erhalten, insbesondere aufgrund regulatorischer Regelungen die auf ihn Anwendung finden, die Kryptowährungs-Verkaufserlöse, dividiert durch die Anzahl der ausstehenden Schuldverschreibungen am maßgeblichen Zwangsrückzahlungstag, abzüglich sämtlicher angemessener Gebühren Dritter aufgrund der Rückzahlung der Schuldverschreibungen, (der "**Zwangsrückzahlungspreis**") entspricht. Der Kryptowährungs-Verkaufserlös ist der Betrag in USD, der sich aus der Versteigerung der Kryptowährung für die Rückzahlung der Anleihen ergibt. Bei der Ausübung dieses Ermessens ist die Emittentin nicht verpflichtet, die Interessen der Anleihegläubiger zu berücksichtigen, und die Anleihegläubiger können weniger oder wesentlich weniger als ihre ursprüngliche Investition erhalten. Der in USD gezahlte Zwangsrückzahlungspreis der Schuldverschreibungen kann niedriger oder wesentlich niedriger sein als der entsprechende Kryptowährungs-Preis, da die Emittentin versuchen wird, die Kryptowährung im Rahmen des Kryptowährungs-Auktionsverfahrens zu verkaufen, und alle mit der Versteigerung der Kryptowährung verbundenen, vorstehend beschriebenen Risiken gelten. Sollte die Emittentin die Kryptowährung nicht im Rahmen des Kryptowährungs-Auktionsverfahrens realisieren, ist sie darüber hinaus berechtigt, jedes andere angemessene Verfahren zum Verkauf der Kryptowährung anzuwenden, und es besteht das Risiko, dass ein solches Verfahren zum Verkauf der Kryptowährung zu einem Preis führen würde, der niedriger oder wesentlich niedriger ist als das durch das Kryptowährungs-Auktionsverfahrens festgelegte Minimum. Darüber hinaus könnte die Zwangsrückzahlung zu einer Veräußerung der Schuldverschreibungen aus steuerlichen Gründen durch einige oder alle Anleihegläubiger zu einem früheren Zeitpunkt als geplant oder erwartet führen, was zu einer nachteiligen steuerlichen Behandlung der Investition in die Schuldverschreibungen für diese Anleihegläubiger führen kann, als dies anderweitig möglich wäre, wenn die Investition für einen längeren Zeitraum aufrechterhalten würde.

Keine Direktanlage: Der Marktwert der Schuldverschreibungen hängt nicht ausschließlich vom Kurs der zugrunde liegenden Kryptowährung ab, und Änderungen des Kurses der zugrunde liegenden Kryptowährung führen nicht unbedingt zu einer vergleichbaren Änderung des Marktwerts der Schuldverschreibungen. Die Wertentwicklung der Schuldverschreibungen kann aufgrund negativer Auswirkungen von Gebühren und Abgaben, zusätzlich zu den negativen Auswirkungen anderer hier beschriebener Risiken, erheblich von einem Direktbesitz der zugrunde liegenden Kryptowährung abweichen. Die Rendite der Schuldverschreibungen spiegelt möglicherweise nicht die Rendite wider, die erzielt worden wäre, wenn der Anleger die zugrunde liegende Kryptowährung tatsächlich besessen und über einen ähnlichen Zeitraum gehalten hätte.

Risiken im Zusammenhang mit der Sicherheit der Schuldverschreibungen

Die zur Besicherung der Schuldverschreibungen gewährten Sicherheiten können nicht vollstreckt werden oder die Vollstreckung der Sicherheiten kann sich verzögern: Die Emittentin hat sich verpflichtet, einen Betrag der

Kryptowährung, der mindestens dem Betrag Besicherter Verpflichtungen entspricht, bei der Verwahrstelle zu hinterlegen und hat die hinterlegten Einheiten der Kryptowährung als Sicherheit für die Verpflichtungen der Emittentin gegenüber den Anleihegläubigern zu verpfänden. Diese Sicherungsvereinbarungen reichen aus verschiedenen Gründen möglicherweise nicht aus, um die Anleihegläubiger im Falle des Konkurses oder der Liquidation der Emittentin oder der Verwahrstelle zu schützen.

Risiken in Bezug auf das Kreditrisiko der Emittentin gegenüber der Verwahrstelle: Die Emittentin ist dem Kreditrisiko der Verwahrstelle ausgesetzt, d. h. dem Risiko, dass die Verwahrstelle, die die zugrunde liegende Kryptowährung hält, einer Verpflichtung oder Zusage gegenüber der Emittentin nicht nachkommt. Die zugrunde liegende Kryptowährung wird von der Verwahrstelle auf getrennten Konten gehalten, die im Falle einer Insolvenz der Verwahrstelle geschützt werden sollen. Eine Insolvenz der Verwahrstelle kann jedoch zu einem verzögerten Zugriff auf die zugrunde liegende Kryptowährung führen, die als Sicherheit gestellt wird. In einer solchen Situation können die Anleihegläubiger aufgrund von Kursschwankungen der Vermögenswerte einen Verlust erleiden.

Risiken im Zusammenhang mit ADA als zugrunde liegende Kryptowährung

Preisvolatilität (Preisschwankungen) der Kryptowährung: Der Wert der Schuldverschreibungen wird durch den Preis der Kryptowährung, als zugrunde liegende Kryptowährung, beeinflusst. Die Preise der Kryptowährung schwanken stark und können beispielsweise durch globale und regionale politische, wirtschaftliche oder finanzielle Ereignisse, regulatorische Ereignisse oder Stellungnahmen von Aufsichtsbehörden, Anlagegeschäften, Absicherungsgeschäften oder anderen Aktivitäten eines breiten Spektrums von Marktteilnehmern, Teilungen in zugrundeliegenden Protokollen, Störungen der Infrastruktur oder Mittel, mit denen Kryptoanlagen hergestellt, verteilt, gespeichert und gehandelt werden beeinflusst werden. Der Preis der Kryptowährung kann sich auch aufgrund des veränderten Vertrauens der Anleger in die Zukunftsaussichten der Anlageklasse ändern. Merkmale der Kryptowährung und Divergenz der geltenden Regulierungsstandards schaffen das Potenzial für Marktmissbrauch und können zu hohen Preisschwankungen führen. Beträge, die die Anleihegläubiger (i) bei Rückzahlung der Anleihe in USD, in Fällen, in denen es Anleihegläubigern aus rechtlichen oder regulatorischen Gründen untersagt ist, die Kryptowährung zu erhalten, oder (ii) beim Verkauf an der Börse erhalten, hängen von der Preisentwicklung der Kryptowährung und der verfügbaren Liquidität ab.

Risiken im Zusammenhang mit der Zulassung der Wertpapiere zum Handel

Risiken im Zusammenhang mit der Zulassung zum Handel: Der Handelspreis der Schuldverschreibungen könnte sinken sobald sich die Bonität der Emittentin oder mit der Emittentin verwandten Parteien verschlechtert oder den Anschein hat sich zu verschlechtern, unabhängig von der Tatsache, dass die Schuldverschreibungen durch das gegenwärtige Halten der Kryptowährung besichert sind. Es besteht das Risiko, dass Dritte nur mit einem wesentlichen Preisabschlag im Verhältnis zum Preis für die Kryptowährung bereit sind, die Schuldverschreibungen zu kaufen. Diese kann wiederum in einem Verlust für die Anleihegläubiger resultieren.

Steuerrisiken im Zusammenhang mit den Schuldverschreibungen

Finanztransaktionssteuer: Im Jahr 2013 veröffentlichte die Europäische Kommission einen Vorschlag (der "Vorschlag der Kommission") für eine Richtlinie bezüglich einer gemeinsamen Finanztransaktionssteuer (*Financial Transaction Tax*). Gemäß dem Vorschlag der Kommission soll die Finanztransaktionssteuer in bestimmten EU-Mitgliedstaaten, darunter auch in Deutschland, umgesetzt werden. Das konkrete Risiko dieser Finanztransaktionssteuer liegt in der möglichen nachteiligen Steuerbehandlung der Schuldverschreibungen, was sich wiederum nachteilig auf die Rendite der Anlage des Anleihegläubigers in die Schuldverschreibungen auswirken kann.

1.4. BASISINFORMATIONEN ÜBER DAS ÖFFENTLICHE ANGEBOT VON WERTPAPIEREN UND/ ODER DIE ZULASSUNG ZUM HANDEL AN EINEM REGULIERTEN MARKT

1.4.1. Zu welchen Konditionen und nach welchem Zeitplan kann ich in dieses Wertpapier investieren?

Die Bedingungen und der Zeitplan für die Investition in die Schuldverschreibungen werden nachstehend aufgeführt.

Die Emittentin wird bis zu 1.000.000.000 Schuldverschreibungen emittieren, welche mittels ADA besichert sind.

Erwerb der Schuldverschreibungen: Im Primärmarkt können die Schuldverschreibungen direkt von der Emittentin nur durch Autorisierte Teilnehmer und nur mit der Kryptowährung erworben werden. Anleger, die keine Autorisierten Teilnehmer sind, können die Schuldverschreibungen im Sekundärmarkt erwerben, entweder (i) von einem Autorisierten Teilnehmer in Übereinstimmung mit den jeweils geltenden Verkaufsbeschränkungen, (ii) über eine Börse durch ihren Broker oder (iii) außerbörslich von einem beliebigen Dritten. In diesem Zusammenhang wurde Flow Traders B.V. als Autorisierter Teilnehmer benannt. Die Angebotsfrist hat am 30. November 2021 begonnen und ist bis zum (i) Ablauf der Gültigkeit des Basisprospekts oder (ii) dem Ablauf der Gültigkeit eines neuen, dem Basisprospekt unmittelbar nachfolgenden Basisprospekts, je nachdem welcher Zeitpunkt später eintritt, geöffnet, vorbehaltlich einer Verkürzung der Frist. Ein öffentliches Angebot erfolgt in den unter "1.1 Einleitung und Warnhinweise" genannten Ländern, vorbehaltlich der geltenden Verkaufsbeschränkungen.

Bedingungen und technische Einzelheiten des Angebots: Das Angebot ist nicht an Bedingungen oder Fristen gebunden, mit Ausnahme der Frist, welche sich aus dem Gültigkeitszeitraum des Basisprospekts ergibt, wie unter "Erwerb der Schuldverschreibungen" beschrieben. Es gibt keine Möglichkeit, die Zeichnung zu reduzieren. Es wurden keine Mindest- oder Höchstzeichnungsbeträge festgelegt. Finanzintermediäre (einschließlich Autorisierte Teilnehmer), die die Schuldverschreibungen anbieten, können jedoch beim Anbieten der Schuldverschreibungen nach eigenem und absolutem Ermessen Mindest- oder Höchstzeichnungsbeträge festlegen.

Die Schuldverschreibungen können im Primärmarkt entweder mit der Kryptowährung, Euro, USD oder einer anderen Papierwährung oder Kryptowährung gekauft werden, wie jeweils von dem die Schuldverschreibungen anbietenden Finanzintermediär bestimmt. Jedoch können Schuldverschreibungen, die direkt von der Emittentin im Primärmarkt gekauft werden, nur mit der Kryptowährung und nur durch Autorisierte Teilnehmer erworben werden. Die Schuldverschreibungen werden via Buchung (*Book-Entry*) über das Clearingsystem und seine kontoführenden Banken geliefert.

Im Sekundärmarkt können Schuldverschreibungen ausschließlich in Fiat erworben werden.

Feststellungsmethode des Ausgabepreises: Der Ausgabepreis für Autorisierte Teilnehmer entspricht dem Kryptowährungsanspruch zuzüglich einer Zeichnungsgebühr. Der Kryptowährungsanspruch wird nach der folgenden Formel ermittelt:

$$CE = ICE \times (1 - DER)^n$$

Wobei:

"CE" den Kryptowährungsanspruch bezeichnet;

"ICE" den anfänglichen Kryptowährungsanspruch, d.h. 5 ADA pro Schuldverschreibung bezeichnet;

"DER" die Verminderte Anspruchsrate von 1,95 Prozent (vorbehaltlich einer Reduzierung durch die Emittentin) bezeichnet; und

"n" Anzahl der Tage/365 bezeichnet.

Der Ausgabepreis für Anleger, die keine Autorisierten Teilnehmer sind, wird fortlaufend festgelegt.

Zum Ausgabetag beträgt der Kryptowährungsanspruch 5 ADA pro Schuldverschreibung, d.h. Autorisierte Teilnehmer, die Schuldverschreibungen von der Emittentin erwerben, würden pro 5 ADA eine Schuldverschreibung erhalten. Zusätzlich erhebt die Emittentin von den Autorisierten Teilnehmern eine Zeichnungsgebühr von bis zu 0,50 Prozent von 5 ADA. Wenn ein Investor eine Schuldverschreibung von einem Autorisierten Teilnehmer mit Euro erwirbt, würde der Eurogegenwert des Kryptowährungsanspruchs zum 9. Dezember 2024, basierend auf dem Wert von ADA von Euro 1,06, Euro 5,30 betragen. Da jedoch jeder Autorisierte Teilnehmer nach eigenem Ermessen eine Zeichnungsgebühr von dem Investor, an den er die Schuldverschreibungen verkauft, verlangen kann, ist der Kaufpreis für eine Schuldverschreibung gegebenenfalls höher als Euro 5,30.

Kosten: Die geschätzten Gesamtkosten der Emission und/oder des Angebots belaufen sich auf EUR 35.500. Die Emittentin erhebt von den Autorisierten Teilnehmern eine Zeichnungsgebühr von bis zu 0,50 Prozent des Kryptowährungsanspruchs der Schuldverschreibungen. Die Emittentin hat keinen Einfluss darauf, ob und in welchem Umfang der jeweilige Autorisierte Teilnehmer zusätzliche Gebühren erhebt. Diese Gebühren können je nach Autorisiertem Teilnehmer variieren.

1.4.2. Weshalb wird dieser Basisprospekt erstellt?

1.4.2.1. Gründe für das Angebot bzw. für die Zulassung zum Handel an einem geregelten Markt

Die Emittentin beabsichtigt, mit der Ausgabe der Schuldverschreibungen Gewinne zu erzielen. Die Emittentin erzielt Gewinne durch die Erhebung von Zeichnungsgebühren, bestimmter Gebühren für die Rückzahlung und der Verminderten Anspruchsrate.

1.4.2.2. Zweckbestimmung der Erlöse und geschätzten Nettoerlöse

Die Schuldverschreibungen werden von der Emittentin mit der Kryptowährung gekauft. Kryptowährung, welche die Emittentin durch die Zeichnung der Schuldverschreibungen erhält, werden auf das Verwahrstellen-Wallet übertragen und mittels Sicherungsvereinbarung zugunsten der Anleihegläubiger, des Sicherheitentreuhanders sowie eines gemeinsamen Gläubigervertreeters (sofern einer benannt wird) besichert. Basierend auf der Annahme, dass insgesamt 1.000.000.000 Einheiten von Schuldverschreibungen verkauft werden und basierend auf dem ADA Wert von EUR 1,06 (zum 9. Dezember 2024) betragen die Nettoerlöse für jede 10.000 Einheiten von Schuldverschreibungen EUR 53.000,00.

1.4.2.3. Übernahmevertrag

Die Emittentin hat keinen Übernahmevertrag abgeschlossen.

1.4.2.4. Wesentliche Interessenkonflikte in Bezug auf das Angebot oder die Zulassung zum Handel

Es gibt keine wesentlichen Interessen, insbesondere keine wesentlichen Interessenkonflikte im Zusammenhang mit dem öffentlichen Angebot oder der Zulassung zum Handel.

NOTA DI SINTESI SPECIFICA ALL'EMISSIONE

1.1. INTRODUZIONE E AVVERTENZE

Questo riassunto si riferisce all'offerta pubblica di bond garantiti (i "**Bond**") in Austria, Cechia, Danimarca, Germania, Irlanda, Italia, Lussemburgo, Malta, Norvegia, Paesi Bassi, Finlandia, Francia, Polonia, Spagna, Svezia e Svizzera. Il Codice Internazionale di Identificazione dei Bond ("**ISIN**") è DE000A3GVKY4.

La data di approvazione del prospetto di base è il 30 ottobre 2024 (il "**Prospetto di base**") ed è stato approvato dalla Bundesanstalt für Finanzdienstleistungsaufsicht ("**BaFin**"), Marie-Curie-Str. 24-28, 60439 Francoforte sul Meno, Germania, e-mail: poststelle@bafin.de, telefono: +49 (0) 228 4108-0.

La presente nota di sintesi deve essere letta come un'introduzione al presente Prospetto. Qualsiasi decisione di investire nei Bond dell'Emittente dovrebbe basarsi sull'esame del Prospetto completo da parte dell'investitore. Gli investitori potrebbero incorrere in una perdita totale o parziale del capitale investito nei Bond dell'Emittente. Bitwise Europe GmbH con sede legale a Thurn- und Taxis-Platz 6, 60313 Francoforte sul Meno, Germania (l'"**Emittente**") si assume la responsabilità delle informazioni contenute nella presente nota di sintesi e nella relativa traduzione in italiano. L'Emittente può essere ritenuta responsabile, ma solo nel caso in cui la nota di sintesi sia fuorviante, imprecisa o incoerente, se letta insieme con le altre parti del Prospetto, o se non offre, se letta insieme con le altre parti del Prospetto, informazioni fondamentali per aiutare gli investitori al momento di valutare l'opportunità di investire in tali titoli. Qualora sia proposto un ricorso dinanzi all'organo giurisdizionale in merito alle informazioni contenute nel Prospetto, l'investitore ricorrente potrebbe essere tenuto, a norma del diritto nazionale degli Stati membri dello Spazio Economico Europeo, a sostenere le spese di traduzione del Prospetto prima dell'inizio di qualsiasi procedimento legale.

Il codice identificativo del soggetto giuridico dell'Emittente ("**LEI**") è 875500BTZPKWM4X8R658.

1.2. INFORMAZIONI FONDAMENTALI CONCERNENTI L'EMITTENTE

1.2.1. Chi è l'emittente dei titoli?

La denominazione legale e commerciale dell'emittente è Bitwise Europe GmbH. Il codice LEI dell'Emittente è 875500BTZPKWM4X8R658. L'Emittente è costituita e opera secondo il diritto tedesco e ha la propria sede principale a Gridiron, One Pancras Square, Londra, N1C 4 AG, Regno Unito. L'indirizzo e la sede legale dell'Emittente è a Thurn- und Taxis-Platz 6, 60313 Francoforte sul Meno, Germania e l'Emittente è iscritta nel registro delle imprese del tribunale locale (*Amtsgericht*) di Francoforte sul Meno al numero HRB 116604. Il sito web dell'Emittente è <https://www.etc-group.com> e il numero di telefono è +49 69 8088 3728.

1.2.1.1. Attività principali dell'Emittente

L'unica attività dell'Emittente è l'emissione di bond garantiti da criptovalute e altri beni digitali. Con l'emissione dei Bond, l'Emittente intende soddisfare la domanda degli investitori di titoli negoziabili tramite i quali è fatto un investimento in criptovalute e in altri beni digitali.

1.2.1.2. Maggiori azionisti

Socio unico dell'Emittente è ETC Management Ltd ("**ETCM**"). ETC Holdings Ltd (la "**Capogruppo**") è socio unico di ETCM. ETC Holdings Ltd è interamente di proprietà di Bitwise Asset Management, Inc., 250 Montgomery St., Suite 200, San Francisco, CA 94104, USA (la " Holding").

1.2.1.3. Principali amministratori delegati

L'Emittente è gestito dai suoi amministratori delegati Paul Fusaro, Katherine Dowling e Leyla Sharifullina.

1.2.1.4. Revisori legali

Deloitte GmbH Wirtschaftsprüfungsgesellschaft, con sede legale in Europa-Allee 91, 60486 Francoforte sul Meno, Germania, è stata nominata revisore legale dell'Emittente per l'esercizio finanziario chiuso il 31 dicembre. Deloitte GmbH Wirtschaftsprüfungsgesellschaft è membro della Camera dei dottori commercialisti tedeschi (*Wirtschaftsprüferkammer*).

Per l'esercizio finanziario chiuso il 31 dicembre 2023, Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, con sede legale in Cecilienallee 6-7, 40474 Düsseldorf, Germania, è il revisore legale dell'Emittente. Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft è membro della Camera dei dottori commercialisti tedeschi (*Wirtschaftsprüferkammer*).

1.2.2. Quali sono le informazioni finanziarie fondamentali relative all'emittente?

Le informazioni finanziarie dell'Emittente sono incluse nei bilanci annuali dell'Emittente al 31 dicembre 2022 e al 31 dicembre 2023 (insieme, i "**Bilanci Annuali**") così come nei bilanci intermedi dell'Emittente al 30 giugno 2023 e al 30 giugno 2024 (i "**Bilanci Intermedi**", e, insieme ai Bilanci Annuali, i "**Bilanci**").

I bilanci sono stati redatti in conformità con gli International Financial Reporting Standards ("**IFRS**") adottati nell'Unione Europea (l'"**UE**").

I Bilanci annuali sono stati sottoposti a revisione ed è stata pubblicata una relazione di revisione non qualificata. Il Bilancio Interinale non è stato sottoposto a revisione né è stato verificato dai revisori dell'Emittente.

Le seguenti informazioni finanziarie selezionate si basano e sono state estratte dai Bilanci.

Conto Economico (in EUR)	Sei mesi conclusi a giugno 2024 (non revisionato)	Sei mesi conclusi a giugno 2023 (non revisionato)	2023	2022
Utile/perdita d'esercizio	454.260	207.540	380.199	142.298

Stato Patrimoniale (in EUR)	30 giugno 2024 (non revisionato)	30 giugno 2023 (non revisionato)	31 dicembre 2023	31 dicembre 2022
Debito finanziario netto	1.316.735,809	671.474.280	1.147.020.673	297.516.002

Rendimento sui Flussi di Cassa (in EUR)	Sei mesi conclusi a giugno 2024 (non revisionato)	Sei mesi conclusi a giugno 2023 (non revisionato)	2023	2022
Flussi di cassa netti provenienti da attività operative	6.255.902	595.547	2.512.096	3.257.493
Flussi di cassa netti provenienti da attività di finanziamento	0	0	0	0
Flussi di cassa netti provenienti da attività di investimento	0	0	0	0

1.2.3. Quali sono i principali rischi specifici dell'emittente?

I seguenti fattori di rischio sono rilevanti per quanto riguarda la capacità dell'emittente di adempiere ai propri obblighi in relazione ai bond da lei emessi.

Rischi connessi al limitato obiettivo commerciale dell'Emittente: L'attività dell'Emittente è incentrata sull'emissione di bond legati a Criptovaluta. In futuro, potranno essere emessi prodotti legati ad altre criptovalute e/o beni digitali. L'emittente non effettuerà alcuna attività diversa da quella descritta in precedenza (si veda sub "1.2.1.1. Attività principali dell'Emittente"). A causa di questo obiettivo commerciale limitato, l'Emittente è esposta al rischio che la Criptovaluta sottostante non abbia successo o abbia meno successo. L'Emittente potrebbe quindi non riuscire a svolgere la propria attività e ciò potrebbe avere un impatto negativo sulla situazione economica e finanziaria dell'Emittente.

Rischi legati alla dipendenza dell'Emittente dalla propria reputazione e dalla reputazione delle parti associate: A causa dell'ambiente di mercato altamente competitivo nel settore principale dell'Emittente, ovvero l'emissione di obbligazioni collegate a Criptovalute, l'Emittente dipende dalla propria reputazione e dalla reputazione delle parti associate per mantenere e far crescere tale attività principale. Qualsiasi evento avverso significativo, come (ma non limitato a) insolvenze e fallimenti delle parti associate, procedimenti legali che coinvolgono l'Emittente o qualsiasi parte associata o

rapporti negativi sui media riguardanti l'Emittente o le sue parti associate, potrebbe influenzare la reputazione dell'Emittente, il che, a sua volta, potrebbe deprimere la redditività, la solvibilità e la capacità di raccolta fondi dell'Emittente. Ciò, a sua volta, può influenzare la domanda e la liquidità delle Obbligazioni e il prezzo delle Obbligazioni sul mercato in relazione ai prezzi della Criptovaluta rilevante e - nel caso in cui tale sviluppo inneschi un Evento di Rimborso Obbligatorio in relazione alle Obbligazioni - potrebbe comportare l'emissione di un Avviso di Rimborso Obbligatorio da parte dell'Emittente.

Principali azionisti: L'Emittente è interamente di proprietà di ETCM, che a sua volta è interamente di proprietà di ETC Holdings Ltd, la quale, a sua volta, è interamente di proprietà della Holding, la società madre ultima dell'Emittente. In quanto tale, gli azionisti della Holding hanno un'influenza significativa sulla gestione dell'Emittente. Non vi è alcuna garanzia che questi azionisti o i loro rappresentanti eserciteranno il loro diritto di voto in un modo che avvantaggi l'Emittente o gli investitori. Dipendenza da autorizzazioni. L'Emittente dipende dall'autorizzazione della Borsa di Francoforte e dalla possibilità, ai sensi della normativa tedesca, di continuare ad emettere e quotare i Bond. Qualsiasi modifica dei requisiti di quotazione, del regolamento dei Bond o dell'accettazione della criptovaluta come attività sottostante potrebbe avere un impatto negativo sull'Emittente e sugli investitori dei Bond.

Dipendenza da autorizzazioni. L'Emittente dipende dall'autorizzazione della Borsa di Francoforte e dalla possibilità, ai sensi della normativa tedesca, di continuare ad emettere e quotare i Bond. Qualsiasi modifica dei requisiti di quotazione, del regolamento dei Bond o dell'accettazione della criptovaluta come attività sottostante potrebbe avere un impatto negativo sull'Emittente e sugli investitori dei Bond.

Attacchi da parte di "hacker" e sabotaggio esterno dell'Emittente: L'intera attività dell'Emittente dipende da determinate infrastrutture informatiche. Inoltre, anche i fornitori di servizi (ad es. l'Amministratore, l'Agente di Pagamento e il Sistema di Compensazione) si affidano ai sistemi informatici per fornire servizi all'Emittente. Sia i sistemi informatici dell'Emittente che i sistemi informatici di tali fornitori di servizi possono essere violati da criminali. L'Emittente è esposta al rischio di essere parzialmente, temporaneamente o addirittura permanentemente impedita nello svolgimento delle proprie attività commerciali e di diventare addirittura insolvente, e i Titolari di Bond (i "**Titolari di Bond**") possono perdere parte o la totalità del loro investimento nei Bond a causa di tale violazione della sicurezza.

1.3. INFORMAZIONI FONDAMENTALI SUI TITOLI

1.3.1. Quali sono le principali caratteristiche dei titoli?

I Bond sono bond garantiti. I Bond non hanno una data di scadenza fissa. I Bond non sono produttivi di interessi. Ogni Bond rappresenta il diritto del Titolare di Bond di richiedere all'Emittente (a) la consegna di Cardano ("**ADA**" o "**Criptovaluta**"), un progetto open-source progettato per essere una piattaforma di sviluppo di applicazioni decentralizzate (DApp), pari al diritto del Titolare di Bond, a partire da qualsiasi Giorno Lavorativo, nei confronti dell'Emittente in relazione ad ogni Bond, espresso come l'importo di Criptovaluta per Bond, e calcolato dall'Emittente a propria discrezione in conformità alla formula di seguito riportata ("*1.4.1. Metodo di determinazione del Prezzo di Emissione*") (il "**Diritto di Criptovaluta**") o (b) a determinate condizioni, il pagamento di USD ("**USD**") determinato in conformità alle disposizioni rilevanti del regolamento (il "**Regolamento**"). Gli obblighi previsti dai Bond costituiscono obbligazioni dirette, non subordinate e garantite dell'Emittente che si collocano *pari passu* tra (i) di loro, (ii) eventuali Obblighi Garantiti dell'Opzione Put (*Secured Put Option Obligations*) (come definite di seguito) ("*1.3.3. Rischi connessi all'esercizio dell'Opzione Put*") e (iii) ogni obbligo dell'Emittente di trasferire i Bond a qualsiasi soggetto nominato dall'Emittente come partecipante autorizzato (il "**Partecipante Autorizzato**") se tale Partecipante Autorizzato ha almeno trasferito il Diritto di Criptovaluta per Bond sottoscritto o acquistato in un portafoglio di deposito gestito da Coinbase Custody Trust, LLC (il "**Portafoglio di Deposito**") e, tali obblighi, gli "**Obblighi di Regolamento Garantiti**"). I Bond sono liberamente trasferibili.

I seguenti diritti sono connessi ai Bond:

Garanzia: Pegno dell'Emittente a favore dei Titolari di Bond dei propri diritti, titoli, interessi e benefici, presenti e futuri, nel, al e di cui al Portafoglio di Deposito e la BCH Depositata (*Deposited BCH*) e pegno dell'Emittente sul Conto di Emissione e sui Bond di proprietà dell'Emittente a favore dei Titolari di Bond (la "**Garanzia**"). I dettagli dei conti e i termini e le condizioni dei rispettivi pegni sono stabiliti nei Documenti di Garanzia disponibili per la consultazione da parte dei Titolari di Bond presso la sede principale dell'Emittente (Gridiron, One Pancras Square, Londra, N1C 4 AG, Regno Unito).

Rimborso Obbligatorio: Al verificarsi di determinati eventi di rimborso obbligatorio, l'Emittente può in qualsiasi momento (ma non è tenuta a), con un termine non inferiore a 30 (trenta) giorni di preavviso nei confronti dei Titolari di Bond, rimborsare i Bond alla data di rimborso obbligatorio al loro Prezzo di Rimborso Obbligatorio (come di seguito definito). Tali eventi di rimborso obbligatorio includono, tra l'altro, l'entrata in vigore di qualsiasi nuova legge o regolamento che richieda all'Emittente di ottenere qualsiasi licenza al fine di poter adempiere ai propri obblighi ai sensi dei Bond; o qualsiasi modifica nel trattamento fiscale di Criptovaluta; o qualora all'Emittente sia stato ordinato da un tribunale competente o sia

stato altrimenti richiesto dalla legge di procedere al rimborso obbligatorio. L'esercizio del diritto di rimborso obbligatorio da parte dell'Emittente porta inevitabilmente ad un rimborso dei Bond per i Titolari di Bond.

Opzione Put dei Titolari di Bond: I Bond non hanno una data di scadenza fissa. Tuttavia, ogni Titolare di Bond può estinguere i propri Bond a fronte del pagamento del Diritto di Criptoaluta (o a fronte del pagamento di USD se un Titolare di Bond non può ricevere Criptoaluta per motivi legali o regolamentari). Qualora i Bond siano rimborsati in USD, l'importo di rimborso sarà pari al ricavato della vendita del Diritto di Criptoaluta utilizzando la Procedura d'Asta di Criptoaluta (*Cryptocurrency Auction Procedure*) (come definita di seguito) ("1.3.3. *L'asta non può essere effettuata a causa della mancanza di partecipanti o di offerte insufficienti*") se tale procedura porta ad una vendita con successo. Per estinguere i propri Bond, il Titolare di Bond deve (i) presentare il modulo di esercizio dell'opzione put, (ii) pagare una commissione anticipata di rimborso pari a USD 50,00 (soggetta a determinate esenzioni) (la "**Commissione Anticipata di Rimborso**") e (iii) trasferire i Bond, in relazione ai quali viene esercitata l'Opzione Put (come definita di seguito), sul Conto di Emissione a titolo gratuito. Qualora un Titolare di Bond eserciti la propria Opzione Put nei confronti dell'Emittente o nei confronti di un Partecipante Autorizzato sarà addebitata una commissione di esercizio oltre alla Commissione Anticipata di Rimborso (ove applicabile) di importo pari a EUR 1,00% del Diritto di Criptoaluta per ciascun Bond in relazione a cui è esercitata l'Opzione Put (la "**Commissione di Esercizio**"). Tuttavia, qualora il Titolare di Bond venda i Bond in borsa, non saranno applicate commissioni di rimborso da parte dell'Emittente o del Partecipante Autorizzato. Qualora un Titolare di Bond non possa ricevere Criptoaluta per motivi legali o regolamentari e l'Emittente abbia una Procedura d'Asta BCH, il Banditore (come di seguito definito) annuncerà che sta mettendo all'asta l'importo richiesto di Criptoaluta sul sito web dell'Emittente (<https://www.BCH-etc.com>). Il ricavato della vendita sarà utilizzato per il rimborso dei Bond. Le offerte presentate per meno dell'80% del prezzo di riferimento, che è alla data di determinazione rilevante, il prezzo per la Criptoaluta come esposto da CryptoCompare ad una certa ora (il "**Prezzo di Riferimento**") o le offerte per un importo inferiore o superiore all'intero importo della Criptoaluta messo all'asta saranno respinte. Qualora si verifichi una tale asta fallita, l'Emittente restituirà tutti i Bond al Titolare di Bond entro 7 (sette) giorni lavorativi. L'Emittente può scegliere di addebitare una Commissione di Esercizio al rispettivo Titolare di Bond in caso di asta fallita.

Rimborso in caso di un Inadempimento (Event of Default): I Bond prevedono per inadempimento il diritto di ciascun Titolare di Bond di richiedere il rimborso immediato al Diritto di Criptoaluta.

Scissione (split): Qualora Criptoaluta sia scisso in due o più criptoalute, ogni Bond rappresenterà un diritto su un paniere di criptoalute corrispondente a tale Diritto di Criptoaluta come ciascun Bond rappresentato prima della scissione e l'Emittente può, a propria discrezione, decidere di scindere i Bond in due, o più, Bond separati.

Delibere di Titolari di Bond: ai sensi della Legge Tedesca sui Titoli Di Debito del 2009 (*Schuldverschreibungsgesetz*), il Regolamento contiene disposizioni ai sensi delle quali i Titolari di Bond possono concordare con delibera di modificare il Regolamento (su consenso dell'Emittente) e decidere su alcune altre misure relative ai Bond. Le delibere dei Titolari di Bond correttamente adottate, in una riunione dei Titolari di Bond o mediante votazione effettuata senza una riunione in conformità al Regolamento, sono vincolanti per tutti i Titolari di Bond. Le delibere che prevedono modifiche materiali al Regolamento richiedono una maggioranza non inferiore al 75% dei voti espressi. Le risoluzioni relative ad altre modifiche sono approvate a maggioranza semplice dei voti espressi.

1.3.2. Dove saranno negoziati titoli?

I Bond sono stati ammessi alla negoziazione sul mercato regolamentato della Borsa di Francoforte. L'Emittente può decidere di quotare i Bond su altri o ulteriori mercati regolamentati e/o disporre la negoziazione dei Bond su sistemi multilaterali di negoziazione, sistemi organizzati di negoziazione o tramite internalizzatori sistematici, il tutto ai sensi della Direttiva 2014/65/UE del Parlamento Europeo e del Consiglio del 15 maggio 2014 relativa ai mercati degli strumenti finanziari.

1.3.3. Quali sono i principali rischi specifici dei titoli?

I seguenti rischi principali potrebbero portare a perdite sostanziali per i Titolari di Bond. Ogni Titolare di Bond dovrebbe sopportare eventuali perdite in caso di vendita dei propri Bond o per quanto riguarda il rimborso del capitale:

Rischi relativi alla natura dei Bond e al Regolamento dei Bond

L'asta non può essere effettuata a causa della mancanza di partecipanti o di offerte insufficienti: Qualora un Titolare di Bond non possa ricevere Criptoaluta per motivi legali, in particolare a causa di disposizioni normative applicabili, l'Emittente organizzerà l'asta Criptoaluta per ricevere USD per rimborsare i Bond (la "**Procedura d'Asta di Criptoaluta**"), che sarà condotta dall'Emittente stessa o da un soggetto nominato dall'Emittente (il "**Banditore**"). In caso di fallimento di tale asta, il Titolare di Bond si assume il rischio che i Bond non possano essere rimborsati in USD. Inoltre, il prezzo di transazione raggiunto all'asta può essere inferiore all'attuale prezzo di mercato di Criptoaluta, il che avrebbe un impatto negativo sull'investimento dei Titolari di Bond.

Il Banditore può scegliere se accettare o rifiutare un'offerta: Qualora sia tenuto a condurre una Procedura d'Asta BCH, il Banditore, tra l'altro, rifiuterà le offerte, se presentate per meno dell'80% del Prezzo di Riferimento, o per un importo

inferiore o superiore all'intero ammontare di Criptoaluta messo all'asta. Ciò significa, allo stesso tempo, che le offerte possono essere accettate all'80% del Prezzo di Riferimento e quindi per un importo significativamente inferiore al Prezzo di Riferimento.

Rischi connessi all'esercizio dell'Opzione Put: Gli investitori in Bond hanno un'opzione put (l'"**Opzione Put**") per estinguere i propri Bond con l'Emittente a fronte del pagamento del Diritto di Criptoaluta. Tuttavia, gli investitori potrebbero non essere in grado di esercitare l'Opzione Put se non forniscono all'Emittente informazioni sufficienti in conformità al Regolamento. Inoltre, se i Titolari di Bond esercitano l'Opzione Put e richiedono la liquidazione in USD perché non possono ricevere Criptoaluta per motivi legali, in particolare a causa delle disposizioni normative ad essi applicabili, gli obblighi dell'Emittente di versare USD a tale Titolare di Bond dopo la consegna dei relativi Bond all'Emittente costituiscono obblighi non garantiti dell'Emittente. Solo gli obblighi di regolamento relativi all'esercizio dell'Opzione Put di Criptoaluta (gli "**Obblighi Garantiti dell'Opzione Put**") costituiscono obbligazioni garantite dell'Emittente. I crediti di un Titolare di Bond per pagamenti in USD dovuti all'esercizio dell'Opzione Put in USD saranno liquidati solo dopo che il relativo Titolare di Bond avrà consegnato i Bond all'Emittente e, durante il periodo dalla consegna dei Bond fino all'effettivo pagamento di USD, il relativo Titolare di Bond non sarà più il proprietario del Bond, né avrà un diritto garantito nei confronti dell'Emittente.

Rimborso Obbligatorio: Al verificarsi di determinati eventi di rimborso obbligatorio come ulteriormente specificati nel Regolamento, l'Emittente, a propria discrezione, in qualsiasi momento, può (ma non è tenuta a) estinguere e rimborsare in tutto ma non in parte, i Bond alla loro prezzo di rimborso obbligatorio corrispondente a (i) un importo pari al Diritto di Criptoaluta; o (ii) qualora un Titolare di Bond non possa ricevere Criptoaluta per motivi legali, in particolare a causa di disposizioni normative a lui applicabili, i Ricavi della Vendita BCH divisi per il numero di Bond in Circolazione alla rilevante data di rimborso obbligatorio, meno qualsiasi commissione ragionevole di terzi relativa al rimborso dei Bond, (il "**Prezzo di Rimborso Obbligatorio**"). I Ricavi della Vendita BCH corrispondono all'importo in USD che risulta dall'asta di Criptoaluta per il rimborso dei Bond. Nell'esercizio di tale discrezione, l'Emittente non è tenuta ad avere alcun riguardo per gli interessi dei Titolari di Bond e i Titolari di Bond possono ricevere meno, o sostanzialmente meno, del loro investimento iniziale. Il Prezzo di Rimborso Obbligatorio dei Bond rimborsati in USD può essere inferiore o sostanzialmente inferiore all'equivalente prezzo della Criptoaluta, in quanto l'Emittente cercherà di vendere Criptoaluta utilizzando la Procedura d'Asta di Criptoaluta e si applicano tutti i rischi relativi alla vendita all'asta di Criptoaluta come sopra descritto. Inoltre, qualora l'Emittente non realizzi il Criptoaluta utilizzando la Procedura d'Asta di Criptoaluta, ha il diritto di utilizzare qualsiasi altra procedura ragionevole per vendere le partecipazioni Criptoaluta, e vi è il rischio che tali procedure portino alla vendita del Criptoaluta ad un prezzo inferiore o sostanzialmente inferiore al minimo stabilito dalla Procedura d'Asta di Criptoaluta. Inoltre, il rimborso obbligatorio potrebbe comportare l'effettiva cessione dei Bond a fini fiscali da parte di alcuni o di tutti i Titolari di Bond in una data precedente a quella pianificata o prevista, il che può comportare un trattamento fiscale meno vantaggioso dell'investimento in Bond per tali Titolari di Bond rispetto a quanto sarebbe altrimenti disponibile nel caso in cui l'investimento fosse mantenuto per un periodo di tempo più lungo.

Nessun investimento diretto: Il valore di mercato dei Bond non dipende esclusivamente dal prezzo prevalente della Criptoaluta sottostante e le variazioni del prezzo prevalente della Criptoaluta sottostante potrebbero non comportare necessariamente una variazione comparabile del valore di mercato dei Bond. La performance dei Bond può differire significativamente dal possesso diretto della Criptoaluta sottostante a causa degli effetti negativi delle commissioni e delle spese, oltre agli effetti negativi di altri rischi descritti nel presente documento. Il rendimento dei Bond potrebbe non riflettere il rendimento che l'investitore avrebbe ottenuto se avesse effettivamente posseduto la Criptoaluta sottostante e mantenuto tale investimento per un periodo simile.

Rischi connessi alla Garanzia dei Bond

Garanzia concessa per garantire i Bond può non essere esecutiva o l'esecutività della garanzia può essere ritardata: L'Emittente si è impegnata ad avere un importo in Criptoaluta pari o superiore all'Importo degli Obblighi Garantiti sempre depositato presso il Depositario, ed ha dato in pegno tale Criptoaluta depositato ai Titolari di Bond come garanzia per gli obblighi dell'Emittente nei confronti dei Titolari di Bond. Tali accordi di garanzia possono non essere sufficienti a proteggere i Titolari di Bond in caso di fallimento o liquidazione dell'Emittente o del Depositario a causa di varie ragioni.

Rischi relativi all'esposizione dell'Emittente al rischio di credito del Depositario: L'Emittente è esposto al rischio di credito del Depositario, ossia il rischio che il Depositario che detiene la Criptoaluta sottostante non adempia a un obbligo o impegno nei confronti dell'Emittente. La Criptoaluta sottostante è mantenuta dal Depositario in conti segregati, che dovrebbero essere protetti in caso di insolvenza del Depositario. Tuttavia, un'eventuale insolvenza del Depositario potrebbe comportare un accesso ritardato alla Criptoaluta sottostante fornita come garanzia. In una tale situazione, i detentori dei Bond potrebbero subire una perdita a causa della fluttuazione del prezzo dell'asset.

Rischi connessi ad ADA come Criptovaluta sottostante

Volatilità del prezzo del Criptovaluta: Il valore dei Bond è influenzato dal prezzo di Criptovaluta. Il prezzo di Criptovaluta fluttua ampiamente e, per esempio, può essere influenzato da eventi politici, economici o finanziari globali e regionali, eventi normativi o dichiarazioni delle autorità di regolamentazione, *investment trading*, attività di copertura o altre attività da parte di una vasta gamma di partecipanti al mercato, forzature nei protocolli sottostanti, interruzioni dell'infrastruttura o dei mezzi con cui vengono prodotti, distribuiti, immagazzinati e scambiati gli *asset* crypto. Il prezzo di Criptovaluta può anche cambiare a causa del cambiamento di fiducia degli investitori nelle prospettive future della classe di attività. Le caratteristiche di Criptovaluta e la divergenza degli standard normativi applicabili creano il potenziale di abuso di mercato e potrebbero portare ad un'elevata volatilità dei prezzi. Gli importi ricevuti dai Titolari di Bond (i) al momento del rimborso dei Bond in USD, nei casi in cui ai Titolari di Bond non sia possibile ricevere Criptovaluta per motivi legali o regolamentari; o (ii) alla vendita in borsa dipende dall'andamento del prezzo di Criptovaluta e dalla liquidità disponibile.

Rischi connessi all'ammissione dei titoli a negoziazione

Rischi connessi all'ammissione alla negoziazione: Il prezzo di negoziazione dei Bond potrebbe diminuire se il merito di credito dell'Emittente o delle parti associate peggiora o è percepito come peggiorativo, indipendentemente dal fatto che i Bond siano garantiti dalle effettive disponibilità di Criptovaluta. Il rischio consiste nel fatto che terzi siano disposti ad acquistare Bond solo con uno sconto sostanziale rispetto al prezzo di Criptovaluta, che a sua volta può comportare la perdita dell'investimento nei Bond da parte di un Titolare di Bond.

Rischi fiscali connessi ai Bond

Tassa sulle Transazioni Finanziarie: Nel 2013 la Commissione europea ha pubblicato una proposta (la "**Proposta della Commissione**") di direttiva per una tassa comune sulle transazioni finanziarie (la "**TTF**"). Secondo la Proposta della Commissione, la TTF sarà attuata in alcuni Stati membri dell'UE, tra cui la Germania. Il rischio specifico è che la TTF possa comportare un trattamento fiscale negativo applicato ai Bond, che a sua volta può avere un effetto negativo sul rendimento dell'investimento del Titolare di Bond.

1.4. INFORMAZIONI FONDAMENTALI SULL'OFFERTA PUBBLICA DI TITOLI E AMMISSIONE ALLA NEGOZIAZIONE IN UN MERCATO REGOLAMENTATO

1.4.1. A quali condizioni posso investire in questo titolo e qual è il calendario previsto?

Le condizioni e il calendario di investimento nei Bond sono specificati in prosieguo.

Questa emissione di Bond viene emessa per un importo complessivo fino a 1.000.000.000 di Bond garantiti da ADA.

Offerta Pubblica: Nel mercato primario l'Emittente venderà i Bond solo ai Partecipanti Autorizzati e tali Bond potranno essere acquistati solo con BCH. Gli investitori che non sono Partecipanti Autorizzati possono acquistare i Bond sul mercato secondario (i) da un Partecipante Autorizzato, in conformità con le restrizioni di vendita applicabili, (ii) tramite una borsa valori tramite il loro broker o (iii) da qualsiasi persona allo sportello OTC. In relazione a ciò, Flow Traders B.V. è stato nominato Partecipante Autorizzato. Il periodo di offerta è iniziato 30 novembre 2021 e resterà aperto fino alla data più tarda tra (i) la data di scadenza del Prospetto di Base e (ii) la scadenza della validità di un nuovo prospetto di base che succede immediatamente al Prospetto di Base, salvo riduzione del periodo. L'offerta al pubblico può essere effettuata nei paesi specificati al punto "*1.1 Introduzione e avvertenze*", fatte salve le restrizioni di vendita applicabili.

Condizioni e dettagli tecnici dell'Offerta: L'offerta non è soggetta ad alcuna condizione o limite temporale diverso da quello risultante dalla validità del Prospetto come specificato al punto "*Offerta al Pubblico*". Non vi è alcuna possibilità di ridurre le sottoscrizioni. Non sono stati specificati importi minimi o massimi di sottoscrizione, tuttavia gli intermediari finanziari (inclusi i Partecipanti Autorizzati) che offrono i Bond possono determinare gli importi minimi o massimi di sottoscrizione quando offrono i Bond a loro sola ed assoluta discrezione.

I Bond possono essere acquistati sul mercato primario sia con Criptovaluta, Euro, USD o qualsiasi altra valuta fiat o criptovaluta come sarà determinato da ogni intermediario finanziario che offre i Bond. Tuttavia, i Bond acquistati direttamente dall'Emittente nel mercato primario possono essere acquistati solo con Criptovaluta e solo dai Partecipanti Autorizzati. I Bond saranno consegnati su conto titoli tramite il sistema di compensazione e le proprie banche depositarie dei conti.

Nel mercato secondario i Bond possono essere acquistati esclusivamente con fiat.

Metodo di determinazione del Prezzo di Emissione: il prezzo di emissione per i Partecipanti Autorizzati corrisponde al Diritto di Criptovaluta aumentato di una commissione di sottoscrizione. Il Diritto di Sottoscrizione sarà determinato secondo la seguente formula:

$$CE = ICE \times (1 - DER)^n$$

Laddove:

"CE" significa Diritto di Criptoaluta;

"ICE" significa diritto di criptoaluta iniziale e cioè ADA 5 per Bond;

"DER" significa tasso decrescente di diritto corrispondente a 1,95% (soggetto a riduzione da parte dell'Emittente); e

"n" significa numero di giorni/365.

Il prezzo di emissione per gli investitori che non sono Partecipanti Autorizzati sarà determinato su base continuativa.

Alla data di emissione, il Diritto di Criptoaluta corrisponderà a ADA 5 per Bond, ovvero i Partecipanti Autorizzati che acquistano Bond dall'Emittente riceveranno un Bond per ogni 5 ADA. Inoltre, l'Emittente addebiterà una commissione di sottoscrizione sino allo 0,50% di 5 ADA dal Partecipante Autorizzato. Qualora un investitore acquisti un Bond da un Partecipante Autorizzato in Euro, l'equivalente in Euro del Diritto di Criptoaluta a partire dal 9 dicembre 2024, sulla base di un valore ADA di Euro 1,06 corrisponderà a Euro 5,30. Tuttavia, dato che ogni Partecipante Autorizzato può addebitare una commissione di sottoscrizione dall'investitore che sta vendendo i Bond a propria discrezione, il prezzo di acquisto di un Bond potrà essere superiore a 5,30 Euro.

Spese: Le spese totali stimate per l'emissione e/o l'offerta sono pari a EUR 35.500. L'Emittente addebiterà ai Partecipanti Autorizzati una commissione di sottoscrizione fino allo 0,50% del Diritto di Criptoaluta dei Bond. L'Emittente non ha alcuna influenza sul fatto se e in quale misura il rispettivo Partecipante Autorizzato addebiterà commissioni aggiuntive. Tali commissioni possono variare a seconda del Partecipante Autorizzato.

1.4.2. Perché è redatto il presente prospetto?

1.4.2.1. Ragioni per l'offerta o per l'ammissione alla negoziazione in un mercato regolamentato

L'Emittente intende conseguire profitti con l'emissione dei Bond. L'Emittente realizza profitti mediante l'addebito di commissioni di sottoscrizione, di determinate commissioni di rimborso e del Tasso di Diritto Decrescente.

1.4.2.2. Utilizzo e impiego dell'importo stimato netto dei proventi

I Bond sono acquistati presso l'Emittente con Criptoaluta. Criptoaluta ricevuta dall'Emittente attraverso la sottoscrizione dei Bond sarà trasferito al Portafoglio di Deposito e garantito da un accordo di garanzia a beneficio dei Titolari di Bond, del Fiduciario di Sicurezza (*Security Trustee*) e di un rappresentante dei Titolari di Bond (qualora nominato). Nell'ipotesi di un totale di 1.000.000.000 di unità di Bond vendute e sulla base del valore ADA di 1,06 euro (al 9 dicembre 2024) il ricavo netto per ogni 10.000 unità di Bond è pari a EUR 53.000,00.

1.4.2.3. Accordo di Sottoscrizione (*Underwriting Agreement*)

L'Emittente non ha sottoscritto alcun accordo di sottoscrizione (*underwriting agreement*).

1.4.2.4. Conflitti d'interesse più significativi che riguardano l'offerta o l'ammissione alla negoziazione

Non vi sono interessi sostanziali, in particolare non vi sono conflitti di interesse sostanziali in relazione all'offerta al pubblico o all'ammissione alla negoziazione.

LIIKKEESEENLASKUKOHTAINEN YHTEENVETO

1.1. JOHDANTO JA VAROITUKSET

Tämä yhteenveto koskee vakuudellisten joukkovelkakirjojen ("**joukkovelkakirjat**") julkista tarjontaa Itävallassa, Tšekissä, Tanskassa, Saksassa, Irlannissa, Italiassa, Luxemburgissa, Maltalla, Norjassa, Alankomaissa, Suomessa, Ranskassa, Puolassa, Espanjassa, Ruotsissa ja Sveitsissä. Joukkovelkakirjojen kansainvälinen arvopaperien tunnustenumero ("**ISIN**") on DE000A3GVKY4.

Ohjelmaesitteen ("**ohjelmaesite**") hyväksymispäivä on 30. lokakuuta 2024, ja sen on hyväksynyt Bundesanstalt für Finanzdienstleistungsaufsicht ("**BaFin**"), Marie-Curie-Str. 24-28, 60439 Frankfurt am Main, Saksa, sähköposti: poststelle@bafin.de, puhelin: + 49 (0) 228 4108-0.

Tämä yhteenveto on luettava johdannoksi tähän ohjelmaesitteeseen. Sijoittajan on liikkeeseenlaskijan joukkovelkakirjoihin liittyvää sijoituspäätöstä tehdessään otettava huomioon ohjelmaesite kokonaisuudessaan. Sijoittajat voivat menettää liikkeeseenlaskijan joukkovelkakirjoihin sijoittamaansa pääoman kokonaan tai osittain. Bitwise Europe GmbH, jonka rekisteröity toimipaikka sijaitsee osoitteessa Thurn- und Taxis-Platz 6, 60313 Frankfurt am Main, Saksa, ("**liikkeeseenlaskija**") on vastuussa tämän yhteenvedon ja sen saksankielisen käännöksen sisältämistä tiedoista. Liikkeeseenlaskijaa voidaan pitää vastuussa tiivistelmästä ja sen mahdollisesta käännöksestä vain siltä osin kuin tiivistelmä luettuna yhdessä ohjelmaesitteen muiden osien kanssa on harhaanjohtava, epätarkka tai epä johdonmukainen tai kun siinä ei luettuna yhdessä ohjelmaesitteen muiden osien kanssa anneta keskeisiä tietoja sijoittajien auttamiseksi, kun he harkitsevat sijoittamista tällaisiin arvopapereihin. Mikäli tuomioistuimessa pannaan vireille ohjelmaesitteeseen sisältyviä tietoja koskeva kanne, kantajana toimiva sijoittaja saattaa Euroopan talousalueen jäsenvaltion kansallisen lain mukaan joutua ennen oikeudenkäynnin aloittamista vastaamaan ohjelmaesitteen käännöskustannuksista.

Liikkeeseenlaskijan oikeushenkilötunnus ("**LEI**") on 875500BTZPKWM4X8R658.

1.2. KESKEISET TIEDOT LIIKKEESEENLASKIJASTA

1.2.1. Kuka on arvopapereiden liikkeeseenlaskija?

Liikkeeseenlaskijan virallinen nimi ja muu liiketoiminnassa käytetty toiminimi on Bitwise Europe GmbH. Liikkeeseenlaskijan oikeushenkilötunnus on 875500BTZPKWM4X8R658. Liikkeeseenlaskija on perustettu ja toimii Saksan lakien mukaisesti, ja sen päätoimipaikka on osoitteessa Gridiron, One Pancras Square, London, N1C 4 AG, Yhdistynyt kuningaskunta. Liikkeeseenlaskijan osoite ja rekisteröity toimipaikka sijaitsee osoitteessa Thurn- und Taxis-Platz 6, 60313 Frankfurt am Main, Saksa, ja liikkeeseenlaskija on rekisteröity paikallisen Frankfurt am Mainin alueellisen tuomioistuimen kaupparekisteriin (*Amtsgericht*) tunnuksella HRB 116604. Liikkeeseenlaskijan verkkosivuston osoite on <https://www.etc-group.com> ja puhelinumero on + 49 69 8088 3728.

1.2.1.1. Liikkeeseenlaskijan pääasiallinen toiminta

Liikkeeseenlaskijan pääasiallinen toiminta on joukkovelkakirjojen liikkeeseenlasku, joiden vakuutena ovat kryptovaluutat ja muut digitaaliset hyödykkeet.

Joukkovelkakirjojen liikkeeseenlaskulla liikkeeseenlaskija pyrkii täyttämään sijoittajien kaupattavia arvopapereita koskevan kysynnän, joiden kautta tehdään sijoitus kryptovaluuttoihin ja muihin digitaalisiin hyödykkeisiin.

1.2.1.2. Suurimmat osakkeenomistajat

Liikkeeseenlaskijan ainoa osakkeenomistaja on ETC Management Ltd ("**ETCM**"). ETCM:n ainoa osakkeenomistaja on ETC Holdings Ltd. ETC Holdings Ltd on kokonaan Bitwise Asset Management, Inc.:n, 250 Montgomery St., Suite 200, San Francisco, CA 94104, USA ("**Holding-yhtiö**"), omistuksessa.

1.2.1.3. Keskeiset toimitusjohtajat

Liikkeeseenlaskijaa hallinnoivat sen toimitusjohtajat Paul Fusaro, Katherine Dowling ja Leyla Sharifullina.

1.2.1.4. Lakisääteiset tilintarkastajat

Deloitte GmbH Wirtschaftsprüfungsgesellschaft, jonka rekisteröity toimipaikka on Europa-Allee 91, 60486 Frankfurt am Main, Saksa, oli nimetty liikkeeseenlaskijan tilintarkastajaksi tilikaudelle, joka päättyi 31. joulukuuta 2022. Deloitte GmbH Wirtschaftsprüfungsgesellschaft on Saksan tilintarkastajien liiton (*Wirtschaftsprüferkammer*) jäsen.

Tilikaudelle, joka päättyi 31. joulukuuta 2023, liikkeeseenlaskijan tilintarkastajaksi on nimetty Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, jonka rekisteröity toimipaikka on Cecilienallee 6-7, 40474 Düsseldorf, Saksa. Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft on Saksan tilintarkastajien liiton (*Wirtschaftsprüferkammer*) jäsen.

1.2.2. Mitä ovat liikkeeseenlaskijaa koskevat keskeiset taloudelliset tiedot?

Liikkeeseenlaskijan taloustiedot sisältyvät liikkeeseenlaskijan 31. joulukuuta 2022 ja 31. joulukuuta 2023 päivättyihin vuositilinpäätöksiin (yhdessä "Vuositilinpäätös") sekä liikkeeseenlaskijan 30. kesäkuuta 2023 ja 30. kesäkuuta 2024 päivättyihin puolivuositilinpäätöksiin ("Puolivuositilinpäätös"), ja yhdessä vuositilinpäätöksen kanssa "Tilinpäätökset".

Tilinpäätökset on laadittu Euroopan unionin ("EU") käyttöön ottamien kansainvälisten tilinpäätösstandardien ("IFRS") mukaisesti.

Vuositalinpäätökset on tarkastettu ja vakioimuotoinen tilintarkastuslausunto on annettu. Liikkeeseenlaskijan tilintarkastajat eivät ole tarkastaneet osavuositilinpäätöksiä.

Seuraavat valitut taloudelliset tiedot perustuvat tilinpäätökseen ja ne on poimittu tilinpäätöksestä.

Tuloslaskelma (EUR)	Kuusi kuukautta päättyen 30. kesäkuuta 2024 (tarkastamaton)	Kuusi kuukautta päättyen 30. kesäkuuta 2023 (tarkastamaton)	2023	2022
Liikevoitto/-tappio	454.260	207.540	380.199	142.298

Tase (EUR)	30. kesäkuuta 2024 (tarkastamaton)	30. kesäkuuta 2023 (tarkastamaton)	31. joulukuuta 2023	31. joulukuuta 2022
Nettorahoitusvelka	1.316.735.809	671.474.280	1.147.020.673	297.516.002

Kassavirtalaskelma (EUR)	Kuusi kuukautta päättyen 30. kesäkuuta 2024 (tarkastamaton)	Kuusi kuukautta päättyen 30. kesäkuuta 2023 (tarkastamaton)	2023	2022
Liiketoiminnan nettokassavirta	6.255.902	595.547	2.512.096	-3.257.493
Rahoitustoimintojen nettokassavirta	0	0	0	0
Investointien nettokassavirta	0	0	0	0

1.2.3. Mitkä ovat liikkeeseenlaskijaan liittyvät olennaiset riskit?

Seuraavat riskitekijät ovat olennaisia liittyen liikkeeseenlaskijan kykyyn täyttää sen liikkeeseen laskemien joukkovelkakirjojen mukaiset velvoitteensa.

Liikkeeseenlaskijan liiketoiminnan rajalliseen tavoitteeseen liittyvät riskit: Liikkeeseenlaskijan liiketoiminnan painopiste on kryptovaluuttoihin sidottujen joukkovelkakirjojen liikkeeseenlaskussa. Liikkeeseenlaskija ei harjoita muuta liiketoimintaa kuin edellä on kuvattu (katso kohta "1.2.1.1. Liikkeeseenlaskijan pääasiallinen toiminta"). Tämän rajoitetun liiketoimintatavoitteen vuoksi liikkeeseenlaskija on alttiina riskille, että alalla käytettävä kryptovaluutta ei menesty tai sen menestys vähenee. Tästä syystä liikkeeseenlaskija voi epäonnistua liiketoimintansa harjoittamisessa, mikä voi vaikuttaa kielteisesti liikkeeseenlaskijan liiketoimintaan ja taloudelliseen tilanteeseen.

Riskit, jotka liittyvät liikkeeseenlaskijan riippuvuuteen omasta ja siihen liittyvien osapuolten maineesta: Liikkeeseenlaskijan ydinliiketoiminnan, eli kryptovaluuttoihin sidottujen joukkovelkakirjojen liikkeeseenlaskun,

erittäin kilpailullisessa markkinaympäristössä liikkeeseenlaskija on riippuvainen omasta ja siihen liittyvien osapuolten maineesta ydinliiketoimintansa ylläpitämiseksi ja kasvattamiseksi. Mikä tahansa merkittävä haitallinen tapahtuma, kuten (mutta ei rajoittuen) siihen liittyvien osapuolten maksukyvyttömyydet ja konkurssit, liikkeeseenlaskijaan tai johonkin siihen liittyvään osapuoleen kohdistuvat oikeudenkäynnit tai negatiiviset mediakertomukset liikkeeseenlaskijasta tai sen kumppaneista, voivat vaikuttaa liikkeeseenlaskijan maineeseen. Tämä voi puolestaan heikentää liikkeeseenlaskijan kannattavuutta, luottokelpoisuutta ja varainhankintakykyä. Tämä voi vuorostaan vaikuttaa joukkovelkakirjojen kysyntään, likviditeettiin ja joukkovelkakirjojen markkinahintaan suhteessa kyseisen kryptovaluutan hintoihin – ja jos tällainen kehitys laukaisee joukkovelkakirjoihin liittyvän pakollisen lunastustapahtuman – se voi johtaa siihen, että liikkeeseenlaskija antaa pakollisen lunastusilmoituksen.

Suurimmat osakkeenomistajat: Liikkeeseenlaskija on kokonaan ETCM:n omistama, joka puolestaan on kokonaan ETC Holdings Ltd:n omistama, ja tämä taas on kokonaan Holding-yhtiön, liikkeeseenlaskijan lopullisen emoyhtiön, omistama. Näin ollen Holding-yhtiön osakkeenomistajilla on merkittävä vaikutusvalta liikkeeseenlaskijan johtamiseen. Ei ole takeita siitä, että nämä osakkeenomistajat tai heidän edustajansa käyttävät äänioikeuttaan tavalla, joka hyödyttää liikkeeseenlaskijaa tai sijoittajia

Riippuvuus luvista. Liikkeeseenlaskija on riippuvainen Frankfurtin pörssin valtuutuksesta ja Saksan säännösten ja määräysten mukaisesta luvanvaraisuudesta, jotta se voi jatkaa joukkovelkakirjojen liikkeeseen laskemista ja listamista. Kaikki muutokset listautumisen vaatimuksiin, joukkovelkakirjojen sääntelyyn tai kryptovaluutan hyväksymiseen kohde-etuutena voivat vaikuttaa haitallisesti joukkovelkakirjojen liikkeeseenlaskijaan ja sijoittajiin.

Liikkeeseenlaskijaan ulkopuolelta kohdistuvat hakkereiden hyökkäykset ja sabotaasi: Liikkeeseenlaskijan koko liiketoiminta riippuu tietystä IT-infrastruktuurista. Lisäksi palveluntarjoajat (esim. hallinnointiyhtiö, maksuasiamies ja selvitysjärjestelmä) luottavat myös IT-järjestelmiin palvelujen tarjoamisessa liikkeeseenlaskijalle. Rikolliset saattavat hakkeroida sekä liikkeeseenlaskijan että palveluntarjoajien IT-järjestelmiä. Liikkeeseenlaskija on vaarassa estyä osittain, tilapäisesti tai jopa pysyvästi harjoittamasta liiketoimintaansa ja jopa joutua maksukyvyttömäksi, ja joukkovelkakirjojen haltijat ("**joukkovelkakirjojen haltijat**") voivat menettää osan tai koko sijoituksensa joukkovelkakirjoihin tällaisen tietoturvaloukkauksen takia.

1.3. KESKEISET TIEDOT ARVOPAPEREISTA

1.3.1. Mitkä ovat arvopapereiden keskeiset ominaisuudet?

Joukkovelkakirjat ovat vakuudellisia joukkovelkakirjoja. Joukkovelkakirjoilla ei ole kiinteää erääntymispäivää. Joukkovelkakirjoille ei makseta korkoa. Kukin joukkovelkakirja edustaa joukkovelkakirjojen haltijan oikeutta vaatia liikkeeseenlaskijalta (a) Cardanon ("**ADA**" tai "**kryptovaluutta**") toimitusta, avoimen lähdekoodin projekti, joka on suunniteltu hajautetun sovellusalan (DApp) kehitykseen, kunkin joukkovelkakirjan osalta, ilmaistuna kryptovaluuttana joukkovelkakirjaa kohden ja liikkeeseenlaskijan oman harkintansa mukaan laskettuna alla olevan kaavan mukaisesti ("*1.4.1. Merkintähinnan määrittelytapa*") ("**kryptovaluuttaoikeus**") tai (b) tietyin edellytyksin Yhdysvaltain dollarin ("**USD**") määräinen maksu, joka on ehtojen asianmukaisten määräysten mukainen ("**ehdot**"). Joukkovelkakirjoihin liittyvät velvollisuudet ovat liikkeeseenlaskijan suoria, alistumattomia ja turvattuja velvollisuuksia asemaltaan *pari passu* (i) keskenään, (ii) kaikki turvatut myyntioptionvelvollisuudet (määritelty jäljempänä) ("*1.3.3. Myyntioption käyttämiseen liittyvät riskit*") ja (iii) liikkeeseenlaskijaan liittyvät velvoitteet siirtää joukkovelkakirjoja mille tahansa taholle, jonka liikkeeseenlaskija on nimittänyt valtuutetuksi osallistujaksi ("**valtuutettu osallistuja**"), jos kyseinen valtuutettu osallistuja on siirtänyt vähintään kryptovaluuttaoikeuden joukkovelkakirjaa kohden, joka on merkitty tai ostettu Coinbase Custody Trust, LLC -yhtiön ylläpitämästä säilytyslompakosta ("**säilytyslompakko**") ja tällaiset velvoitteet, "**turvattut tilitysvelvollisuudet**"). Joukkovelkakirjat ovat vapaasti siirrettävissä.

Joukkovelkakirjoihin liitetään seuraavat oikeudet:

Vakuus: Liikkeeseenlaskijan antama pantti joukkovelkakirjojen haltijoiden hyväksi sen oikeuksista, omistusoikeudesta, edusta ja etuudesta, nyt ja tulevaisuudessa, säilytyslompakosta ja talletetuista kryptovaluuttalainoista sekä liikkeeseenlaskutilistä ja liikkeeseenlaskijan omistamista joukkovelkakirjoista joukkovelkakirjojen haltijoiden hyväksi ("**vakuus**"). Tiedot kirjanpidosta ja vastaavien panttien ehdoista on ilmoitettava turvallisuusasiakirjoissa, jotka ovat saatavana joukkovelkakirjojen haltijoiden tarkastettavaksi liikkeeseenlaskijan päätoimipaikassa (Gridiron, One Pancras Square, Lontoo, N1C 4 AG, Yhdistynyt kuningaskunta).

Pakollinen lunastus: Tiettyjen pakollisten lunastustapahtumien sattuessa liikkeeseenlaskija voi milloin tahansa (mutta sen ei tarvitse), vähintään 30 (kolmenkymmenen) päivän varoitusajalla joukkovelkakirjojen haltijoille, lunastaa joukkovelkakirjat pakollisena lunastuspäivänä pakollisen lunastushinnan mukaisesti (määritelty jäljempänä). Tällaisiin pakollisiin lunastustapahtumiin kuuluvat muun muassa sellaisen uuden lain tai asetuksen voimaantuluminen, joka velvoittaa liikkeeseenlaskijaa hankkimaan minkä tahansa lisenssin voidakseen täyttää joukkovelkakirjoihin liittyvät velvoitteensa; tai mitkä tahansa muutokset kryptovaluutan verokohtelussa; tai jos

toimivaltainen tuomioistuin on määrännyt liikkeeseenlaskijan järjestämään tai muutoin laki vaatii pakollisen lunastuksen järjestämisen. Liikkeeseenlaskijan pakollisen lunastusoikeuden käyttäminen johtaa väistämättä joukkovelkakirjojen haltijoiden joukkovelkakirjojen lunastamiseen.

Joukkovelkakirjojen haltijoiden myyntioptio: Joukkovelkakirjoilla ei ole kiinteää eräänymispäivää. Kukin joukkovelkakirjojen haltija voi kuitenkin irtisanoa joukkovelkakirjat kryptovaluuttaoikeuden maksua vastaan (tai Yhdysvaltain dollarin määräistä maksua vastaan, jos joukkovelkakirjojen haltija on estynyt vastaanottamasta kryptovaluuttaa oikeudellisista tai lakisääteisistä syistä). Jos joukkovelkakirjat lunastetaan Yhdysvaltain dollareissa, lunastussumma vastaa kryptovaluuttaoikeuden myynnistä kertynyttä tuottoa kryptovaluuttahuutokauppamenettelyllä (määritelty jäljempänä) ("*1.3.3. Huutokauppaa ei voida suorittaa puuttuvien osallistujien tai riittämättömien tarjousten vuoksi*"), jos tällainen toimenpide johtaa onnistuneeseen myyntiin. Jotta joukkovelkakirjat voidaan irtisanoa, joukkovelkakirjojen haltijan tarvitsee (i) toimittaa myyntioption käyttölomake (ii) maksaa 50,00 euroa (mikä on tiettyjen vapautusten alaista) ja (iii) siirtää joukkovelkakirjat, joiden osalta myyntioption (määritelty jäljempänä) käyttö tapahtuu, maksutta liikkeeseenlaskutilille. Jos joukkovelkakirjojen haltija käyttää myyntioptio-oikeuttaan suhteessa liikkeeseenlaskijaan tai suhteessa valtuutettuun osallistujaan, häneltä veloitetaan mahdollisen ennenaikaisen lunastuspalkkion lisäksi käyttömaksu, joka on 1,0 % kunkin joukkovelkakirjan, joiden osalta myyntioption käyttö tapahtuu, kryptovaluuttaoikeudesta ("**käyttömaksu**"). Jos joukkovelkakirjojen haltija kuitenkin myy joukkovelkakirjojaan pörssissä, liikkeeseenlaskijalta tai valtuutetulta osallistujalta ei peritä lunastuspalkkioita. Jos joukkovelkakirjojen haltija ei voi vastaanottaa kryptovaluuttaa oikeudellisista tai lakisääteisistä syistä ja liikkeeseenlaskija pitää kryptovaluuttahuutokaupan, meklari (määritelty jäljempänä) ilmoittaa, että se huutokauppaa vaaditun kryptovaluuttamäärän liikkeeseenlaskijan verkkosivustolla (<https://www.etc-group.com>). Myyntituotto käytetään joukkovelkakirjojen lunastamiseen. Annetut tarjoukset, joiden arvo on alle 80 prosenttia kyseisen määrityspäivän viitehinnasta, kryptovaluutan hinta CryptoCompare esittämänä tietynä ajankohtana ("**viitehinta**") tai tarjoukset, joiden arvo on vähemmän tai enemmän kuin huutokaupattavan kryptovaluutan koko määrä, hylätään. Jos tällainen epäonnistunut huutokauppa tapahtuu, liikkeeseenlaskijan on palautettava kaikki joukkovelkakirjat joukkovelkakirjojen haltijalle seitsemän (7) arkipäivän kuluessa. Liikkeeseenlaskija voi halutessaan veloittaa käyttömaksun kyseiseltä joukkovelkakirjojen haltijalta, jos huutokauppa on epäonnistunut.

Lunastus maksukyvyttömyystapauksissa: Joukkovelkakirjat oikeuttavat maksukyvyttömyystapauksissa kunkin joukkovelkakirjojen haltijan vaatimaan välitöntä lunastusta kryptovaluuttaoikeudella.

Jakaminen: Jos kryptovaluutta jakautuu kahteen tai useampaan kryptovaluuttaan, kukin joukkovelkakirja edustaa kryptovaluuttakoria koskevaa vaadetta, joka vastaa sellaista kryptovaluuttaoikeutta, kuin mitä kukin joukkovelkakirja edusti ennen jakoa, ja liikkeeseenlaskija voi oman harkintansa mukaan päättää jakaa joukkovelkakirjat kahteen tai useampaan erilliseen joukkovelkakirjaan.

Joukkovelkakirjojen haltijoiden päätöslauselmat: Saksan velkakirjoja koskevan lain 2009 (*Schuldverschreibungsgesetz*) mukaisesti ehdot sisältävät määräyksiä, joiden mukaisesti joukkovelkakirjojen haltijat voivat sopia sopimuksen ehtojen muuttamisesta (liikkeeseenlaskijan suostumuksella) ja päättää tietyistä muista joukkovelkakirjoihin liittyvistä seikoista. Joukkovelkakirjojen haltijoiden päätöslauselmat, jotka on hyväksytty asianmukaisesti joko joukkovelkakirjojen haltijoiden kokouksessa tai äänestämällä ilman kokousta ehtojen mukaisesti, sitovat kaikkia joukkovelkakirjojen haltijoita. Päätöslauselmat, jotka koskevat ehtojen olennaisia muutoksia, edellyttävät vähintään 75 prosentin enemmistöä annetuista äänistä. Muita muutoksia koskevat päätöslauselmat hyväksytään yksinkertaisella ääntenenemmistöllä.

1.3.2. Missä arvopapereilla tullaan käymään kauppaa?

Joukkovelkakirjat on hyväksytty kaupankäynnin kohteeksi Frankfurtin pörssin säännellyillä markkinoilla. Liikkeeseenlaskija voi päättää listata joukkovelkakirjat kyseisillä tai muilla säännellyillä markkinoilla ja/tai järjestää joukkovelkakirjojen kaupankäynnin monenkeskisiin kaupankäyntitiloihin, järjestäytyneisiin kaupankäyntitiloihin tai kauppohen sisäisille toteuttajille, jotka kaikki kuuluvat rahoitusvälinemarkkinoita koskevan Euroopan parlamentin ja neuvoston direktiivin 2014/65/EU (15. toukokuuta 2014) alaisuuteen.

1.3.3. Mitkä ovat arvopapereihin liittyvät keskeiset riskit?

Seuraavat keskeiset riskit voivat johtaa merkittäviin tappioihin joukkovelkakirjojen haltijoille. Kunkin joukkovelkakirjojen haltijan on vastattava mahdollisista tappioista, jotka liittyvät sen joukkovelkakirjojen myymiseen tai pääoman takaisinmaksuun:

Joukkovelkakirjojen luonteeseen liittyvät riskit ja joukkovelkakirjojen ehdot

Huutokauppaa ei voida suorittaa puuttuvien osallistujien tai riittämättömien tarjousten vuoksi: Jos joukkovelkakirjojen haltija on estynyt vastaanottamasta kryptovaluuttaa oikeudellisista seikoista johtuen, erityisesti häneen sovellettavien säännösten vuoksi, liikkeeseenlaskija järjestää kryptovaluuttahuutokaupan saadakseen Yhdysvaltain dollareita joukkovelkakirjojen lunastukseen ("**kryptovaluuttahuutokauppamenettely**"), jonka suorittaa liikkeeseenlaskija itse tai liikkeeseenlaskijan nimeämä taho ("**meklari**"). Jos tällainen huutokauppa epäonnistuu, joukkovelkakirjojen haltijalla on riski, että

joukkovelkakirjoja ei voi lunastaa Yhdysvaltain dollareissa. Lisäksi huutokaupassa saavutettu transaktiohintaa voi alittaa kryptovaluutan markkinahinnan, mikä vaikuttaisi negatiivisesti joukkovelkakirjojen haltijoiden sijoitukseen.

Meklarin voi hyväksyä tai hylätä tarjouksen: Jos on tarpeen suorittaa kryptovaluuttahuutokauppanenettely, meklarin on muun muassa hylättävä tarjoukset, jos ne ovat alle 80 prosenttia viitehinnasta, tai vähemmän tai enemmän kuin koko huutokaupattava kryptovaluuttamäärä. Tämä tarkoittaa samalla, että tarjoukset voidaan hyväksyä 80 prosentilla viitehinnasta ja siten huomattavasti viitehintaa alhaisempina.

Myyntioption käyttöön liittyvät riskit: Joukkovelkakirjojen sijoittajilla on myyntioptio ("myyntioptio") lunastaa joukkovelkakirjoja liikkeeseenlaskijan kanssa kryptovaluutaoikeuden maksamista vastaan. Sijoittajat eivät kuitenkaan välttämättä kykene käyttämään myyntioptio-oikeutta, jos ne eivät anna liikkeeseenlaskijalle riittäviä tietoja ehtojen mukaisesti. Lisäksi, jos joukkovelkakirjojen haltijat käyttävät myyntioption ja pyytävät suoritusta Yhdysvaltain dollareissa, koska he eivät voi vastaanottaa kryptovaluuttaa oikeudellisista syistä, erityisesti heihin sovellettavien säännösten vuoksi, liikkeeseenlaskijan velvollisuus maksaa Yhdysvaltain dollareissa kyseiselle joukkovelkakirjojen haltijalle sen jälkeen, kun asianomaiset joukkovelkakirjat on luovutettu liikkeeseenlaskijalle, on liikkeeseenlaskijan vakuudettomia sitoumuksia. Vain kryptovaluuttamyntioption ("vakuudelliset myyntioptiovelvollisuudet") käyttöön liittyvät maksuvelvollisuudet ovat liikkeeseenlaskijan vakuudellisia velvollisuuksia. USD-myyntioption nojalla Yhdysvaltain dollarien määräistä maksua koskevat joukkovelkakirjojen haltijan vaatimukset maksetaan vasta sen jälkeen, kun asianmukainen joukkovelkakirjojen haltija on toimittanut joukkovelkakirjat liikkeeseenlaskijalle, ja joukkovelkakirjojen luovutuksesta Yhdysvaltain dollarin määräiseen maksuun asti kyseinen joukkovelkakirjojen haltija ei ole enää joukkovelkakirjojen omistaja eikä hänellä ole vakuudellista saatavaa liikkeeseenlaskijaa kohtaan.

Pakollinen lunastus: Tietyissä tapauksissa, kuten ehdoissa on tarkemmin määritelty, liikkeeseenlaskijalla on oikeus (mutta ei velvollisuutta) milloin tahansa oman harkintansa mukaan päättää irtisanoa ja lunastaa kaikki joukkovelkakirjat, mutta ei joitakin niistä, niiden pakollisen lunastushinnan mukaisesti, joka on (i) kryptovaluutaoikeutta vastaava määrä; tai (ii) jos joukkovelkakirjojen haltija on estynyt vastaanottamasta kryptovaluuttaa oikeudellisista syistä, erityisesti häneen sovellettavan lainsäädännön vuoksi, kryptovaluuttamyntivoitot jaetaan eräänntyneiden joukkovelkakirjojen määrällä asianmukaisesta pakollisesta lunastuspäivämäärästä alkaen, ja niistä vähennetään kohtuullinen kolmannen tahon palkkio, joka liittyy joukkovelkakirjojen lunastukseen ("**pakollinen lunastushinta**"). Kryptovaluuttamyntituotto on Yhdysvaltain dollareissa oleva summa, joka syntyy kryptovaluuttahuutokaupasta joukkovelkakirjojen lunastusta varten. Tätä harkintavaltaa käyttäessään liikkeeseenlaskijan ei tarvitse ottaa huomioon joukkovelkakirjojen haltijoiden etuja, ja joukkovelkakirjojen haltijat voivat saada alkuperäistä sijoitustaan vähemmän tai huomattavasti vähemmän. Yhdysvaltain dollareissa lunastettujen joukkovelkakirjojen pakollinen lunastushinta voi olla vähemmän tai huomattavasti vähemmän kuin vastaava kryptovaluuttahinta, koska liikkeeseenlaskija yrittää myydä kryptovaluuttaa kryptovaluuttahuutokauppanenettelyllä, ja kaikki kryptovaluuttakauppaan liittyvät riskit ovat voimassa edellä kuvatulla tavalla. Lisäksi, jos liikkeeseenlaskija ei realisoi kryptovaluuttaa kryptovaluuttahuutokauppanenettelyllä, sillä on oikeus käyttää mitä tahansa muuta kohtuullista menettelyä myydäkseen kryptovaluuttaosuuksia, ja on olemassa riski, että tällaiset menettelyt aiheuttaisivat kryptovaluutan myynnin alemmalla tai huomattavasti alemmalla hinnalla kuin kryptovaluuttahuutokauppanenettelyn määräämällä vähimmäishinnalla. Lisäksi pakollisesta lunastuksesta voi olla seurauksena, että joukkovelkakirjat ovat tosiasiallisesti käytettävissä verotustarkoituksiin joidenkin tai kaikkien joukkovelkakirjojen haltijoiden toimesta suunniteltua tai odotettua päivää aikaisemmin, mikä voi johtaa siihen, että tällaisten joukkovelkakirjojen haltijoille investoinnista saatava verokohtelu ei ole niin edullista kuin muutoin olisi, jos sijoitusta ylläpidettäisiin pidemmän ajan.

Ei suoraa sijoitusta: Joukkovelkakirjojen markkina-arvo ei riipu yksinomaan kryptovaluutan vallitsevasta hinnasta, eikä kryptovaluutan hinnan muutos välttämättä johda vastaavaan muutokseen joukkovelkakirjojen markkina-arvossa. Joukkovelkakirjojen tuotto voi poiketa merkittävästi kryptovaluutan suorasta omistuksesta johtuen maksujen ja kulujen negatiivisista vaikutuksista sekä muiden tässä esitettyjen riskien negatiivisista vaikutuksista. Joukkovelkakirjojen tuotto ei välttämättä vastaa sitä tuottoa, jonka sijoittaja olisi saanut, jos hän olisi omistanut kryptovaluutan suoraan ja pitänyt sijoitusta saman ajanjakson ajan.

Joukkovelkakirjojen turvallisuuden liittyvät riskit

Joukkovelkakirjojen turvaamiseksi myönnetty vakuus voi olla täytäntöönpanokelvoton tai vakuuden täytäntöönpano voi viivästyä: Liikkeeseenlaskija on sitoutunut pitämään talletettuna säilytysyhteisössä kryptovaluuttasummaa, joka on yhtä suuri tai suurempi kuin vakuutena olevat turvatut sitoumukset, ja tällainen tallennettu kryptovaluutta on pantattu joukkovelkakirjojen haltijoille vakuudeksi liikkeeseenlaskijan velvoitteista joukkovelkakirjojen haltijoita kohtaan. Nämä turvallisuusjärjestelyt eivät ehkä riitä suojaamaan

joukkovelkakirjojen haltijoita, jos liikkeeseenlaskija tai säilytysyhteisö menee konkurssiin tai joutuu selvitystilaan erilaisista syistä.

Riskit, jotka liittyvät liikkeeseenlaskijan altistumiseen säilyttäjän luottoriskille: Liikkeeseenlaskija on altistunut säilyttäjän luottoriskille, eli riskille, että kryptovaluuttaa säilyttävä säilyttäjä ei pysty täyttämään velvoitettaan tai sitoumuksiaan liikkeeseenlaskijaa kohtaan. Kryptovaluutta pidetään säilyttäjän toimesta erillisillä tileillä, joiden tarkoituksena on suojata kryptovaluuttaa säilyttäjän maksukyvyttömyystilanteessa. Säilyttäjän maksukyvyttömyys voi kuitenkin viivästyttää pääsyä vakuudeksi annettuun kryptovaluuttaan. Tällaisessa tilanteessa joukkovelkakirjojen haltijat voivat kohdata tappioita omaisuuserän hinnan vaihtelun vuoksi.

Kohde-etuutena olevaan kryptovaluutta ADAiin liittyvät riskit

Kryptovaluutan *hintavolatiliteetti*: kohde-etuutena olevan kryptovaluutan hinta vaikuttaa joukkovelkakirjojen arvoon. Kryptovaluutan hinta vaihtelee suuresti, ja siihen voivat esimerkiksi vaikuttaa kansainväliset ja alueelliset poliittiset, taloudelliset tai rahoituskelliset tapahtumat, sääntelytapahtumat tai sääntelijöiden ilmoitukset, kaupankäynti sijoituksilla, suojaus tai monien eri markkinaosapuolien muut toimet, kohde-etuusprotokollien haaraumat, infrastruktuurin häiriöt tai keinot, joilla kryptovarat tuotetaan, jaetaan, tallennetaan ja myydään. Kryptovaluutan hinta voi myös muuttua johtuen sijoittajien luottamuksen siirtymisestä omaisuuslajin tulevissa näkymissä. Kryptovaluutan ominaisuudet ja sovellettavien sääntelystandardien eroavaisuudet luovat mahdollisuuden markkinoiden väärinkäyttöön ja voivat johtaa hintojen suureen vaihteluun. Joukkovelkakirjojen haltijoiden saamat määrät (i) Yhdysvaltain dollareissa (USD) joukkovelkakirjoja lunastettaessa, jos joukkovelkakirjojen haltijat eivät voi vastaanottaa kryptovaluuttaa oikeudellisista tai lakisääteisistä syistä; tai (ii) pörssissä myynnissä riippuvat kryptovaluutan hinnan kehityksestä ja käytettävissä olevasta likviditeetistä.

Riskit, jotka koskevat arvopapereiden ottamista kaupankäynnin kohteeksi

Kaupankäynnin kohteeksi ottamiseen liittyvät riskit: Joukkovelkakirjojen kaupankäyntihinta voi madaltua, jos liikkeeseenlaskijan tai assosioituneiden osapuolten luottokelpoisuus heikkenee tai sen katsotaan heikkenevän riippumatta siitä, että joukkovelkakirjojen vakuutena ovat todelliset kryptovaluuttasijoitukset. Vaarana on, että kolmannet osapuolet haluavat ostaa joukkovelkakirjoja vain huomattavalla alennuksella suhteessa kryptovaluutan hintaan, mikä puolestaan voi johtaa siihen, että joukkovelkakirjojen haltija menettää sijoituksensa joukkovelkakirjoihin.

Joukkovelkakirjoihin liittyvät verotusriskit

Finanssitransaktiovero: Euroopan komissio julkaisi 2013 ehdotuksen ("komission ehdotus") yhteisestä finanssitransaktioverodirektiivistä ("finanssitransaktiovero"). Komission ehdotuksen mukaan finanssitransaktiovero pannaan täytäntöön tietyissä EU:n jäsenvaltioissa, myös Saksassa. On olemassa erityinen riski, että finanssitransaktiovero voi johtaa joukkovelkakirjoihin sovellettavaan negatiiviseen verotuskohteluun, joka puolestaan voi vaikuttaa haitallisesti joukkovelkakirjojen haltijan joukkovelkakirjoihin tekemän sijoituksen tuottoon.

1.4. KESKEISET TIEDOT ARVOPAPEREIDEN YLEISÖLLE TARJOAMISESTA JA KAUPANKÄYNNIN KOHTEEKSI SÄÄNNELLYILLÄ MARKKINOILLA OTTAMISESTA

1.4.1. Mitkä ovat arvopaperiin sijoittamisen ehdot ja aikataulu?

Joukkovelkakirjoihin sijoittamiseen liittyvät ehdot ja aikataulu on esitetty alla.

Tämä joukkovelkakirjalaina lasketaan liikkeeseen yhteensä 1 000 000 000 joukkovelkakirjana, joille on vakuutena ADA.

Joukkovelkakirjojen ostaminen: Liikkeeseenlaskija myy ensimarkkinoilla joukkovelkakirjoja vain valtuutetuille osapuolille ja näitä velkakirjoja voi ostaa vain kryptovaluutalla. Sijoittajat, jotka eivät ole valtuutettuja osapuolia, voivat ostaa joukkovelkakirjoja jälkimarkkinoilta joko (i) valtuutetulta osapuolelta voimassaolevien myyntirajoitusten puitteissa, (ii) arvopaperipörssistä välittäjänsä kautta tai (iii) keneltä tahansa arvopaperipörssin ulkopuolella. Tässä yhteydessä Flow Traders B.V. on nimitetty valtuutetuksi osapuoleksi. Tarjousaika alkoi 30. marraskuuta 2021 ja on avoinna siihen saakka, kumpi seuraavista on myöhemmin: (i) perusesitteen voimassaolon päättymispäivä tai (ii) perusesitettä välittömästi seuraavan uuden perusesitteen voimassaolon päättymispäivä, ellei ajanjaksoa lyhennetä. Joukkovelkakirjoja voidaan tarjota voimassaolevien myyntirajoitusten puitteissa julkiseen myyntiin maissa, jotka on määritetty kohdassa 1.1 Johdanto ja varoitukset.

Tarjouksen ehdot ja tekniset tiedot: Tarjoukseen ei kohdistu muita ehtoja tai aikarajoja kuin ohjelmaesitteen voimassaolosta johtuva aikaraja, joka on määritetty kohdassa "Joukkovelkakirjojen ostaminen". Merkintöjen vähentäminen ei ole mahdollista. Vähimmäis- tai enimmäismerkintämääriä ei ole määritetty, mutta joukkovelkakirjoja tarjoavat rahoituspalvelujen välittäjät (mukaan lukien valtuutetut osallistajat) voivat määrittää

vähimmäis- tai enimmäismerkintämääriä tarjotessaan joukkovelkakirjoja oman yksinomaisen harkintansa mukaan.

Joukkovelkakirjoja voi ostaa päämarkkinoilta joko kryptovaluutta-, euro-, Yhdysvaltain dollarin määräisellä tai muulla fiat-valuutalla tai kryptovaluutalla, minkä kukin joukkovelkakirjoja tarjoava rahoituspalvelujen välittäjä määrittelee. Suoraan liikkeeseenlaskijalta ostettuja joukkovelkakirjoja voivat kuitenkin ostaa vain valtuutetut osallistujat ja vain kryptovaluutalla. Joukkovelkakirjat toimitetaan arvo-osuusjärjestelmän ja selvitysjärjestelmän ja sen säilytystilipankkien kautta.

Jälkimarkkinoilla joukkovelkakirjoja voi ostaa vain fiatilla.

Merkintähinnan määrittelytapa: Valtuutettujen osallistujien merkintähinta on sama kuin kryptovaluuttaoikeus plus merkintäpalkkio. Kryptovaluuttaoikeus määritetään seuraavan kaavan mukaisesti:

$$CE = ICE \times (1 - DER)^n$$

Jossa:

”CE” tarkoittaa kryptovaluuttaoikeutta;

”ICE” tarkoittaa alkuperäistä kryptovaluuttaoikeutta, joka tarkoittaa ADA 5 joukkovelkakirjaa kohden;

”DER” tarkoittaa vähenevän oikeuden määrää, joka on 1,95 % (liikkeeseenlaskija saattaa vähentää sitä); ja

”n” tarkoittaa päivien määrää/365.

Merkintähinta sijoittajille, jotka eivät ole valtuutettuja osallistujia, määritellään säännöllisesti.

Myöntämispäivästä lähtien kryptovaluuttaoikeus olisi ADA 5 joukkovelkakirjaa kohden, eli valtuutetut osallistujat, jotka ostavat joukkovelkakirjoja liikkeeseenlaskijalta saisivat yhden joukkovelkakirjan kutakin 5 ADA kohden. Lisäksi liikkeeseenlaskija veloittaa valtuutetulta osallistujalta merkintäpalkkion, joka on enintään 0,50 prosenttia 5 ADA. Jos sijoittaja ostaa joukkovelkakirjan valtuutetulta osallistujalta euroilla, kryptovaluuttaoikeutta vastaava euromäärä 9. joulukuuta 2024 alkaen, perustuen ADA-arvoon 1,06 euroa olisi 5,30 euroa. Kun kuitenkin otetaan huomioon, että kukin valtuutettu osallistuja voi veloittaa merkintäpalkkion sijoittajalta, jolle hän myy joukkovelkakirjoja oman harkintansa mukaan, joukkovelkakirjan hankintahinta voi olla korkeampi kuin 5,30 euroa.

Kulut: Liikkeeseenlaskun ja/tai tarjouksen arvioidut kokonaiskulut ovat 35 500 EUR. Liikkeeseenlaskija veloittaa merkintäpalkkion, joka on enintään 0,50 prosenttia valtuutettujen osallistujien joukkovelkakirjojen kryptovaluuttaoikeudesta. Liikkeeseenlaskija ei voi vaikuttaa siihen, veloittaako valtuutettu osallistuja lisäpalkkioita ja missä määrin. Nämä palkkiot voivat vaihdella valtuutetun osallistujan mukaan.

1.4.2. Miksi tämä ohjelmaesite laaditaan?

1.4.2.1. Tarjouksen syyt tai säännellyillä markkinoilla kaupankäynnin kohteeksi ottamisen syyt

Liikkeeseenlaskija aikoo tehdä voittoa joukkovelkakirjojen liikkeeseenlaskusta. Liikkeeseenlaskija tekee voittoa veloittamalla tilauspalkkiot, tietyt lunastuspalkkiot ja vähenevän oikeuden määrän.

1.4.2.2. Tuottojen käyttö ja arvioidut nettomäärät

Joukkovelkakirjat ostetaan liikkeeseenlaskijalta kryptovaluuttaa käyttämällä. Kun liikkeeseenlaskija vastaanottaa kryptovaluuttaa joukkovelkakirjojen merkinnän kautta, ne siirretään säilytyslompakkoon ja niiden vakuutena on takaussopimus joukkovelkakirjojen haltijoiden, vakuudenhaltijan ja joukkovelkakirjojen haltijoiden edustajan (jos nimetty) eduksi. Perustuen siihen oletukseen, että yhteensä 100 000 000 yksikköä joukkovelkakirjoja myydään ja että ADA-arvo on 1,06 EUR (9. joulukuuta 2024 alkaen), nettotuotot kullekin 10 000 joukkovelkakirjajyksikölle ovat 53 000,00 EUR.

1.4.2.3. Merkintäsitoumus

Liikkeeseenlaskija ei ole tehnyt merkintäsitoumusta.

1.4.2.4. Tarjoukseen tai kaupankäynnin kohteeksi ottamiseen liittyvät merkittävät eturistiriidat

Edellä kuvailtuja etuja lukuun ottamatta ei ole olemassa olennaisia intressejä, varsinkaan julkista tarjontaa tai kaupankäynnin kohteeksi ottamista koskevia merkittäviä eturistiriitoja.

RÉSUMÉ PORTANT SUR L'ÉMISSION DES OBLIGATIONS

1.1 INTRODUCTION ET AVERTISSEMENTS

Ce résumé concerne l'offre au public d'obligations bénéficiant d'un nantissement (les « **Obligations** ») en Autriche, Tchéquie, Danemark, Allemagne, Irlande, Italie, Luxembourg, Malte, Norvège, Pays-Bas, Finlande, France, Pologne, Espagne, Suède et Suisse. Le numéro international d'identification (« **ISIN** ») des Obligations est DE000A3GVKY4.

La date d'approbation du prospectus de base est le 30 octobre 2024 (le « **Prospectus de Base** »). Celui-ci a été approuvé par le *Bundesanstalt für Finanzdienstleistungsaufsicht* (« **BaFin** »), Marie-Curie-Str. 24-28, 60439 Francfort-sur-le-Main, Allemagne, Courriel : poststelle@bafin.de, Téléphone : +49 (0)228 4108-0.

Ce résumé doit être lu comme une introduction au Prospectus de Base. Toute décision d'investir dans les Obligations de l'Émetteur doit être fondée sur l'examen du Prospectus de Base dans son ensemble par l'investisseur. Les investisseurs pourraient perdre tout ou partie de leur capital investi dans les Obligations de l'Émetteur. Bitwise Europe GmbH, dont le siège social est situé à Holzhecke 13, 60528 Francfort-sur-le-Main, Allemagne (l'« **Émetteur** ») est responsable des informations contenues dans ce résumé et sa traduction allemande. La responsabilité de l'Émetteur ne peut être engagée que si le résumé est trompeur, inexact ou incohérent lorsqu'il est lu conjointement avec les autres parties du Prospectus de Base, ou s'il ne fournit pas, lorsqu'il est lu conjointement avec les autres parties du Prospectus de Base, les informations clés pour permettre aux investisseurs de prendre leur décision d'investissement dans ces titres. Dans le cas où une réclamation relative aux informations contenues dans le Prospectus de Base est portée devant un tribunal, l'investisseur intentant l'action pourrait, en application de la législation nationale des États membres de l'Espace économique européen, être tenu de prendre en charge les frais de traduction du Prospectus de Base avant l'engagement de toute procédure judiciaire.

L'identifiant d'entité juridique de l'Émetteur (« **IEJ** ») est le 875500BTZPKWM4X8R658.

1.2 INFORMATIONS CLÉS SUR L'ÉMETTEUR

1.2.1 Qui est l'Émetteur des titres ?

La dénomination sociale et commerciale de l'Émetteur est Bitwise Europe GmbH. Le numéro IEJ de l'Émetteur est le suivant 875500BTZPKWM4X8R658. L'Émetteur est constitué et exerce ses activités conformément au droit allemand et son établissement principal est situé à Gridiron, One Pancras Square, Londres, N1C 4 AG, Royaume-Uni. Le siège social de l'Émetteur est situé à Holzhecke 13, 60528 Francfort-sur-le-Main, Allemagne et l'Émetteur est inscrit au registre du commerce du tribunal local (*Amtsgericht*) de Francfort-sur-le-Main sous le numéro HRB 116604. Le site internet de l'Émetteur est <https://www.etc-group.com> et son numéro de téléphone est le +49 69 8088 3728.

1.2.1.1 Principales activités de l'Émetteur

L'activité principale de l'Émetteur est l'émission d'obligations bénéficiant de garanties sur des crypto-monnaies et d'autres actifs numériques. Par l'émission des Obligations, l'Émetteur entend répondre à la demande des investisseurs pour des titres négociables au moyen desquels un investissement dans des crypto-monnaies et autres actifs numériques est réalisé.

1.2.1.2 Principaux actionnaires

L'unique actionnaire de l'Émetteur est ETC Management Ltd (« **ETCM** »). L'unique actionnaire d'ETCM est ETC Holdings Ltd. ETC Holdings Ltd est détenue en totalité par Bitwise Asset Management, Inc., 250 Montgomery St., Suite 200, San Francisco, CA 94104, USA (la « **Société Holding** »).

1.2.1.3 Principaux directeurs généraux

L'Émetteur est géré par ses directeurs généraux, Paul Fusaro, Katherine Dowling et Leyla Sharifullina.

1.2.1.4 Commissaires aux comptes

Deloitte GmbH Wirtschaftsprüfungsgesellschaft, dont le siège social est situé Europa-Allee 91, 60486 Francfort-sur-le-Main, Allemagne, a été nommée commissaire aux comptes statutaire de l'Émetteur pour l'exercice clos le

31 décembre 2022. Deloitte GmbH Wirtschaftsprüfungsgesellschaft est membre de la Chambre des experts-comptables allemande (*Wirtschaftsprüferkammer*).

Pour l'exercice clos le 31 décembre 2023, Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, dont le siège social est situé Cecilienallee 6-7, 40474 Düsseldorf, Allemagne, est le commissaire aux comptes statutaire de l'Émetteur. Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft est membre de la Chambre des experts-comptables allemande (*Wirtschaftsprüferkammer*).

1.2.2 Quelles sont les informations financières clés concernant l'Émetteur ?

Les informations financières de l'Émetteur sont incluses dans les états financiers annuels de l'Émetteur en date du 31 décembre 2022 et du 31 décembre 2023 (ensemble, les « **États Financiers Annuels** »), ainsi que dans les états financiers intermédiaires de l'Émetteur en date du 30 juin 2023 et du 30 juin 2024 (les « **États Financiers Intermédiaires** », et, ensemble avec les États Financiers Annuels, les « **États Financiers** »).

Les États Financiers ont été préparés conformément aux Normes Internationales d'Information Financière (« **IFRS** »), telles qu'adoptées dans l'Union européenne (« **UE** »).

Les États Financiers Annuels ont été vérifiés et un rapport d'audit sans réserve a été publié. Les États Financiers Intermédiaires n'ont été ni vérifiés ni examinés par les commissaires aux comptes de l'Émetteur.

Les informations financières sélectionnées ci-dessous sont basées et extraites des États Financiers.

Compte de résultat (en EUR)	Six mois clos le 30 juin 2024 (non audité)	Six mois clos le 30 juin 2023 (non audité)	2023	2022
Résultat d'exploitation	454.260	207.540	380.199	142.298

Bilan (en EUR)	30 juin 2024 (non audité)	30 juin 2023 (non audité)	31 décembre 2023	31 décembre 2022
Dette financière nette	1.316.735.809	671.474.280	1.147.020.673	297.516.002

Tableaux des flux de trésorerie (en EUR)	Six mois clos le 30 juin 2024 (non audité)	Six mois clos le 30 juin 2023 (non audité)	2023	2022
Flux de trésorerie net des activités opérationnelles	6.255.902	595.547	2.512.096	-3.257.493
Flux de trésorerie net des activités de financement	0	0	0	0
Flux de trésorerie net des activités d'investissement	0	0	0	0

1.2.3 Quels sont les principaux risques propres à l'Émetteur ?

Les facteurs de risque suivants sont significatifs en ce qui concerne la capacité de l'Émetteur à remplir ses obligations dans le cadre des obligations émises.

Risques liés à l'activité commerciale concentrée de l'Émetteur : L'activité de l'Émetteur se concentre sur l'émission d'obligations liées à des crypto-monnaies. L'Émetteur n'a aucune autre activité que celle décrite ci-dessus (voir la section « 1.2.1.1. Principales activités de l'Émetteur »). En raison de cet objectif commercial limité, l'Émetteur est exposé au risque que la crypto-monnaie sous-jacente ne devienne pas fructueuse ou qu'elle le devienne moins. L'Émetteur pourrait alors ne pas réussir à mener à bien ses activités, ce qui pourrait avoir un impact négatif sur sa situation financière et commerciale.

Risques liés à la dépendance de l'Émetteur à sa réputation et à celle des parties associées : En raison de l'environnement de marché hautement concurrentiel dans le domaine d'activité principal de l'Émetteur, à savoir l'émission d'obligations liées à des crypto-monnaies, l'Émetteur dépend de sa réputation et de celle des parties associées pour maintenir et développer cette activité principale. Tout événement défavorable majeur, tel que (sans s'y limiter) des défauts de paiement ou des insolvabilités de parties associées, des procédures judiciaires impliquant l'Émetteur ou toute partie associée, ou des articles de presse négatifs concernant l'Émetteur ou ses parties associées, pourrait impacter la réputation de l'Émetteur, ce qui pourrait, à son tour, affecter négativement sa rentabilité, sa solvabilité et sa capacité de levée de fonds. Cela pourrait également avoir un effet sur la demande, la liquidité des Obligations, ainsi que leur prix sur le marché en lien avec les prix de la crypto-monnaie concernée et, si un tel développement déclenche un événement de rachat obligatoire des Obligations, cela pourrait entraîner l'émission d'un avis de rachat obligatoire par l'Émetteur.

Actionnaires majoritaires : L'Émetteur est entièrement détenu par ETCM, qui est elle-même entièrement détenue par ETC Holdings Ltd, qui est elle-même entièrement détenue par la Société Holding, la société mère ultime de l'Émetteur. En conséquence, les actionnaires de la Société Holding ont une influence significative sur la gestion de l'Émetteur. Il n'y a aucune garantie que ces actionnaires ou leurs représentants exerceront leur droit de vote d'une manière bénéfique pour l'Émetteur ou pour les investisseurs.

Dépendance à l'égard des autorisations d'ordre réglementaire : L'Émetteur dépend de l'autorisation de la Bourse de Francfort et de la possibilité de continuer à émettre les Obligations, conformément à la réglementation allemande. Tout changement dans les règles de cotation, la réglementation applicable aux Obligations ou à l'utilisation de crypto-monnaies comme actifs sous-jacents pourrait avoir un impact négatif sur l'Émetteur et les investisseurs dans les Obligations.

Attaques par des « hackers » et sabotage par des personnes tierces : Toute l'activité de l'Émetteur dépend d'infrastructures informatiques. En outre, les prestataires de services (comme l'Administrateur, l'Agent Payeur ou le Système de Compensation) s'appuient également sur des systèmes informatiques pour fournir leurs services à l'Émetteur. Tant les systèmes informatiques de l'Émetteur que ceux de ces prestataires de services peuvent faire l'objet d'un piratage. L'Émetteur est ainsi exposé au risque d'être partiellement, temporairement ou même définitivement empêché de mener à bien ses activités commerciales et même de devenir insolvable, de ce fait, les Obligataires (les « **Obligataires** ») peuvent perdre une partie ou la totalité de leur investissement en raison d'une telle faille de sécurité.

1.3 INFORMATIONS CLÉS SUR LES OBLIGATIONS

1.3.1 Quelles sont les principales caractéristiques des Obligations ?

Les Obligations sont des obligations bénéficiant d'un nantissement sur des actifs. Les Obligations n'ont pas de date d'échéance fixe. Les Obligations ne portent pas d'intérêt. Chaque Obligation comporte le droit pour son titulaire d'exiger de l'Émetteur (a) la livraison de Cardano (« **ADA** » ou « **Crypto monnaie** »), un projet open-source conçu pour être une plateforme de développement d'applications décentralisées (DApp), pour un montant égal à la créance de l'Obligataire, pendant tout Jour Ouvrable, exprimé en montant de la Crypto-monnaie par Obligation, et calculé par l'Émetteur à sa seule discrétion conformément à la formule ci-dessous (« 1.4.1. Méthode de détermination du Prix d'Émission ») (le « **Droit d'Attribution de Crypto-monnaie** ») ou (b) sous certaines conditions, le paiement en dollars américains (« **USD** ») déterminé conformément aux stipulations des modalités (les « **Modalités** »). Les obligations de l'Émetteur au titre des Obligations constituent des engagements directs, non subordonnés et assortis de sûreté de l'Émetteur qui sont de rang égal entre (i) eux, (ii) les Obligations Relatives aux Options de Remboursement Garanties (telles que définies ci-dessous) (« 1.3.3. Risques liés à l'exercice de l'Option de Remboursement à l'initiative des Obligataires ») et (iii) toute obligation de l'Émetteur de transférer des Obligations à toute entité désignée par l'Émetteur comme participant autorisé (le « **Participant Autorisé** ») si ce Participant Autorisé a transféré au moins le Droit d'Attribution de Crypto-monnaie par Obligation souscrite ou achetée à un portefeuille de dépositaire exploité par Coinbase Custody Trust, LLC (le

« **Portefeuille de Dépôt** » et, de telles obligations les « **Obligations de Règlement Garanties** »). Les Obligations sont librement transférables.

Les droits suivants sont attachés aux obligations :

Nantissement : Nantissement par l'Émetteur en faveur des Obligataires de ses droits, titres, intérêts et avantages, présents et futurs, au titre du Portefeuille de Dépôt et de la Crypto-monnaie Déposée et nantissement par l'Émetteur du Compte d'Émission et des Obligations détenues par l'Émetteur en faveur des Obligataires (le « **Nantissement** »). Les détails des comptes et les modalités des nantissements respectifs seront stipulés dans les Documents de Garantie qui seront disponibles pour consultation par les Obligataires au principal établissement de l'Émetteur (Gridiron, One Pancras Square, Londres, N1C 4 AG, Royaume-Uni).

Remboursement obligatoire : En cas de survenance de certains événements de remboursement obligatoire, l'Émetteur peut, à tout moment (sans toutefois y être tenu), sur préavis d'au moins 30 (trente) jours aux Obligataires, rembourser les Obligations à la date de remboursement obligatoire à leur Prix de Remboursement Obligatoire (tel que défini ci-dessous). Ces événements de remboursement obligatoire comprennent : l'entrée en vigueur de toute nouvelle loi ou règlement exigeant que l'Émetteur obtienne un agrément afin de pouvoir remplir ses obligations au titre des Obligations ; ou toute modification du traitement fiscal de la Crypto-monnaie ; ou si l'Émetteur a été enjoint par un tribunal compétent ou est autrement tenu par la loi d'organiser un remboursement. L'exercice du droit de remboursement obligatoire par l'Émetteur entraîne inévitablement le remboursement des obligations pour les Obligataires.

Option de Remboursement à l'initiative des Obligataires : Les Obligations n'ont pas de date d'échéance fixe. Toutefois, chaque Obligataire peut exercer son droit de remboursement contre paiement du Droit d'Attribution de Crypto-monnaie (ou contre paiement d'USD si l'Obligataire n'a pas la possibilité de recevoir de la Crypto-monnaie pour des raisons légales ou réglementaires). Si les Obligations sont remboursées en USD, le montant du remboursement sera égal au produit de la vente du Droit d'Attribution de Crypto-monnaie selon la Procédure d'Enchères de la Crypto-monnaie (telle que définie ci-dessous) (« *1.3.3. Les Enchères ne pourront être réalisées si des participants font défaut ou en cas d'offres insuffisantes* »), si une telle procédure aboutit à une vente réussie. Pour obtenir le remboursement de ses Obligations, l'Obligataire doit (i) soumettre le formulaire d'exercice de l'Option de Remboursement à l'initiative des Obligataires, (ii) payer une commission de rachat anticipé d'un montant de 50,00 EUR (soumise à certaines exemptions) (la « **Commission de Rachat Anticipé** ») et (iii) transférer les Obligations, pour lesquelles l'Option de Remboursement à l'initiative des Obligataires (telle que définie ci-dessous) est exercée, sur le Compte d'Émission franco de paiement. Si un Obligataire exerce son Option de Remboursement à l'initiative des Obligataires vis-à-vis de l'Émetteur ou vis-à-vis d'un Participant Autorisé, des frais de remboursement, en plus de la Commission de Rachat Anticipé (le cas échéant) d'un montant égal à 1,00 pour cent du Droit d'Attribution de Crypto-monnaie pour chaque Obligation pour laquelle l'Option de Remboursement est exercée, seront facturés (les « **Frais d'Exercice** »). Toutefois, si l'Obligataire vend ses Obligations par le biais du marché boursier, aucuns frais de remboursement de l'Émetteur ou du Participant Autorisé ne seront dus. Si un Obligataire n'a pas la possibilité de recevoir de la Crypto-monnaie pour des raisons légales ou réglementaires et que l'Émetteur procède à une Procédure d'Enchères de la Crypto-monnaie, la Personne Dirigeant l'Enchère (tel que défini ci-dessous) annoncera qu'il met aux enchères le montant requis de Crypto-monnaie sur le site internet de l'Émetteur (<https://www.etc-group.com>). Le produit de la vente sera utilisé pour le remboursement des Obligations. Les offres soumises pour moins de 80 pour cent du prix de référence, qui est à la date de détermination, le prix de la Crypto-monnaie tel qu'affiché par CryptoCompare (le « **Prix de Référence** »), ou les offres pour plus ou moins que le montant total de la Crypto-monnaie mis aux enchères, seront rejetées. Si une telle vente aux enchères a échoué, l'Émetteur doit retourner toutes les Obligations à l'Obligataire dans un délai de 7 (sept) jours ouvrables. L'Émetteur peut choisir de facturer des Frais d'Exercice à l'Obligataire concerné en cas d'échec de la vente aux enchères.

Remboursement en cas de défaut : Les Obligations prévoient des cas de défaut permettant à chaque Obligataire de demander un remboursement immédiat correspondant au Droit d'Attribution de Crypto-monnaie.

Fractionnement : Si la Crypto-monnaie se divise en deux ou plusieurs crypto-monnaies, chaque Obligation représentera une créance sur un panier de crypto-monnaies correspondant au Droit d'Attribution de Crypto-monnaie tel que représenté par chaque Obligation avant la scission et l'Émetteur peut, à sa seule discrétion, décider de scinder les Obligations en deux ou plusieurs Obligations distinctes.

Résolutions des Obligataires : Conformément à la loi allemande de 2009 sur les titres de créance (*Schuldverschreibungsgesetz*), les Modalités contiennent des stipulations en vertu desquelles les Obligataires peuvent convenir par voie de résolution de modifier les Modalités (avec le consentement de l'Émetteur) et de décider de certaines autres questions concernant les Obligations. Les résolutions des Obligataires sont dûment

adoptées, soit lors d'une assemblée des Obligataires, soit par un vote pris sans assemblée conformément aux Modalités, et lient tous les Obligataires. Les résolutions prévoyant des modifications importantes des Modalités requièrent une majorité d'au moins 75 % des votes exprimés. Les résolutions concernant d'autres modifications sont adoptées à la majorité simple des votes exprimés.

1.3.2 Où les titres seront-ils négociés ?

Les Obligations ont été admises à la négociation sur le marché réglementé de la Bourse de Francfort. L'Émetteur peut décider de demander l'admission des Obligations sur d'autres marchés réglementés et/ou de demander l'admission des Obligations sur des systèmes multilatéraux de négociation, des systèmes de trading organisés ou par l'intermédiaire d'internalisateurs systématiques, conformément à la Directive 2014/65/UE du Parlement européen et du Conseil du 15 mai 2014 concernant les marchés d'instruments financiers.

1.3.3 Quels sont les principaux risques spécifiques aux titres ?

Les principaux risques suivants pourraient entraîner des pertes substantielles pour les Obligataires. Chaque Obligataire pourrait avoir à supporter des pertes éventuelles en cas de vente de ses Obligations ou en ce qui concerne le remboursement :

Risques liés à la nature et aux Modalités des Obligations

Les enchères ne pourront être réalisées si des participants font défaut ou en cas d'offres insuffisantes : Si un Obligataire n'a pas la possibilité de recevoir de la Crypto-monnaie pour des raisons juridiques, notamment en raison des dispositions réglementaires qui lui sont applicables, l'Émetteur organisera la vente aux enchères de Crypto-monnaie pour recevoir des USD afin de rembourser les Obligations (la « **Procédure d'enchères de la Crypto-monnaie** »), qui sera menée par l'Émetteur lui-même ou par une entité désignée par l'Émetteur (la « **Personne Dirigeant l'Enchère** »). Si une telle vente aux enchères échouait, l'Obligataire courrait le risque que les Obligations ne puissent pas être remboursées en USD. En outre, le prix atteint lors des enchères peut être inférieur au prix de marché de la Crypto-monnaie, ce qui aurait un impact négatif sur l'investissement des Obligataires.

La Personne Dirigeant l'Enchère a le choix d'accepter ou de rejeter une offre : S'il est tenu de mener une Procédure d'Enchère de la Crypto-monnaie, il rejettera notamment les offres, si elles sont présentées pour moins de 80 pour cent du Prix de Référence, ou pour un montant inférieur ou supérieur au montant total de la Crypto-monnaie mis aux enchères. Cela signifie que les offres peuvent être acceptées à 80 % du Prix de Référence et donc nettement moins que le Prix de Référence.

Risques liés à l'exercice de l'Option de Remboursement à l'initiative des Obligataires : Les Investisseurs en Obligations disposent d'une option de remboursement à leur initiative (l'« **Option de Remboursement à l'initiative des Obligataires** ») afin de demander à l'Émetteur le remboursement des Obligations contre paiement du Droit d'Attribution de Crypto-monnaie. Toutefois, les investisseurs peuvent ne pas être en mesure d'exercer l'Option de Remboursement à l'initiative des Obligataires s'ils ne fournissent pas suffisamment d'information à l'Émetteur conformément aux Modalités. En outre, si les Obligataires exercent l'Option de Remboursement à l'initiative des Obligataires et demandent le règlement en USD parce qu'ils n'ont pas la possibilité de recevoir de la Crypto-monnaie pour des raisons juridiques, notamment en raison des dispositions réglementaires qui leur sont applicables, l'obligation de l'Émetteur de remettre des USD à cet Obligataire après la remise des Obligations concernées à l'Émetteur constituent des obligations non garanties de l'Émetteur. Seules les obligations de règlement liées à l'exercice de l'Option de Remboursement de la Crypto-monnaie à l'initiative des Obligataires (les « **Obligations Relatives de l'Option de Remboursement Garantie** ») constituent des obligations bénéficiant d'une sûreté consentie par l'Émetteur. Les réclamations d'un Obligataire pour les paiements en USD dus à l'exercice de l'Option de Remboursement USD à l'initiative des Obligataires ne seront réglées qu'après que l'Obligataire concerné a livré les Obligations à l'Émetteur et, pendant la période allant de la livraison des Obligations jusqu'au paiement effectif en USD, l'Obligataire concerné ne sera plus propriétaire des Obligations et n'aura plus de créance bénéficiant d'un nantissement contre l'Émetteur.

Remboursement obligatoire : En cas de survenance de certains événements tels que spécifiés dans les Modalités, l'Émetteur peut (sans toutefois y être tenu) à tout moment, à sa seule discrétion, choisir de rembourser la totalité des Obligations, et non une partie seulement, à leur prix de remboursement obligatoire, ce qui correspond à (i) un montant égal au Droit d'Attribution de Crypto-monnaie ; ou (ii) si un Obligataire n'a pas la possibilité de recevoir de la Crypto-monnaie pour des raisons légales, notamment en raison de dispositions réglementaires qui lui sont applicables, le Produit de la Vente de la Crypto-monnaie divisé par le nombre d'Obligations en Circulation à la date de remboursement obligatoire correspondante, diminué de toute commission de tiers, d'un montant

raisonnable, liée au remboursement des Obligations (le « **Prix de Rachat Obligatoire** »). Le Produit de la Vente de la Crypto-monnaie est le montant en USD qui résulte de la vente aux enchères de la Crypto-monnaie pour le remboursement des Obligations. Dans l'exercice de son pouvoir discrétionnaire, l'Émetteur n'est pas tenu de prendre en compte les intérêts des Obligataires, et les Obligataires peuvent recevoir moins, ou substantiellement moins, que leur investissement initial. Le Prix de Rachat Obligatoire des Obligations remboursées en USD peut être inférieur ou substantiellement inférieur au prix équivalent de la Crypto-monnaie, car l'Émetteur fera son possible pour vendre la Crypto-monnaie en utilisant la Procédure d'Enchères de la Crypto-monnaie, et tous les risques liés à la mise aux enchères de la Crypto-monnaie tels que décrits ci-dessus s'appliquent. En outre, si l'Émetteur ne parvient pas à obtenir de la Crypto-monnaie en utilisant la Procédure d'Enchères de la Crypto-monnaie, il est autorisé à utiliser toute autre procédure raisonnable pour vendre des détentions de Crypto-monnaie, et de ce fait il existe un risque que de telles procédures entraînent la vente de la Crypto-monnaie à un prix inférieur ou substantiellement inférieur au minimum stipulé par la Procédure d'Enchères de la Crypto-monnaie. En outre, le remboursement obligatoire pourrait entraîner la cession effective des Obligations par certains ou tous les Obligataires à une date antérieure à celle prévue ou anticipée, ce qui peut entraîner un traitement fiscal moins avantageux de l'investissement dans les Obligations pour ces Obligataires que celui qui serait autrement appliqué si l'investisseur avait pu maintenir son investissement pendant une période plus longue.

Aucun investissement direct: La valeur de marché des Obligations ne dépend pas exclusivement du prix en vigueur de la crypto-monnaie sous-jacente, et les variations de ce prix peuvent ne pas nécessairement se traduire par une variation comparable de la valeur de marché des Obligations. La performance des Obligations peut différer de manière significative de celle d'une détention directe de la crypto-monnaie sous-jacente en raison des effets négatifs des frais et charges, en plus des effets négatifs de tout autre risque décrit dans le présent document. Le rendement des Obligations peut ne pas refléter le rendement qu'aurait obtenu l'investisseur s'il avait réellement détenu la crypto-monnaie sous-jacente et conservé cet investissement pour une période similaire

Risques liés à la Sûreté des Obligations

La sûreté accordée sur les Obligations pourrait être nulle ou la réalisation de la sûreté pourrait être retardée : L'Émetteur s'est engagé à avoir un montant en Crypto-monnaie égal ou supérieur à celui du montant des Obligations déposé auprès du Dépositaire bénéficiaire de la sûreté, et a nanti cette Crypto-monnaie au bénéfice des Obligataires en garantie des Obligations de l'Émetteur envers les Obligataires. Ces engagements peuvent ne pas être suffisants pour protéger les Obligataires en cas de faillite ou de liquidation de l'Émetteur ou du Dépositaire, quelles qu'en soient les raisons.

Risques liés à l'exposition de l'Émetteur au risque de crédit du Dépositaire : L'Émetteur est exposé au risque de crédit du Dépositaire, c'est-à-dire le risque que le Dépositaire détenant la crypto-monnaie sous-jacente ne remplisse pas une obligation ou un engagement envers l'Émetteur. La crypto-monnaie sous-jacente est conservée par le Dépositaire dans des comptes séparés, censés être protégés en cas d'insolvabilité du Dépositaire. Cependant, toute insolvabilité du Dépositaire pourrait entraîner un accès retardé à la crypto-monnaie sous-jacente fournie en tant que garantie. Dans une telle situation, les détenteurs d'Obligations pourraient subir une perte en raison des fluctuations de prix des actifs

Risques liés à le ADA en tant que Crypto-monnaie sous-jacente

Volatilité du prix de la Crypto-monnaie : La valeur des Obligations est affectée par le prix de la Crypto-monnaie sous-jacente. Le prix de la Crypto-monnaie fluctue considérablement et peut, par exemple, être affecté par des événements politiques, économiques ou financiers mondiaux et régionaux, des événements réglementaires ou des déclarations de régulateurs, des opérations d'investissement, des opérations de couverture ou d'autres activités menées par un large éventail d'acteurs du marché, des changements dans les protocoles sous-jacents, des perturbations de l'infrastructure ou des moyens par lesquels les actifs sont produits, distribués, stockés et négociés. Le prix de la Crypto-monnaie peut également changer en raison d'un changement dans la confiance des investisseurs dans les perspectives futures de la classe d'actifs. Les caractéristiques de la Crypto-monnaie et la divergence des normes réglementaires applicables créent un risque d'abus de marché et pourraient entraîner une forte volatilité des prix. Les montants reçus par les Obligataires (i) lors du remboursement des Obligations en USD, dans les cas où les Obligataires n'ont pas la possibilité de recevoir de la Crypto-monnaie pour des raisons légales ou réglementaires, ou (ii) lors de la vente des Obligations en bourse, dépendent de l'évolution du prix de la Crypto-monnaie et de la liquidité disponible.

Risques liés à l'admission des titres à la négociation

Risques liés à l'admission à la négociation : Le prix de négociation des Obligations pourrait diminuer si la solvabilité de l'Émetteur ou des parties associées se détériore ou est perçue comme se détériorant,

indépendamment du fait que les Obligations sont garanties par la détention réelle de la Crypto-monnaie. Le risque est que des tiers ne soient désireux d'acheter des Obligations qu'à un prix substantiellement réduit par rapport au prix de la Crypto-monnaie, pourrait entraîner une perte de l'investissement dans les Obligations par l'Obligataire.

Risques fiscaux liés aux Obligations

Taxe sur les transactions financières : En 2013, la Commission européenne a publié une proposition (la « **Proposition de la Commission** ») pour une Directive relative à une taxe commune sur les transactions financières (la « **TTF** »). Selon la Proposition de la Commission, la TTF devra être mise en œuvre dans certains États membres de l'UE, y compris l'Allemagne. Le risque spécifique est que la TTF puisse entraîner un traitement fiscal défavorable appliqué aux Obligations qui, à son tour, pourrait avoir un effet préjudiciable sur le rendement de l'investissement de l'Obligataire dans les Obligations.

1.4 INFORMATIONS CLÉS SUR L'OFFRE DE TITRES AU PUBLIC ET SUR L'ADMISSION À LA NÉGOCIATION SUR UN MARCHÉ RÉGLEMENTÉ

1.4.1 Dans quelles conditions et selon quel calendrier puis-je investir dans les Obligations ?

Les conditions et le calendrier d'investissement dans les Obligations sont indiqués ci-dessous.

Cette émission d'Obligations est émise pour un montant total de 1 000 000 000 d'Obligations bénéficiant d'un nantissement sur des ADA.

Achat des Obligations : Sur le marché primaire, l'Émetteur vendra des Obligations uniquement aux Participants Autorisés, et ces Obligations pourront uniquement être achetées avec la Crypto-monnaie. Les investisseurs qui ne sont pas des Participants Autorisés peuvent acheter les Obligations sur le marché secondaire soit (i) auprès d'un Participant Autorisé, conformément aux restrictions de vente applicables, (ii) via une bourse de valeurs par l'intermédiaire de leur courtier ou (iii) de gré à gré, auprès de tout individu. Dans ce cadre, Flow Traders B.V. a été nommé en tant que Participant Autorisé. La période d'offre a commencé le 30 novembre 2021 et restera ouverte jusqu'à la plus tardive des dates suivantes : (i) la date d'expiration du Prospectus de Base et (ii) la date d'expiration de la validité d'un nouveau prospectus de base succédant immédiatement au Prospectus de Base, sous réserve d'un éventuel raccourcissement de la période. Une offre au public peut être faite dans les pays spécifiés sous « *1.1 Introduction et avertissements* », sous réserve des restrictions de vente applicables.

Conditions et détails techniques de l'offre : L'offre n'est soumise à aucune condition ni délai autre que le délai résultant de la validité du Prospectus de Base tel que spécifié sous « *Achat des Obligations* ». Il n'est pas possible de réduire les souscriptions. Il n'y a pas d'exigence de souscription minimale ou maximale s'agissant des montants de souscription, toutefois les intermédiaires financiers (y compris les Participants Autorisés) peuvent déterminer des montants de souscription minimum ou maximum lors de l'offre des Obligations discrétionnairement.

Les Obligations peuvent être achetées sur le marché primaire avec de la Crypto-monnaie, Euros, USD ou toute autre monnaie fiduciaire ou crypto-monnaie qui sera déterminée par chaque intermédiaire financier proposant les Obligations. Toutefois, les Obligations achetées directement auprès de l'Émetteur sur le marché primaire ne peuvent être achetées qu'avec de la Crypto-monnaie et uniquement par des Participants Autorisés. Les Obligations seront remises sous forme d'inscription en compte dans le système de compensation auprès des teneurs de comptes.

Sur le marché secondaire, les Obligations peuvent être achetées exclusivement avec de la monnaie fiduciaire.

Méthode de détermination du Prix d'Émission : Le prix d'émission pour les Participants Autorisés est égal au Droit d'Attribution de Crypto-monnaie, majoré d'une commission de souscription. Le Droit d'Attribution de Crypto-monnaie sera déterminé selon la formule suivante :

$$CE = ICE \times (1 - DER)^n$$

Où :

« **CE** » signifie le Droit d'Attribution de Crypto-monnaie ;

« **ICE** » signifie le droit initial d'Attribution de crypto-monnaie, c'est-à-dire ADA 5 par Obligation ;

« **DER** » signifie le taux de diminution de droit d'attribution qui est de 1,95 % (sous réserve d'une réduction par l'Émetteur) ; et

« n » signifie nombre de jours/365.

Le prix d'émission pour les investisseurs qui ne sont pas des Participants Autorisés sera déterminé sur une base continue.

À la date d'émission, le Droit d'Attribution de Crypto-monnaie est de ADA 5 par Obligation, c'est-à-dire que les Participants Autorisés qui achètent des Obligations de l'Émetteur reçoivent une Obligation pour chaque fraction de 5 ADA. En outre, l'Émetteur facturera des frais de souscription pouvant atteindre 0,50 % de 5 ADA au Participant Autorisé. Lorsqu'un investisseur achète une Obligation auprès d'un Participant Autorisé avec des euros, l'équivalent en euros du Droit d'Attribution de Crypto-monnaie au 9 décembre 2024, sur la base d'une valeur de 1,06 euros pour les ADA, serait de 5,30 euros. Toutefois, étant donné que chaque Participant Autorisé peut facturer une commission de souscription à l'investisseur qui vend ses Obligations, le prix d'achat d'une obligation peut être supérieur à 5,30 euros.

Frais : Les frais totaux de l'émission et/ou de l'offre sont estimés à 35 500 euros. L'Émetteur prélèvera une commission de souscription pouvant aller jusqu'à 0,50 % du Droit d'Attribution de Crypto-monnaie des Obligations aux Participants Autorisés. L'Émetteur n'a aucune influence sur les frais supplémentaires facturés par les Participants Autorisés. Ces frais peuvent varier en fonction de l'activité du Participant Autorisé.

1.4.2 Pourquoi ce prospectus de base est-il produit ?

1.4.2.1 Raisons de l'offre ou de l'admission à la négociation sur un marché réglementé

L'Émetteur a l'intention de réaliser des bénéfices avec l'émission des Obligations. L'Émetteur réalise des bénéfices en prélevant des frais de souscription, certains frais de remboursement et au moyen du DER.

1.4.2.2 Utilisation et estimation du montant net estimé des produits d'émission

Les Obligations sont achetées auprès de l'Émetteur avec de la Crypto-monnaie. La Crypto-monnaie reçue par l'Émetteur par l'intermédiaire de la souscription des Obligations sera transférée sur le Portefeuille du Dépositaire et garantie au profit des Obligataires, du *Security Trustee* et d'un représentant des Obligataires (s'il est nommé). En supposant qu'un total de 1 000 000 000 d'unités d'Obligations soient vendues, et en se basant sur la valeur des ADA de 1,06 euros (au 9 décembre 2024), le produit net pour 10 000 unités d'Obligations est de 53 000,00 euros.

1.4.2.3 Accord de souscription

L'Émetteur n'a pas conclu de contrat de souscription.

1.4.2.4 Conflits d'intérêts importants liés à l'offre ou à l'admission à la négociation

Il n'y a pas d'intérêts significatifs, et en particulier pas de conflits d'intérêts liés à l'offre au public ou à l'admission à la négociation.

PODSUMOWANIE EMISJI

1.1. WSTĘP I OSTRZEŻENIA

Niniejsze streszczenie dotyczy publicznej oferty zabezpieczonych obligacji („**Obligacje**”) w Austrii, Czechach, Danii, Niemczech, Irlandii, Włoszech, Luksemburgu, Malcie, Norwegii, Niderlandach, Finlandii, Francji, Polsce, Hiszpanii, Szwecji i Szwajcarii. Kod ISIN dla Obligacji („**ISIN**”) to DE000A3GVKY4.

Data zatwierdzenia prospektu bazowego to 30 października 2024 („**Prospekt bazowy**”) i został on zatwierdzony przez *Bundesanstalt für Finanzdienstleistungsaufsicht* („**BaFin**”) z siedzibą pod adresem Marie-Curie-Str. 24-28, 60439 Frankfurt nad Menem, Niemcy, adres mailowy: poststelle@bafin.de, nr telefonu: +49 (0)228 4108-0.

Niniejsze podsumowanie należy rozumieć jako wstęp do Prospektu podstawowego. Ewentualna decyzja o zainwestowaniu w Obligacje Emitenta powinna zostać podjęta po przeanalizowaniu przez inwestora treści Prospektu podstawowego w całości. Inwestorzy mogą stracić całość lub część kapitału inwestowanego w Obligacje Emitenta. Spółka Bitwise Europe GmbH z siedzibą pod adresem Thurn- und Taxis-Platz 6, 60313 Frankfurt nad Menem, Niemcy (dalej zwana „**Emitentem**”) przyjmuje odpowiedzialność za informacje zawarte w niniejszym podsumowaniu i jego tłumaczenie na język niemiecki. Emitent może zostać pociągnięty do odpowiedzialności tylko w zakresie, w jakim podsumowanie wprowadza w błąd, jest nierzetelne, niedokładne lub niespójne w połączeniu z treścią innych części Prospektu podstawowego, lub jeśli łącznie z pozostałymi częściami Prospektu podstawowego nie przedstawia kluczowych informacji pomocnych inwestorom przy podejmowaniu decyzji o inwestowaniu w przedmiotowe papiery wartościowe. W przypadku wniesienia do sądu powództwa dotyczącego informacji zawartych w Prospekcie podstawowym, powód będący inwestorem może, zgodnie z przepisami prawa krajowego państw członkowskich Europejskiego Obszaru Gospodarczego, być zobowiązany do poniesienia kosztów tłumaczenia Prospektu podstawowego przed rozpoczęciem postępowania.

Kod LEI (identyfikator osoby prawnej) Emitenta to 875500BTZPKWM4X8R658.

1.2. KLUCZOWE INFORMACJE NA TEMAT EMITENTA

1.2.1. Kto jest emitentem papierów wartościowych?

Firma i nazwa handlowa emitenta brzmi Bitwise Europe GmbH. Kod LEI Emitenta to 875500BTZPKWM4X8R658. Emitent został utworzony i prowadzi działalność zgodnie z prawem niemieckim, a jego główne miejsce prowadzenia działalności mieści się pod adresem Gridiron, One Pancras Square, Londyn, N1C 4 AG, Zjednoczone Królestwo. Siedziba Emitenta znajduje się pod adresem Thurn- und Taxis-Platz 6, 60313 Frankfurt nad Menem, Niemcy. Emitent jest wpisany do rejestru handlowego prowadzonego przez sąd rejonowy (*Amtsgericht*) dla Frankfurtu nad Menem pod numerem HRB 116604. Strona internetowa Emitenta to: <https://www.etc-group.com>, a numer telefonu: +49 69 8088 3728.

1.2.1.1. Główny przedmiot działalności Emitenta

Główną działalnością Emitenta jest emisja obligacji zabezpieczonych kryptowalutami i innymi aktywami cyfrowymi.

Poprzez emisję Obligacji Emitent zamierza zaspokoić popyt inwestorów na zbywalne papiery wartościowe, które służą do dokonywania inwestycji w kryptowaluty i inne aktywa cyfrowe.

1.2.1.2. Wspólnicy większościowi

Jedynym akcjonariuszem Emitenta jest ETC Management Ltd („**ETCM**”). Jedynym akcjonariuszem ETCM jest ETC Holdings Ltd. ETC Holdings Ltd jest w całości własnością Bitwise Asset Management, Inc., 250 Montgomery St., Suite 200, San Francisco, CA 94104, USA („**Spółka Holdingowa**”).

1.2.1.3. Kluczowi dyrektorzy zarządzający

Emitentem zarządzają jego dyrektorzy zarządzający Paul Fusaro, Katherine Dowling i Leyla Sharifullina.

1.2.1.4. Biegli rewidenci

Deloitte GmbH Wirtschaftsprüfungsgesellschaft, z siedzibą przy Europa-Allee 91, 60486 Frankfurt am Main, Niemcy, została powołana na biegłego rewidenta Emitenta na rok obrotowy zakończony 31 grudnia 2022 roku. Deloitte GmbH Wirtschaftsprüfungsgesellschaft jest członkiem Niemieckiej Izby Biegłych Rewidentów (*Wirtschaftsprüferkammer*).

Na rok obrotowy zakończony 31 grudnia 2023 roku, biegłym rewidentem Emitenta jest Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, z siedzibą przy Cecilienallee 6-7, 40474 Düsseldorf, Niemcy. Baker Tilly

GmbH & Co. KG Wirtschaftsprüfungsgesellschaft jest członkiem Niemieckiej Izby Biegłych Rewidentów (*Wirtschaftsprüferkammer*).

1.2.2. Jakie są kluczowe informacje dotyczące emitenta?

Informacje finansowe Emitenta są zawarte w rocznych sprawozdaniach finansowych Emitenta na dzień 31 grudnia 2022 i 31 grudnia 2023 (łącznie "**Roczne Sprawozdania Finansowe**") oraz w półrocznych sprawozdaniach finansowych Emitenta na dzień 30 czerwca 2023 i 30 czerwca 2024 ("**Półroczne Sprawozdania Finansowe**", a łącznie z Rocznymi Sprawozdaniem Finansowymi, "**Sprawozdania Finansowe**").

Sprawozdania finansowe sporządzono zgodnie z Międzynarodowymi Standardami Sprawozdawczości Finansowej („MSSF”) przyjętymi w Unii Europejskiej („UE”).

Roczne sprawozdania finansowe zostały zbadane i wydana została opinia biegłego rewidenta bez zastrzeżeń. Śródroczne sprawozdania finansowe nie zostały zbadane ani poddane przeglądowi przez rewidentów Emitenta.

Poniższe wybrane informacje finansowe przygotowano na podstawie i zaczerpnięto ze Sprawozdań Finansowych.

Rachunek wyników (w EUR)	Sześć miesięcy zakończone 30 czerwca 2024 (niezbadane)	Sześć miesięcy zakończone 30 czerwca 2023 (niezbadane)	2023	2022
Zysk/strata z działalności operacyjnej	454.260	207.540	380.199	142.298

Bilans (w EUR)	30 czerwca 2024 (niezbadane)	Sześć miesięcy zakończone 30 czerwca 2023 (niezbadane)	31 grudnia 2023	31 grudnia 2022
Zadłużenie finansowe netto	1.316.735.809	671.474.280	1.147.020.673	297.516.002

Rachunek przepływów pieniężnych (w EUR)	Sześć miesięcy zakończone 30 czerwca 2024 (niezbadane)	30 czerwca 2021 r.	2023	2022
Przepływy pieniężne netto z działalności operacyjnej	6.255.902	595.547	2.512.096	-3.257.493
Przepływy pieniężne netto z działalności finansowej	0	0	0	0
Przepływy pieniężne netto z działalności inwestycyjnej	0	0	0	0

1.2.3. Jakie są kluczowe ryzyka szczególne dla emitenta?

W odniesieniu do zdolności Emitenta do wypełniania swoich zobowiązań wynikających z wyemitowanych przez niego Obligacji wskazać można następujące istotne czynniki ryzyka.

Ryzyko związane z ograniczonym przedmiotem działalności Emitenta: Działalność Emitenta koncentruje się na emisji obligacji powiązanych z kryptowalutami. Emitent nie będzie prowadził żadnej innej działalności poza opisaną powyżej (zob. pkt. „1.2.1.1. Główny przedmiot działalności Emitenta”). Ze względu na ten ograniczony cel działalności, Emitent jest narażony na ryzyko, że kryptowaluta będąca podstawą emisji nie odniesie sukcesu lub jej sukces będzie ograniczony. Wówczas działalność Emitenta może nie przynieść pomyślnych rezultatów, co z kolei może mieć ujemny wpływ na jego sytuację biznesową i finansową.

Ryzyka związane z zależnością Emitenta od jego reputacji oraz reputacji podmiotów powiązanych: Ze względu na wysoce konkurencyjne otoczenie rynkowe w podstawowej działalności Emitenta, tj. emisji obligacji powiązanych z kryptowalutami, Emitent jest zależny od swojej reputacji oraz reputacji podmiotów powiązanych, aby utrzymać i rozwijać swoją działalność. Wszelkie istotne niekorzystne zdarzenia, takie jak (ale nie tylko) niewypłacalność podmiotów powiązanych, postępowania sądowe dotyczące Emitenta lub podmiotu powiązanego, czy negatywne doniesienia medialne na temat Emitenta lub jego podmiotów powiązanych, mogą wpłynąć na reputację Emitenta. Może to z kolei obniżyć rentowność Emitenta, jego wiarygodność kredytową oraz zdolność do pozyskiwania funduszy. Może to również wpłynąć na popyt na Obligacje, ich płynność oraz cenę na rynku w odniesieniu do cen odpowiednich kryptowalut, a w przypadku, gdy takie wydarzenie wywoła Zdarzenie Obowiązkowego Wykupu Obligacji, może to skutkować wydaniem przez Emitenta Zawiadomienia o Obowiązkowym Wykupu.

Główni akcjonariusze: Emitent jest w całości własnością ETCM, która z kolei jest w całości własnością ETC Holdings Ltd, która z kolei jest w całości własnością Spółki Holdingowej, będącej ostateczną jednostką dominującą Emitenta. W związku z tym akcjonariusze Spółki Holdingowej mają znaczący wpływ na zarządzanie Emitentem. Nie ma żadnej gwarancji, że ci akcjonariusze lub ich przedstawiciele będą wykonywać swoje prawo głosu w sposób korzystny dla Emitenta lub inwestorów.

Zależność od zezwoleń. Emitent zależny jest od decyzji Giełdy Papierów Wartościowych we Frankfurcie oraz tego, czy zgodnie z zasadami i przepisami obowiązującymi w Niemczech dozwolone będzie kontynuowanie emisji i notowanie Obligacji. Ewentualna zmiana wymogów w zakresie dopuszczenia do obrotu, regulacji dotyczących Obligacji lub akceptacji kryptowaluty jako przedmiotu zabezpieczenia może mieć ujemny wpływ na Emitenta i inwestorów w Obligacje.

Ataki ze strony „hakerów” i sabotaż spoza organizacji Emitenta: Całość działalności Emitenta jest uzależniona od określonej infrastruktury informatycznej. Ponadto, dostawcy usług (np. Administrator, Agent ds. Płatności i System Rozliczeniowy) również korzystają z systemów informatycznych w celu świadczenia usług na rzecz Emitenta. Zarówno systemy informatyczne Emitenta, jak i systemy usługodawców mogą być celem ataku przestępców. Emitent jest narażony na ryzyko częściowego, czasowego lub nawet trwałego braku możliwości prowadzenia działalności gospodarczej, a nawet niewypłacalności, a w wyniku występowania takiego rodzaju naruszenia bezpieczeństwa posiadacze Obligacji („**Obligatariusze**”) mogą utracić część lub całość inwestycji w Obligacje.

1.3. PODSTAWOWE INFORMACJE O PAPIERACH WARTOŚCIOWYCH

1.3.1. Jakie są główne cechy tych papierów wartościowych?

Obligacje są obligacjami zabezpieczonymi. Obligacje nie mają ustalonego terminu wykupu. Obligacje nie są oprocentowane. Każda Obligacja reprezentuje prawo Obligatariusza do żądania od Emitenta (a) świadczenia w postaci przekazania Cardano („**ADA**” lub „**Kryptowaluta**”), projektu o otwartym kodzie źródłowym zaprojektowanego jako platforma do rozwoju zdecentralizowanych aplikacji (DApp), w wysokości odpowiadającej roszczeniu Obligatariusza na dany Dzień Roboczy wobec Emitenta z tytułu każdej Obligacji, wyrażonemu jako kwota Kryptowaluty na jedną Obligację i obliczonemu przez Emitenta według jego wyłącznego uznania zgodnie z podanym poniżej wzorem („*1.4.1 Sposób ustalenia Ceny Emisyjnej*”) („*Prawo do Świadczenia w Kryptowalucie*”) lub (b) pod pewnymi warunkami – zapłaty kwoty w dolarach amerykańskich („**USD**”) ustalonej zgodnie z odpowiednimi postanowieniami warunków („**Warunki**”). Zobowiązania z tytułu Obligacji stanowią bezpośrednio, niepodporządkowane i zabezpieczone zobowiązania Emitenta o takim samym uprzywilejowaniu (i) wobec siebie nawzajem, (ii) jak wszelkie Zabezpieczone Zobowiązania z tytułu Opcji Sprzedaży (jak zdefiniowano poniżej) („*1.3.3. Ryzyko związane z wykonaniem Opcji Sprzedaży*”) oraz (iii) jak wszelkie zobowiązania Emitenta do przeniesienia Obligacji na rzecz podmiotu wyznaczonego przez Emitenta jako upoważniony uczestnik („**Upoważniony Uczestnik**”), jeżeli taki Upoważniony Uczestnik przekazał co najmniej Prawo do Świadczenia w Kryptowalucie przypadające na jedną Obligację obejmowaną lub nabywaną do portfela depozytowego prowadzonego przez Coinbase Custody Trust, LLC („**Portfel Depozytowy**” a także zobowiązania – „**Zabezpieczone Zobowiązania Rozliczeniowe**”). Obligacje można swobodnie zbywać.

Z Obligacjami związane są następujące prawa:

Zabezpieczenie: Ustanowienie przez Emitenta na rzecz Obligatariuszy zastawu na obecnych i przyszłych: prawach i tytule do Portfela Depozytowego i Zdeponowanej Kryptowaluty, udziale w Portfelu Depozytowym i Zdeponowanej Kryptowalucie oraz korzyściach z Portfela Depozytowego i Zdeponowanej Kryptowaluty, a także ustanowienie przez Emitenta na rzecz Obligatariuszy zastawu na Rachunku Emisyjnym i Obligacjach będących własnością Emitenta („**Zabezpieczenie**”). Szczegóły dotyczące rachunków oraz warunki poszczególnych zastawów zostaną określone w Dokumentach Zabezpieczenia, które będą dostępne do wglądu Obligatariuszy w głównym miejscu prowadzenia działalności Emitenta (Gridiron, One Pancras Square, London, NIC 4 AG, Zjednoczone Królestwo).

Wykup przymusowy: Po wystąpieniu określonych zdarzeń skutkujących wykupem przymusowym Emitent w dowolnym czasie może (ale nie jest do tego zobowiązany), za powiadomieniem Obligatariuszy z co najmniej 30-dniowym (trzydziestodniowym) wyprzedzeniem, wykupić Obligacje w dniu przymusowego wykupu po Cenie Wykupu Przymusowego (jak zdefiniowano poniżej). Takie zdarzenia skutkujące wykupem przymusowym obejmują między innymi wejście w życie nowych przepisów prawa lub regulacji, które wymagają od Emitenta uzyskania zezwolenia, aby mógł on wypełniać swoje zobowiązania wynikające z Obligacji; lub wszelkie zmiany w opodatkowaniu Kryptowaluty; lub otrzymanie przez Emitenta nakazu obowiązkowego wykupu wydanego przez właściwy sąd lub jeśli w inny sposób Emitent będzie zobowiązany z mocy prawa do zorganizowania obowiązkowego wykupu. Wykonanie przez Emitenta prawa przymusowego wykupu w każdym przypadku skutkuje wykupem Obligacji dla Obligatariuszy.

Opcja sprzedaży należąca do Obligatariuszy: Obligacje nie mają ustalonego terminu wykupu. Jednakże, każdy Obligatariusz może wykupić swoje Obligacje w zamian za wypłatę z tytułu Prawa do Świadczenia w Kryptowalucie (lub wypłatę kwoty w USD, jeżeli Obligatariusz nie może otrzymać Kryptowaluty z powodów prawnych lub regulacyjnych). W przypadku wykupu Obligacji w USD kwota wykupu będzie równa wpływom ze sprzedaży Prawa do Świadczenia w Kryptowalucie w ramach Procedury Aukcji Kryptowaluty (jak zdefiniowano poniżej) („1.3.3. Aukcja nie może być przeprowadzona ze względu na brak uczestników lub niewystarczającą liczbę ofert”), jeżeli taka procedura doprowadzi do pomyślnej sprzedaży. W celu dokonania wykupu swoich Obligacji Obligatariusz winien (i) złożyć formularz wykonania opcji sprzedaży, (ii) uiścić z góry opłatę za wykup w wysokości 50,00 EUR (podlegającą określonym zwolnieniom) („**Oplata za Wykup**”) oraz (iii) przenieść Obligacje, w stosunku do których wykonywana jest Opcja Sprzedaży (zdefiniowana poniżej), na Rachunek Emisyjny bez płatności z tego tytułu. W przypadku wykonania Opcji Sprzedaży przez Obligatariusza wobec Emitenta lub wobec Upoważnionego Uczestnika, oprócz (ewentualnej) Opłaty za Wykup pobrana zostanie opłata za wykonanie Opcji Sprzedaży w wysokości 1,00 procenta wartości Prawa do Świadczenia w Kryptowalucie przypadającego na każdą Obligację, w związku z którą wykonywana jest Opcja Sprzedaży („**Oplata za Wykonanie**”). Jeżeli jednak Obligatariusz sprzeda swoje Obligacje na giełdzie papierów wartościowych – wówczas od Emitenta lub Upoważnionego Uczestnika nie będą pobierane żadne opłaty za wykup. Jeżeli Obligatariusz nie będzie mógł otrzymać Kryptowaluty z przyczyn prawnych lub regulacyjnych, a Emitent przeprowadzi Procedurę Aukcji Kryptowaluty, Prowadzący Aukcję (zgodnie z definicją poniżej) ogłosi, że wystawia na aukcję wymaganą ilość Kryptowaluty na stronie internetowej Emitenta (<https://www.etc-group.com>). Wpływy ze sprzedaży zostaną przeznaczone na wykup Obligacji. Oferty złożone na mniej niż 80 procent ceny referencyjnej, którą w danym dniu ustalena będzie cena Kryptowaluty podana przez CryptoCompare w określonym przedziale czasowym („**Cena Referencyjna**”), lub oferty na mniej lub więcej niż pełną kwotę Kryptowaluty będącą przedmiotem aukcji zostaną odrzucone. W przypadku nieudanej aukcji Emitent zwróci wszystkie Obligacje Obligatariuszowi w terminie 7 (siedmiu) dni roboczych. W przypadku niepowodzenia aukcji Emitent może pobrać od danego Obligatariusza Opłatę za Wykonanie.

Wykup w Przypadku Naruszenia: Warunki Obligacji przewidują przypadki naruszenia, uprawniające każdego Obligatariusza do żądania natychmiastowego wykupu za kwotę Prawa do Świadczenia w Kryptowalucie.

Podział: W przypadku podziału Kryptowaluty na dwie lub więcej kryptowalut każda Obligacja będzie stanowić roszczenie względem koszyka kryptowalut, odpowiadające takiemu Prawu do Świadczenia w Kryptowalucie, jakie przypadало na każdą z Obligacji przed podziałem, a Emitent może, według własnego uznania, zdecydować o podziale Obligacji na dwie lub więcej oddzielnych Obligacji.

Uchwały Obligatariuszy: Zgodnie z niemiecką ustawą o dłużnych papierach wartościowych z 2009 r. (*Schuldverschreibungsgesetz*) Warunki zawierają postanowienia, zgodnie z którymi Obligatariusze mogą w drodze uchwały wyrazić zgodę na zmianę Warunków (za zgodą Emitenta) oraz na podjęcie decyzji w niektórych innych sprawach dotyczących Obligacji. Uchwały Obligatariuszy podjęte prawidłowo, w trakcie zgromadzenia Obligatariuszy albo w drodze głosowania podjętego bez zgromadzenia zgodnie z Warunkami, są wiążące dla wszystkich Obligatariuszy. Uchwały przewidujące istotne zmiany w Warunkach wymagają większości nie mniej niż 75 procent oddanych głosów. Uchwały dotyczące pozostałych zmian zapadają zwykłą większością oddanych głosów.

1.3.2. Gdzie te papiery wartościowe będą przedmiotem obrotu?

Obligacje zostały dopuszczone do obrotu na rynku regulowanym Giełdy Papierów Wartościowych we Frankfurcie. Emitent może podjąć decyzję o wprowadzeniu Obligacji do obrotu na innych lub kolejnych rynkach regulowanych lub zorganizować obrót Obligacjami na wielostronnych platformach obrotu, zorganizowanych platformach obrotu lub za pośrednictwem podmiotów systematycznie internalizujących transakcje, w rozumieniu Dyrektywy Parlamentu Europejskiego i Rady 2014/65/UE z dnia 15 maja 2014 r. w sprawie rynków instrumentów finansowych.

1.3.3. Jakie są główne rodzaje ryzyka szczególne dla przedmiotowych papierów wartościowych?

Następujące kluczowe ryzyka mogą prowadzić do znacznych strat dla Obligatariuszy. Każdy Obligatariusz musiałby ponieść straty w przypadku sprzedaży swoich Obligacji lub w związku ze spłatą kapitału:

Ryzyka związane z charakterem Obligacji i Warunkami Obligacji

Aukcja nie może być przeprowadzona ze względu na brak uczestników lub niewystarczającą liczbę ofert: Jeżeli Obligatariusz nie będzie mógł otrzymać Kryptowaluty z przyczyn prawnych, w szczególności ze względu na obowiązujące go przepisy regulacyjne, Emitent zorganizuje aukcję Kryptowaluty w celu uzyskania USD na potrzeby wykupu Obligacji („**Procedura Aukcji Kryptowaluty**”), która zostanie przeprowadzona przez samego Emitenta lub wyznaczony przez niego podmiot („**Prowadzący Aukcję**”). W przypadku niepowodzenia takiej aukcji Obligatariusz będzie narażony na ryzyko braku możliwości wykupu Obligacji w USD. Ponadto cena transakcji uzyskana w trakcie aukcji może być niższa od aktualnej ceny rynkowej Kryptowaluty, co miałoby ujemny wpływ na inwestycję Obligatariuszy.

Prowadzący Aukcję może zdecydować, czy przyjąć lub odrzucić ofertę: W przypadku wymogu przeprowadzenia Procedury Aukcji Kryptowaluty Prowadzący Aukcję odrzuci między innymi te oferty, które zostały złożone na mniej niż 80 procent Ceny Referencyjnej lub na mniej lub więcej niż pełną kwotę Kryptowaluty będącą przedmiotem aukcji. Oznacza to jednocześnie, że można przyjąć oferty na 80 procent Ceny Referencyjnej, a więc w cenie znacznie niższej od Ceny Referencyjnej.

Ryzyka związane z realizacją Opcji Sprzedaży: Inwestorom inwestującym w Obligacje przysługuje opcja sprzedaży („**Opcja Sprzedaży**”) w celu wykupu Obligacji przez Emitenta za wynagrodzeniem w postaci Prawa do Świadczenia w Kryptowalucie. Inwestorzy mogą jednak nie być w stanie wykonać Opcji Sprzedaży, jeżeli nie przekażą Emitentowi wystarczających informacji zgodnie z Warunkami. Ponadto, jeżeli Obligatariusze wykonają Opcję Sprzedaży i zażądamy rozliczenia w USD, ponieważ nie będą mogli otrzymać Kryptowaluty z przyczyn prawnych, w szczególności z uwagi na obowiązujące ich przepisy regulacyjne, obowiązki Emitenta polegające na przekazaniu kwoty w USD takiemu Obligatariuszowi po złożeniu odpowiednich Obligacji Emitentowi stanowiąc będą niezabezpieczone zobowiązania Emitenta. Jedynie zobowiązania do dokonania rozliczenia związane z wykonaniem Opcji Sprzedaży Kryptowaluty („**Zabezpieczone Zobowiązania z tytułu Opcji Sprzedaży**”) stanowią zabezpieczone zobowiązania Emitenta. Roszczenia Obligatariusza o płatności w USD z tytułu wykonania Opcji Sprzedaży w USD zostaną zaspokojone dopiero po dostarczeniu Obligacji do Emitenta przez danego Obligatariusza, a w okresie od dnia dostarczenia Obligacji do dnia rzeczywistej zapłaty w USD dany Obligatariusz nie będzie już właścicielem Obligacji ani nie będzie miał zabezpieczonego roszczenia wobec Emitenta.

Wykup przymusowy: W przypadku wystąpienia pewnych zdarzeń określonych szczegółowo w Warunkach Emitent może (ale nie musi) w dowolnym momencie, według własnego uznania, zdecydować o zakończeniu emisji i wykupie wszystkich ale nie części Obligacji po cenie ich przymusowego wykupu, która stanowi (i) kwotę równą Prawu do Świadczenia w Kryptowalucie, lub (ii) jeżeli Obligatariusz nie może otrzymać Kryptowaluty z przyczyn prawnych, w szczególności ze względu na obowiązujące go przepisy regulacyjne – Środki Otrzymane ze Sprzedaży Kryptowaluty podzielone przez liczbę Niewykupionych Obligacji w odpowiednim dniu obowiązkowego wykupu, pomniejszone o wszelkie uzasadnione opłaty na rzecz osób trzecich związane z wykupem Obligacji, („**Cena Wykupu Przymusowego**”). Środki Otrzymane ze Sprzedaży Kryptowaluty to wyrażona w USD kwota wynikająca z aukcji Kryptowaluty w celu wykupu Obligacji. Przy podejmowaniu takiej decyzji Emitent nie jest zobowiązany do uwzględniania interesów Obligatariuszy, którzy mogą otrzymać kwotę mniejszą lub znacznie mniejszą niż ich pierwotna inwestycja. Cena Wykupu Przymusowego Obligacji podlegających wykupowi w USD może być niższa lub znacząco niższa od równowartości ceny Kryptowaluty, ponieważ Emitent będzie starał się sprzedać Kryptowalutę w ramach Procedury Aukcji Kryptowaluty, a w takich okolicznościach zaistnieją wszystkie opisane powyżej rodzaje ryzyka związane ze sprzedażą Kryptowaluty na aukcji. Ponadto, jeśli Emitent nie uzyska środków pieniężnych ze sprzedaży Kryptowaluty w ramach Procedury Aukcji Kryptowaluty, wówczas będzie uprawniony do zastosowania innej zasadnej procedury sprzedaży posiadanej Kryptowaluty, przy czym istnieje ryzyko, że procedury te doprowadzą do sprzedaży Kryptowaluty po cenie niższej lub znacznie niższej od ceny minimalnej ustalonej w Procedurze Aukcji Kryptowaluty. Ponadto wykup przymusowy może skutkować faktycznym zbyciem Obligacji dla celów podatkowych przez niektórych lub wszystkich Obligatariuszy w terminie wcześniejszym niż planowano lub przewidywano, co może z kolei skutkować mniej korzystnym opodatkowaniem inwestycji w Obligacje niż byłoby to możliwe w przypadku utrzymania inwestycji przez dłuższy okres.

Brak bezpośredniej inwestycji: Wartość rynkowa Obligacji nie zależy wyłącznie od aktualnej ceny kryptowaluty będącej podstawą emisji, a zmiany tej ceny mogą niekoniecznie prowadzić do porównywalnych zmian wartości rynkowej Obligacji. Wyniki Obligacji mogą znacząco różnić się od wyników bezpośredniego posiadania kryptowaluty z powodu negatywnego wpływu opłat i prowizji, a także negatywnego wpływu innych ryzyk

opisanych w niniejszym dokumencie. Zwrot z Obligacji może nie odzwierciedlać zwrotu, jaki inwestor uzyskałby, gdyby faktycznie posiadał kryptowalutę i trzymał taką inwestycję przez podobny okres.

Ryzyka związane z Zabezpieczeniem Obligacji

Dochodzenie zaspokojenia roszczeń z Zabezpieczenia udzielonego na zabezpieczenie Obligacji może okazać się niemożliwe lub ulec opóźnieniu: Emitent zobowiązał się do posiadania kwoty w Kryptowalucie równej Kwocie Zabezpieczonych Zobowiązań stale zdeponowanej u Depozytariusza lub od niej wyższej, a także ustanowił zastaw na tak zdeponowanej Kryptowalucie na rzecz Obligatariuszy jako zabezpieczenie swoich zobowiązań wobec Obligatariuszy. Te zabezpieczenia mogą być niewystarczające do ochrony Obligatariuszy w przypadku wynikającej z różnych powodów upadłości lub likwidacji Emitenta lub Depozytariusza.

Ryzyka związane z ekspozycją Emitenta na ryzyko kredytowe Depozytariusza: Emitent jest narażony na ryzyko kredytowe Depozytariusza, czyli ryzyko, że Depozytariusz przechowujący kryptowalutę będącą podstawą emisji nie wywiąże się z zobowiązania lub umowy wobec Emitenta. Kryptowaluta będąca podstawą emisji jest utrzymywana przez Depozytariusza na odrębnych rachunkach, które mają być chronione na wypadek niewypłacalności Depozytariusza. Jednakże, każda niewypłacalność Depozytariusza może spowodować opóźniony dostęp do kryptowaluty zabezpieczającej. W takiej sytuacji posiadacze Obligacji mogą ponieść stratę w wyniku wahań cen aktywów.

Ryzyko związane z ADA jako Kryptowalutą bazową

Zmienność cen Kryptowaluty: Na wartość Obligacji wpływa cena Kryptowaluty bazowej. Cena Kryptowaluty podlega znacznym wahaniom na przykład pod wpływem globalnych i regionalnych wydarzeń politycznych, gospodarczych lub finansowych, zdarzeń o charakterze regulacyjnym lub oświadczeń organów regulacyjnych, obrotu inwestycyjnego, hedgingu lub szerokiego zakresu innych działań uczestników rynku, zdarzeń typu *fork* w protokołach bazowych, zakłóceń infrastruktury lub środków, za pomocą których kryptoaktywa są wytwarzane, dystrybuowane, przechowywane i sprzedawane. Cena Kryptowaluty może również ulec zmianie z powodu zmiany przekonania inwestorów co do przyszłych perspektyw dla danej klasy aktywów. Cechy charakterystyczne Kryptowaluty i rozbieżność obowiązujących standardów regulacyjnych stwarza możliwość nadużyć na rynku i może prowadzić do dużych wahań cenowych. Kwoty otrzymywane przez Obligatariuszy (i) po wykupie Obligacji w USD w przypadku, gdy Obligatariusze nie mogą otrzymać Kryptowaluty z powodów prawnych lub regulacyjnych; lub (ii) przy sprzedaży na giełdzie zależą od wyników cenowych Kryptowaluty i dostępnej płynności.

Ryzyko związane z dopuszczeniem papierów wartościowych do obrotu

Ryzyko związane z dopuszczeniem do obrotu: Cena transakcyjna Obligacji może ulec obniżeniu w przypadku obniżenia zdolności kredytowej Emitenta lub podmiotów z nim powiązanych lub postrzegania jej za obniżoną niezależnie od tego, czy Obligacje są zabezpieczone faktycznie posiadaną Kryptowalutą. Istnieje ryzyko, że osoby trzecie byłyby skłonne nabyć Obligacje jedynie ze znacznym dyskontem w stosunku do ceny Kryptowaluty, co z kolei może spowodować spadek wartości inwestycji Obligatariusza w Obligacje.

Ryzyko podatkowe związane z Obligacjami

Podatek od transakcji finansowych: W 2013 r. Komisja Europejska opublikowała wniosek („**Wniosek Komisji**”) dotyczący dyrektywy w sprawie wspólnego podatku od transakcji finansowych („**PTF**”). Zgodnie z propozycją Komisji, PTF ma być wprowadzony w niektórych państwach członkowskich UE, w tym w Niemczech. Szczególne ryzyko polega na tym, że PTF może spowodować negatywne skutki podatkowe dla Obligacji, co z kolei może mieć ujemny wpływ na zwrot z inwestycji Obligatariusza w te Obligacje.

1.4. PODSTAWOWE INFORMACJE O PUBLICZNEJ OFERCIE PAPIERÓW WARTOŚCIOWYCH I DOPUSZCZENIU DO OBROTU NA RYNKU REGULOWANYM

1.4.1. Na jakich warunkach i zgodnie z jakim harmonogramem mogą zainwestować w ten papier wartościowy?

Warunki i harmonogram inwestowania w Obligacje zostały przedstawione poniżej.

Niniejsza emisja Obligacji jest emitowana w łącznej kwocie do 1 000 000 000 Obligacji zabezpieczonych przez ADA.

Nabycie obligacji: Na rynku pierwotnym Emitent będzie prowadził sprzedaż Obligacji wyłącznie na rzecz Upoważnionych Uczestników, przy czym Obligacje te mogą być nabywane wyłącznie za Kryptowalutę. Inwestorzy niebędący Upoważnionymi Uczestnikami mogą nabywać Obligacje na rynku wtórnym (i) od Upoważnionego Uczestnika, z zachowaniem obowiązujących ograniczeń w sprzedaży, (ii) za pośrednictwem

giełdy papierów wartościowych poprzez swojego maklera lub (iii) od dowolnej osoby poza rynkiem regulowanym. W związku z tym Flow Traders B.V. został mianowany jako Uczestnik Autoryzowany. Okres oferty rozpoczął się 30 listopada 2021 roku i będzie otwarty do późniejszej z następujących dat: (i) data wygaśnięcia Prospektu Bazowego lub (ii) data wygaśnięcia ważności nowego prospektu bazowego, który bezpośrednio następuje po Prospekcie Bazowym, z zastrzeżeniem możliwości skrócenia tego okresu. Publiczna oferta może być przeprowadzana w państwach określonych w punkcie „1.1 Wstęp i ostrzeżenia” z zastrzeżeniem obowiązujących ograniczeń dotyczących sprzedaży. DRW Europe B.V. została również wyznaczona jako Uprawniony Uczestnik na podstawie Prospektu Podstawowego, ale nie będzie oferowała Obligacji inwestorom.

Warunki i szczegóły techniczne Oferty: Oferta nie podlega żadnym warunkom ani terminom innym niż termin wynikający z ważności Prospektu podstawowego określony w punkcie „Nabywanie Obligacji”. Nie ma możliwości redukcji zapisów. Nie określono minimalnych ani maksymalnych kwot zapisów, jednakże pośrednicy finansowi (w tym Upoważnieni Uczestnicy) oferujący Obligacje mogą określić minimalne lub maksymalne kwoty zapisów przy oferowaniu Obligacji według swojego wyłącznego uznania.

Obligacje mogą być nabywane na rynku pierwotnym w zamian za Kryptowalutę, euro, USD lub inną walutę fiducyjną lub kryptowalutę, która zostanie określona przez każdego z pośredników finansowych oferujących Obligacje. Obligacje nabywane bezpośrednio od Emitenta na rynku pierwotnym mogą być nabywane wyłącznie za Kryptowalutę i tylko przez Upoważnionych Uczestników. Wydanie Obligacji nastąpi w drodze zapisu księgowego za pośrednictwem systemu rozliczeniowego i banków prowadzących jego rachunki.

Na rynku wtórnym Obligacje mogą być nabywane wyłącznie za walutę fiducyjną.

Sposób ustalania Ceny Emisyjnej: Cena emisyjna dla Upoważnionych Uczestników jest równa wartości Prawa do Świadczenia w Kryptowalucie powiększonej o opłatę za zapis. Cena Prawa do Świadczenia w Kryptowalucie będzie ustalana zgodnie z poniższym wzorem:

$$CE = ICE \times (1 - DER)^n$$

Gdzie:

„CE” oznacza Prawo do Świadczenia w Kryptowalucie;

„ICE” oznacza początkowe prawo do świadczenia w kryptowalucie, czyli ADA 5 na Obligację;

„DER” oznacza zmniejszającą się stopę procentową prawa do świadczenia, która wynosi 1,95 procent (podlegającą zmniejszeniu przez Emitenta), oraz

„n” oznacza liczbę dni/365.

Cena emisyjna dla inwestorów, którzy nie są Upoważnionymi Uczestnikami, będzie ustalana na bieżąco.

W dniu emisji Prawo do Świadczenia w Kryptowalucie wynosiłoby ADA 5 za jedną Obligację, tj. Upoważnieni Uczestnicy nabywający Obligacje od Emitenta otrzymywaliby jedną Obligację za każde 5 ADA. Ponadto Emitent będzie pobierał od Upoważnionego Uczestnika opłatę za zapis w wysokości do 0,50 procent od 5 ADA. W przypadku nabycia przez inwestora Obligacji od Upoważnionego Uczestnika w euro równoważność w euro Prawa do Świadczenia w Kryptowalucie z dnia 9 grudnia 2024 r., w oparciu o wartość ADA wynoszącą 1,06 euro, będzie wynosić 5,30 euro. Jednakże, biorąc pod uwagę, że każdy Upoważniony Uczestnik może pobrać opłatę za zapis od inwestora, któremu sprzedaje Obligacje według własnego uznania, cena nabycia Obligacji może być wyższa niż 5,30 euro.

Wydatki: Szacunkowe łączne wydatki związane z emisją lub ofertą wynoszą 35 500 EUR. Emitent pobierze od Upoważnionych Uczestników opłatę za zapis w wysokości do 0,50 procent wartości Prawa do Świadczenia w Kryptowalucie w ramach Obligacji. Emitent nie ma wpływu na to, czy i w jakim zakresie dany Upoważniony Uczestnik będzie pobierał dodatkowe opłaty. Opłaty te mogą się różnić w zależności od Upoważnionego Uczestnika.

1.4.2. Dlaczego tworzony jest ten prospekt podstawowy?

1.4.2.1. Powody przeprowadzenia oferty lub dopuszczenia do obrotu na rynku regulowanym

Zamiarem Emitenta jest osiągnięcie zysków z emisji Obligacji. Emitent osiąga zyski z opłat za zapis, niektórych opłat związanych z wykupem oraz Zmniejszającej się Stopy Praw do Świadczenia.

1.4.2.2. Wykorzystanie i szacunkowe kwoty netto wpływów pieniężnych

Emitent nabywa Obligacje za Kryptowalutę. Kryptowaluta otrzymana przez Emitenta w drodze subskrypcji Obligacji zostanie przeniesiony do Portfela Depozytariusza i zabezpieczony umową o ustanowieniu zabezpieczenia na rzecz Obligatariuszy, Powiernika Papierów Wartościowych oraz przedstawiciela Obligatariuszy (jeśli zostanie wyznaczony). Przy założeniu zbycia łącznie 1 000 000 000 Obligacji oraz w oparciu o wartość ADA wynoszącą 1,06 EUR (na dzień 9 grudnia 2024 r.), wpływy netto z każdych 10 000 Obligacji wynoszą 53 000,00 EUR.

1.4.2.3. Umowa o subemisję

Emitent nie zawarł umowy o subemisję.

1.4.2.4. Istotne konflikty interesów związane z ofertą lub dopuszczeniem do obrotu

Poza interesami opisanymi powyżej, nie występują żadne istotne interesy, w szczególności nie występują istotne konflikty interesów w związku z ofertą publiczną lub dopuszczeniem do obrotu.

RESUMEN ESPECÍFICO

1.1. INTRODUCCIÓN Y ADVERTENCIAS

Este resumen se refiere a la oferta pública de bonos con garantía prendaria (los «**Bonos**») en Austria, Chequia, Dinamarca, Alemania, Irlanda, Italia, Luxemburgo, Malta, Noruega, Países Bajos, Finlandia, Francia, Polonia, España, Suecia y Suiza. El número internacional de identificación de valores mobiliarios («**ISIN**») relativo a los Bonos es DE000A3GVKY4.

La fecha de aprobación del folleto de base es el 30 de octubre de 2024 (el «**Folleto de base**») y fue aprobado por la *Bundesanstalt für Finanzdienstleistungsaufsicht* («**BaFin**»), sita en Marie-Curie-Str. 24-28, 60439 Fráncfort del Meno, Alemania, correo electrónico: poststelle@bafin.de, Teléfono: +49 (0)228 4108-0.

Este resumen debe interpretarse como una introducción al Folleto de base. En toda decisión de inversión en los Bonos del Emisor, el inversor deberá considerar el Folleto de base en su conjunto. Los inversores podrían perder la totalidad o una parte del capital invertido en los Bonos del Emisor. Bitwise Europe GmbH, con domicilio social sito en Thurn- und Taxis-Platz 6, 60313 Fráncfort del Meno, Alemania, (el «**Emisor**»), asume su responsabilidad por la información contenida en este resumen y su traducción al alemán. Se considerará responsable al Emisor únicamente si el resumen es engañoso, inexacto o incoherente cuando se lee junto con las demás partes del Folleto de base, o si no proporciona, cuando se lee junto con las demás partes del Folleto de base, datos fundamentales que ayuden a los inversores a considerar su inversión en los valores pertinentes. En caso de que se presente una demanda relativa a la información incluida en el Folleto de base ante un tribunal, el inversor demandante podría, en virtud de la legislación nacional de los Estados miembros del Espacio Económico Europeo, estar obligado a sufragar los gastos de traducción del Folleto de base antes de iniciar cualquier procedimiento judicial.

El número de identificador de entidad jurídica («**LEI**») del Emisor es 875500BTZPKWM4X8R658.

1.2. DATOS FUNDAMENTALES SOBRE EL EMISOR

1.2.1. ¿Quién es el emisor de los valores?

La denominación social y comercial del Emisor es Bitwise Europe GmbH. El número LEI del Emisor es 875500BTZPKWM4X8R658. El Emisor está constituido y opera en virtud del derecho alemán y su establecimiento principal se encuentra sito en Gridiron, One Pancras Square, Londres, N1C 4AG, Reino Unido. La dirección y el domicilio social del Emisor se encuentran sitos en Thurn- und Taxis-Platz 6, 60313 Fráncfort del Meno, Alemania. El Emisor figura inscrito en el registro mercantil del tribunal local (*Amtsgericht*) de Fráncfort del Meno con el número HRB 116604. El sitio web del Emisor es <https://www.etc-group.com> y su número de teléfono es +49 69 8088 3728.

1.2.1.1. Principales actividades del Emisor

La principal actividad del Emisor es la emisión de bonos garantizados por criptomonedas y otros activos digitales. Mediante la emisión de los Bonos, el Emisor pretende satisfacer la demanda de los inversores de valores negociables a través de los cuales se realiza una inversión en criptomonedas y otros activos digitales.

1.2.1.2. Accionistas principales

El accionista único del Emisor es ETC Management Ltd («**ETCM**»). El accionista único de ETCM es ETC Holdings Ltd, que es propiedad total de Bitwise Asset Management, Inc., 250 Montgomery St., Suite 200, San Francisco, CA 94104, USA (la «Sociedad de cartera»).

1.2.1.3. Consejeros principales

La dirección del Emisor recae en sus consejeros Paul Fusaro, Katherine Dowling y Leyla Sharifullina.

1.2.1.4. Auditores legales

Deloitte GmbH Wirtschaftsprüfungsgesellschaft, con domicilio social en Europa-Allee 91, 60486 Fráncfort del Meno, Alemania, había sido designada como auditor legal del Emisor para el ejercicio cerrado a 31 de diciembre de 2022. Deloitte GmbH Wirtschaftsprüfungsgesellschaft es miembro de la cámara alemana de contables públicos (*Wirtschaftsprüferkammer*).

Para el ejercicio cerrado a 31 de diciembre de 2023, Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, con domicilio social en Cecilienallee 6-7, 40474 Düsseldorf, Alemania, son los auditores legales del Emisor. Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft es miembro de la cámara alemana de contables públicos (*Wirtschaftsprüferkammer*).

1.2.2. ¿Cuál es la información financiera fundamental del Emisor?

La información financiera del Emisor está incluida en los estados financieros anuales del Emisor al 31 de diciembre de 2022 y al 31 de diciembre de 2023 (conjuntamente, los "**Estados Financieros Anuales**") así como

en los estados financieros intermedios del Emisor al 30 de junio de 2023 y al 30 de junio de 2024 (los "**Estados Financieros Intermedios**", y, junto con los Estados Financieros Anuales, los "**Estados Financieros**").

Los Estados financieros se han elaborado de acuerdo con las Normas Internacionales de Información Financiera («NIIF») adoptadas en la Unión Europea (la «UE»).

Los Estados financieros anuales han sido auditados y se ha emitido un informe de auditoría sin salvedades. Los auditores del Emisor no han auditado ni revisado los estados financieros intermedios.

La información financiera seleccionada que figura a continuación se basa en la información contenida en los Estados financieros, de los cuales se ha extraído.

Cuenta de pérdidas y ganancias (en EUR)	Seis meses terminados 30 de junio de 2024 (no auditado)	Seis meses terminados 30 de junio de 2023 (no auditado)	2023	2022
Beneficio/pérdida de explotación	454.260	207.540	380.199	142.298

Balance (en EUR)	30 de junio de 2024 (no auditado)	30 de junio de 2023 (no auditado)	31 de diciembre de 2023	31 de diciembre de 2022
Deuda financiera neta	1.316.735.809	671.474.280	1.147.020.673	297.516.002

Estado de flujo de efectivo (en EUR)	Seis meses terminados 30 de junio de 2024 (no auditado)	Seis meses terminados 30 de junio de 2023 (no auditado)	2023	2022
Flujos netos de efectivo procedentes de actividades de explotación	6.255.902	595.547	2.512.096	-3.257.493
Flujos netos de efectivo procedentes de actividades de financiación	0	0	0	0
Flujo neto de efectivo procedente de actividades de inversión	0	0	0	0

1.2.3. ¿Cuáles son los riesgos clave específicos del Emisor?

Los siguientes factores de riesgo son importantes con respecto a la capacidad del Emisor para cumplir sus obligaciones en virtud de los Bonos emitidos por él.

Riesgos relacionados con el objeto social limitado del Emisor: El enfoque de las actividades comerciales del Emisor es la emisión de bonos vinculados a criptomonedas. El Emisor no realizará ninguna otra actividad comercial distinta de la descrita anteriormente (véase «1.2.1.1. Principales actividades del Emisor»). Debido a este objetivo comercial limitado, el Emisor está expuesto al riesgo de que la criptomoneda subyacente no tenga éxito o tenga menos éxito. En ese caso, puede que el Emisor no consiga llevar a cabo su actividad de forma satisfactoria, lo que podría repercutir de forma adversa en la situación financiera y comercial del Emisor.

Riesgos relacionados con la dependencia del Emisor de su reputación y de la reputación de las partes asociadas: Debido al entorno de mercado altamente competitivo en el negocio principal del Emisor, es decir, la emisión de bonos vinculados a criptomonedas, el Emisor depende de su reputación y de la reputación de las partes asociadas para mantener y hacer crecer dicho negocio principal. Cualquier evento adverso material, como (pero no limitado a) incumplimientos e insolvencias de las partes asociadas, procedimientos legales que involucren al Emisor o a

cualquier parte asociada, o informes negativos en los medios sobre el Emisor o sus partes asociadas, podría afectar la reputación del Emisor, lo que, a su vez, podría afectar negativamente la rentabilidad, solvencia y capacidad de recaudación de fondos del Emisor. Esto, a su vez, puede afectar la demanda y la liquidez de los Bonos y el precio de los Bonos en el mercado en relación con los precios de la criptomoneda relevante y, en caso de que dicho desarrollo desencadene un Evento de Redención Obligatoria en relación con los Bonos, podría resultar en que el Emisor emita un Aviso de Redención Obligatoria.

Accionistas principales: El Emisor es propiedad total de ETCM, que, a su vez, es propiedad total de ETC Holdings Ltd, que, a su vez, es propiedad total de la Sociedad de cartera, la última sociedad matriz del Emisor. Como tal, los accionistas de la Sociedad de cartera tienen una influencia significativa en la gestión del Emisor. No se puede asegurar que estos accionistas o sus representantes ejercerán su derecho de voto de una manera que beneficie al Emisor o a los inversores

Actividad dependiente de la concesión de autorizaciones. El Emisor depende de la autorización y la aprobación de la Bolsa de valores de Fráncfort, en virtud de las normas y reglamentos de Alemania, para continuar con la emisión y cotización de los Bonos. Cualquier cambio en los requisitos de cotización, la regulación de los Bonos, o la aceptación de criptomoneda como activo subyacente podría repercutir de forma adversa en el Emisor y los inversores en los Bonos.

Ataques de piratas informáticos y sabotaje informático ajenos al Emisor: La totalidad de la actividad del Emisor depende de una infraestructura de TI concreta. Además, los proveedores de servicios (por ejemplo, el Administrador, el Agente de pagos y el Sistema de compensación) también dependen de sistemas de TI para prestar servicios al Emisor. Tanto los sistemas de TI del Emisor como los sistemas de TI de dichos proveedores de servicios pueden ser objeto de ataques piratas por parte de delincuentes informáticos. Por lo tanto, el Emisor está expuesto al riesgo de que se vea incapacitado para ejercer sus actividades comerciales parcial, temporal o incluso permanentemente e incluso de declararse insolvente, y los titulares de los Bonos (los «**Titulares**») pueden perder la totalidad o una parte de la inversión en los Bonos debido al mencionado fallo de seguridad.

1.3. DATOS FUNDAMENTALES SOBRE LOS VALORES

1.3.1. ¿Cuáles son las principales características de los valores?

Los Bonos son bonos con garantía prendaria. Los Bonos tienen una fecha de vencimiento abierta. Los Bonos no devengan intereses. Cada Bono representa el derecho del Titular de solicitar al Emisor (a) la entrega de Cardano («**ADA**» o «**criptomoneda**»), un proyecto de código abierto diseñado para ser una plataforma de desarrollo de aplicaciones descentralizadas (DApp), en una cantidad equivalente a la reclamación del Titular, en cualquier Día hábil, contra el Emisor respecto de cada Bono, expresada como la cantidad de criptomoneda por Bono, y calculada por el Emisor a su entera discreción de acuerdo con la fórmula que figura a continuación («*1.4.1. Método de determinación del Precio de emisión*») (la «**Compensación de la criptomoneda**») o (b) bajo determinadas condiciones, el pago de dólares estadounidenses («**USD**») determinado con arreglo a las disposiciones pertinentes de los términos y condiciones (los «**Términos y condiciones**»). Las obligaciones derivadas de los Bonos constituyen obligaciones garantizadas, no subordinadas y directas del Emisor con el mismo rango de prelación entre (i) las propias obligaciones, (ii) cualquier Obligación de Opción de venta garantizada (según se define a continuación) («*1.3.3. Riesgos relacionados con el ejercicio de la Opción de venta*») y (iii) cualquier obligación del Emisor de transferir los Bonos a cualquier entidad que haya sido designada por el Emisor como participante autorizado (el «**Participante autorizado**»), en caso de que dicho Participante autorizado haya transferido, al menos, la Compensación de la criptomoneda por Bono objeto de suscripción o compra a un monedero virtual del depositario operado por Coinbase Custody Trust, LLC (el «**Monedero virtual del Depositario**»); estas obligaciones se denominarán en adelante las «**Obligaciones de liquidación garantizadas**»). Los Bonos son libremente transferibles.

Los derechos vinculados a los Bonos son los siguientes:

Garantía: Pignoración por parte del Emisor en favor de los Titulares de sus derechos, titularidad, intereses y beneficios, actuales y futuros, en el Monedero virtual del Depositario y la criptomoneda bajo custodia, o en virtud de los mismos, así como la pignoración por parte del Emisor con respecto a la Cuenta de emisión y los Bonos propiedad del Emisor en favor de los Titulares (la «**Garantía**»). La información de las cuentas y los términos y condiciones de las respectivas pignoraciones se estipularán en la Documentación de la garantía, la cual estará disponible para su inspección por parte de los Titulares en el establecimiento principal del Emisor (Gridiron, One Pancras Square, Londres, N1C 4AG, Reino Unido).

Reembolso obligatorio: En caso de que se produzcan determinados supuestos de reembolso obligatorio, el Emisor podrá, en cualquier momento, —pero no estará obligado a—, con un preaviso superior a 30 (treinta) días a los Titulares, reembolsar los Bonos en la fecha de reembolso obligatorio a su Precio de reembolso obligatorio (según se define a continuación). Tales supuestos de reembolso obligatorio incluyen, entre otros, la entrada en vigor de cualquier ley o reglamento de nueva promulgación que requiera que el Emisor obtenga cualquier licencia para poder cumplir sus obligaciones en virtud de los Bonos; o cualquier cambio en el tratamiento fiscal de la

criptomoneda; o si un tribunal competente ha dado orden al Emisor de ejecutar el reembolso obligatorio, o si debe ejecutarlo por imperativo legal. El ejercicio del derecho de reembolso obligatorio por parte del Emisor deriva inevitablemente en el reembolso de los Bonos en favor de los Titulares.

Opción de venta de los Titulares: Los Bonos tienen una fecha de vencimiento abierta. No obstante, cada uno de los Titulares puede cancelar sus Bonos contra el abono de la Compensación de la criptomoneda (o contra el abono de USD, en caso de que el Titular no pueda percibir criptomonedas por motivos legales o normativos). Si los Bonos se reembolsan en USD, el importe del reembolso equivaldrá a los ingresos procedentes de la venta de la Compensación de la criptomoneda mediante el Procedimiento de subasta de criptomonedas (según se define a continuación) («1.3.3. La subasta no se puede efectuar por ausencia de participantes u ofertas insuficientes»), en caso de que el mismo resulte en una venta satisfactoria. A fin de cancelar sus Bonos, el Titular debe (i) presentar el formulario de ejercicio de la opción de venta; (ii) abonar una comisión de reembolso por adelantado de 50,00 EUR (sujeta a determinadas exenciones) (la «**Comisión de reembolso por adelantado**»); y (iii) transferir los Bonos objeto del ejercicio de la Opción de venta (según se define a continuación) a la Cuenta de emisión sin cargo alguno. Si un Titular ejerce su Opción de venta frente al Emisor o a un Participante autorizado, se cobrará una comisión de ejercicio, junto con la Comisión de reembolso por adelantado (cuando proceda), de una cantidad equivalente al 1,00 % de la Compensación de la criptomoneda de cada Bono relacionado con el ejercicio de la Opción de venta (la «**Comisión de ejercicio**»). Sin embargo, si el Titular vende sus Bonos en el mercado de valores, no se incurrirá en comisiones de reembolso con respecto al Emisor o al Participante autorizado. En caso de que un Titular no pueda percibir criptomonedas por motivos legales o normativos, y si el Emisor celebra un Procedimiento de subasta de criptomonedas, el Subastador (según se define a continuación) anunciará la subasta de la cantidad requerida de criptomonedas en el sitio web del Emisor (<https://www.etc-group.com>). Los ingresos procedentes de la venta se utilizarán en el reembolso de los Bonos. Se rechazarán las ofertas presentadas por menos del 80 % del precio de referencia —que se corresponde, en la fecha de determinación pertinente, con el precio relativo a la criptomoneda según CryptoCompare en un momento dado (el «**Precio de referencia**»)— o las ofertas por una cantidad inferior o superior a la cantidad total de criptomonedas objeto de la subasta. Si dicha subasta resulta infructuosa, el Emisor devolverá todos los Bonos al Titular en un plazo de 7 (siete) días hábiles. Asimismo, en caso de que la subasta resulte infructuosa, el Emisor puede optar por cobrar una Comisión de ejercicio al Titular pertinente.

Reembolso en un Supuesto de incumplimiento: Los Bonos disponen supuestos de incumplimiento que otorgan derecho a cada uno de los Titulares a exigir el reembolso inmediato con respecto a la Compensación de la criptomoneda.

División: Si la criptomoneda se divide en dos o más criptomonedas, cada Bono representará una reclamación sobre una cesta de criptomonedas que se corresponda con la Compensación de la criptomoneda pertinente representada por cada Bono antes de la división. Además, el Emisor podrá, a su entera discreción, acordar dividir los bonos en dos, o más, Bonos independientes.

Acuerdos de los Titulares: De conformidad con la Ley alemana de títulos de deuda de 2009 (*Schuldverschreibungsgesetz*), los Términos y condiciones contienen disposiciones en virtud de las cuales los Titulares pueden resolver mediante acuerdo modificar los Términos y condiciones (con el consentimiento del Emisor), así como decidir sobre otros asuntos relacionados con los Bonos. Los acuerdos de los Titulares debidamente adoptados, ya sea en una junta de Titulares o mediante una votación emitida sin celebrar una reunión, de conformidad con los Términos y condiciones, son vinculantes para todos los Titulares. Los acuerdos que prevén modificaciones significativas a los Términos y condiciones requieren una mayoría superior al 75 % de los votos emitidos. Los acuerdos relativos a otras modificaciones se adoptan por mayoría simple de los votos emitidos.

1.3.2. ¿Dónde se negociarán los valores?

Se ha admitido la negociación de los Bonos en el mercado regulado de la Bolsa de valores de Fráncfort. El Emisor podrá decidir cotizar los Bonos en dicho mercado o en otros mercados regulados adicionales y/o disponer la negociación de los Bonos en sistemas de negociación multilateral, sistemas organizados de negociación o a través de internalizadores sistemáticos, todo ello con arreglo a lo previsto en la Directiva 2014/65/UE del Parlamento Europeo y del Consejo de 15 de mayo de 2014 sobre los mercados de instrumentos financieros.

1.3.3. ¿Cuáles son los riesgos clave específicos de los valores?

Los siguientes riesgos clave podrían derivar en pérdidas significativas para los Titulares. Cada uno de los Titulares tendría que soportar posibles pérdidas en caso de vender sus Bonos o con respecto al reembolso del principal:

Riesgos relacionados con la naturaleza de los Bonos y sus Términos y condiciones

La subasta no se puede efectuar por ausencia de participantes u ofertas insuficientes: En caso de que un Titular no pueda percibir criptomonedas por motivos legales, en particular debido a las disposiciones reglamentarias que le sean aplicables, el Emisor organizará la subasta de criptomonedas para percibir USD de cara a reembolsar los Bonos (el «**Procedimiento de subasta de criptomonedas**»), que celebrará el propio Emisor o una entidad designada por el Emisor (el «**Subastador**»). Si dicha subasta resulta infructuosa, el Titular corre el riesgo de que los Bonos no se puedan reembolsar en USD. Además, el precio de la transacción alcanzado en la subasta puede ser inferior al precio actual de mercado de la criptomoneda, lo que repercutiría de forma adversa en la inversión de los Titulares.

El Subastador puede aceptar o rechazar ofertas: Si se requiere llevar a cabo un Procedimiento de subasta de criptomonedas, el Subastador, entre otras cosas, rechazará ofertas, si estas se presentan por una cantidad inferior al 80 % del Precio de referencia, o por una cantidad inferior o superior a la cantidad total de criptomonedas objeto de la subasta. Paralelamente, esto implica que se pueden aceptar ofertas al 80 % del Precio de referencia y, por lo tanto, significativamente inferiores al mismo.

Riesgos relacionados con el ejercicio de la Opción de venta: Los inversores en los Bonos pueden ejercer una opción de venta (la «**Opción de venta**») para reembolsar Bonos con el Emisor contra el abono de la Compensación de la criptomoneda. Sin embargo, es posible que los inversores no puedan ejercer la Opción de venta en caso de que no proporcionen información suficiente al Emisor de conformidad con los Términos y condiciones. Además, si los Titulares ejercen la Opción de venta y solicitan la liquidación en USD, puesto que no pueden percibir criptomonedas por motivos legales, en particular debido a las disposiciones reglamentarias que le sean aplicables, las obligaciones del Emisor con respecto al abono de USD al Titular tras la entrega de los Bonos pertinentes al Emisor constituyen obligaciones no garantizadas del Emisor. Únicamente las obligaciones de liquidación relacionadas con el ejercicio de la Opción de venta de criptomonedas (las «**Obligaciones de Opción de venta garantizadas**») constituyen obligaciones garantizadas del Emisor. Las reclamaciones de los Titulares relativas a los pagos en USD derivados del ejercicio de la Opción de venta en USD solo se liquidarán después de que el Titular en cuestión haya entregado los Bonos al Emisor y, durante el período comprendido entre la entrega de los Bonos y el pago efectivo de USD, dicho Titular dejará de ostentar la titularidad del Bono y no dispondrá de una reclamación garantizada contra el Emisor.

Reembolso obligatorio: En caso de que se produzcan determinados supuestos, tal como se especifica en los Términos y condiciones, el Emisor podrá, en cualquier momento, —pero no estará obligado a—, a su entera y plena discreción, optar por cancelar y reembolsar la totalidad, pero no una parte, de los Bonos a su precio de reembolso obligatorio, el cual se corresponde con (i) una cantidad equivalente a la Compensación de la criptomoneda; o (ii) en caso de que un Titular no pueda percibir criptomonedas por motivos legales, en particular debido a las disposiciones reglamentarias que le sean aplicables, los ingresos procedentes de la venta de criptomonedas divididos entre el número de Bonos en circulación en la fecha del reembolso obligatorio pertinente, menos cualquier comisión de terceros razonable relacionada con el reembolso de los Bonos (el «**Precio de reembolso obligatorio**»). Los ingresos procedentes de la venta de criptomonedas se refieren a la cantidad en USD obtenida en la subasta de la criptomoneda para el reembolso de los Bonos. A tal efecto, el Emisor no está obligado a considerar los intereses de los Titulares, y los Titulares pueden recibir una cantidad inferior, o sustancialmente inferior, a su inversión inicial. El Precio de reembolso obligatorio de los Bonos reembolsados en USD puede ser inferior, o sustancialmente inferior, al precio equivalente de criptomonedas, puesto que el Emisor procurará vender criptomonedas a través del Procedimiento de subasta de criptomonedas. Asimismo, resultan de aplicación todos los riesgos relacionados con la subasta de criptomonedas según se describen anteriormente. Además, si el Emisor no logra vender criptomonedas mediante el Procedimiento de subasta de criptomonedas, tendrá derecho a utilizar cualquier otro procedimiento razonable para vender las participaciones en criptomoneda. A este respecto, existe el riesgo de que tales procedimientos resulten en la venta de criptomoneda a un precio inferior, o sustancialmente inferior, al mínimo estipulado en el Procedimiento de subasta de criptomonedas. Asimismo, el reembolso obligatorio podría resultar en la enajenación efectiva de los Bonos a efectos fiscales por parte de la totalidad o una parte de los Titulares en una fecha anterior a la prevista, lo que puede derivar en un tratamiento fiscal menos favorable de la inversión en los Bonos para tales Titulares que al que estos se podrían haber acogido en caso de que la inversión se hubiera mantenido durante un período de tiempo mayor.

Sin inversión directa: El valor de mercado de los Bonos no depende exclusivamente del precio vigente de la criptomoneda subyacente, y los cambios en el precio vigente de la criptomoneda subyacente no necesariamente resultarán en un cambio comparable en el valor de mercado de los Bonos. El rendimiento de los Bonos puede diferir significativamente de la tenencia directa de la criptomoneda subyacente como resultado de los efectos negativos de comisiones y cargos, además del efecto negativo de cualquier otro riesgo descrito en el presente documento. La rentabilidad de los Bonos puede no reflejar la rentabilidad si el inversor hubiera poseído realmente la criptomoneda subyacente y mantenido dicha inversión por un período similar.

Riesgos relacionados con la Garantía de los Bonos

La Garantía concedida para garantizar los Bonos puede resultar inexigible o su exigibilidad se puede postergar: El Emisor se ha comprometido a disponer de una cantidad de criptomonedas igual o superior a la Cantidad de las obligaciones garantizadas que se encuentra en todo momento bajo custodia del Depositario. Asimismo, el Emisor ha pignorado la criptomoneda bajo custodia a los Titulares como garantía de las obligaciones del Emisor con respecto a los Titulares. Estos acuerdos de garantía pueden resultar insuficientes para proteger a los Titulares en caso de quiebra o liquidación del Emisor o del Depositario por diferentes motivos.

Riesgos relacionados con la Garantía de los Bonos: La garantía otorgada para asegurar los Bonos puede no ser exigible o su ejecución puede retrasarse: El Emisor se ha comprometido a mantener siempre un monto en criptomonedas igual o superior al Monto de Obligaciones Garantizadas depositado en todo momento con el Depositario, y ha pignorado dichas criptomonedas depositadas a favor de los tenedores de Bonos como garantía de las obligaciones del Emisor hacia los mismos. Estos acuerdos de garantía pueden no ser suficientes para proteger a los tenedores de Bonos en caso de quiebra o liquidación del Emisor o del Depositario por diversas razones

Riesgos relacionados con el ADA como criptomoneda subyacente

Volatilidad de precios de la criptomoneda: El valor de los Bonos está condicionado por el precio de la criptomoneda como activo subyacente. El precio de la criptomoneda fluctúa ampliamente y, por ejemplo, puede verse afectado por acontecimientos políticos, económicos o financieros a nivel mundial y regional, hechos relacionados con reglamentos o declaraciones de reguladores, actividades de negociación de inversiones, cobertura u otras actividades efectuadas por una amplia gama de actores en el mercado, bifurcaciones en protocolos subyacentes, interrupciones en la infraestructura o medios a través de los cuales se produzcan, distribuyan, almacenen y negocien criptoactivos. El precio de la criptomoneda también puede fluctuar debido al cambio en la confianza de los inversores con respecto a las perspectivas futuras de la clase de activos. Las características de la criptomoneda y las discrepancias entre las normas reglamentarias aplicables propician la posibilidad de que se produzca abuso de mercado y podrían desembocar en una alta volatilidad de los precios. Las cantidades recibidas por los Titulares (i) tras el reembolso de los Bonos en USD, en caso de que los Titulares no puedan percibir criptomonedas por motivos legales o normativos, o (ii) tras la venta en el mercado de valores, quedan sujetas a la rentabilidad del precio de la criptomoneda y a la liquidez disponible.

Riesgos relacionados con la admisión a negociación de los valores

Riesgos relacionados con la admisión a negociación: El precio de negociación de los Bonos puede disminuir si la solvencia del Emisor o de las partes asociadas se deteriora de forma efectiva o aparente, independientemente del hecho de que los Bonos estén garantizados por las tenencias reales de criptomonedas. El riesgo reside en que los terceros únicamente estén dispuestos a comprar Bonos con un descuento sustancial con respecto al precio de la criptomoneda, lo que a su vez puede resultar en la pérdida de la inversión en los Bonos por parte de los Titulares.

Riesgos fiscales relacionados con los Bonos

Impuesto sobre las transacciones financieras: En 2013, la Comisión Europea publicó una propuesta de Directiva (la «**Propuesta de la Comisión**») relativa a un sistema común del impuesto sobre las transacciones financieras (el «**ITF**»). Con arreglo a la Propuesta de la Comisión, el ITF se debe aplicar en determinados Estados miembros de la UE, incluida Alemania. El riesgo específico es que el ITF pueda dar lugar a un tratamiento fiscal desfavorable aplicable a los Bonos, lo que a su vez puede tener un efecto perjudicial en la rentabilidad de la inversión en los Bonos del Titular.

1.4. DATOS FUNDAMENTALES SOBRE LA OFERTA PÚBLICA DE VALORES Y LA ADMISIÓN A NEGOCIACIÓN EN UN MERCADO REGULADO

1.4.1. ¿Cuáles son las condiciones y los plazos en los que puedo invertir en este valor?

A continuación, se establecen las condiciones y los plazos de inversión en los Bonos:

Esta emisión de Bonos se emite por un monto total de hasta 1 000 000 000 de Bonos garantizados por ADA.

Compra de los Bonos: En el mercado primario, el Emisor venderá Bonos solo a los Participantes autorizados. Dichos Bonos solo podrán adquirirse con criptomonedas. Los inversores que no sean Participantes autorizados podrán comprar Bonos en el mercado secundario (i) a un Participante autorizado, con sujeción a las restricciones de venta aplicables; (ii) a través de una bolsa de valores, con la asistencia de su intermediario bursátil, o bien (iii) a cualquier tercero de forma extrabursátil. En relación con lo anterior, Flow Traders B.V. ha sido designado como Participante Autorizado. El período de oferta comenzó el 30 de noviembre de 2021 y estará abierto hasta la fecha posterior entre (i) la fecha de vencimiento del Folleto Base y (ii) el vencimiento de la validez de un nuevo folleto base que suceda inmediatamente al Folleto Base, sujeto a la posibilidad de acortar dicho período. Se podrá realizar

una oferta pública en los países especificados en el apartado «1.1 Introducción y advertencias», con sujeción a las restricciones de venta aplicables.

Condiciones e información técnica de la oferta: La oferta no está sujeta a ninguna condición ni a plazos distintos del plazo determinado a partir de la entrada en vigor del Folleto de base, según se especifica en el apartado «Compra de los Bonos». No existe la posibilidad de reducir las suscripciones. No se han especificado cantidades mínimas ni máximas de suscripción; sin embargo, los intermediarios financieros (incluidos los Participantes autorizados) que ofrecen los Bonos pueden determinar cantidades mínimas o máximas de suscripción durante la oferta de los Bonos a su entera y plena discreción.

Los Bonos se pueden comprar en el mercado primario con criptomonedas, euros, USD o cualquier otra moneda fiduciaria o criptomoneda, según determine cada intermediario financiero que ofrezca los Bonos. Sin embargo, los Bonos adquiridos directamente del Emisor en el mercado primario solo se pueden comprar con criptomonedas y la compra solo pueden realizarla Participantes autorizados. Los Bonos se entregarán mediante anotación en cuenta a través del sistema de compensación y sus bancos de tenencia de cuentas.

En el mercado secundario, los Bonos se pueden comprar exclusivamente con monedas fiduciarias.

Método de determinación del Precio de emisión: El precio de emisión para los Participantes autorizados equivale a la Compensación de la criptomoneda más una comisión de suscripción. La Compensación de la criptomoneda se determinará de conformidad con la siguiente fórmula:

$$CC = CIC \times (1 - TCD)^n$$

Donde:

«CC» significa Compensación de la criptomoneda;

«CIC» significa Compensación inicial de la criptomoneda, a saber, ADA 5 por Bono;

«TCD» significa tasa de compensación decreciente, que es del 1,95 % (sujeto a la reducción que determine el Emisor); y

«n» significa el número de días/365.

El precio de emisión para los inversores que no sean Participantes autorizados se determinará de forma continua.

En la fecha de emisión, la Compensación de la criptomoneda sería de ADA 5 por Bono, es decir, los Participantes autorizados que compren Bonos al Emisor recibirían un Bono por cada 5 ADA. Además, el Emisor cobrará al Participante autorizado una comisión de suscripción de hasta el 0,50 % de 5 ADA. Cuando un inversor adquiere un Bono de un Participante autorizado en euros, el equivalente en euros de la Compensación de la criptomoneda a 9 de diciembre de 2024, sobre la base de un valor del ADA de 1,06 EUR, sería de 5,30 EUR. Sin embargo, dado que cada Participante autorizado puede cobrar a su discreción una comisión de suscripción al inversor al que vende los Bonos, el precio de compra de un Bono puede ser superior a 5,30 EUR.

Gastos: Los gastos totales estimados de la emisión y/u oferta ascienden a 35 500 EUR. El Emisor cobrará una comisión de suscripción de hasta el 0,50 % de la Compensación de la criptomoneda de los Bonos a los Participantes autorizados. El Emisor no interviene en la decisión de los Participantes autorizados pertinentes de cobrar o no comisiones adicionales ni en la determinación de su cuantía. Estas comisiones pueden variar en función del Participante autorizado.

1.4.2. ¿Por qué se ha elaborado este folleto de base?

1.4.2.1. Fundamentos de la oferta o de la admisión a negociación en un mercado regulado

El Emisor tiene como objetivo obtener beneficios con la emisión de los Bonos. El Emisor obtiene beneficios a través del cobro de comisiones de suscripción, determinadas comisiones de reembolso y la Tasa de compensación decreciente.

1.4.2.2. Uso e importes netos estimados de los ingresos

Los Bonos se compran al Emisor con criptomonedas. Las criptomonedas que recibe el Emisor a través de la suscripción de los Bonos se transferirán al Monedero virtual del Depositario y quedarán garantizados por un acuerdo de garantía en favor de los Titulares, el Administrador fiduciario (*Trustee*) de la garantía y un representante de los Titulares (si procede). Partiendo del supuesto de que se venden 1 000 000 000 participaciones de Bonos, y habida cuenta del valor del ADA de 1,06 EUR (a 9 de diciembre de 2024), los ingresos netos por cada 10 000 participaciones de Bonos ascienden a 53 000,00 EUR.

1.4.2.3. Acuerdo de aseguramiento de emisiones

El Emisor no ha celebrado ningún acuerdo de aseguramiento de emisiones.

1.4.2.4. Conflictos de intereses materiales relacionados con la oferta o la admisión a negociación

No existen conflictos de intereses materiales en relación con la oferta pública o la admisión a negociación.

EMISSIONSSPECIFIK SAMMANFATTNING

1.1. INLEDNING OCH VARNINGAR

Denna sammanfattning avser det offentliga erbjudandet av säkerställda obligationer ("obligationerna") i Österrike, Tjeckien, Danmark, Tyskland, Irland, Italien, Luxemburg, Malta, Norge, Nederländerna, Finland, Frankrike, Polen, Spanien, Sverige och Schweiz. Obligationernas internationella värdepappersidentifieringsnummer ("ISIN-kod") är DE000A3GVKY4.

Datum för godkännande av grundprospektet är den 30 oktober 2024 ("grundprospektet"), och det godkändes av *Bundesanstalt für Finanzdienstleistungsaufsicht* ("BaFin"), Marie-Curie-Str. 24–28, 60439 Frankfurt am Main, Tyskland, e-post: poststelle@bafin.de, telefon: +49 (0)228 4108-0.

Denna sammanfattning bör läsas som en introduktion till detta grundprospekt. Ett eventuellt beslut att investera i emittentens obligationer ska baseras på en investerares bedömning av grundprospektet i sin helhet. Investerare kan förlora hela eller delar av sitt kapital som investerats i emittentens obligationer. Bitwise Europe GmbH med säte på Thurn- und Taxis-Platz 6, 60313 Frankfurt am Main, Tyskland ("emittenten") ansvarar för informationen i denna sammanfattning och dess tyska översättning. Emittenten kan endast hållas ansvarig om sammanfattningen är vilseledande, felaktig eller oförenlig med de andra delarna av grundprospektet eller om den inte, tillsammans med de andra delarna av grundprospektet, ger nyckelinformation som hjälper investerare att bedöma en investering i värdepapperen. Om talan väcks i domstol angående informationen i grundprospektet kan den investerare som är kärande enligt nationell rätt i medlemsstater i Europeiska ekonomiska samarbetsområdet (EES) bli tvungen att stå för kostnaderna för översättning av grundprospektet innan de rättsliga förfarandena inleds.

Emittentens identifieringskod ("LEI") för juridiska personer är 875500BTZPKWM4X8R658.

1.2. BASFAKTA OM EMITTENTEN

1.2.1. Vem värdepapperens emittent?

Emittentens juridiska och kommersiella namn är Bitwise Europe GmbH. Emittentens LEI-nummer är 875500BTZPKWM4X8R658. Emittenten har bildats och verkar enligt tysk lag och med huvudsakligt verksamhetsställe på adressen Gridiron, One Pancras Square, London, NIC 4 AG, Storbritannien. Emittentens adress och säte är Thurn- und Taxis-Platz 6, 60313 Frankfurt am Main, Tyskland och emittenten är registrerad i den lokala domstolens handelsregister (*Amtsgericht*) i Frankfurt am Main med numret HRB 116604. Emittentens webbplats är <https://www.etc-group.com> och telefonnumret är +49 69 8088 3728.

1.2.1.1. Emittentens huvudsakliga verksamhet

Den huvudsakliga verksamheten för emittenten är emissionen av obligationer som är säkerställda med kryptovalutor och andra digitala tillgångar.

Genom emission av obligationerna avser emittenten att tillgodose investerarnas efterfrågan på värdepapper genom vilka investeringar i kryptovalutor och andra digitala tillgångar görs.

1.2.1.2. Större aktieägare

Emittentens enda aktieägare är ETC Management Ltd ("ETCM"). ETCM:s enda aktieägare är ETC Holdings Ltd. ETC Holdings Ltd är helägt av Bitwise Asset Management, Inc., 250 Montgomery St., Suite 200, San Francisco, CA 94104, USA ("Holdingbolaget").

1.2.1.3. Verkställande direktör

Emittenten leds av de verkställande direktörerna Paul Fusaro, Katherine Dowling och Leyla Sharifullina.

1.2.1.4. Lagstadgad revisor

Deloitte GmbH Wirtschaftsprüfungsgesellschaft, med sitt säte på Europa-Allee 91, 60486 Frankfurt am Main, Tyskland, hade utsetts till emittentens lagstadgade revisor för räkenskapsåret som avslutades den 31 december 2022. Deloitte GmbH Wirtschaftsprüfungsgesellschaft är medlem i den tyska handelskammaren för revisorer (*Wirtschaftsprüferkammer*).

För räkenskapsåret som avslutades den 31 december 2023 är Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, med sitt säte på Cecilienallee 6-7, 40474 Düsseldorf, Tyskland, emittentens lagstadgade revisorer. Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft är medlem i den tyska handelskammaren för revisorer (*Wirtschaftsprüferkammer*).

1.2.2. Finansiell nyckelinformation för emittenten

Emittentens finansiella information ingår i emittentens årsredovisningar per den 31 december 2022 och den 31 december 2023 (tillsammans "Årsredovisningarna") samt i emittentens halvårsredovisningar per den 30 juni

2023 och den 30 juni 2024 ("**Halvårsredovisningarna**", och tillsammans med årsredovisningarna "**Redovisningarna**").

De finansiella rapporterna har upprättats i enlighet med International Financial Reporting Standards ("IFRS") som antagits inom Europeiska unionen ("EU").

Årsredovisningarna har reviderats och en okvalificerad revisionsberättelse har utfärdats. Delårsrapporten har varken reviderats eller granskats av emittentens revisorer.

Följande utvalda finansiella uppgifter grundar sig på och är tagna ur de finansiella rapporterna.

Resultaträkning (i EUR)	Sex månader avslutade 30 juni 2024 (ej granskad)	Sex månader avslutade 30 juni 2023 (ej granskad)	2023	2022
Rörelseresultat	454.260	207.540	380.199	142.298

Balansräkning (i EUR)	30 juni 2024 (ej granskad)	30 juni 2023 (ej granskad)	31 december 2023	31 december 2022
Finansiell nettoskuld	1.316.735.809	671.474.280	1.147.020.673	297.516.002

Kassaflödesanalys (i EUR)	Sex månader avslutade 30 juni 2024 (ej granskad)	Sex månader avslutade 30 juni 2023 (ej granskad)	2023	2022
Nettokassaflöde från den löpande verksamheten	6.255.902	595.547	2.512.096	-3.257.493
Nettokassaflöde från finansieringsaktiviteter	0	0	0	0
Nettokassaflöde från investeringsaktiviteter	0	0	0	0

1.2.3. Specifika nyckelrisker för emittenten

Följande riskfaktorer är väsentliga med avseende på emittentens förmåga att uppfylla sina förpliktelser knutna till obligationer som den emitterar.

Risker knutna till emittentens begränsade affärsområde: Fokus för emittentens affärsverksamhet är emissionen av obligationer kopplade till kryptovalutor. Emittenten kommer inte bedriva någon annan verksamhet än den som beskrivs ovan (se under "1.2.1.1. Emittentens huvudverksamhet"). På grund av detta begränsade affärsområde är emittenten utsatt för risken att den underliggande kryptovalutan inte blir framgångsrik eller blir mindre framgångsrik. Emittenten kan då misslyckas med att bedriva sin verksamhet vilket kan inverka negativt på emittentens verksamhet och finansiella ställning.

Risker relaterade till emittentens beroende av sitt rykte och ryktet hos associerade parter: På grund av den starkt konkurrensutsatta marknadsmiljön inom emittentens kärnverksamhet, dvs. emissionen av obligationer kopplade till kryptovalutor, är emittenten beroende av sitt rykte och ryktet hos associerade parter för att upprätthålla och utveckla sin kärnverksamhet. Eventuella väsentliga negativa händelser, såsom (men inte begränsat till) betalningsinställelser och konkurser hos associerade parter, rättsliga förfaranden som involverar emittenten eller någon associerad part, eller negativa medierapporter om emittenten eller dess associerade parter, kan påverka emittentens rykte, vilket i sin tur kan försämra emittentens lönsamhet, kreditvärdighet och kapitalanskaffningsförmåga. Detta kan i sin tur påverka efterfrågan och likviditeten för obligationerna samt obligationernas pris på marknaden i förhållande till priserna på den relevanta kryptovalutan och – om en sådan

utveckling utlöser en obligatorisk inlösen av obligationerna – kan leda till att emittenten utfärdar ett obligatoriskt inlösningsmeddelande.

Större aktieägare: Emittenten är helägd av ETCM, som i sin tur är helägt av ETC Holdings Ltd, som i sin tur är helägt av Holdingbolaget, emittentens slutgiltiga moderbolag. Därmed har aktieägarna i Holdingbolaget ett betydande inflytande över emittentens ledning. Det finns ingen garanti för att dessa aktieägare eller deras representanter kommer att utöva sina rösträtter på ett sätt som gynnar emittenten eller investerarna.

Beroende av tillstånd. Emittenten är beroende av att Frankfurtbörsen har fortsatt tillstånd och tillåtelse att emittera och börsnotera obligationer enligt tyska regler och förordningar. Varje förändring av börsnoteringskrav, regler kring obligationer eller godtagande av kryptovaluta som underliggande tillgång kan ha en negativ inverkan på emittenten och investerarna i obligationerna.

Angrepp från "hackare" och sabotage från andra länder än emittentens: Hela emittentens verksamhet är beroende av viss IT-infrastruktur. Dessutom förlitar sig tjänsteleverantörer (t.ex. administratören, betalningsombudet och clearingsystemet) på att IT-system tillhandahåller tjänster till emittenten. Såväl emittentens IT-system som IT-system hos tjänsteleverantörer kan hackas av brottslingar. Emittenten är utsatt för risken att delvis, tillfälligt eller till och med permanent hindras från att bedriva sin affärsverksamhet och till och med att hamna på obestånd, och obligationsinnehavarna ("obligationsinnehavarna") kan förlora en del av eller hela sin investering i obligationerna på grund av ett sådant säkerhetsintrång.

1.3. NYCKELINFORMATION OM VÄRDEPAPPERNA

1.3.1. Vilka är värdepappernas huvudegenskaper?

Obligationerna är säkrade obligationer. Obligationerna har inte en fast förfallodag. Obligationerna ger ingen ränta. Varje obligation representerar obligationsinnehavarens rätt att från och med varje bankdag begära från emittenten av varje obligation (a) leverans av Cardano ("ADA" eller "kryptovaluta"), ett open-source-projekt utformat för att vara en decentraliserad applikationsutvecklingsplattform (DApp), motsvarande obligationsinnehavarens fordran, uttryckt som beloppet av kryptovalutan per obligation, och det beräknas av och enligt emittentens eget gottfinnande i enlighet med nedanstående formel ("*1.4.1. Metod för fastställande av emissionskursen*") ("*rätten till kryptovaluta*") eller (b) under vissa villkor, betalning av US-dollar ("USD") som fastställts i enlighet med relevanta bestämmelser i villkoren ("*villkoren*"). Förpliktelserna som obligationerna medför utgör direkta, icke-efterställda och säkerställda förpliktelser för emittenten som rankas *jämsides* (i) samt (ii) varje säkerställd säljoptionsförpliktelse (enligt definitionen nedan) *1.3.3. Risker i samband med utövandet av säljoptionen*") och (iii) emittentens förpliktelse att överlåta obligationer till varje enhet som emittenten har utsett som auktoriserad deltagare ("*auktoriserade deltagare*") om en sådan auktoriserad deltagare har överlåtit minst den kryptovalutarätt som gäller för varje obligation som tecknas eller köps till en plånboksfil som förvaltas av Coinbase Custody Trust, LLC ("*plånboksfilen*") och, sådana förpliktelser, "*säkrade avräkningsförpliktelser*". Obligationerna är fritt överlåtbara.

Följande rättigheter är knutna till obligationerna:

Säkerhet: Emittentens utställande till förmån för obligationsinnehavarna av sina rättigheter, äganderätt, intressen och förmåner, nu och i framtiden, i plånboksfilen och insatt kryptovaluta samt utställande från emittentens sida av emissionskontot och av emittenten ägda obligationerna till förmån för obligationsinnehavarna ("*säkerheten*"). Närmare uppgifter om räkenskaper och villkor för respektive utställande ska anges i säkerhetsdokumenten som ska finnas tillgängliga för inspektion av obligationsinnehavarna på emittentens huvudsakliga verksamhetsställe (Gridiron, One Pancras Square, London, NIC 4 AG, Storbritannien).

Tvångsinlösen: Utifall tvångsinlösen kan emittenten när som helst (men utan skyldighet), med minst 30 (trettio) dagars varsel till obligationsinnehavarna, lösa in obligationerna vid tvångsinlösendagen till tvångsinlösenkurs (enligt definition nedan). Sådan tvångsinlösen innefattar bland annat att en ny lag eller förordning träder i kraft som kräver att emittenten erhåller licens för att kunna fullgöra sina förpliktelser enligt obligationerna, eller att ändringar görs i skattebehandlingen av kryptovalutan, eller om emittenten har beordrats av en behörig domstol eller på annat sätt blivit skyldig att enligt lag ordna med tvångsinlösen. Emittentens utövande av tvångsinlösenrätten leder oundvikligen till inlösen av obligationerna för obligationsinnehavarna.

Obligationeninnehavarens säljoption: Obligationerna har inte en fast förfallodag. Varje obligationsinnehavare kan emellertid avsluta sina obligationer mot betalning av rätten till kryptovaluta (eller mot betalning av US-dollar om en obligationsinnehavare inte kan ta emot kryptovalutan på grund av rättsliga eller tillsynsskäl). Om obligationerna löses in i US-dollar kommer inlösenbeloppet att vara lika med intäkterna från försäljningen av rätten till kryptovaluta enligt auktionsförfarandet för kryptovalutan (enligt definitionen nedan) ("*1.3.3. Auktionen kan inte genomföras på grund av deltagare som saknas eller otillräckliga anbud*"), om ett sådant förfarande leder till en framgångsrik försäljning. För att sälja sina obligationer måste obligationsinnehavaren (i) lämna in säljoptionsformuläret (ii) betala en förskottsinslösenavgift på 50,00 EUR (som är föremål för vissa undantag) ("*förskottsinslösenavgiften*") och (iii) överlåta obligationerna, i förhållande till vilken säljoptionen (enligt

definitionen nedan) utnyttjas, till emissionskontot kostnadsfritt. Om en obligationsinnehavare utnyttjar sin säljoption gentemot emittenten eller gentemot en auktoriserad deltagare kommer en lösenavgift utöver förskottsinslösenavgiften (i förekommande fall) till ett belopp som motsvarar 1,00 procent av rätten till kryptovaluta för varje obligation för vilken säljoptionen utnyttjas att debiteras ("lösenavgiften"). Om obligationsinnehavaren säljer sina obligationer på börsen kommer dock inga inslösenavgifter från emittenten eller den auktoriserade deltagaren att tillkomma. Om en obligationsinnehavare inte kan ta emot kryptovalutan på grund av rättsliga eller tillsynsskäl och emittenten innehar ett auktionsförfarande för kryptovalutan, kommer auktionsförrättaren (enligt definitionen nedan) att meddela att den auktioneras ut den erforderliga mängden kryptovaluta på emittentens webbplats (<https://www.etc-group.com>). Försäljningsintäkterna kommer användas till inslösen av obligationerna. Det kommer ges avslag på anbud som lämnats in för mindre än 80 procent av referenskursen, vilken är kursen för kryptovalutan på CryptoCompare på aktuell dag och tid ("referenskursen") eller anbud på mer eller mindre än det totala beloppet kryptovaluta som auktioneras ut. Utifall en misslyckad auktion ska emittenten återlämna alla obligationer till obligationsinnehavaren inom 7 (sju) bankdagar. Emittenten kan välja att ta ut en lösenavgift av respektive obligationsinnehavare vid en misslyckad auktion.

Inlösen i händelse av fallissemang: Obligationerna ger i händelse av fallissemang varje obligationsinnehavare rätt att kräva omedelbar inslösen av rätten till kryptovaluta.

Delning: Om kryptovalutan delas upp i två eller flera kryptovalutor, kommer varje obligation att representera ett krav på en korg av kryptovalutor som motsvarar sådan rätt till kryptovaluta som varje obligation motsvarade före delningen, och emittenten får, enligt eget gottfinnande, besluta att dela upp obligationerna i två eller flera separata obligationer.

Beslut av obligationsinnehavare: I enlighet med den tyska lagen om skuldförbindelser av 2009 (*Schuldverschreibungsgesetz*) innehåller villkoren bestämmelser enligt vilka obligationsinnehavare genom beslut kan komma överens om att ändra villkoren (med emittentens samtycke) och besluta om vissa andra frågor rörande obligationerna. Beslut av obligationsinnehavare som antagits korrekt, antingen i en stämma med obligationsinnehavare eller genom omröstning utan stämma i enlighet med villkoren, är bindande för alla obligationsinnehavare. Beslut om väsentliga ändringar av villkoren kräver en majoritet om minst 75 procent av avlagda röster. Beslut om andra ändringsförslag antas med enkel majoritet av avlagda röster.

1.3.2. Var kommer det handlas med värdepappren?

Obligationerna har godkänts för handel på den reglerade marknaden vid Frankfurtbörsen. Emittenten kan besluta att börsnotera obligationerna på sådana andra eller ytterligare reglerade marknader och/eller ordna med handel med obligationerna på multilateral handelsplattformar, organiserade handelsplattformar eller genom systematiska internhandlare, och allt i den mening som avses i Europaparlamentets och rådets direktiv 2014/65/EU av den 15 maj 2014 om marknader för finansiella instrument.

1.3.3. Vilka nyckelrisker är specifika för värdepappren?

Följande nyckelrisker kan leda till betydande förluster för obligationsinnehavare. Varje obligationsinnehavare skulle behöva bära eventuella förluster vid försäljning av sina obligationer eller vid återbetalning av kapitalbeloppet

Risker knutna till obligationernas typ och villkor

Auktionen kan inte genomföras på grund av att det saknas deltagare eller otillräckliga anbud: Om en obligationsinnehavare av rättsliga skäl hindras från att ta emot kryptovalutan, särskilt på grund av de bestämmelser som gäller för hen, kommer emittenten att ordna med auktionen av kryptovaluta för att erhålla US-dollar för att lösa in obligationerna ("auktionsförfarandet för kryptovaluta") som kommer genomföras av emittenten själv eller en enhet som utnämns av emittenten ("auktionsförrättaren"). Om auktionen misslyckas löper obligationsinnehavaren risken att obligationerna inte kan lösas in i US-dollar. Dessutom kan den transaktionskurs som uppnås på auktionen vara lägre än aktuell marknadskurs på kryptovalutan, vilket skulle ha en negativ inverkan på obligationsinnehavarnas investering.

Auktionsförrättaren kan välja att ta emot eller avvisa ett anbud: Om det är nödvändigt att genomföra ett auktionsförfarande för kryptovaluta kommer auktionsförrättaren bland annat att avvisa anbud om de lämnas in för mindre än 80 procent av referenskursen eller för mer eller mindre än det totala beloppet kryptovaluta som auktioneras ut. Detta innebär samtidigt att anbud kan godtas till 80 procent av referenskursen och därmed betydligt lägre än referenskursen.

Risker knutna till utnyttjandet av säljoption: Investerare i obligationerna har en säljoption ("säljoption") till att lösa in obligationer hos emittenten mot betalning av rätten till kryptovaluta. Investerare kanske inte kan utnyttja säljoptionen om de inte lämnar tillräcklig information till emittenten i enlighet med villkoren. Dessutom om obligationsinnehavare utnyttjar säljoptionen och begär en avräkning i US-dollar eftersom de av rättsliga skäl inte kan motta kryptovaluta, särskilt på grund av de tillsynsbestämmelser som är tillämpliga för dem, utgör emittentens

förpliktelser att överlåta US-dollar till sådan obligationsinnehavare, efter det att de berörda obligationerna har överlåtit till emittenten, emittentens osäkrade förpliktelser. Endast avräkningsförpliktelser i samband med utövandet av säljoptionen på kryptovaluta ("säkrade säljoptionsförpliktelser") utgör emittentens säkerställda förpliktelser. En obligationsinnehavares begäran av betalning i US-dollar på grund av utnyttjandet av säljoptionen i US-dollar kommer endast att avgöras efter det att den berörda obligationsinnehavaren har levererat obligationerna till emittenten och, under perioden från leverans av obligationerna till faktisk betalning av US-dollar, kommer den berörda obligationsinnehavaren inte längre vara ägare till obligationen och har inte heller någon säkerställd fordran mot emittenten.

Tvångsinlösen: Vid vissa händelser enligt vad som anges i villkoren kan emittenten när som helst (men är inte skyldig), enligt eget och absolut gottfinnande, välja att säga upp och lösa in alla men inte vissa av obligationerna till tvångsinlösenkurs, som är (i) ett belopp som motsvarar rätten till kryptovaluta, eller (ii) om en obligationsinnehavare av rättsliga skäl inte kan ta emot kryptovaluta, särskilt på grund av de bestämmelser som gäller för hen, delas intäkterna från kryptovalutaförsäljningen med antalet utestående obligationer från och med aktuellt datum för tvångsinlösen, med avdrag för eventuella rimpliga avgifter från tredje part som hänför sig till inlösen av obligationerna ("tvångsinlösenkursen"). Kryptovalutaförsäljningen är det belopp i US-dollar som är resultatet av auktionen av kryptovaluta för inlösen av obligationerna. När emittenten utövar sådant gottfinnande är den inte skyldig att ta hänsyn till obligationsinnehavarnas intressen, och obligationsinnehavarna kan erhålla mindre eller väsentligt mindre än sin ursprungliga investering. Tvångsinlösenkursen för de obligationer som löses in i US-dollar kan vara lägre eller väsentligt lägre än den motsvarande kryptovalutakursen, eftersom emittenten kommer försöka sälja kryptovaluta med auktionsförfarande för kryptovaluta; och alla risker relaterade till auktionering av kryptovaluta enligt beskrivningen ovan är tillämpliga. Om emittenten inte lyckas med auktionsförfarandet för kryptovaluta har den även rätt att använda andra rimpliga förfaranden för att sälja innehav av kryptovaluta, och det finns risk för att sådana förfaranden skulle leda till försäljning av kryptovaluta till en kurs som är lägre eller väsentligt lägre än det minimibelopp angivet i auktionsförfarandet för kryptovaluta. Dessutom kan tvångsinlösen leda till att vissa eller alla obligationsinnehavare, på ett datum som är tidigare än planerat eller förutsett, avyttrar obligationerna i skatteändamål. Det kan leda till mindre gynnsam skattebehandling av investeringen i obligationerna för sådana obligationsinnehavare än hur den annars skulle varit om investeringen behölls under en längre tidsperiod.

Ingen direkt investering: Marknadsvärdet på obligationerna beror inte uteslutande på det rådande priset på den underliggande kryptovalutan, och förändringar i det rådande priset på den underliggande kryptovalutan kanske inte nödvändigtvis resulterar i en jämförbar förändring av marknadsvärdet på obligationerna. Obligationernas avkastning kan skilja sig avsevärt från direkt innehav av den underliggande kryptovalutan på grund av negativa effekter av avgifter och kostnader, utöver de negativa effekterna av andra risker som beskrivs här. Avkastningen på obligationerna kan därför inte spegla avkastningen som investeraren skulle ha fått om denne faktiskt hade ägt den underliggande kryptovalutan och behållit den investeringen under en liknande period

Risker knutna till obligationens säkerhet

Säkerhet som beviljats för att säkra obligationerna kan vara ogenomförbar eller verkställandet av säkerheten kan försenas: Emittenten har åtagit sig att inneha ett belopp i kryptovaluta som är lika med eller högre än det belopp för säkerställda förpliktelser som alltid finns insatta hos förvaringsinstitutet och har utställt sådana insatta kryptovalutor till obligationsinnehavarna som säkerhet för emittentens förpliktelser gentemot obligationsinnehavarna. Dessa säkerhetsarrangemang kanske inte är tillräckliga för att skydda obligationsinnehavarna i händelse av att emittenten eller förvaringsinstitutet går i konkurs eller likvideras på grund av olika skäl.

Risker relaterade till emittentens exponering för depositariens kreditrisk: Emittenten är exponerad för depositariens kreditrisk, vilket innebär risken att depositarien som håller den underliggande kryptovalutan inte uppfyller en skyldighet eller ett åtagande gentemot emittenten. Den underliggande kryptovalutan hålls av depositarien på segregerade konton, som är avsedda att skyddas vid en eventuell insolvens hos depositarien. Emellertid kan en insolvens hos depositarien leda till försenad tillgång till den underliggande kryptovalutan som tillhandahålls som säkerhet. I en sådan situation kan obligationsinnehavare drabbas av en förlust på grund av prisfluktuationer på tillgången.

Risker knutna till ADA som underliggande kryptovaluta

Kursvolatiliteten för kryptovalutan: Obligationernas värde påverkar kursen på den underliggande kryptovalutan. Kursen på kryptovalutan varierar kraftigt och kan till exempel påverkas av globala och regionala politiska, ekonomiska eller finansiella händelser, regleringsmässiga händelser eller uttalanden från tillsynsmyndigheter, investeringshandel, säkring eller andra aktiviteter från ett brett spektrum av marknadsaktörer, förgreningar i underliggande protokoll, störningar i infrastrukturen eller metoder för att producera, distribuera, lagra och handla

med kryptotillgångar. Kursen på kryptovalutan kan också ändras på grund av att investerarnas syn på tillgångsklassens utsikter förändras. Egenskaper hos kryptovalutan och skillnader i tillämpliga regelverk skapar en risk för marknadsmissbruk och kan leda till hög kursvolatilitet. Belopp som tas emot av obligationsinnehavare (i) vid inlösen av obligationerna i US-dollar, då obligationsinnehavare inte kan ta emot kryptovalutan på grund av rättsliga eller tillsynsskäl eller (ii) vid försäljning på börsen, styrs av kryptovalutans kursutveckling och tillgänglig likviditet.

Risker knutna till upptagande av värdepapper till handel

Risker knutna till upptagande till handel: Obligationernas handelskurs skulle kunna minska om emittentens eller de associerade parternas kreditvärdighet försämras eller uppfattas som sämre oavsett att obligationerna är säkrade genom det faktiska innehavet av kryptovaluta. Risken är att tredje parter endast skulle vara villiga att köpa obligationer med en betydande rabatt i förhållande till kursen på kryptovaluta, vilket i sin tur kan resultera i att en obligationsinnehavare förlorar investeringen i obligationerna.

Skatterisker i samband med obligationerna

Skatt på finansiell transaktioner: Under 2013 offentliggjorde den Europeiska kommissionen ett förslag ("kommissionens förslag") till ett direktiv om en gemensam skatt på finansiella transaktioner ("skatt på finansiella transaktioner"). Enligt kommissionens förslag ska skatten på finansiella transaktioner införas i vissa EU-medlemsstater, däribland Tyskland. Den specifika risken är att skatten på finansiella transaktioner kan leda till en negativ skattebehandling av obligationerna som i sin tur kan inverka negativt på avkastningen på obligationsinnehavarens investering i obligationerna.

1.4. NYCKELINFORMATION OM ERBJUDANDET AV VÄRDEPAPPER TILL ALLMÄNHETEN OCH UPPTAGANDE TILL HANDEL PÅ EN REGLERAD MARKNAD

1.4.1. Enligt vilka villkor och vilken tidsplan kan jag investera i detta värdepapper?

Villkoren och tidsplanen för att investera i obligationer anges nedan.

Denna emission av obligationer utfärdas i ett sammanlagt belopp på upp till 1 000 000 000 obligationer som är säkrade med ADA.

Köp av obligationer: På den primära marknaden kommer emittenten endast att sälja obligationer till auktoriserade deltagare och sådana obligationer kan endast köpas med kryptovaluta. Investerare som inte är auktoriserade deltagare kan köpa obligationer på andrahandsmarknaden, antingen (i) från en auktoriserad deltagare, i enlighet med gällande försäljningsbegränsningar, (ii) via en börs genom sin börsmäklare eller (iii) från någon person vid handel över disk. I samband med detta har Flow Traders B.V. utsetts till Auktoriserad Deltagare. Erbjudandeperioden började den 30 november 2021 och kommer att vara öppen till den senare av (i) dagen då Grundprospektet löper ut och (ii) utgången av giltighetstiden för ett nytt grundprospekt som omedelbart följer efter Grundprospektet, med förbehåll för att perioden kan förkortas. Ett erbjudande till allmänheten kan ges i de länder som anges under "1.1 Inledning och varningar", med förbehåll för tillämpliga försäljningsbegränsningar.

Villkor och tekniska detaljer för erbjudandet: Erbjudandet gäller inte under några andra villkor eller tidsfrister än den tidsfrist som följer av grundprospektets giltighet enligt "Köp av obligationer". Det finns ingen möjlighet att minska antalet teckningar. Inga minimi- eller maximibelopp för teckning har angivits, men finansiella mellanhänder (inklusive auktoriserade deltagare) som erbjuder obligationerna kan enligt eget gottfinnande fastställa minimi- eller maximibelopp för teckning när de erbjuder obligationerna.

Obligationer kan köpas på den primära marknaden antingen med kryptovaluta, euro, US-dollar eller någon annan fiatvaluta eller kryptovaluta, vilket kommer fastställas av varje finansiell mellanhand som erbjuder obligationerna. Obligationer som köps direkt från emittenten på primärmarknaden kan emellertid endast köpas med kryptovaluta och endast av auktoriserade deltagare. Obligationerna kommer levereras via bokföringstransaktion genom clearingssystemet och dess kontoinnehavsbanker.

På den sekundära marknaden kan obligationer endast köpas med fiatvalutor.

Metod för fastställande av emissionskurs: Emissionskursen för auktoriserade deltagare är lika med rätten till kryptovalutan plus en teckningsavgift. Rätten till kryptovaluta kommer fastställas enligt följande formel:

$$CE = ICE \times (1 - DER)^n$$

Där:

"CE" avser rätt till kryptovaluta.

"ICE" avser första rätt till kryptovaluta vilket avser ADA 5 per obligation;

"DER" avser en minskning av antalet rättigheter, vilken är 1,95 procent (med förbehåll för en minskning av emittenten), och

”n” avser antal dagar/365.

Emissionskursen för investerare som inte är auktoriserade deltagare kommer fastställas löpande.

Från och med emissionsdagen skulle rätten till kryptovaluta vara ADA 5 per obligation, dvs. auktoriserade deltagare som köper obligationer från emittenten skulle få en obligation för varje 5 ADA. Dessutom tar emittenten ut en teckningsavgift på upp till 0,50 procent av 5 ADA av den auktoriserade deltagaren. Om en investerare köper en obligation från en auktoriserad deltagare med euro skulle euromotsvarigheten till rätten till kryptovaluta från och med den 9 december 2024, baserat på ett ADA-värde på 1,06 euro vara 5,30 euro. Med tanke på att varje auktoriserad deltagare enligt eget gottfinnande kan ta ut en teckningsavgift av den investerare till vilken den säljer obligationerna, kan köpkursen för en obligation vara högre än 5,30 euro.

Kostnader: De beräknade totala kostnaderna för emissionen och/eller erbjudandet är 35 500 euro. Emittenten tar ut en teckningsavgift på upp till 0,50 procent av obligationens rätt till kryptovaluta från de auktoriserade deltagarna. Emittenten har inget inflytande på huruvida och i vilken utsträckning den auktoriserade deltagaren tar ut ytterligare avgifter. Dessa avgifter kan variera beroende på den auktoriserade deltagaren.

1.4.2. Varför produceras grundprospektet?

1.4.2.1. Skäl till erbjudandet eller för upptagande till handel på en reglerad marknad

Emittenten har för avsikt att göra vinster med emissionen av obligationerna. Emittenten gör vinst genom att ta ut teckningsavgifter, vissa inlösenavgifter och den minskande andelen rättigheter.

1.4.2.2. Användning och uppskattade nettobelopp från försäljningen

Obligationerna köps från emittenten med kryptovaluta. Kryptovalutan som emittenten erhåller genom teckning av obligationerna kommer överföras till förvaringsinstitutets plånboksfil och säkras genom ett säkerhetsavtal till förmån för obligationsinnehavarna, säkerhetsförvaltaren och en obligationsinnehavares representant (om sådan är utsedd). Baserat på antagandet att sammanlagt 100 000 000 obligationer säljs och baserat på ADA-värdet 1,06 euro (per den 9 december 2024), är nettointäkterna för varje 10 000 obligationsenheter 53 000,00 euro.

1.4.2.3. Garantiavtal

Emittenten har inte ingått något garantiavtal.

1.4.2.4. Väsentliga intressekonflikter avseende erbjudandet eller upptagande till handel

Förutom de intressen som beskrivs ovan finns det inga väsentliga intressekonflikter, särskilt inga väsentliga intressekonflikter knutna till det offentliga erbjudandet eller upptagande till handel.

Base Prospectus
dated 30 October 2024

Bitwise®

Bitwise Europe GmbH

(a limited liability company incorporated under the laws of the Federal Republic of Germany,
having its corporate domicile in Frankfurt am Main, Federal Republic of Germany)

as Issuer

Programme for the issuance of Bonds secured by Cryptocurrency (the "Programme")

Under the Programme, Bitwise Europe GmbH (the "**Issuer**") may from time to time issue bonds in bearer form secured by, *inter alia*, Bitcoin, Bitcoin Cash, Aave, Algorand, Avalanche, Binance Coin, Cardano, Chainlink, Cosmos, EOS, Ethereum, Ethereum Classic, Filecoin, Internet Computer, Litecoin, MakerDAO, Polkadot, Polygon, Solana, Stellar, Tezos, Uniswap, XRP or other cryptocurrencies (each a "**Cryptocurrency**") or by an index (each an "**Index**") consisting of various cryptocurrencies (the "**Bonds**"). The Bonds do not have a fixed maturity date. The Bonds will be governed by the laws of the Federal Republic of Germany ("**Germany**").

This document constitutes a base prospectus within the meaning of Article 8(1) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "**Prospectus Regulation**") of Bitwise Europe GmbH (the "**Base Prospectus**"). This Base Prospectus will be published in electronic form together with all documents incorporated by reference on the website of the Issuer (<https://etc-group.com>).

This Base Prospectus has been approved by the *Bundesanstalt für Finanzdienstleistungsaufsicht* ("**BaFin**") in its capacity as competent authority under the Prospectus Regulation.

BaFin only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation.

Such approval should not be considered as an endorsement of the Issuer that is the subject of this Base Prospectus.

Further, such approval should not be considered as an endorsement of the quality of the Bonds that are the subject of this Base Prospectus.

Investors should make their own assessment as to the suitability of investing in the Bonds.

This Base Prospectus may be filed in Switzerland with a review body (*Prüfstelle*) approved by the Swiss Financial Market Supervisory Authority FINMA ("**FINMA**") as a foreign prospectus that is deemed approved according to Article 54(2) of the Swiss Federal Financial Services Act ("**FinSA**") for entry on the list of approved prospectuses according to Article 64(5) FinSA, deposited with this review body and published according to Article 64 FinSA. Notwithstanding anything else in this Base Prospectus, the Issuer may make offers of Bonds to the public in Switzerland ("**Swiss Non-exempt Offers**"), in respect of which the Issuer shall complete Final Terms (as defined below). The Issuer may also make offers of Bonds in Switzerland pursuant to an exemption under Article 36(1) FinSA or where such offers do not qualify as a public offer in Switzerland.

In relation to the Bonds to be issued under this Base Prospectus, application may be made to the Frankfurt Stock Exchange for the Bonds to be admitted to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange. The regulated market of the Frankfurt Stock Exchange is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and the Council of 15 May 2014 on Markets in Financial Instruments ("**MiFID II**"), as amended. Application may also be made to any further stock exchange in the European Economic Area for the Bonds to be admitted to trading on the regulated market of any such stock exchange, e.g. on the regulated market of the Warsaw Stock Exchange and to any Swiss trading venue in the sense of the Swiss Federal Financial Market Infrastructure Act of 19 June 2015 ("**FMIA**"), as amended, e.g. on

SIX Swiss Exchange AG ("**SIX Swiss Exchange**") for the Bonds to be admitted to trading on any such Swiss trading venue. Further, Bonds may not be admitted to trading at all.

The Bonds have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended, (the "**Securities Act**"). The 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.

This Base Prospectus may not be used for the purposes of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation.

On 21 November 2023, the Issuer published a base prospectus for the issuance of Bonds secured by Cryptocurrencies immediately preceding the Base Prospectus. The Base Prospectus succeeds such base prospectus dated 21 November 2023 and the supplements thereto.

The validity of this Base Prospectus will expire at the end of 30 October 2025. Any obligation to supplement a base prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when a base prospectus is no longer valid.

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1. GENERAL DESCRIPTION OF THE PROGRAMME

1.1. GENERAL

Under this Base Prospectus, Bitwise Europe GmbH (the "**Issuer**") may from time to time issue Bonds in units with no par value denominated in Euro or another fiat currency. The total amount of a specific issue of Bonds will be set out in the relevant final terms document (the "**Final Terms**", substantially in the form set out below under "15. FORM OF FINAL TERMS") prepared in relation to each issue of Bonds under the Programme. Each issue of Bonds (each a "**Series of Bonds**") is represented by a global note (the "**Global Note**").

Bonds issued under this Base Prospectus are issued under German law, are debt securities (*Schuldverschreibungen*) within the meaning of Section 793 of the German Civil Code (*Bürgerliches Gesetzbuch*) and are being issued in bearer form. Bonds issued under this Base Prospectus do not provide for any interest payments and do not have a fixed maturity date.

1.2. STRUCTURES OF BONDS TO BE ISSUED UNDER THE BASE PROSPECTUS

This Base Prospectus provides for the issue of Bonds with, *inter alia*, the following Cryptocurrency as underlying(s), a combination of such Cryptocurrency in form of an Index comprised of two or more of such Cryptocurrency:

1. Bitcoin
2. Bitcoin Cash
3. Aave
4. Algorand
5. Avalanche
6. Binance Coin
7. Cardano
8. Chainlink
9. Cosmos
10. EOS
11. Ethereum
12. Ethereum Classic
13. Filecoin
14. Internet Computer
15. Litecoin
16. MakerDAO
17. Polkadot
18. Polygon
19. Solana
20. Stellar
21. Tezos

22. Uniswap

23. XRP.

The Issuer may also, from time to time, issue Bonds secured by underlying Cryptocurrency other than those listed above.

For the avoidance of doubt, any reference in this Base Prospectus to "Cryptocurrency" shall be considered to also include references to multiple cryptocurrencies as well as Indices comprised of cryptocurrencies, unless otherwise specified.

Each Bond issued under the Base Prospectus tracks the performance of its underlying Cryptocurrency by representing the right of the Bondholder to demand from the Issuer (a) delivery of the respective underlying Cryptocurrency or (b) payment of a cash amount in fulfillment of its delivery claim to the above-mentioned underlying Cryptocurrency.

Bonds issued under this Base Prospectus may provide for a FX Hedging component through which Issuer aims to hedge the currency exposure between the currency of the Bonds and the currency of the reference price of the underlying Cryptocurrency.

Bonds issued under this Base Prospectus may also provide for an accumulation of proceeds from the staking of the underlying Cryptocurrency.

The Bonds are subject to an ongoing management fee which is directly deducted from the underlying Cryptocurrency.

The Bonds do not have a fixed maturity date but may be terminated by the Issuer and/or exercised by the Bondholders.

A more detailed description of these structures is set out below under "13. GENERAL DESCRIPTION OF THE BONDS – 13.2. *Description of the Bonds*".

1.3. ISSUE PROCEDURES

The terms and conditions applicable to the relevant Series of Bonds (the "**Terms and Conditions**") will be determined as follows:

The Final Terms will (i) determine which of Part A (applicable to Bonds linked to a single Cryptocurrency), Part B (applicable to Bonds linked to an Index of Cryptocurrency), Part C (applicable to Bonds linked to a single Cryptocurrency to be staked), Part D (applicable to Bonds linked to an Index of Cryptocurrency to be staked), Part E (applicable to Bonds linked to a single Cryptocurrency with covered FX Hedging feature) or Part F (applicable to Bonds with index based calculation) of Annex A of the Terms and Conditions shall apply to the relevant Series of Bonds by inserting such determined Part of Annex A in Part I of the Final Terms, (ii) specify and complete the Parts of Annex A so determined and (iii) specify and complete Annex B of the Terms and Conditions.

Under its base prospectuses dated 14 January 2021, 23 November 2021, 21 November 2022 and 21 November 2023 (each, a "**Preceding Base Prospectus**" and, together, the "**Preceding Base Prospectuses**"), which immediately precede this Base Prospectus, the Issuer has been offering the following Bonds linked to Cryptocurrency (the "**Continuously Offered Bonds**"):

- (1) Bitwise Physical Bitcoin ETP (BTCE) - (ISIN DE000A27Z304)
- (2) Bitwise Physical Ethereum ETP (ZETH) - (ISIN DE000A3GMKD7)
- (3) Bitwise Physical Litecoin ETP (ELTC) - (ISIN DE000A3GN5J9)
- (4) Bitwise Physical Cardano ETP (RDAN) - (ISIN DE000A3GVKY4)
- (5) Bitwise Physical Solana ETP (ESOL) - (ISIN DE000A3GVKZ1)
- (6) Bitwise Physical XRP ETP (GXRP) - (ISIN DE000A3GYNB0)
- (7) Bitwise MSCI Select 20 Crypto Index ETP (DA20) – (ISIN DE000A3G3ZL3)
- (8) Bitwise Ethereum Staking ETP (ET32) – (ISIN DE000A3G90G9)
- (9) Bitwise Core Bitcoin ETP (BTC1) – (ISIN DE000A4AER62)

The Issuer may decide to continue the offer of the Continuously Offered Bonds under this Base Prospectus, whereby they will remain subject the terms and conditions of the relevant Preceding Base Prospectus, which are incorporated by reference into this Base Prospectus, as completed by their respective final terms.

In this case, the respective Final Terms of the Continuously Offered Bonds will (i) determine that Option I (applicable to Bonds linked to a single Cryptocurrency) or Option II (applicable to Bonds linked to an index of underlying Cryptocurrencies) of the Terms and Conditions of the relevant Preceding Base Prospectus, which are incorporated by reference into this Base Prospectus, shall apply to the relevant Series of Bonds by inserting such determined Option in Part I of the Final Terms and (ii) specify and complete the Option so determined.

1.4. ISSUE PRICE AND YIELD

The issue price of the relevant Series of Bonds will be specified in the relevant Final Terms.

For any entity supervised by a financial supervisory authority in a member state of the European Economic Area, the United Kingdom, Canada, Australia, Singapore, New Zealand, Japan, Switzerland, Hong Kong (SAR) or the United States which has been appointed by the Issuer as an authorised participant (the "**Authorised Participants**"), the issue price for the relevant Series of Bonds to be issued will be determined at the time of pricing on the basis of the calculation methods as further described below under "17. SUBSCRIPTION, SALE AND OFFER OF THE BONDS – 17.1.4. *Method of determination of the Issue Price*".

For investors other than Authorised Participants, the purchase price for a Series of Bonds will be determined by each Authorised Participant on an ongoing basis and may be subject to additional subscription fees.

The yield of the Bonds cannot be calculated at the issue date of a Series of Bonds.

1.5. PURCHASE OF BONDS

In the primary market, each issue of a Series of Bonds is initially only purchased by Authorised Participants and may subsequently be offered by such Authorised Participants to institutional and retail investors or to institutional investors only, as specified in the relevant Final Terms, in compliance with applicable selling restrictions during the relevant offer period (as specified in the relevant Final Terms) also with regard to specific offering jurisdictions. As a consequence, only Authorised Participants may buy Bonds directly from the Issuer in the primary market. Investors will not be able to buy Bonds directly from the Issuer in the primary market but may only buy Bonds in the secondary market (i) directly from an Authorised Participant or from any person (ii) via a stock exchange (in case of Bonds admitted to trading on a stock exchange) or (iii) over the counter.

1.6. REASON FOR THE OFFERS

Unless specified otherwise in the relevant Final Terms, the reason for the issue of Bonds under the Programme is primarily to finance the general business development of the Issuer.

1.7. LISTING AND ADMISSION TO TRADING

In relation to the Bonds to be issued under this Base Prospectus, application may be made to the Frankfurt Stock Exchange for the Bonds to be admitted to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange as well as to any further stock exchange in the European Economic Area for the Bonds to be admitted to trading on the regulated market of any such stock exchange, e.g. on the regulated market of the Warsaw Stock Exchange (the respective stock exchanges, on which application will be made for the respective Bonds to be admitted to trading on the regulated market, as well as the respective date of such application, will be specified in the relevant Final Terms). Application may also be made to any Swiss trading venue in the sense of the FMIA for the Bonds to be admitted to trading on any such Swiss trading venue. Further, Bonds to be issued under this Base Prospectus may not be admitted to trading on any stock exchange.

1.8. PURPOSE OF THE BASE PROSPECTUS

This Base Prospectus has been drawn up for purposes for (i) an offer of the Bonds to the public in accordance with Article 3 (1) of the Prospectus Regulation, (ii) the admission of the Bonds to trading on a regulated market in accordance with Article 3 (3) of the Prospectus Regulation and (iii) for the continuous offer to the public of the Continuously Offered Bonds in accordance with Article 3 (1) and Article 8 (11) of the Prospectus Regulation.

1.9. CLEARING AND SETTLEMENT

Payments and transfers of any Series of Bonds will be settled through Clearstream Banking AG, Frankfurt am Main, Mergenthalerallee 61, 65760 Eschborn, Germany.

The securities codes assigned to each Series of Bonds will be specified in the relevant Final Terms.

1.10. RATING

Neither the Issuer nor any Series of Bonds are rated.

2. RISK FACTORS

Bitwise Europe GmbH (the "Issuer") believes that the following factors may affect its ability to fulfil its obligations under the Bonds.

The risk factors are presented in a limited number of categories depending on their nature. In each category the two most material risk factors are mentioned first according to the assessment of the Issuer.

The order of appearance of the risk factors that follow after the most significant risk factors within the same category is not indicative of the Issuer's opinion regarding the significance of such risk factors.

The Issuer assesses the materiality of the risk factors based on the probability of their occurrence and the expected magnitude of their negative impact.

2.1. RISKS RELATING TO THE ISSUER

The following descriptions of the risk factors relating to the Issuer and their occurrence within a risk category, with the two most material risk factors presented first in each category, should be understood as descriptions of residual risks, i.e. of the remaining risks following all counter measures taken in order to avoid such risks or limit their adverse effects.

2.1.1. Risks related to the Issuer's business activities

2.1.1.1. 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 Cryptocurrency as well as the performance of contribution of Cryptocurrency to the relevant underlying network for the purpose of facilitating, validating and approving transactions on such network relating to the Cryptocurrency ("**Staking**"). The Issuer will not carry out any other business than the issue of bonds which are secured by Cryptocurrency and other digital assets. Because of this limited business objective, the Issuer is exposed to the risk that the underlying Cryptocurrency do not become successful or become less successful (such risks are further described under the headline 2.2.4. "*Risks related to the underlying Cryptocurrency*" below) going forward and the Issuer cannot adapt to such changed circumstances. Due to this limited business objective 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.

Further, the Issuer will forward 100 per cent. of its gross revenues, including the fees that it receives in connection the issuance of the Bonds, to ETC Management Ltd. ("**ETCM**") which provides certain services to the Issuer under the intercompany agreement (as set out in greater detail below in the section 11.13. "*Material Contracts and Transactions*"). Accordingly, such revenues will not be available to the Issuer and, ultimately, the Bondholders, in case of financial difficulties or an insolvency scenario.

2.1.1.2. Risks related to the Issuer's dependence on its reputation and the reputation of associated parties.

Due to the highly competitive market environment in the Issuer's core business, i.e. the issuance of bonds linked to Cryptocurrency, the Issuer depends on its reputation and the reputation of associated parties to maintain and grow its such core business. Any material adverse event, such as (but not limited to) defaults and insolvencies of associated parties, legal proceedings involving the Issuer or any associated party or negative media reports on the Issuer or its associated parties, could impact the Issuer's reputation, which could, in turn, depress the Issuer's profitability, creditworthiness and fundraising capacity. This, in turn, can affect the demand for and liquidity of any Series of Bonds and price of any Series of Bonds on the market related to the prices of the relevant Cryptocurrency and – in case such development triggers a Mandatory Redemption Event in relation to a Series of Bonds – may result in the Issuer giving a Mandatory Redemption Notice (such risks are further described under 2.2.1.9. "*The Bonds are subject to early redemption rights of the Issuer. Bondholders may have a lower than expected yield and are exposed to the risks connected with any reinvestment of proceeds received as a result of such early redemption*").

2.1.1.3. Risk of data breaches in relation to data about subscriptions and redemptions.

The Issuer maintains significant amounts of data about subscriptions to and redemptions of each Series of Bonds. For every subscription or redemption, the Issuer may receive and maintain in relation to each subscribing or redeeming investor the following data: (i) proof of identity and/or incorporation documents; (ii) residence or incorporation address; (iii) certain bank and securities accounts details; (iv) blockchain digital wallets information; (v) contact information and (vi) such other information requested by the Issuer from time to time. A significant data breach may have wide reaching adverse effects, including trading losses and reputational damage, which may adversely impact the Issuer's core business and could therefore have a negative impact on the Issuer's profitability, creditworthiness and fundraising capacity.

2.1.2. Risks related to the Issuer's corporate structure

2.1.2.1. Risks related to the concentration of shareholdings in the Issuer and the Holding Company.

The Issuer is wholly owned by ETCM, which, in turn, is wholly owned by ETC Holdings Ltd, which, in turn, is wholly owned by Bitwise Asset Management, Inc. the ultimate parent company of the Issuer (the "**Holding Company**").¹

As such, the shareholders of the Holding Company have significant influence on the management of the Issuer. There can be no assurance that the shareholders of the Holding Company or their representatives will exercise their voting rights in a manner that benefits the Issuer or Bondholders.

2.1.3. Legal and regulatory risks

2.1.3.1. Risk of breaches in the compliance processes of the Issuer or its service providers.

The Issuer does not carry out any other business than the issue of bonds which are secured by Cryptocurrency and does not safekeep, administrate and/or protect cryptographic values or private cryptographic keys for others, so that the Issuer does not require a banking license pursuant to Section 32 of the German Banking Act (*Kreditwesengesetz* – "**KWG**"). Accordingly, pursuant to the regulatory framework which is currently applicable to the Issuer, it faces relatively low compliance requirements, as it is, for example, not directly responsible for "know your client" ("**KYC**") checks or anti-money laundering ("**AML**") checks of end investors. However, the Issuer takes reasonable efforts to establish the nature of counterparty and customer activities and ascertain the legitimacy of counterparty funds. In this respect the Issuer relies on its Authorised Participants to perform checks on the sources of funds. It should be stressed that performing KYC/AML checks in respect of transactions related to the underlying Cryptocurrency is new and challenging and even though Authorised Participants are regulated entities, there is risk of compliance failures with respect to KYC/AML. Any breach of the compliance processes of the Issuer, Authorised Participants or service providers could have a material adverse effect on the Issuer's core business, including reputational damage and significant legal and financial impact.

2.1.3.2. Change in regulatory status of the Issuer.

The Issuer's business is focused on issuing Series of Bonds linked to the underlying Cryptocurrency. Although some financial supervisory authorities across Europe may restrict trading in cryptocurrencies and/or categories of market participants which may deal with cryptocurrencies, the Issuer is currently not required to be licensed, registered or authorised under any securities, commodities or banking laws of its jurisdiction of incorporation or operation and currently operates without supervision by any authority in any jurisdiction. However, the regulatory authorities in one or more other jurisdictions relevant to the Issuer's business may determine that the Issuer is required to be licensed, registered or authorised under the securities, commodities or banking laws of such jurisdiction and there can be no guarantee that legal or regulatory requirements with respect thereto will not change in the future. Any such requirement or change could require the Issuer to obtain licenses, registrations or authorisations or even make it impossible for the Issuer to perform its current business. The Issuer may not be granted such licenses, registrations or authorisations or it may face severe financial implications. This may have

¹ A structure chart of the Bitwise Group is provided at 11.4.

an adverse impact on the Issuer conducting its business and the administration of any Series of Bonds and may result in the Issuer giving a Mandatory Redemption Notice in relation to a Series of Bonds (such risks are further described under 2.2.1.9. "*The Bonds are subject to early redemption rights of the Issuer. Bondholders may have a lower than expected yield and are exposed to the risks connected with any reinvestment of proceeds received as a result of such early redemption*").

2.1.3.3. Risks related to regulation of blockchain technologies and digital assets.

The Bonds are linked to one Cryptocurrency or an Index of Cryptocurrency and the regulatory regime governing the underlying Cryptocurrency is currently undeveloped and likely to evolve rapidly. Various legislative and executive bodies in Germany and in other countries may in the future, adopt laws, regulations, guidance, or other actions, which may severely impact the future development of the Cryptocurrency and other crypto assets and the growth of the markets for this asset class and, in turn, the adoption, utility and performance of each Series of Bonds. Failure by the Issuer or certain investors to comply with any laws, rules and regulations, some of which may not exist yet or are subject to interpretation and may be subject to change, could result in a variety of adverse consequences, including civil penalties and fines and may negatively affect the rights of investors under a Series of Bonds.

2.1.3.4. Dependence on certain service providers and potential conflicts of interest.

The Issuer is dependent on a number of service providers to maintain the issue of a Series of Bonds and the security relating to such Series of Bonds. These include the Depositary, Authorised Participants, the Paying Agent and Fiscal Agent, the Administrator, the Staking Provider, the FX Counterparty, the Execution Agent, the Determination Agent, the Fiat Execution Agent, the NAV Calculation Agent, the Clearing System and the security trustee, which is authorised under the Terms and Conditions to hold and administer security interest over the Deposited Cryptocurrency and any other assets (such as additional cryptocurrencies or other digital assets) in relation to each Series of Bonds held in the depositary wallet operated by the relevant Depositary on behalf of the Issuer (the "**Depositary Wallet**") and the associated account of the Issuer maintained by the Depositary (the "**Collateral**") for the benefit of the holders of a Series of Bonds (each a "**Bondholder**" and together, the "**Bondholders**"), itself and the Bondholders' Representative (as defined below), if appointed, (the "**Security Trustee**"). Should there be a material adverse change in cooperation with any existing service provider and a suitable alternative be unavailable or impracticable, it may be impossible for the Issuer to continue to maintain any listing of a Series of Bonds and fulfil its obligations thereunder. In addition, the role of service providers may give rise to conflicts of interest, which are adverse to the interests of any Bondholders.

The Bonds provide for a right of the Issuer to initiate mandatory redemption in respect of a Series of Bonds if any third-party service provider, including the Issuer's auditors, legal advisors, the Clearing System, the Paying Agent, the Fiscal Agent, the Security Trustee, the Authorised Participants, the Administrator the Staking Provider, the FX Counterparty, the Execution Agent, the Determination Agent, the Fiat Execution Agent, the NAV Calculation Agent, and the Depositary, stops providing services to the Issuer, and the Issuer fails to find a replacement within a reasonable time.

2.1.3.5. Dependence on authorisations.

In relation to the Bonds to be issued under this Base Prospectus, application may be made to the Frankfurt Stock Exchange for the Bonds to be admitted to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange as well as to any further stock exchange in the European Economic Area for the Bonds to be admitted to trading on the regulated market of any such stock exchange, e.g. on the regulated market of the Warsaw Stock Exchange (as specified in the relevant Final Terms). In relation to such Bonds to be admitted to trading on the regulated market of the Frankfurt Stock Exchange or of any such other stock exchange, the Issuer depends on the Frankfurt Stock Exchange's authorisation and the permissibility under the rules and regulations of Germany and/or the authorisation and permissibility of any such other further stock exchange (such as, without limitation, the Warsaw Stock Exchange), as the case may be, to continue issuing and listing, as applicable, Series of Bonds. Any change to the listing requirements, the regulation of the Bonds, or acceptance of cryptocurrency as the underlying asset could adversely impact the Issuer, the value and liquidity of a Series of Bonds and investors in such Series of Bonds. If any authorisation risk materialises, this could have a material adverse effect on the Issuer's business and financial situation.

2.1.4. Internal control and IT risks

2.1.4.1. Attacks by "hackers" and sabotage from outside the Issuer.

The whole business of the Issuer depends on certain information technology (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 the 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 or it may become in breach of its covenants and even become insolvent, and any Bondholders may lose a part or all of their investment in a Series of Bonds due to such security breach.

2.1.4.2. Attacks by "hackers" and sabotage from within the Issuer.

The Issuer's business is focused on issuing Series of Bonds. The Issuer does not and will not own or produce any other assets. The IT infrastructure used by the Issuer is its only means to administer each Series of Bonds during their lifetime, which includes in particular the transfer of the underlying Cryptocurrency related to each Series of Bonds. Hacker attacks, sabotage or fraud carried out by the managing director or potential future employees of the Issuer or third parties may sabotage the IT systems, which may lead to the failure of hardware and/or software systems of the Issuer. This may also have a negative impact on the Issuer's business activities.

2.2. RISKS RELATING TO THE BONDS

An investment in a Series of Bonds involves certain risks associated with the characteristics, specification and type of the Bonds which could lead to substantial losses that Bondholders would have to bear in the case of selling their Bonds. Risks regarding a Series of Bonds comprise, *inter alia*, the following risks:

2.2.1. Risks related to the nature and the Terms and Conditions of a Series of Bonds

2.2.1.1. Bondholders are exposed to the risk of losses if a redemption in cash fails due to missing purchase orders or unavailability of the required reference price.

In case of redemptions in cash, the Issuer has to arrange for a procedure for the divestment of the Cryptocurrency (the "**Cryptocurrency Execution Procedure**" or, in relation to the Bitwise MSCI Select 20 Crypto Index ETP (DA20) Bonds, the Bitwise Ethereum Staking ETP (ET32) Bonds and the Bitwise Core Bitcoin ETP (BTC1) Bonds, the "**Cryptocurrency Divestment Procedure**") in order to redeem the Series of Bonds.

Pursuant to the Terms and Conditions, the Cryptocurrency Execution Procedure shall be deemed unsuccessful, if for whatever reason including, without limitation, as a result of a disruption to the availability of the reference price of the underlying Cryptocurrency (the "**Reference Price**") the sale of the units of the Cryptocurrency fails in its entirety (the "**Totally Failed Execution**") or partially for one, or more (but not all) of the Cryptocurrency (the "**Partially Failed Execution**" and, together with the Totally Failed Execution, "**Failed Execution**").

In relation to the Bitwise MSCI Select 20 Crypto Index ETP (DA20) Bonds, the Bitwise Ethereum Staking ETP (ET32) Bonds and the Bitwise Core Bitcoin ETP (BTC1) Bonds, a Cryptocurrency Divestment Procedure shall be deemed unsuccessful, if the relevant Reference Price as of the relevant determination date is not available, or it is expected not to be available on the dates when it is required for the purposes of the procedure (which is further described in the Terms and Conditions) or if no purchase offers for the Cryptocurrency were submitted or all purchase offers were rejected, *inter alia* in case of purchase offers, which are submitted for less than 80 percent of the Reference Price, or for any other reason (the "**Failed Divestment**").

In case of a Failed Execution or Failed Divestment, Bondholders face the risk that the Bonds cannot be redeemed in cash and Bondholders do not have any mechanism to monetise the Bonds except for selling the Bonds for fiat currency (e.g. EUR or USD) in the secondary market, if a liquid market exists.

In such case Bondholders could only sell the underlying Cryptocurrency through the Voluntary Redemption with physical delivery of the underlying Cryptocurrency ("**Physical Redemption**") and would have to rely on cryptocurrency exchanges to exchange the underlying Cryptocurrency for fiat currency and would have to rely on their ability to exchange the underlying Cryptocurrency for fiat currency via a trading venue for Cryptocurrency or any over-the-counter market, thereby being exposed to the risk of incurring losses in case of unfavourable exchange rates.

Additionally, the Issuer reserves the right to charge certain exercise fees even in case of a Totally Failed Execution or Failed Divestment, as applicable.

Due to the fees that may be incurred in this way, as well as due to unfavourable exchange rates on trading venues and over the counter markets, the Bondholder's investments could be adversely affected. In case of an illiquid secondary market, Bondholders might even be prevented from monetising their investment at all, which could ultimately result in a total loss.

2.2.1.2. Risks related to a Hedging Loss.

A Series of Bonds may be denominated in a currency (the "**Bond Currency**") different from the currency in which the Reference Prices of the underlying Cryptocurrency are quoted (the "**Reference Price Currency**"). If so specified in the relevant Final Terms, specific Series of Bonds will include a currency hedging component through which Issuer aims to hedge the currency exposure between the Bond Currency and the Reference Price Currency ("**FX Hedging**"). Such FX Hedging typically

involves the notional forward sale of the Reference Price Currency and purchase of the Bond Currency and is designed to reduce the exposure of the Reference Price (and, therefore, the Bonds) to exchange rate fluctuations between such currencies.

In cases where the Bond Currency is generally weakening against the Reference Price Currency, the downside in the performance of the Bond Currency as compared to the Reference Price Currency will be realised by a sale of the relevant units of the underlying Cryptocurrency, leading to a decrease in the Cryptocurrency Entitlement (a "**Hedging Loss**"). Accordingly, Bondholders are subject to the risk that the value of their investment decreases due to a weakening of the Bond Currency against the Reference Price Currency and a Hedging Loss resulting therefrom, even if the value of the underlying Cryptocurrency, denominated in the Reference Price Currency, remains unchanged.

However, there may be a cost for entering into such FX Hedging and such FX Hedging may not fully eliminate exchange rate risks or fluctuations and, depending on movements in exchange rates, such FX Hedging might have a negative impact on the value of the relevant Bonds.

2.2.1.3. Risk relating to a failure of a counterparty to transfer Transfer Amounts

In relation to Bonds with FX Hedging, the determination of the Cryptocurrency Entitlement additionally takes into consideration the gains or losses from the transactions related to the FX Hedging (such gains or losses, the "**Transfer Amounts**"). In case of a positive Transfer Amount, the Issuer is obligated in accordance with the Terms and Conditions to add this Transfer Amount to the Cryptocurrency Entitlement and Single Cryptocurrency Entitlement, as applicable.

In order to add the respective positive Transfer Amount, the Issuer is dependent on a relevant counterparty of the FX Hedging (the "**FX Counterparty**"), whereby the FX Hedging transactions are not collateralised.

Any failure by the relevant FX Counterparty to deliver the required amount of the relevant Cryptocurrency corresponding to the Transfer Amount, regardless of whether this is caused by shortages in the market or a general inability of the FX Counterparty to comply with its obligations under the FX Hedging transactions, may result in a breach of the Terms and Conditions by the Issuer, ultimately resulting in the occurrence of an Event of Default (as further described below under 2.2.1.11. "*Risk in connection with a redemption following the occurrence of Events of Default*") and an early redemption of the Bonds. Due to the FX Hedging transactions being uncollateralised, Bondholders are fully exposed to the creditworthiness of any such FX Counterparty and their ability for timely transfer of the Transfer Amounts.

2.2.1.4. Concentration risk relating to the FX Hedging transactions

In relation to the FX Hedging transactions, the Issuer may agree terms with only one FX Counterparty. This presents a concentration risk, which increases the significance of a FX Counterparty's default and the associated risks (as set out above under 2.2.1.3. "*Risk relating to a failure of a counterparty to transfer Transfer Amounts*"). Additionally, the pricing of the agreements relating to the FX Hedging transactions may not reflect the fair market value in this case, which may have a negative impact on the value of such Bonds and, thus, the value and return of Bondholders.

2.2.1.5. Risk relating to the Issuer's ability to enter into agreements relating to FX Hedging transactions

In case of a termination of an agreement relating to the FX Hedging transactions, the Issuer may be unable to enter into similar agreements with any replacement FX Counterparty. In such case, the Issuer may postpone or suspend the issuance of the Bonds may mandatorily redeem the Bonds in accordance with Condition 6 of the Terms and Conditions. This may negatively affect the value of the Bonds and, thus, the Bondholders investment.

2.2.1.6. Auction cannot be carried out due to missing participants or insufficient bids.

In relation to Bonds issued before 21 November 2022, if a Bondholder is prevented from receiving the relevant underlying Cryptocurrency for legal reasons, in particular due to regulatory provisions

applicable to it and because of that the Series of Bonds are redeemed in USD, the Issuer has to arrange for a Cryptocurrency Auction Procedure to receive USD in order to redeem the Series of Bonds. Pursuant to the Terms and Conditions, a Cryptocurrency Auction Procedure shall be deemed unsuccessful if the relevant reference price of the underlying Cryptocurrency (the "**Reference Price**") as of the relevant determination date is not available, or it is expected not to be available on the dates when it is required for the purposes of the procedure (which is further described in the Terms and Conditions) or the winning bidder fails to transfer to the Issuer the balances within the prescribed timeframe or there is no winning bidder in the auction, i.e. if either no bids were submitted or all bids were rejected or all submitted qualifying bidders failed to deposit a bid guarantee amount, or for any other reason. If the auction fails, Bondholders face the risk that the Bonds cannot be redeemed in USD and Bondholders do not have any mechanism to monetise the Bonds (except selling the Bonds for fiat currency (e.g. USD or Euro) in the secondary market, if a liquid market exists). In such case Bondholders could only sell the underlying Cryptocurrency through Voluntary Redemption with Physical Redemption and would have to rely on crypto-exchanges to exchange the underlying Cryptocurrency for fiat currency.

2.2.1.7. Issuer has the choice to accept or reject a bid (up to a certain extent).

In relation to Bonds issued before 21 November 2022 only, if it is required, pursuant to the Terms and Conditions, to conduct a Cryptocurrency Auction Procedure, the Auctioneer shall *inter alia* reject bids, if they are submitted for less than 80 percent of the Reference Price, or for less or more than the full amount of the underlying Cryptocurrency. This means that bids can be accepted at 80 percent of the Reference Price and therefore significantly less than the Reference Price. The Auctioneer may, at its sole and absolute discretion, not accept bids, which were submitted later than 48 hours before 13:00 (CET) on the Auction Price Determination Date, and may not accept bids where there is a suspicion as to legality of source of funds of the potential bidder. There is also a risk that some groups of potential bidders will be completely excluded from participation in the auction if the Auctioneer cannot make the offer of the underlying Cryptocurrency to such groups of potential bidders for regulatory reasons. In addition, there is also a risk for a Bondholder that the Cryptocurrency Auction Procedure shall be deemed unsuccessful in total. This would be the case if e.g. no winning bidder in the auction exists or the winning bidder fails to transfer to the Issuer the balances pursuant to the Terms and Conditions. As a consequence, the price achieved on the Cryptocurrency auction can be below the current market price of the underlying Cryptocurrency, which would have a negative impact on the Bondholder's investment, or a Cryptocurrency Auction Procedure can fail in its entirety and not result in any sale of the underlying Cryptocurrency at any price. Additionally, the Issuer reserves the right to charge certain redemption fees even in case of a failed Cryptocurrency Auction Procedure.

2.2.1.8. Risks related to redemptions upon the request of Bondholders.

Bondholders may require the Issuer to redeem all or parts of their Bonds in the form of physical delivery of the underlying Cryptocurrency or by way of cash settlement (the "**Voluntary Redemption**").

The Issuer may fail (i) to make Cryptocurrency payments, at all or in a timely manner, due to failure in the relevant Cryptocurrency network to verify payments, operational deficiencies at the Depositary, the Administrator or the Issuer or (ii) to sell the underlying Cryptocurrency and to transfer the funds of such sale. In addition, there is a risk that investors may not be able to exercise their option for Voluntary Redemption if they do not provide sufficient information to the Issuer in accordance with the Terms and Conditions.

Furthermore, if a Bondholder exercises its right for Voluntary Redemption due to a specific value of the underlying Cryptocurrency and there is a delay in the redemption process, there is a risk that the value of the underlying Cryptocurrency can fluctuate/decrease in that time period.

If the transmission network fees for the underlying Cryptocurrency are higher than an investor has specified as the level it is prepared to pay, the redemption could take longer to process, during which the value of the underlying Cryptocurrency may have fluctuated/decreased.

Additionally, if a Bondholder exercises its right for Voluntary Redemption² and opts for cash settlement, obligations of the Issuer to remit cash 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 Voluntary Redemption with physical settlement (the "**Secured Redemption Obligations**") constitute secured obligations of the Issuer. Claims of a Bondholder for payments in cash, due to the Voluntary Redemption with cash settlement will only be settled after the relevant Bondholder has delivered its Bonds to the Issuer and during the period from delivery of the Bonds until actual payment of cash, the relevant Bondholder will no longer be the owner of the Bonds, nor have a secured claim against the Issuer. Accordingly, the Bondholder might receive payments later than anticipated or, given the claims are no longer secured, may not receive payments at all.

2.2.1.9. *The Bonds are subject to early redemption rights of the Issuer. Bondholders may have a lower than expected yield and are exposed to the risks connected with any reinvestment of proceeds received as a result of such early redemption.*

The Issuer may at any time, in its sole and absolute discretion, elect to terminate and redeem all but not some of the Bonds at their Cryptocurrency Entitlement in case of (i) any event making the continued issuance of Bonds and/or maintaining Outstanding Bonds economically or practically not viable or (ii) upon the occurrence of certain events expressly specified in the Terms and Conditions, as the case may be (the "**Mandatory Redemption**"). 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 Issuer has to make an advance notice of the Mandatory Redemption, but there is a risk that the Issuer will fail to make such notice, or it will not be received by all Bondholders, which can result in some or all Bondholders failing to sell the Bonds or exercise their right for Voluntary Redemption prior to the Mandatory Redemption. The Mandatory Redemption Price of the Bonds redeemed in cash can be less or substantially less than the equivalent price of the underlying Cryptocurrency, as the Issuer will try to sell the underlying Cryptocurrency using the Cryptocurrency Auction Procedure (in case of Bonds issued before 21 November 2022 only), the Cryptocurrency Divestment Procedure (in case of the Bitwise MSCI Select 20 Crypto Index ETP (DA20) Bonds, the Bitwise Ethereum Staking ETP (ET32) Bonds and the Bitwise Core Bitcoin ETP (BTC1) Bonds) or the Cryptocurrency Execution Procedure, and all risks related to the relevant procedure apply.

Additionally, in case of Bonds issued before 21 November 2022 only, should the Issuer fail to realise the underlying Cryptocurrency using the Cryptocurrency Auction Procedure, it is entitled to use any other reasonable procedure to sell the holdings in the underlying Cryptocurrency, and there is a risk that such procedures would result in the sale of the underlying Cryptocurrency at a price less or substantially less than the minimum stipulated by the Cryptocurrency Auction Procedure.

Accordingly, if any Bonds are redeemed early, Bondholders may have a lower than expected yield and are exposed to the risks connected with any reinvestment of proceeds received as a result of such early redemption. Furthermore, the 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 an investment in the Bonds for such Bondholders than otherwise would be available should the investment be maintained for a longer period of time.

2.2.1.10. *Fees related to the redemption of the Bonds upon request of Bondholders.*

If, in relation to a Series of Bonds, the Issuer has appointed one or more Authorised Participants and the outstanding total number of Bonds of such Series of Bonds multiplied by the Cryptocurrency Entitlement and the relevant Reference Price is greater than or equal to a certain threshold amount specified in relation to each Series of Bonds, the Issuer may charge an upfront redemption fee corresponding to a maximum amount to be specified in the relevant Final Terms at its sole and absolute

² Unless otherwise stated, any references to the Voluntary Redemption and cash settlement shall be read and construed as (i) references to the EUR Put Option and to redemptions in EUR in relation to the Bitwise MSCI Select 20 Crypto Index ETP (DA20) Bonds, the Bitwise Ethereum Staking ETP (ET32) Bonds and the Bitwise Core Bitcoin ETP (BTC1) Bonds and (ii) as references to the USD Put Option and redemptions in USD in relation to the Bonds issued before 21 November 2022.

discretion for the Voluntary Redemption by a Bondholder who is not an Authorised Participant (the "**Upfront Redemption Fee**"). Payment of the Upfront Redemption Fee can lead to a lower than expected yield for the Voluntary Redemption. In addition to the Upfront Redemption Fee, the Voluntary Redemption triggers an exercise fee specified in relation to each Series of Bonds as an amount up to a maximum percentage of the Cryptocurrency Entitlement for each Bond in relation to which the Voluntary Redemption is exercised (depending on whether the Voluntary Redemption is exercised by an Authorised Participant or a Bondholder other than an Authorised Participant) (the "**Exercise Fee**"). The Exercise Fee will be deducted from the Cryptocurrency Entitlement or, in the case of cash settlement, from the proceeds of the sale of the underlying Cryptocurrency and accordingly the redemption amount per Bond received will be less than the actual Cryptocurrency Entitlement or, in the case of cash settlement, the proceeds of the sale of the underlying Cryptocurrency. Additionally, in the case of cash settlement, the Issuer reserves the right to charge relevant fees even if the Cryptocurrency Auction Procedure (in case of Bonds issued before 21 November 2022 only), the Cryptocurrency Divestment Procedure (in case of the Bitwise MSCI Select 20 Crypto Index ETP (DA20) Bonds, the Bitwise Ethereum Staking ETP (ET32) Bonds and the Bitwise Core Bitcoin ETP (BTC1) Bonds) or the Cryptocurrency Execution Procedure fails and, subsequently, the redemption request is cancelled.

2.2.1.11. Risk in connection with a redemption following the occurrence of Events of Default.

The Issuer is required to comply with the Terms and Conditions. Events beyond the Issuer's control, including changes in the economic and business conditions in which it operates, may affect the Issuer's ability to comply with the undertakings set out in the Terms and Conditions. Further, there is a risk that a breach of the Terms and Conditions will result in certain events of default, entitling Bondholders to declare all but not some of its Bonds due and payable, which could cause a material adverse effect on the Issuer's financial position.

In accordance with Condition 13 of the Terms and Conditions³, upon the occurrence of certain events including (i) failure of the Issuer to pay out the Cryptocurrency Entitlement or any other amount in respect of the Bonds, (ii) failure of the Issuer to duly perform any other obligation arising from the Bonds, (iii) the Issuer's inability to pay its debts as they fall due, (iv) insolvency proceedings against the Issuer and (v) the Issuer entering into liquidation (each such event, an "**Event of Default**"), each Bondholder may be entitled to declare due and payable its entire claims arising from the Bonds and demand immediate payment of the Cryptocurrency Entitlement (but without any fees payable by the Bondholder which would otherwise be required by the Terms and Conditions). If such claims are declared due and payable, the Issuer must then distribute the Cryptocurrency Entitlement in accordance with the Terms and Conditions. The value of the underlying Cryptocurrency comprising can fluctuate during the time when such distribution of the Cryptocurrency Entitlement is being processed to be executed. In order for the distribution to be made, Bondholders need to have their own digital cryptocurrency wallet or wallets (in case of an Index) (the "**Digital Wallet(s)**") and report such Digital Wallet(s) to the Issuer and a failure of doing so will result in the respective Bondholder not receiving the Cryptocurrency Entitlement. Additionally, the Issuer may receive more redemption requests in an Event of Default than it can operationally process. This may result in delays for the Bondholders receiving their Cryptocurrency Entitlement.

2.2.1.12. Investing in the Bonds does not correspond to a direct investment in the underlying Cryptocurrency.

Investors should be aware that the market value of the Bonds does not exclusively depend on the prevailing price of the underlying Cryptocurrency and changes in the prevailing price of the underlying Cryptocurrency may not necessarily result in a comparable change in the market value of the Bonds. The performance of the Bonds may differ significantly from direct holdings of the underlying Cryptocurrency as a result of negative effects of fees and charges (see 2.2.1.23. "*The Bonds are subject to transaction costs and charges*", including, but not limited to the Exercise Fee upon redemption), in addition to the negative effect of any other risks described herein. The return on the Bonds may not reflect the return if the investor had actually owned the underlying Cryptocurrency and held such investment for a similar period.

³ §11 of the relevant terms and conditions in case of Bonds issued under the Preceding Base Prospectuses.

2.2.1.13. Risk relating to the absence of active management of the Bonds and the underlying Cryptocurrency.

The Bonds cannot be considered as an actively managed investment and may be affected by a general decline in the value of the underlying Cryptocurrency (see also under 2.2.4. "*Risks related to the underlying Cryptocurrency*"). Neither the Issuer nor any other party will actively manage the underlying Cryptocurrency or the Bonds (except for the use of Cryptocurrency for staking purposes, if applicable). As a result, the Issuer will not take any action to attempt to reduce the risk of loss resulting from price decreases. As a result, Bondholders bear the risk of a loss of a part or all of their investment.

2.2.1.14. Changes in regulation of the underlying Cryptocurrency.

The Bonds are linked to the underlying Cryptocurrency. A potential investor has, therefore, to consider that the regulation of the underlying Cryptocurrency is subject to change. Therefore, it cannot be ruled out that the regulatory treatment of the underlying Cryptocurrency by national authorities and courts or international standard setting bodies could be subject to changes in the future. As a result of such changes, the purchase and/or direct or indirect investment in the underlying Cryptocurrency, including with respect to the Bonds may be prohibited or otherwise restricted. Furthermore, if an investment in the underlying Cryptocurrency is prohibited, Bondholders may not redeem and receive the underlying Cryptocurrency pursuant to the Terms and Conditions.

Moreover, changes in the regulation of the underlying Cryptocurrency, including with respect to the Bonds, may adversely impact the Issuer, the value of the Bonds and the value of the Security. As a result, Bondholders bear the risk of a loss of a part or all of their investment.

2.2.1.15. Bondholders may be responsible for choosing an appropriate Digital Wallet (an inadequate or inappropriate Digital Wallet for the underlying Cryptocurrency can lead to the loss of the underlying Cryptocurrency).

If any Bonds are terminated either by the Issuer or the Bondholder pursuant to the Terms and Conditions and the Bondholder is entitled to receive payments in the underlying Cryptocurrency, the underlying Cryptocurrency must be transferred to the Bondholder's Digital Wallet(s). If this transfer occurs to an inadequate or inappropriate Digital Wallet (which includes, but is not limited to, a Digital Wallet to which the Bondholder does not have the corresponding private cryptographic key or keys, or which the Bondholder cannot operate due to any other limitation, technical or otherwise), the Bondholder will not be able to access and dispose of the underlying Cryptocurrency. For the Bondholder, this means a total loss of its investment. The decision on choosing the correct compatible Digital Wallet(s) lies solely with the Bondholder. The Bondholder is also entirely responsible for the secure storage of the private key of its Digital Wallet(s) in order to receive and dispose of the underlying Cryptocurrency. The loss or theft of the private key (which includes an unauthorised copy of all or a part of the key or keys) can result in a total loss of all of the assigned underlying Cryptocurrency within the Digital Wallet(s).

Bondholders who do not provide the information regarding their Digital Wallet to the Issuer during the mandatory redemption process in a timely manner, will have their Bonds redeemed in cash, and all risks related to the Cryptocurrency Execution Procedure, the Cryptocurrency Divestment Procedure (only in case of the Bitwise MSCI Select 20 Crypto Index ETP (DA20) Bonds, the Bitwise Ethereum Staking ETP (ET32) Bonds and the Bitwise Core Bitcoin ETP (BTC1) Bonds), the Cryptocurrency Auction Procedure only in case of Bonds issued before 21 November 2022 (see in particular 2.2.1.6. "*Auction cannot be carried out due to missing participants or insufficient bids*" and 2.2.1.7. "*Issuer has the choice to accept or reject a bid (up to a certain extent)*") and Mandatory Redemption (as it applies to redemptions in cash may materialise).

2.2.1.16. Risks relating to an increase and/or decrease in issuance and market supply of the Bonds

While the Issuer has the right to issue additional Bonds that are fungible with an already issued Series of Bonds, the Issuer is under no obligation to issue additional Bonds in relation to the Series of Bonds already issued. Even if the Issuer decides to issue additional Bonds in relation to a Series of Bonds already issued, given that, in the primary market, the Issuer only sells Bonds to Authorised Participants, there is no guarantee that Authorised Participants subscribing to the newly issued Bonds of a Series of

Bonds will make them available in the secondary market. This may create reduced liquidity and increased price volatility in the existing Series of Bonds. On the one hand, if the Issuer does not issue additional Bonds in relation to a Series of Bonds already issued, or Authorised Participants do not sell those additional Bonds in the secondary market, this could increase the price of the Bonds compared to the underlying Cryptocurrency. On the other hand, when the Issuer starts issuing additional Bonds (and/or Authorised Participants start selling such Bonds in the secondary market) at a moment when the Bonds are trading at a premium compared to the underlying Cryptocurrency, this could result in a reduction of the premium compared to the underlying Cryptocurrency and thus in a decrease in the price of the Bonds.

2.2.1.17. *No recourse and no guarantee.*

Pursuant to the Terms and Conditions, the Bonds will be obligations solely of the Issuer. In particular, the Bonds will not be obligations of, or guaranteed by the Paying Agent, the Fiscal Agent, the Depositary, the Security Trustee, the Administrator, the Staking Provider, the FX Counterparty, the Execution Agent, the Determination Agent, the Fiat Execution Agent, the NAV Calculation Agent or the Authorised Participants or any other partner or affiliate of the Issuer or any direct or indirect holder of the Issuer.

No person has guaranteed the performance of the Issuer's obligations, and no Bondholder has any direct rights of enforcement against any such person. As a result, Bondholders bear the risk of a loss of part or all of their investment in a Series of Bonds.

2.2.1.18. *Risks in connection with insufficient hedging of the investment in the Bonds by Bondholders.*

The ability to eliminate or to restrict the initial risks of a Series of Bonds arising from their purchase by, for example, concluding any hedging transactions during their lifetime, depends mainly on the market conditions and the economic terms of such Series of Bonds. As a consequence, such transactions may be concluded at unfavourable market prices (or not at all), which may result in corresponding losses. Investors should, therefore, not rely on the ability to conclude transactions at any time during the term of such Series of Bonds that will allow them to offset or limit relevant risks.

2.2.1.19. *The Terms and Conditions of a particular Series of Bonds can be modified by the Issuer.*

The Issuer may, in its reasonable discretion and taking into consideration the interests of the Bondholders and the relevant capital market practice, make modifications to the Terms and Conditions of a particular Series of Bonds, if such modification is formal, minor or technical nature or is made to correct a manifest error. The Issuer also has the right to make further modifications subject to such amendment not being materially prejudicial to the interests of the Bondholders. Any such modification could be contrary to the interests of any or all Bondholders and could adversely affect the value of the Bonds.

2.2.1.20. *The Terms and Conditions of a particular Series of Bonds can be amended by a Bondholders' resolution and any such resolution will be binding for all Bondholders. Any such resolution may effectively be passed with the consent of less than a majority of the aggregate principal amount of the Bonds outstanding.*

The Terms and Conditions of a particular Series of Bonds, including the terms of payment of principal, can be amended (with the consent of the Issuer) by a Bondholders' resolution and any such resolution will be binding for all Bondholders of such Series of Bonds. Any such resolution may effectively be passed with the consent of less than a majority of Bondholders holding the aggregate principal amount of the Bonds of such Series of Bonds outstanding.

According to the Terms and Conditions and the German Act on Issues of Debt Securities of 2009 (*Gesetz über Schuldverschreibungen aus Gesamtemissionen* - SchVG; "German Act on Issues of Debt Securities" or the "**SchVG**"), Bondholders of a particular Series of Bonds can, by resolution, consent to amendments of the Terms and Conditions of such Series of Bonds. Accordingly, although no obligation to make any payment or render any other performance may be imposed on any Bondholder, the Bondholders may, by resolution, materially change the substance of the Terms and Conditions of a

particular Series of Bonds, in particular in the case of Section 5 paragraph 3 numbers 1 through 9 of the SchVG. Under the SchVG and the Terms and Conditions of a particular Series of Bonds, such amendments require a resolution of Bondholders holding in the aggregate at least 75 percent of the votes cast in respect of the Series of Bonds. Subject to contestation in court, any such resolution will be binding on all Bondholders of such Series of Bonds.

The voting process under the Terms and Conditions will be governed in accordance with the SchVG, pursuant to which the required participation of Bondholder votes (quorum) is principally set at 50 percent of the aggregate principal amount of the outstanding Series of Bonds at the time of the first Bondholders' meeting or a vote without meeting. If the quorum is not met for the first voting process, there is no minimum quorum for the second voting process in relation to the same resolution (unless the resolution to be passed requires a qualified majority, in which case Bondholders representing at least 25 percent of the outstanding Series of Bonds by principal amount must participate in the meeting). As the relevant majority for Bondholders' resolutions is generally based on votes cast, rather than on principal amount of Bonds outstanding, the aggregate principal amount of Bonds of a Series of Bonds required to vote in favour of an amendment will vary based on the Bondholders' votes participating.

The specific risk is that Bondholders of a particular Series of Bonds are being outvoted and losing rights towards the Issuer against its will in the event that Bondholders holding a sufficient aggregate principal amount of the Bonds participate in the vote and agree to amend the Terms and Conditions of a particular Series of Bonds by majority vote in accordance with the Terms and Conditions and the SchVG which, in turn, may result in a Bondholder's loss of the investment in the Bonds.

2.2.1.21. Since no Bondholders' Representative will be appointed on the issue date of a Series of Bonds, it will be more difficult for Bondholders to take collective action with respect to such Series of Bonds.

Under the SchVG, a joint representative (*gemeinsamer Vertreter*) of the Bondholders (the "**Bondholders' Representative**") may be appointed on the basis of the terms and conditions of debt securities. The Bondholders' Representative is not a trustee and its functions differ in material respects from those of a trustee appointed under the U.S. Trust Indenture Act of 1939 or similar legislation. No initial Bondholders' Representative will be appointed under the Terms and Conditions. Any appointment of a Bondholders' Representative for the Bonds of a particular Series of Bonds post issuance of such Series of Bonds will, therefore, require a majority resolution of the Bondholders of such Series of Bonds.

The specific risk is that if the appointment of a Bondholders' Representative is delayed, this will make it more difficult or even impossible for Bondholders of a Series of Bonds to take collective action to enforce their rights under the Bonds.

2.2.1.22. It is possible that a Bondholder may be deprived of its individual right to pursue and enforce its rights under the Terms and Conditions if such right was passed to a Bondholders' Representative.

If a Bondholders' Representative will be appointed by majority decision of the Bondholders of a Series of Bonds it is possible that a Bondholder may be deprived of its individual right to pursue and enforce its rights under the Bonds against the Issuer, if such right was passed to the Bondholders' Representative by majority vote who is then exclusively responsible to claim and enforce the rights of all the Bondholders.

The specific risk is that Bondholders of such Series of Bonds may not be able to enforce their rights under the Bonds individually but with consent and depending on the action of a Bondholders' Representative only which, in turn, may result in a Bondholder's loss of the investment in the Bonds.

2.2.1.23. The Bonds are subject to transaction costs and charges.

When Bonds are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the purchase or sale price of the Bonds. These incidental costs may significantly reduce or eliminate any profit from holding the Bonds. Credit institutions as a rule charge commissions which are either fixed minimum commissions or pro-rata commissions, depending

on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including, but not limited to, domestic dealers or brokers in foreign markets, Bondholders may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs). In addition to such costs directly related to the purchase of securities (direct costs), potential investors must also take into account any follow-up costs (such as custody fees).

The specific risk is that such additional costs may lower the yield of the investment substantially. Therefore, potential investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Bonds before investing in the Bonds.

2.2.1.24. No assurance can be given as to the impact of any possible judicial decision or change of laws or administrative practices after the date of this Base Prospectus.

The Terms and Conditions are based on the laws of Germany in effect as at the date of this Base Prospectus. Certain agreements which the Issuer entered into in connection with the Bonds are subject to the laws of other jurisdictions than German ("**Foreign Law Jurisdictions**"). No assurance can be given as to the impact of any possible judicial decision or change to the laws of Germany or the laws of a Foreign Law Jurisdiction or administrative practice or the official application or interpretation of German law or the laws of a Foreign Law Jurisdiction after the date of this Base Prospectus.

The specific risk is that Bondholders may face detrimental changes in German law which negatively impact their rights under the Bonds. This could even lead to situations where Bondholders are not allowed to enforce their rights under the Bonds which in turn may result in a Bondholder's loss of the investment in the Bonds.

2.2.1.25. Risks in relation to suspensions of redemptions.

Upon the occurrence of certain events causing a disruption with regards to (i) the trading of the Cryptocurrency, (ii) the services to be provided by a service provider, (iii) the Depository and/or the protocol of any applicable Cryptocurrency itself, (iv) any calculations with regards to the Bonds or (v) any disruptions which have a materially adverse effect on the FX Counterparty's relevant hedging abilities (each, a "**Disruption Event**") the Issuer may at any time and from time to time while such Disruption Event(s) are continuing suspend the right to, or timings of (i) making redemption requests, (ii) performing the settlement of any redemptions or (iii) any redemption, settlement or payment dates in connection therewith. During the period of such suspensions, the Bonds and the Cryptocurrency may decrease in value and Bondholders that were prevented from requesting a redemption may lose all or some of their investment as a result. During the period that settlement of redemptions is suspended, the Bonds may fall in value so that the return of the Bonds received is lower (or considerably lower) (or has a lower or considerably lower cash value) than would have been the case if the Disruption Event had not occurred.

2.2.1.26. Risks in relation to Adjustment Events.

Upon the occurrence of certain events in relation to (i) the underlying Cryptocurrency affecting the underlying Cryptocurrency and/or the Cryptocurrency Entitlement or (ii) the trading and settlement of the underlying Cryptocurrency or (iii) disruptions concerning service providers for the relevant Series of Bonds or (iv) calculations made by the Issuer in relation to the Cryptocurrency Entitlement, causing the necessity for adjustments to the underlying Cryptocurrency and/or the Cryptocurrency Entitlement (each, an "**Adjustment Event**"), the Issuer shall, if deemed appropriate in its opinion (i) make an adjustment of the Cryptocurrency Entitlement to account for the economic effect on the Bonds of such events, (ii) suspend scheduled rebalances of the Index, (iii) replace the relevant underlying Index with a similar new Index, (iv) conduct an unscheduled rebalancing of the Deposited Cryptocurrency or (v) add the affected Cryptocurrency to the list of Unsupported Cryptocurrency and conduct a rebalancing of the Deposited Cryptocurrency. Any such adjustments could deviate from Bondholders' expectations and the future development and return on the Bonds may not reflect the expectations of Bondholders. Depending on the specific action taken by the Issuer in response to an Adjustment Event, the value of the Cryptocurrency Entitlements and the Bonds may develop differently and the return for Bondholders may be lower (or considerably lower) than would have been the case if the Adjustment Event had not occurred.

2.2.2. Risks related to the Security of the Bonds

2.2.2.1. Security granted to secure a Series of Bonds may be unenforceable or enforcement of the Security may be delayed.

The Issuer has undertaken to have an amount in the underlying Cryptocurrency equal to or higher than the Secured Obligations Amount (i.e. the sum of Outstanding Amount, Secured Redemption Obligations Amount and Secured Settlement Obligations Amount), subject to certain carve-outs such as (i) delays associated with payment of the staking rewards, (ii) temporary shortfall reasonably required due to the execution of any of the eligible rebalance procedures, (iii) adjustments following the occurrence of a collateral shortfall event (all as defined below and as further described below under 13.3.1 "*Security over Depositary Wallet*"), (iv) total or partial forfeit or reductions due to actions or inactions of the Staking Provider or other associated parties in accordance with the protocol of the Cryptocurrency and (v) with respect to Bonds with a FX Hedging feature, temporary or permanent shortfall due to any delay or failure by the relevant FX Counterparty to deliver the required amount of the relevant Cryptocurrency corresponding to the Transfer Amount (as further set out in the risk factor 2.2.1.3. "*Risk relating to a failure of a counterparty to transfer Transfer Amounts*" above) or due to the entry of hedging transactions by the Issuer in an insufficient manner always deposited with the Depositary, and has created a security interest with respect to the rights and claims arising in connection with the Depositary Wallet in favour of the Bondholders as Security for the Issuer's debt to 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. There is a legal risk that the security interest in respect of the underlying Cryptocurrency is not enforceable given it is a cryptocurrency and there could be uncertainties on how to enforce such Security or changes in legislation. In addition, the enforcement of the Security may be delayed or even impossible, as further set out in the risk factor 2.2.2.4. "*Realisation of Security and role of the Security Trustee*" below.

Moreover, investors should note that some of the security interests are not governed by German law, but by foreign laws, as further set out in section 11.13. "*Material Contracts and Transactions*" below, i.e. depending on the entity acting as Depositary, the relevant Cryptocurrency Security Agreement to be entered into in connection with an individual issuance might be governed by the laws of the State of New York, in case BitGo Trust Company, Inc. or Coinbase Custody Trust Company, LLC function as depositary. This may make the enforcement of the security interests more costly and time consuming. Further, it should be noted that the Security Trustee will only be responsible to any of the Bondholders for any failure in perfecting or protecting the Security unless directly caused by its gross negligence or wilful misconduct.

2.2.2.2. Risks relating to the Issuer's exposure to the credit risk of the Depositary.

The Issuer will be exposed to the credit risk of depositary institutions with whom it holds the underlying Cryptocurrency. Credit risk, in this case, is the risk that the Depositary holding the underlying Cryptocurrency will fail to fulfil an obligation or commitment to the Issuer. The underlying Cryptocurrency is/are maintained by the Depositary in segregated accounts, which are intended to be protected in the event of insolvency of the Depositary. However, any insolvency of the Depositary may result in delayed access to the underlying Cryptocurrency provided as a Security. In such a situation, Bondholders may face a loss due to asset price fluctuation.

2.2.2.3. Fraud risk arising from third parties.

The Issuer is interacting with a number of third parties, including, but not limited to, the Depositary, the Security Trustee, Authorised Participants, the Administrator, the Paying Agent, the Fiscal Agent, the Staking Provider, the FX Counterparty, the Execution Agent, the Determination Agent and exchanges. The Issuer is also relying on its own staff for its operations. As a result, the Issuer is exposed to the risk of misconduct, negligence or fraud by these third parties and its employees. This could result in serious reputational or financial harm or damage to the assets of the Issuer in respect of which the Issuer has granted a Security for the Bonds and also result in losses for the investors in the Bonds. It is not always possible to deter misconduct and the internal control systems set up by the Issuer or the relevant third parties may not always be effective. Also, these risks may not be fully covered by insurance.

2.2.2.4. Realisation of Security and role of the Security Trustee.

The Security Trustee may take any action permitted by the Terms and Conditions and the relevant Security Documents in an enforcement scenario without having regard to the effect of such action on individual Bondholders. Fees, costs and expenses for the Security Trustee will need to be paid in advance. All fees, costs and expenses related to the enforcement will be the sole responsibility of, and will be deducted from any payments made to, the relevant investors.

The Security Trustee shall have no responsibility whatsoever to any other party or to any investor in the Bonds of a particular Series of Bonds as regards any deficiency which might arise because the Security Trustee is subject to any tax in respect of the Collateral or any part thereof or any income therefrom or any proceeds thereof.

The Security Trustee will only act upon instruction of the Bondholder's Representative in relation to a particular Series of Bonds. No initial Bondholders' Representative will be appointed under the Terms and Conditions. Any appointment of a Bondholders' Representative for the Bonds of a particular Series of Bonds after the issuance of such Bonds will, therefore, require a majority resolution of the Bondholders of such Series of Bonds. The specific risk is that no Bondholders' Representative will be appointed because a majority resolution by such Bondholders has not been passed or that the Bondholders' Representative might not instruct the Security Trustee in the interest of all individual Bondholders of such Series of Bonds. In such an event it may be difficult or even impossible for such Bondholders to take collective action and to enforce the Security.

2.2.3. Risks related to the Staking of the underlying Cryptocurrency

2.2.3.1. Risk of reduced Liquidity in certain Proof of Stake Protocols

If so specified in the relevant Final Terms of the respective Series of Bonds, the Issuer may use the underlying Cryptocurrencies for purposes Staking (as further described below under 13.2.6. "Staking").

Some proof of stake protocols restrict transferability of Cryptocurrency that are contributed to a staking pool for a certain period and/or require a certain period for the unbonding/destaking of such Cryptocurrency. During such period, the Cryptocurrency remains the property of the Issuer, maintained by the Depositary, but cannot be transferred (as transfers cannot be registered on the protocol).

The Issuer may stake Cryptocurrency that are subject to such liquidity restrictions. As a result, the Issuer may hold Cryptocurrency subject to such restrictions, which in turn may hinder the Issuer in satisfying redemption requests. The Issuer may agree with the Depositary (or other party) to provide a necessary liquidity bridge to ensure it can continue to satisfy redemption obligations while its holdings are restricted, but there can be no guarantee that the Depositary can provide such alternative liquidity.

In the event the Depositary fails to provide such alternative liquidity, the Issuer may not be able to satisfy redemption requests until the liquidity restrictions are removed. During such periods, the Diminishing Entitlement Rate will continue to apply, so that the Cryptocurrency Entitlement and, thus, the amount of units of the underlying Cryptocurrency to be received by the respective Bondholders, will continue to decrease accordingly. Additionally, in periods during which the redemption process is delayed or interrupted, the value of the underlying Cryptocurrency may fluctuate/decrease, which may consequently adversely affect the price at which investors are able to trade the Bonds in the secondary markets.

2.2.3.2. Risk of Loss relating to Staking

Certain proof of stake protocols impose penalties on validators who negligently or maliciously validate transactions on the protocols ("**Staking Penalties**"). Such Staking Penalties can also be imposed due to inadvertent errors, technological problems, hacking and other malicious activities. The Staking Penalties can comprise loss of rewards as well as a loss of the units of the underlying Cryptocurrency subject to Staking. These penalties are commonly referred to as "**Slashing**".

In case of Bonds issued pursuant to Annex A – Part C (applicable to Bonds linked to a single Cryptocurrency to be staked), Part D (applicable to Bonds linked to an Index of Cryptocurrency to be

staked) and Part F (applicable to Bonds with index based calculation), the Issuer may stake units of Cryptocurrency that are subject to the risk of Slashing. It is possible that the Staking Provider (as further described in section 13.2.7. "*Description of the Staking Provider*". below, the "**Staking Provider**") will indemnify the Depository against losses related to Slashing and Staking Penalties (an "**Indemnity**"). If such an Indemnity is provided, the Depository will agree with the Issuer to pass on any payments so received to the Issuer. Upon the occurrence of Slashing and/or Staking Penalties, however, the Issuer will be dependent on the Staking Provider's ability to satisfy its obligations under any Indemnity and the Depository's ability to pass on any amounts so received. If either of the Staking Provider or the Depository is unable to satisfy, or there is a delay in satisfying, such obligations, the Issuer may have insufficient units of Cryptocurrency to satisfy its obligations to redeem the Bonds backed by Cryptocurrency which are subject to the Slashing and/or Staking Penalties. In such case, where the total or a portion of the Deposited Cryptocurrency is forfeited or reduced due to Slashing and the Issuer is not able to fully mitigate or compensate the effects of these events on the Secured Obligations Amount due to the Staking Provider or the Depository being unable to satisfy their obligations vis-à-vis the Issuer, the Issuer has the right to adjust the Cryptocurrency Entitlement. This will effectively result in a reduction of the Cryptocurrency Entitlement, even to zero, so that investors in such Bonds may suffer a total loss of their investment.

2.2.3.3. Risk in connection with the delayed deposition of Staking Rewards

In accordance with Condition 14.3 of the Terms and Conditions and subject to certain carve-outs such as (i) delays associated with payment of the rewards received for Staking ("**Staking Rewards**"), (ii) temporary shortfalls reasonably required due to the execution of any of the eligible rebalance procedures, (iii) adjustments following the occurrence of a collateral shortfall event and (iv) total or partial forfeit or reductions due to actions or inactions of the Staking Provider or other associated parties in accordance with the protocol of the Cryptocurrency (all as defined below and as further described below under **Error! Reference source not found.** "*Security over Depository Wallet*"), the Issuer has generally undertaken to have an amount of the underlying Cryptocurrency equal to or higher than the Secured Obligations Amount always deposited with the Depository.

While any units of Cryptocurrency received by the Issuer in connection with the subscription of the Bonds will be directly transferred to the Depository Wallet and will be secured by a security agreement for the benefit of the Bondholders, Staking Rewards will not be paid out and transferred to the Depository Wallet immediately, but any payments and transfers of such Staking Rewards are subject to the rules of the respective underlying protocol (see also under **Error! Reference source not found.** "*Security over Depository Wallet*"). The payment and transfer of the units of the respective underlying Cryptocurrency earned as Staking Rewards and the deposition of such Staking Rewards into the Depository Wallet may therefore require a certain period of time. During such period, neither the Issuer nor the Security Trustee has access to the Staking Rewards and the Staking Rewards do not form part of the Collateral held in the Depository Account. This applies accordingly in case of a delay of the Staking Provider in satisfying its obligations under the Indemnity following the occurrence of Slashing and/or Staking Penalties. Therefore, with regards to such Staking Rewards or units of Cryptocurrency to be delivered under the Indemnity, Bondholders may not be sufficiently protected in case of the Staking Provider's bankruptcy or liquidation due to various reasons during such period.

2.2.3.4. Risk in connection with the implementation of temporary or permanent reductions in the entitlement change rate by the Issuer

The Staking Rewards received by the Issuer will generally form part of the Collateral and will be added in the Cryptocurrency Entitlement. In accordance with the Terms and Conditions, the calculation of the amount of Staking Rewards to be added to the Cryptocurrency Entitlement will be subject to a deduction of fees applied to the staking rewards ("**Staking Fees**", also referred to as "**DSC**" and " **$DSC^i_{(t)}$** "). The scale of such Staking Fees is subject to the Issuer's discretion. Because of the Staking Fees, the yield of an investment in the Bonds may be lower than the yield of a direct investment in the underlying Cryptocurrency.

2.2.4. Risks related to the underlying Cryptocurrency

2.2.4.1. Price volatility of the underlying Cryptocurrency.

The value of the Bonds is affected by the price of the underlying Cryptocurrency – which fluctuates widely and is influenced by a number of factors. The amount received by Bondholders (i) upon redemption of the Bonds in cash, or (ii) upon sale on the stock exchange depends on the performance of the underlying Cryptocurrency.

Prices of Cryptocurrency fluctuate widely and, for example, may be impacted by the following factors:

- *Global or regional political, economic or financial events* – global or regional political, economic and financial events may have a direct or indirect effect on the price of Cryptocurrency.
- *Regulatory events or statements by the regulators* – there is lack of consensus regarding the regulation of cryptocurrencies and uncertainty regarding their legal and tax status and regulations of cryptocurrencies continue to evolve across different jurisdictions worldwide. Any change in regulation in any particular jurisdiction may impact the supply and demand in that specific jurisdiction and other jurisdictions due to the global network of exchanges for cryptocurrencies, as well as composite prices used to calculate the underlying value of such cryptocurrencies (if any), as the data sources span multiple jurisdictions. See also 2.2.4.2 "Political risk in the market for the underlying Cryptocurrency".
- *Investment trading, hedging or other activities by a wide range of market participants which may impact the pricing, supply and demand for crypto assets* – markets for crypto assets are local, national and international and include a broadening range of products and participants. Significant trading may occur on any system and platform, or in any region, with subsequent impacts on other systems, platforms and regions.
- *Forks in underlying protocols* – The underlying Cryptocurrency are each open source projects. As a result, any individual can propose refinements or improvements to a network's source code through one or more software upgrades that could alter the protocols governing the network and the properties of each underlying Cryptocurrency. When a modification is proposed and a majority of users and miners consent to the modification, the change is implemented and the network remains uninterrupted. However, if less than a majority of the users and miners consent to the proposed modification, the consequence could become what is known as a "fork" (i.e. a "split") of the network (and the blockchain), with one part running the pre-modified software and the other running modified software. The effect of such a fork would be the existence of two versions of the network running in parallel, and the creation of a new digital assets which lacks interchangeability with its predecessor. Additionally, a fork could be introduced by an unintentional, unanticipated software flaw in multiple versions of otherwise compatible software users run. The circumstances of each fork are unique, and their relative significance varies. It is not possible to predict with accuracy the impact that any anticipated fork could have in terms of pricing, valuation and market disruption. Newly-forked assets in particular may have less liquidity than more established assets, resulting in greater risk. See also 2.2.4.6. "Split of a blockchain could result in a split of the Bonds into separate Series of Bonds, and exchanges of the underlying Cryptocurrency".
- *Disruptions to the infrastructures or means by which each of the underlying Cryptocurrency are produced, distributed and stored, are capable of causing substantial price movements in a short period of time* – Cryptocurrency infrastructure operators or 'miners' who use computers to solve mathematical problems to verify transactions are rewarded for these efforts by increased supply of such cryptocurrency. The computers that make up the infrastructure supporting each of the underlying Cryptocurrency are decentralised and belong to a combination of individuals and large corporations. Should a significant subset of the pool of each of the underlying Cryptocurrency choose to discontinue operations, pricing, liquidity and the ability to transact in each of such Cryptocurrency could be limited. As each of the underlying Cryptocurrency is designed to have a finite supply pool of units of each of the

underlying Cryptocurrency, this finite supply pool will eventually be fully mined (meaning the creation of new cryptocurrency units through a predetermined mathematical process within a computer network) at some point in the future. This makes mining unsustainable since block rewards would no longer be available to miners, thereby leading to a reduction in the number of miners. This may trigger the collapse of the network as no miners would want to validate blocks without any economic incentive. Also, as block rewards decrease at a rate that was built into the network at its inception (as a consequence of the finite supply pool), the economic incentives for miners of each of the underlying Cryptocurrency may not be sufficient to match their costs of validating blocks, potentially leading to miners transitioning to other networks, in turn slowing transaction validation and usage. This can adversely impact the price of each of the underlying Cryptocurrency. Other critical infrastructure which may be adversely affected includes storage solutions, exchanges and custodians for each of the underlying Cryptocurrency. For example, the potential for instability of cryptocurrency exchanges and the closure or temporary shutdown of exchanges due to business failure or malware could impact the liquidity of, demand for, and supply of the underlying Cryptocurrency (and other crypto assets). In addition, volatility in the pricing of the underlying Cryptocurrency leads to increased opportunities for speculation and arbitrage, which, in turn, contributes to price fluctuations.

- *Execution risk* – It may be impossible to execute trades in the underlying Cryptocurrency at the quoted price. Any discrepancies between the quoted price and the execution price may be a result of the availability of assets, any relevant spreads or fees at the exchange or discrepancies in the pricing across exchanges. See also in 2.2.1.23. "*The Bonds are subject to transaction costs and charges*".

2.2.4.2. Political risk in the market for the underlying Cryptocurrency.

The legal status of the underlying Cryptocurrency varies between different countries. The lack of consensus concerning the regulation of the underlying Cryptocurrency and how the underlying Cryptocurrency shall be handled tax wise causes insecurity regarding the legal status of the underlying Cryptocurrency. As the underlying Cryptocurrency are unregulated assets in many jurisdictions, there is a risk that politics and future regulations will affect the markets for the underlying Cryptocurrency and companies operating in such markets. It is impossible to know or predict exactly how politics and future regulations may affect the markets. However, future regulations and changes in the legal status of the underlying Cryptocurrency are political risks which may affect the price of the underlying Cryptocurrency. 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.

2.2.4.3. Risk relating to the valuation of the underlying Cryptocurrency due to their lack of relation to underlying assets.

The market value of the underlying Cryptocurrency is not related to any specific company, government or asset. The valuation of these assets depends on future expectations for the value of the network, number of transactions and the overall usage of the asset. See also 2.2.4.1. "*Price volatility of the underlying Cryptocurrency*". This means that a significant amount of the value in the underlying Cryptocurrency is speculative and could lead to increased volatility. Investors could experience significant gains, losses and/or volatility depending on the valuation of the underlying Cryptocurrency through the exposure to Bonds. Due to the speculative nature of an investment in the underlying Cryptocurrency, their prices may fluctuate for any reason and such fluctuations may not be predictable.

Momentum pricing of the underlying Cryptocurrency has previously resulted, and may continue to result, in speculation regarding future appreciation or depreciation in the value of such assets, further contributing to volatility and potentially inflating prices at any given time. As a result, pricing of the underlying Cryptocurrency may change due to shifting investor confidence in future outlook of the asset class. These dynamics may impact the value of an investment in the Bonds.

2.2.4.4. Potential for market abuse due to the characteristics and infrastructure of the underlying Cryptocurrency.

Markets for the underlying Cryptocurrency are growing rapidly. These markets are local, national and international and include a broadening range of products and participants. Significant trading may occur on systems and platforms and with minimum predictability. Any sudden, rapid change in demand and supply of the underlying Cryptocurrency, could cause significant price volatility. In addition, none of the underlying Cryptocurrency is backed by any central government and different regulatory standards apply across countries and in regions. The characteristics of the underlying Cryptocurrency and underlying infrastructure could be used by certain market participants to exploit market abuse opportunities such as front-running (a form of insider dealing, whereby inside information of a future transaction is exploited to buy or sell financial assets for own account), spoofing (a form of fraud, whereby the communication with the target is disguised to gain access to its personal information and/or network for further attacks), pump-and-dump (a form of fraud, whereby the price of a financial asset is artificially inflated through false and misleading information) and fraud across different systems, platforms or geographical locations. As a result of reduced oversight, these schemes may be more prevalent in the crypto asset market than in the general market for financial products. Potential for market abuse in the form of such schemes may impact market conditions of the underlying Cryptocurrency, thereby impacting the value of the underlying Cryptocurrency and thereafter the value of an investment in the Bonds.

2.2.4.5. Risk related to a tracking error of the Bonds in respect of the underlying Index.

The Bonds may be subject to a divergence of the performance of the Bonds from the performance of the respective underlying Index (a "**Tracking Error**"). In relation to the Bonds, a Tracking Error may occur because one or several of the cryptocurrencies which are actually included in the underlying Index itself have been qualified by the Issuer as cryptocurrencies, which are not supported by the Issuer (each, an "**Unsupported Cryptocurrency**") and which will therefore not be included in the respective basket of underlying cryptocurrencies. In such case, there will be a difference in the components of the basket comprised of cryptocurrencies which are components of the underlying Index of the Bonds and the components of the Index itself.

A Tracking Error may also occur because of pricing differences, transaction costs incurred by the Issuer, fees and expenses incurred by the Issuer which the Index itself did not incur, changes to the respective underlying Index or the costs to the Issuer of complying with various new or existing regulatory requirements, among other reasons. Bondholders are therefore exposed to the risk that the performance of their investment in the Bonds deviates negatively from the performance of the underlying Index and that they therefore receive a lower return (if any) than in the case of a direct investment in the underlying Index. This risk may be heightened during times of increased market volatility or other unusual market conditions.

2.2.4.6. Split of a blockchain could result in a split of the Bonds into separate Series of Bonds, and exchanges of the underlying Cryptocurrency.

There is a risk that source codes or protocols of the underlying Cryptocurrency will be further developed and this for various reasons would lead to a split of the virtual currency into several protocols (so-called "**Hard Fork**"). A Hard Fork is a fundamental change to the mutually agreed rules so that computers running the old code do not execute transactions that will be recognised as valid by computers running the new code. A Hard Fork can be indisputable, controversial or a spin-off. An indisputable Hard Fork can be compared to a software upgrade, which all (or almost all) users agree, so that the change results in only one network and one set of rules. A disputed Hard Fork can cause disagreement among users creating two competing incompatible networks who compete for the same brand. For example, the Bitcoin network had a spin-off on 1 August 2017, which resulted in a Bitcoin (BTC) and Bitcoin Cash (BCH).

If a Hard Fork in form of a spin-off occurs (the "**Split**") and leads to the creation of two or more cryptocurrencies, the Determination Agent will, in accordance with Condition 2 of Annex B to the

Terms and Conditions⁴, make the determinations and adjustment with regards to the Bonds, which it deems necessary, including the exchange of one or more Cryptocurrency with a subsequent adjustment to the Cryptocurrency Entitlement, modifications of the Terms and Conditions in order to take into consideration the Split and the determination of whether or not any consideration in cash, in kind or by way of issuance of a new Series of Bonds are due to Bondholders affected by the Split.

The analysis of the necessary actions to be taken following the Split is at the sole discretion of the Determination Agent, whereby the Determination Agent will consider, without limitation, the availability of a custody solution, trading support from market makers, sufficient liquidity and the availability of a price on or around the date of the Split. While these attributes may change over time, the Determination Agent may require that any forked assets have an available custody and trading solution on the fork date. There is no guarantee that all cryptocurrencies will have the same performance or the same technical development and this could lead to a negative impact on the Bondholders. In addition, a newly-forked asset may increase other risks such as liquidity risk, market manipulation risk, risk of bankruptcy or insolvency and increased volatility, amongst others. See also 2.2.4.1. "*Price volatility of the underlying Cryptocurrency*".

2.2.4.7. Exchange rate risks and failure of crypto-exchange platforms.

Bonds can be redeemed at their Cryptocurrency Entitlement, meaning that the Bondholders will receive units of the underlying Cryptocurrency, if so chosen by the Bondholder. If the Bondholders intend to exchange such units of the underlying Cryptocurrency into fiat currencies, such as, for example, Bitcoin into EUR, there is a risk of insufficient liquidity in the market. It is not possible to predict whether a market for the underlying Cryptocurrency will exist and whether such market will be liquid or illiquid and how the underlying Cryptocurrency can be traded in such market. Among other things, this can lead to very volatile exchange rates. Bondholders may incur transaction costs and fees while exchanging from the underlying Cryptocurrency into fiat currency, such as EUR. The Bondholders also bear the risk that no such exchange is possible at all and that no market is available for this purpose.

The historical market price of the underlying Cryptocurrency or its/their exchange rate(s) is not an indicator of its future development. It is not possible to predict whether the market price(s) of the underlying Cryptocurrency will rise in relation to another currency or fall.

2.2.4.8. Transactions in the underlying Cryptocurrency may be misused for criminal activities, including money laundering.

Transactions in cryptocurrencies are public, but the exact identity of the sending party and the recipient of these transactions are not normally known. Transactions are largely untraceable and provide cryptocurrency consumers with a high degree of anonymity. It is therefore possible that the cryptocurrency networks will be used for transactions associated with criminal activities, including money laundering. If, as a result of the aforementioned, authorities close down trading platforms, impose regulations or otherwise restrict or complicate the use of the underlying Cryptocurrency, this may affect their value and therefore the value of the Bonds.

2.2.4.9. Risk relating to the further development and acceptance of the Protocols of the Cryptocurrency.

The protocols of the underlying Cryptocurrency (the "**Protocols**") are publicly available and under development. Further development and acceptance of each of the Protocols is dependent on a number of factors. The development of the Protocols may be prevented or delayed, should disagreements between participants, developers and members of the relevant network arise. New and improved versions of the source code are accepted if the majority of members of the network implement relevant changes in their nodes, meaning upgrading their software to the latest version of the codes. Should a situation arise where it is not possible to reach a majority in the relevant network regarding the implementation of a new version of a Protocol, this may mean that, among other things, the improvement of relevant underlying Cryptocurrency's scalability may be restrained. Should the

⁴ §13 of the relevant terms and conditions in case of Bonds issued under the Preceding Base Prospectuses.

development of a Protocol be prevented or delayed, this may adversely affect the value of the underlying Cryptocurrency.

Further, as the structures of each of the Protocols are public, any kind of direct compensation for the developers of the Protocols is missing, which could lead to decreased incentives for continuous development of the Protocols. Should a Protocol not develop further, the value of the relevant underlying Cryptocurrency will decrease, which in turn would affect the value of the Bonds.

2.2.4.10. *Technical risks related to the Cryptocurrency including 51 percent attacks.*

Miners of the Cryptocurrency earn ("mine") units of the relevant Cryptocurrency by confirming transactions and reaching consensus, and a pre-defined number of units of such Cryptocurrency is distributed between the miners proportional to their utilised computing ("hashing") power. The results of the reached consensus defined by the relevant Protocol is the public ledger known as the blockchain. If an attacker succeeds in providing more than 50 percent of the blockchain miners computing power in a so-called "51 percent attack", it can manipulate what is designed (by the relevant Protocol) to be a blockchain version reached by consensus to a certain extent (in particular, such an attacker will be able to 'roll back' or exclude valid transactions from the blockchain). Such an attack, in particular, enables perpetrators to 'double-spend' units of the relevant Cryptocurrency by a way of exchanging some pre-existing units of the relevant Cryptocurrency for some other value (either other units of the relevant Cryptocurrency, other crypto-asset or fiat currency), and then rolling-back the transaction where such perpetrators surrender their units of the relevant Cryptocurrency without rolling back the transactions (if any) where they receive any value in exchange for their units of the relevant Cryptocurrency. Such an attack is in principle also possible with less than 51 percent of the mining power. The attacker could also block others' transactions by denying them a confirmation. The value of the underlying Cryptocurrency as well as the investment in the Bonds would be negatively affected by such attacks, and the Issuer can become insolvent with some or total loss of value for the Bondholders if it becomes a victim of a 'double-spending' attack, where a fraudulent party will subscribe to the Bonds using units of the underlying Cryptocurrency, but then roll-back the transaction which deposits units of the underlying Cryptocurrency to the Depositary Wallet.

In addition, the rapid development of quantum computing could have an impact on the integrity of the blockchain. A blockchain is a mathematical structure securing data through asymmetric cryptography (public and private keys) and a hash function (which is a cryptographic method used for mining the underlying Cryptocurrency). Advanced quantum computing could threaten the integrity of a blockchain. Shor's algorithm, a quantum algorithm for finding the prime factors of an integer, run on a large enough quantum computer can crack various cryptographic algorithms, including the blockchain one. Cryptocurrency are based on Elliptic Curve Cryptography which is not quantum-computer resistant. If the integrity of the blockchains of any of the underlying Cryptocurrency is threatened, the value of the underlying Cryptocurrency as well as the value of the Bonds would be negatively affected.

2.2.4.11. *Bugs in the Protocols of the underlying Cryptocurrency.*

The source codes of the Cryptocurrency are public and may be downloaded and viewed by anyone. There may be one or more bugs in the codes which are yet to be found and repaired, or which will occur in the development of the Protocols, which may jeopardize the integrity and security of the networks of the underlying Cryptocurrency.

2.2.4.12. *Risk relating to the dependance of the Cryptocurrency' networks on internet connections.*

The functionality of crypto asset networks such as the networks of the underlying Cryptocurrency relies on the internet. A significant disruption of internet connectivity (i.e. affecting a large number of users or geographic regions) could prevent the functionality and operations of such network until the internet disruption is resolved. An internet disruption could adversely affect an investment in the Bonds and the ability of the Issuer to operate.

2.2.4.13. Risk of losing units of the underlying Cryptocurrency in a Digital Wallet due to fraud, accident or similar.

Bondholders receiving units of the underlying Cryptocurrency as a result of a redemption of the Bonds should be aware of the risk of losing such units when they hold or deposit such units in a Digital Wallet. Units of the underlying Cryptocurrency are usually stored in a "digital wallet" on a computer, laptop or smart phone. Digital Wallets have a public key, and a private key or password that allows their owners to access them. However, Digital Wallets are not impervious to hacking. Similar to conventional wallets, money may therefore be stolen from Digital Wallets. Cases have been reported of consumers losing cryptocurrency in excess of USD 1,000,000, with little prospect of having it returned. In addition, loss of the key or password to a Digital Wallet (which includes unauthorised copy of the key or the password or a part of it), may result in cryptocurrency stored on the Digital Wallet to be lost forever. There are no central agencies that record passwords or issue replacement ones. Bondholders may lose all, or part, of their units of the underlying Cryptocurrency as a result of these factors.

2.2.4.14. Hacks of Digital Wallets.

There are three types of hacks of digital wallets that can affect an investment in the Bonds. In this context, a "hack" refers to any unauthorised access to the private keys necessary to sign transactions on the blockchain transferring value out of the relevant digital wallet. This includes "brute force" attacks (i.e. attacks seeking to obtain the information regarding the private keys through a trial-and-error method, whereby software is used to generate a large number of consecutive guesses). While such attacks are currently unlikely, it should be noted that the development of quantum computing is expected to make such attacks possible, as the underlying Cryptocurrency are based on Elliptic Curve Cryptography which is not quantum-computer resistant, see also 2.2.4.10. "*Technical Risks Related to the Cryptocurrency including 51 percent attacks*".

- A hack of the Depository Wallet could result in the loss of the main body of the underlying Cryptocurrency backing the Bonds. Such a hack could thus result in a loss of value of the Bonds for all the Bondholders. Bondholders would risk losing their entire investment. While the Depository takes significant measures to prevent a hack of the Depository Wallet(s), it is not possible to entirely exclude this risk.
- A hack of a Bondholder's Digital Wallet into which the redemption proceeds of the Bonds of a particular Bondholder are transferred, would only result in a loss of value for that particular Bondholder. Such a hack would not affect the position of other Bondholders. In this respect, please also refer to 2.2.4.13. "*Risk of losing units of the underlying Cryptocurrency in a Digital Wallet due to fraud, accident or similar*" above.
- A hack of any digital wallet of the Issuer which is not the Depository Wallet would not directly affect Bondholders, but it could affect the financial and economic position of the Issuer and could result in the Issuer ceasing its commercial operations and winding-up its activities, which would adversely affect an investment in the Bonds in particular due to a mandatory redemption.

2.2.4.15. Competition between cryptocurrencies.

Different cryptocurrencies compete with each other. If other cryptocurrencies see more innovation to reach competitive advantages, the importance of the underlying Cryptocurrency may be reduced, which will decrease the value of the underlying Cryptocurrency and the Bonds.

2.2.4.16. Large-scale sales of the underlying Cryptocurrency.

Political or economic events, either domestically or in foreign jurisdictions, may motivate large-scale purchases or sales of the underlying Cryptocurrency. Large-scale sales of the underlying Cryptocurrency may result in a decline in the price of the underlying Cryptocurrency, which will adversely affect an investment in the respective Bonds.

There are some substantial holdings of units of the underlying Cryptocurrency on publicly-known digital wallets which have not been involved in transactions on the network for a substantial period of time. Market consensus is that the owners of such digital wallets have lost access to them and/or to

corresponding private keys. Thus, market consensus is that such units of the underlying Cryptocurrency "locked" in such digital wallets are effectively excluded from circulation. In the event that holdings of a Cryptocurrency considered locked up forever were to enter into circulation, the price of such Cryptocurrency might be severely affected by the increasing supply.

Additionally, even if such holdings are not actually sold and there is any indication that corresponding private keys are not lost (by any means, including but not limited to registering any transaction signed by needed keys, no matter how small and not even necessarily on the relevant blockchain), market expectations with regard to total supply of the relevant Cryptocurrency can change dramatically and it can negatively affect the price of the underlying Cryptocurrency, which will adversely affect an investment in the Bonds.

2.2.4.17. *Actions by early adopters of the Cryptocurrency.*

There is no registry showing which individuals or entities own units of the underlying Cryptocurrency or the quantity of units of the underlying Cryptocurrency owned by any particular person or entity. It is possible, and in fact, reasonably likely, that a small group of early adopters hold a significant portion of units of the underlying Cryptocurrency that have been mined to date. There are no regulations in place that would prevent large holders of units of the underlying Cryptocurrency from selling their holdings. Such a sale may adversely affect the price of the underlying Cryptocurrency and an investment in the Bonds.

2.2.4.18. *Potential decline in the adoption of the underlying Cryptocurrency.*

As with all new assets and technological innovation, the crypto asset industry is subject to a high degree of uncertainty. Further adoption of each of the Cryptocurrency will require (i) growth in their acceptance as currency for payments and/or (ii) growth in the use of blockchain applications based on the Cryptocurrency. Adoption of crypto assets also requires an accommodating regulatory environment. The Issuer does not and will not have any strategy related to the development of the underlying Cryptocurrency and any applications for the blockchain technology. Lack of expansion in the usage of the underlying Cryptocurrency and the relevant blockchains could adversely affect their price and investment in the Bonds.

In addition, there is no assurance that the underlying Cryptocurrency will maintain their value over the long term (see also 2.2.4.1. "*Price volatility of the underlying Cryptocurrency*" and 2.2.4.3. "*Risk relating to the valuation of the underlying Cryptocurrency due to their lack of relation to underlying assets*"). The value of each of the underlying Cryptocurrency is subject to risks related to its usage. Even if growth in the usage and/or acceptance of crypto assets such as the Cryptocurrency occurs in the near or medium-term, there is no assurance that crypto assets usage will continue to grow over the long-term. Contraction in the use of crypto assets may result in increased volatility or a reduction in the price of crypto assets, including the underlying Cryptocurrency, which would adversely impact the value of the Bonds.

Additionally, it is possible that crypto assets as an asset class are widely adopted and successful, but the underlying Cryptocurrency in particular become obsolete and are replaced by a new generation of crypto-assets, this could negatively affect the price of the underlying Cryptocurrency and consequently the price of the Bonds.

2.2.4.19. *Transaction costs may vary depending on network load (unpredictable for Issuer and Bondholder).*

Charges apply when transferring units of the underlying Cryptocurrency as part of the redemption of the Bonds in the underlying Cryptocurrency. In case of an Index, these charges apply to the transfer of the units of each underlying Cryptocurrency comprising the Index, as the case may be. The amount of fees required to maximise the chances of a reasonably fast confirmation of the transaction does not depend on the value of the underlying Cryptocurrency transferred. The transferring participant can determine the transaction fees it is willing to pay. The higher this value is, the faster the transaction will be confirmed. When miners form new blocks, they are economically incentivised to select those transactions from the pool of unconfirmed transactions (known as the "**Memppool**") that have the highest

transaction fee. Such selection is necessary because the number of transactions which can be included in any particular block is limited by the relevant Protocol's specification. The transaction costs required to be paid in order to maximize the chances of timely processing of any transaction, are thus not constant over time, but depend on the size of the Mempools and on the proposed fees of transactions posted by other participants. Furthermore, miners may collude in an anticompetitive manner in order to reject low transaction fees, forcing users to pay higher transaction fees. Due to the reasons outlined above, the level of transaction fees required to maximise the chances of prompt transfer instruction processing, as well as the actual timing of any transaction is therefore unpredictable and Bondholders might receive the units of the relevant underlying Cryptocurrency later than anticipated, or in extreme cases, not at all.

2.2.4.20. Risk in case of a Collateral Shortfall Event in case of an Index Rebalancing.

In case of Bonds secured by a basket comprised of Cryptocurrency which are components of an underlying Index, in case of a rebalancing of the underlying Index (*i.e.* a change in the composition of the Cryptocurrency of which the respective Index is comprised of), the Issuer will be required to reflect such rebalancing of the underlying Index in the Deposited Cryptocurrency accordingly by executing rebalancing procedures, which include, without limitation, the withdrawals and transfers of units of the underlying Cryptocurrency comprising the Deposited Cryptocurrency to the eligible counterparties (as further specified in the Terms and Conditions). In connection therewith, it is possible that shortfalls of the Deposited Cryptocurrency may occur.

In case that such shortfall of the Deposited Cryptocurrency is caused by the execution of eligible rebalance procedures (as further specified in the Terms and Conditions) and manifests as a permanent shortfall ("**Collateral Shortfall Event**"), the required amount of the Deposited Cryptocurrency will be adjusted for that shortfall by subtracting such shortfall from the previously applicable amount of Deposited Cryptocurrency. Following such adjustment of the Deposited Cryptocurrency, the Cryptocurrency Entitlement will be adjusted accordingly to correspond to the amount of Deposited Cryptocurrency divided by the number of Bonds outstanding. This will result in a diminishment of the Cryptocurrency Entitlement for the relevant Series of Bonds corresponding to a decrease in the value of the respective Bondholders' redemption claim and, thus, the value of the Bonds. Should such Collateral Shortfall Event occur repeatedly throughout the lifecycle of a Series of Bonds, the value of the Cryptocurrency Entitlement may decrease more and more, resulting in a material loss of the respective Bondholders' investments.

2.2.4.21. Amplification of risks in case of an Index of underlying Cryptocurrency

If a Series of Bonds is linked to an Index of Cryptocurrency, fluctuations in the value of or the realisation of any of the risks set out above in relation to a single Cryptocurrency contained in the Index may either be offset or amplified by fluctuations in the value of the other Cryptocurrency comprising the Index. Accordingly, the market value of the Bonds linked to the Index may deviate from the performance of the Index and/or the underlying Cryptocurrency comprising the Index as, among other factors, correlations, volatilities and the general market interest rate level may have an additional influence on the performance of the Bonds.

2.2.5. Risks related to the admission of the Bonds to trading

2.2.5.1. The Bonds do not have an established trading market and an active trading market for the Bonds may not develop.

Each Series of Bonds represent a new issue of securities for which there is currently no established trading market. Although the Issuer intends to obtain admission of the relevant Series of Bonds to trading on the regulated market of the Frankfurt Stock Exchange and may also apply to any further stock exchange in the European Economic Area for the Bonds to be admitted to trading on the regulated markets of any such stock exchange (such as, without limitation, the Warsaw Stock Exchange), there can be no assurance that a market for the relevant Series of Bonds will develop or, if it does develop, continue or that it will be liquid, thereby enabling investors to sell their Bonds when desired, or at all, or at prices they find acceptable or at prices which are expected due to a particular price of the underlying Cryptocurrency.

The specific risk is that Bondholders may not be able to sell Bonds readily or at prices that will enable investors to realise their anticipated yield.

2.2.5.2. *Products listed on the regulated market of the Frankfurt Stock Exchange or any further stock exchange in the European Economic Area or in Switzerland may be suspended from trading.*

The Frankfurt Stock Exchange, the Warsaw Stock Exchange and other stock exchanges in the European Economic Area or in Switzerland provide for rules determining admissible securities. It cannot be excluded that during the lifetime of the Bonds, the Bonds are no longer admissible for reasons beyond the control of the Issuer. This may lead to the suspension or delisting of the Bonds.

2.2.5.3. *The trading price of the Bonds could decrease if the creditworthiness of the Issuer worsens or is perceived to worsen (notwithstanding the fact that the Bonds are secured by actual holdings of the underlying Cryptocurrency).*

Even though the Bonds are secured by the actual holdings of the underlying Cryptocurrency, the materialisation of any of the risks regarding the Issuer can still result in the Issuer becoming less likely to be in a position to fully perform all of its respective obligations under the Bonds when they fall due (e.g. due to operational constraints). As a result, the market value of the Bonds may suffer. In addition, even if the Issuer is not actually less likely to be in a position to fully perform all of the obligations under the Bonds when they fall due, market participants could nevertheless have a different perception.

The specific risk is that if any of these risks occur, third parties would only be willing to purchase Bonds at a substantial discount relative to the price of the underlying Cryptocurrency, which in turn may result in a Bondholder's loss of the investment in the Bonds.

2.2.6. Taxation risks relating to the Bonds

2.2.6.1. *Tax treatment of investment in the Bonds may differ from tax treatment of investment in the underlying Cryptocurrency*

Tax treatment of an investment in the Bonds may be less favourable than investment in the underlying Cryptocurrency for a wide range of investors. Investors considering investments in the Bonds shall seek independent legal, tax or investment advice in order to determine their potential tax liability (including but not limited to capital gains tax (*Kapitalertragsteuer*) and any tax declaration obligations).

2.2.6.2. *Financial Transaction Tax.*

On 14 February 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 "**Participating Member States**").

Pursuant to the Commission's Proposal, the FTT shall be payable on financial transactions provided that at least one party to the financial transaction is established or deemed established in a Participating Member State and there is a financial institution established or deemed established in a Participating Member State which is a party to the financial transaction, or is acting in the name of a party to the transaction. The FTT shall, however, not apply to (*inter alia*) primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006, including the activity of underwriting and subsequent allocation of financial instruments in the framework of their issue. Thus, the issuance of the Bonds should not be subject to the FTT.

The rates of the FTT shall be fixed by each Participating Member State but for transactions involving financial instruments other than derivatives shall amount to at least 0.1 percent of the taxable amount. The taxable amount for such transactions shall in general be determined by reference to the consideration paid or owed in return for the transfer. The FTT shall be payable by a financial institution established or deemed established in a Participating Member State which is a party to the financial transaction, acting in the name of a party to the transaction or where the transaction has been carried out on its account. Where the FTT due has not been paid within the applicable time limits, each party

to a financial transaction, including persons other than financial institutions, shall become jointly and severally liable for the payment of the FTT due.

The FTT remains subject to negotiation between the Participating Member States and was (and most probably will be) the subject of legal challenge. It may still be adopted and be altered prior to its adoption, the timing of which still remains unclear. Moreover, once any directive has been adopted (the "**Directive**"), it will need to be implemented into the respective domestic laws of the Participating Member States and the domestic provisions implementing the Directive might deviate from the Directive itself. Finally, additional EU Member States may decide to participate.

The specific risk is that the FTT may result in a negative tax treatment applied to the Bonds which in turn may result in a Bondholder's loss of investment in the Bonds. Therefore, potential investors should consult with their tax advisors with regard to the tax treatment in this context if investing in the Bonds.

2.2.6.3. Tax risk related to the underlying Cryptocurrency

The taxation of the underlying Cryptocurrency and associated companies can vary significantly by jurisdiction and is subject to significant revisions. The status of the underlying Cryptocurrency remains undefined. Accordingly, the way in which the underlying Cryptocurrency are taxed varies from country to country. Before making a decision to invest in the Bonds, investors should consult their local tax advisor on matters of taxation.

The Issuer may become exposed to significant tax risk. Any major burden may hinder Issuer's ability to maintain the listing of the Bonds and, in the event that such tax burden results in insolvency, to otherwise continue to operate as expected. Additionally, materialisation of certain tax risks may result in the Issuer giving a Mandatory Redemption Notice (such risks are further described under 2.2.1.9. "*The Bonds are subject to early redemption rights of the Issuer. Bondholders may have a lower than expected yield and are exposed to the risks connected with any reinvestment of proceeds received as a result of such early redemption*").

3. IMPORTANT NOTICE

This Base Prospectus has been approved by the *Bundesanstalt für Finanzdienstleistungsaufsicht* ("**BaFin**") in its capacity as competent authority under the Prospectus Regulation.

BaFin only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation.

Such approval should not be considered as an endorsement of the Issuer that is the subject of this Base Prospectus.

Further, such approval should not be considered as an endorsement of the quality of the Bonds that are the subject of this Base Prospectus.

By approving this Base Prospectus, BaFin assumes no responsibility as to the economic and financial soundness of the transaction and the quality or solvency of the Issuer.

Investors should make their own assessment as to the suitability of investing in the Bonds.

The Base Prospectus should be read and construed with any supplement hereto and with any other documents incorporated by reference and, in relation to any issue of a Series of Bonds, with the relevant Final Terms.

The value of the amounts payable under the Bonds may be calculated by reference to an underlying Index consisting of various Cryptocurrency provided by registered benchmark administrators. The Final Terms of the Bonds may set out specific (updated) information in relation to the index, the benchmark administrator such as whether the relevant benchmark administrator appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 of Regulation (EU) 2016/1011, as amended ("**Benchmark Regulation**") and related information for the respective issue of the Bonds.

Bonds issued under this Base Prospectus have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). The 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 ("**Regulation S**"), 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.

This Base Prospectus may not be used for the purposes of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

The validity of this Base Prospectus will expire at the end of 30 October 2025. There is no obligation to supplement a base prospectus in the event of significant new factors, material mistakes or material inaccuracies if a base prospectus is no longer valid.

The Final Terms in respect of any Series of Bonds will include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of each Series of Bonds and which channels for distribution of the Bonds are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of each Series of Bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any dealer subscribing for any Bonds is a manufacturer in respect of such Bonds, but otherwise neither any dealer(s) nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

If the Final Terms in respect of any Series of Bonds include a legend in the context of any prohibition to make an offer of Bonds to retail investors in certain jurisdiction(s), such Bonds (the "**Retail-Restricted Bonds**") are not intended to be offered and shall not be offered to any retail investor in such jurisdiction(s). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of

Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "**Insurance Distribution Directive**"), respectively, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by the PRIIPs Regulation for offering Retail-Restricted Bonds in such jurisdiction(s) has been prepared and therefore offering the Retail-Restricted Bonds to any retail investor in such jurisdictions may be unlawful under the PRIIPs Regulation or other applicable provisions.

Investment and redemption restrictions

Prospective investors should satisfy themselves that an investment in a Series of Bonds would comply with any laws, regulations or guidelines applicable to them and would be in line with their individual investment objectives, especially in regard of a redemption of the Bonds by way of delivery of the underlying Cryptocurrency. If a Bondholder is unable to receive the underlying Cryptocurrency or any or all of the underlying Cryptocurrency comprising the Index due to legal or regulatory reasons (such as Undertakings for Collective Investment in Transferable Securities (UCITS) within the meaning of Article 1 of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009), the Bonds will not be redeemed by delivery of the underlying Cryptocurrency. Instead, Conditions 5.6 and 6.4 of the Terms and Conditions⁵ provide the possibility of the Bondholders to opt for a cash settlement and for a mechanism, according to which the Bonds will be redeemed by selling units of the relevant underlying Cryptocurrency using the Cryptocurrency Execution Procedure (or the Cryptocurrency Divestment Procedure in case of Bitwise MSCI Select 20 Crypto Index ETP (DA20) Bonds, the Bitwise Ethereum Staking ETP (ET32) Bonds and the Bitwise Core Bitcoin ETP (BTC1) Bonds or the Cryptocurrency Auction Procedure in case of Bonds issued before 21 November 2022) and by making available the cash proceeds of such divestment to the relevant Bondholder (for a detailed description, see *section 13.2.8. – Redemption of the Bonds*). If any prospective investor is in any doubt with regard to its ability to invest in the Bonds or to receive units of the relevant underlying Cryptocurrency, it should consult a professional advisor prior to making an investment.

The Bonds may not be a suitable investment for all investors.

Each potential investor in a Series of Bonds must determine the suitability of its investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Series of Bonds, the merits and risks of investing in a Series of Bonds and the information contained or incorporated by reference in this Base Prospectus and the Final Terms relating to such Series of Bonds;
- have access to and knowledge of appropriate analytical tools to evaluate (in the context of its particular financial situation and the investment(s) it is considering) investing in a Series of Bonds and the impact the investment in such Series of Bonds will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of investing in a Series of Bonds;
- understand thoroughly the terms of a Series of Bonds and be familiar with the financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The specific risk is that if investing in a Series of Bonds turns out to be not a suitable investment for such investor, due to the factors set out above, such investor may suffer a substantial loss (including a total loss) which may negatively impact its overall investment strategy.

In this Base Prospectus, all references to "**Euro**" or "**EUR**" are to the lawful currency of the member states of the European Union that have adopted and retained a common single currency through monetary union in accordance with European Union treaty law, as amended from time to time, all references to "**dollars**", "**USD**", "**US dollars**", "**U.S.\$**" "**United States dollars**" or "**\$**" are to the currency of the United States, all references to "**BTC**" are to Bitcoin, a cryptocurrency and worldwide payment system, released as an open-source software in 2009 and displayed on <https://bitcoin.org/en/>, all references to "**BCH**" are to Bitcoin Cash, a cryptocurrency

⁵ §4 (2) and §4 (4) of the relevant terms and conditions in case of Bonds issued under the Preceding Base Prospectuses.

and worldwide payment system which was created in 2017 by a hard fork from the Bitcoin network, and displayed on <https://www.bitcoincash.org/>, all references to "**AAVE**" are to Aave, the open-source and non-custodial liquidity protocol for earning interest on deposits and borrowing assets, and displayed on <https://aave.com/>, all references to "**ALGO**" are to Algorand, the open-source blockchain designed to overcome challenges or security, scalability and decentralisation, and displayed on <https://www.algorand.com/>, all references to "**AVAX**" are to Avalanche, a platform for launching decentralised finance (DeFi) applications, financial assets, trading and other services, and displayed on <https://www.avax.network/>, all references to "**BNB**" are to Binance Coin, the native cryptocurrency of the Binance cryptocurrency exchange and utilised to pay exchange fees for a discount, and displayed on <https://www.binance.com/en>, all references to "**ADA**" are to Cardano, an open-source project designed to be a decentralised application (DApp) development platform, and displayed on <https://cardano.org/en>, all references to "**LINK**" are to Chainlink, a decentralised oracle network which aims to connect smart contracts with data and services from the real world that exist outside of blockchain networks, and displayed on <https://chain.link/>, all references to "**ATOM**" are to Cosmos, a protocol designed to create a network of crypto networks for streamlining transactions and interoperability, and displayed on <https://cosmos.network/>, all references to "**EOS**" are to EOS, the decentralised blockchain designed to create, host and support secure, decentralised applications (DApps), and displayed on <https://eos.io/>, all references to "**ETH**" are to Ethereum which was created in 2015 and displayed on <https://ethereum.org/en/eth/>, all references to "**ETC**" are to Ethereum Classic, the forked version of Ethereum, and displayed on <https://ethereumclassic.org/>, all references to "**FIL**" are to Filecoin, an open-source decentralised storage system, and displayed on <https://filecoin.io/>, all references to "**ICP**" are to Internet Computer, a blockchain network that evolves the internet, and displayed on <https://dfinity.org/>, all references to "**LTC**" are to Litecoin, a BTC spin-off starting in 2011 and displayed on <https://litecoin.org/>, all references to "**MKR**" are to MakerDAO, a cryptocurrency built on the Ethereum blockchain that allows users to create collateralised debt positions and use specific cryptocurrencies as collateral, and displayed on <https://makerdao.com/en/>, all references to "**DOT**" are to Polkadot, an open-source multichain protocol, and displayed on <https://polkadot.network/>, all references to "**MATIC**" are to Polygon, an interoperability and Layer 2 scaling framework for building Ethereum-compatible blockchains, and displayed on <https://polygon.technology/>, all references to "**SOL**" are to Solana, a web-scale blockchain that provides fast, secure, scalable, decentralised applications, and displayed on <https://solana.com/>, all references to "**XTZ**" are to Tezos, an open-source self-upgradable blockchain platform for creating and hosting decentralised applications (DApps) and assets, and displayed on <https://tezos.com/>, all references to "**XLM**" are to Stellar, an open network for storing and moving money, and displayed at <https://www.stellar.org/?locale=en>, all references to "**UNI**" are to Uniswap, a decentralised finance protocol that is used to exchange cryptocurrencies, and displayed on <https://uniswap.org/>, and all references to "**XRP**" are to Ripple, displayed on <https://ripple.com/xrp/>.

4. RESPONSIBILITY STATEMENT

Bitwise Europe GmbH with its registered office at Thurn- und Taxis-Platz 6, 60313 Frankfurt am Main, Germany accepts responsibility for the information contained in this Base Prospectus and declares to the best of its knowledge that the information contained in this Base Prospectus is in accordance with the facts and that the Base Prospectus makes no omission likely to affect its import.

In connection with an issue of any Series of Bonds and with regard to such issue only, if so specified under the item (iv) "*Listing Agent's Responsibility*" in the relevant Final Terms, Quirin Privatbank AG, with its registered office at Kurfürstendamm 119, 10711 Berlin, Germany, Legal Entity Identifier (LEI) 5299004IU009FT2HTS78, Bankhaus Scheich Wertpapierspezialist AG, with its registered office at Rossmarkt 21, 60311 Frankfurt am Main, Germany, Legal Entity Identifier (LEI) 54930079HJ1JTMKTW637 and Steubing AG Wertpapierhandelsbank, with its registered office at Goethestrasse 29, 60313 Frankfurt am Main, Germany, Legal Entity Identifier (LEI) 39120043LUI1WJS8IX30, accept responsibility for the Base Prospectus, including the Final Terms, and confirm that to the best of their knowledge, the information for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the importance of such information.

5. DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This Base Prospectus contains forward-looking statements. Forward-looking statements provide the Issuer's current expectations or forecasts of future events. Forward-looking statements include statements about the Issuer's expectations, beliefs, plans, objectives, intentions, assumptions and other statements that are not historical facts. Words or phrases such as "anticipate", "expect", "intend", "plan", "potential", "predict", "project" or "will", may identify forward-looking statements, statements regarding the Issuer's disclosure concerning its operations, cash flows, capital expenditure and financial position.

Investors are cautioned that forward-looking statements are not guarantees of future performance. Forward-looking statements may, and often do, differ materially from actual results. All forward-looking statements in this Base Prospectus speak only as of the date of this Base Prospectus, reflect the Issuer's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Issuer's operations, results of operations, growth strategy and liquidity. Investors should specifically consider the factors identified in this Base Prospectus which could cause actual results to differ before making an investment decision. All of the forward-looking statements made in this Base Prospectus are qualified by these cautionary statements. The Issuer undertakes no obligation to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. All subsequent written and oral forward-looking statements attributable to the Issuer or individuals acting on behalf of the Issuer are expressly qualified in their entirety by this paragraph.

6. CONSENT TO THE USE OF THE BASE PROSPECTUS

Each financial intermediary (including Authorised Participants) subsequently reselling or finally placing a Series of Bonds - if and to the extent this is so expressed in the Final Terms relating to a particular Series of Bonds - is entitled to use this Base Prospectus in Austria, Croatia, Czechia, Cyprus, Denmark, Estonia, Finland, France, Greece, Ireland, Italy, Luxembourg, Malta, The Netherlands, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden and Switzerland (in accordance with Article 36(4)(b) FinSA for a Swiss non-exempt Offer of the Bonds) for the subsequent resale or final placement of the Bonds comprised in such Series of Bonds during the relevant offer period (as set out in the relevant Final Terms) during which a subsequent resale or final placement of the Bonds can be made, provided however, that this Base Prospectus is still valid in accordance with the Prospectus Regulation. The Issuer accepts responsibility for the information given in this Base Prospectus also with respect to such subsequent resale or final placement of the Bonds.

The Issuer's consent to use this Base Prospectus for the subsequent resale or final placement of Bonds by the financial intermediaries may be restricted to certain jurisdictions and subject to conditions as stated in the relevant Final Terms. For Swiss Non-exempt Offers, the Issuer's consent to use this Base Prospectus for the subsequent resale or final placement of Bonds by the financial intermediaries may also be given in writing or in another form demonstrable via text (in accordance with Article 45 of the Swiss Federal Financial Services Ordinance (FinSO)).

This Base Prospectus and the relevant Final Terms may only be delivered to potential investors together with all supplements published before such delivery. Any supplement to this Base Prospectus will be available for viewing in electronic form on the website of the Issuer (<https://etc-group.com>) and on the website of the European Securities and Markets Authority (<https://www.esma.europa.eu>).

When using this Base Prospectus and the relevant Final Terms, each financial intermediary must make certain that it complies with all applicable laws and regulations in force in the respective jurisdictions.

In the event of an offer being made by a financial intermediary, such financial intermediary shall provide information to investors on the Terms and Conditions of a Series of Bonds at the time of that offer.

Any financial intermediary using this Base Prospectus shall state on its website that it uses this Base Prospectus and the relevant Final Terms in accordance with this consent and the conditions attached to this consent.

7. LISTING AND TRADING

Application may be made for each Series of Bonds to be admitted to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange, a regulated market for the purposes of MiFID II.

Application may also be made to any other/further stock exchange in the European Economic Area for the Bonds to be admitted to trading on the regulated market of any such stock exchange, e.g. on the regulated market of the Warsaw Stock Exchange.

Application may also be made to any Swiss trading venue in the sense of the FMIA for the Bonds to be admitted to trading on any such Swiss trading venue.

Further, Bonds to be issued under this Programme may not be admitted to trading on the regulated market of any stock exchange at all.

Whether or not application may be made for a specific Series of Bonds to be admitted to trading on one or more stock exchanges as well as the respective stock exchanges, on which application will be made for the respective Bonds to be admitted to trading on the regulated market (if any), as well as the respective date for such application, will be specified in the relevant Final Terms.

8. REASONS FOR THE OFFER AND USE OF PROCEEDS

In the primary market, the Bonds will be initially purchased by Authorised Participants from the Issuer either with the underlying Cryptocurrency or, if applicable in relation to the relevant Series of Bonds, against payment in cash or cryptocurrencies other than the underlying Cryptocurrency (in each case as set out in Condition 2 of the Terms and Conditions). Units of the underlying Cryptocurrency directly received by the Issuer through the subscription of the Bonds will be transferred, less any subscription fees charged by the Issuer, to the Depositary Wallet. Cash amounts or cryptocurrencies other than the underlying Cryptocurrency received for the subscription will be exchanged into an amount of underlying Cryptocurrency corresponding to the market value of the cryptocurrencies other than the underlying Cryptocurrency or the relevant fiat currency by an execution agent and will then be transferred, less any subscription fees charged by the Issuer or other fees incurred in the exchange process, to the Depositary Wallet as well. The Issuer's rights and claims in connection with the Depositary Wallet will be assigned by a security agreement for the benefit of the Bondholders, the Security Trustee and the Bondholders' Representative (if appointed).

The Issuer intends to make profits with the issue of the Bonds. The Issuer makes profit through charging subscription fees, certain redemption fees, withholding of a certain percentage of the rewards earned by Staking the underlying Cryptocurrency corresponding to the Staking Fees (as specified in the relevant Final Terms in relation to Series of Bonds issued pursuant to Annex A Part C (applicable to Bonds linked to a single Cryptocurrency to be staked), Part D (applicable to Bonds linked to an Index of Cryptocurrency to be staked) and Part F (applicable to Bonds with index based calculation) and ongoing fees corresponding to the Diminishing Entitlement Rate (as specified in the relevant Final Terms in relation to each Series of Bonds) on the Units of the underlying Cryptocurrency received as proceeds for the subscription of the Bonds (either directly or through exchange of cash amounts or cryptocurrencies other than the underlying Cryptocurrency received) and deposited in the Depositary Wallet in relation to each Series of Bonds as well.

Unless otherwise specified in the relevant Final Terms relating to a Series of Bonds, the net proceeds from each issue of Bonds by the Issuer will primarily be used to finance general corporate purposes and business development of the Issuer. If, in respect of any particular issue of Bonds, there exists a particular identified use of proceeds other than using the net proceeds for general financing requirements of the Issuer, then this will be stated in the relevant Final Terms.

9. NOTIFICATION

The Issuer has requested BaFin to provide the competent authorities in the Republic of Austria ("**Austria**"), the Republic of Croatia ("**Croatia**"), the Republic of Cyprus ("**Cyprus**"), the Czech Republic ("**Czechia**"), the Kingdom of Denmark ("**Denmark**"), the Republic of Estonia ("**Estonia**"), the Republic of Finland ("**Finland**"), the French Republic ("**France**"), the Hellenic Republic ("**Greece**"), the Republic of Ireland ("**Ireland**"), the Republic of Italy ("**Italy**"), the Grand Duchy of Luxembourg ("**Luxembourg**"), the Republic of Malta ("**Malta**"), the Kingdom of the Netherlands ("**The Netherlands**"), the Kingdom of Norway ("**Norway**"), the Republic of Poland ("**Poland**"), the Portuguese Republic ("**Portugal**"), the Slovak Republic ("**Slovakia**"), the Republic of Slovenia ("**Slovenia**"), the Kingdom of Spain ("**Spain**") and the Kingdom of Sweden ("**Sweden**") with a certificate of approval attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Regulation.

10. AUTHORISATION

The establishment of the Programme and the issuance of any Series of Bonds under this Base Prospectus have been authorised by a resolution of Bitwise Europe GmbH (under its former company name *ETC Issuance GmbH*) dated 15 December 2020.

11. GENERAL INFORMATION ABOUT THE ISSUER

11.1. GENERAL INFORMATION

The Issuer's legal name is Bitwise Europe GmbH.

The Issuer is a limited liability company (*Gesellschaft mit beschränkter Haftung*) organised and existing under the laws of Germany, with its registered office in Thurn- und Taxis-Platz 6, 60313 Frankfurt am Main, Germany and registered with the commercial register of the local court (*Amtsgericht*) of Frankfurt am Main, Germany, under the registration number HRB 116604.

The Issuer was founded on 27 August 2019 with the initial company name ETC Issuance GmbH. In October 2024, ETC Issuance GmbH changed its company name to Bitwise Europe GmbH. As a special purpose vehicle which has been established primarily for the issuance of the Bonds, the Issuer does not conduct any operational business except for the activity as described below (see 11.3. "*Principal Activities and Expected Financing of the Issuer*").

The Issuer has no employees except for the three managing directors.

The Issuer's Legal Entity Identifier (LEI) is 875500BTZPKWM4X8R658.

The website of the Issuer is <https://etc-group.com> and the phone number is +49 69 8088 3728.

The Issuer does not carry out crypto-custody-business within the meaning of Section 1 (1a) sentence 2 no 6 of the German Banking Act ("**KWG**") and does therefore not require a banking license pursuant to Section 32 KWG. While the Bonds are secured with the underlying Cryptocurrency or the underlying Cryptocurrency comprising an Index, the Issuer itself does not safekeep, administer and/or protect cryptographic values or private cryptographic keys for others. Such function is instead performed by the Depositary.

11.2. CORPORATE PURPOSE

Pursuant to Section 2 of the Issuer's articles of association, the objective of the Issuer is the administration of its own assets. The Issuer may conduct all transactions directly related to the object of its business. It may also hold shares in other companies with the same or similar objectives, acquire, establish or sell such shares and establish branches.

11.3. PRINCIPAL ACTIVITIES AND EXPECTED FINANCING OF THE ISSUER

The only activity of the Issuer is the issue of bonds which are secured by cryptocurrencies and other digital assets.

The Issuer also issues further bonds which are secured by cryptocurrencies and which will also provide for a staking feature (see 13.2.6. "*Staking*"). In connection therewith, the Issuer uses the services of a Staking Provider to engage in staking activities in relation to the cryptocurrencies received for the subscription of the issued bonds.

Through the issue of such bonds, the Issuer intends to satisfy investor demand for tradeable securities through which an investment in cryptocurrencies and other digital assets can be made.

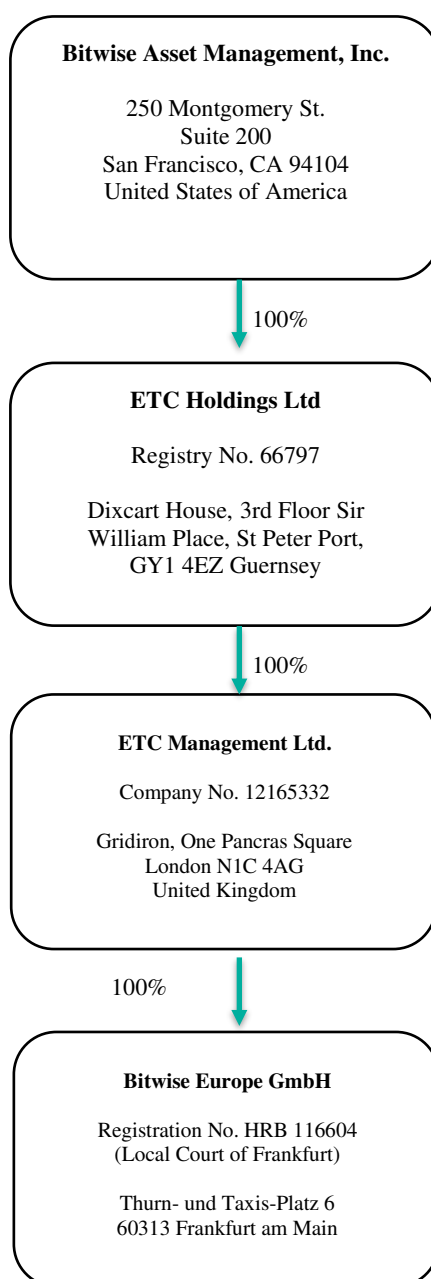
The principal markets in which the Issuer competes with such bonds will be Germany, Austria, Croatia, Czechia, Cyprus, Denmark, Estonia, Finland, France, Greece, Ireland, Italy, Luxembourg, Malta, The Netherlands, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden and Switzerland.

The Issuer expects to finance its activities by the issue of such bonds through charging subscription fees, certain redemption fees, withholding of a certain percentage of the rewards earned by Staking the underlying Cryptocurrency and ongoing fees (as specified in the relevant Final Terms in relation to each Series of Bonds) on the units of the underlying Cryptocurrency received (either directly or through exchange of cash amounts or cryptocurrencies other than the underlying Cryptocurrency received) as proceeds for the subscription of such bonds.

11.4. ORGANISATIONAL STRUCTURE

The Issuer is a wholly-owned subsidiary of ETC Management Ltd ("**ETCM**"). The Issuer does not have any subsidiaries of its own. It is a special purpose vehicle that has been established primarily for the issuance of securities and is expected to be treated as a tax resident of the United Kingdom. Due to the Intercompany Agreement between the Issuer and ETCM, the Issuer is dependent on ETCM in relation to certain accounting, management and administration tasks provided by ETCM for the Issuer. Other than that, the Issuer is not contractually or otherwise dependent upon other companies within the group of which the Issuer forms part (the "**Bitwise Group**").

The following chart provides an overview of the structure of the Bitwise Group as of the date of this Base Prospectus:



As mentioned above, the Issuer's sole shareholder is ETCM (see also 11.10. "*Major Shareholders*"). ETCM, with its registered office at Gridiron, One Pancras Square, London N1C 4AG, United Kingdom,

has a management agreement in place with the Issuer to handle the general management of operations, relationships with partners and coordinating marketing activity.

ETC Holdings Ltd, Dixcart House, Sir William Place, St Peter Port, GY1 4EZ, Guernsey is ETCM's sole shareholder.

ETC Holdings Ltd, is wholly-owned by Bitwise Asset Management, Inc., 250 Montgomery St., Suite 200, San Francisco, CA 94104, USA (the "**Holding Company**").

The table below shows the major shareholders of the Holding Company with voting shares of more than 10 percent as of the date of this Base Prospectus:

Shareholder	Percentage of voting shares	Further Information
Hong Kim	11.78 percent	<p>Co-founder of the Bitwise Group.</p> <p>Hong Kim is the Chief Technology Officer of Bitwise and has served in such capacity since Bitwise's inception. Prior to Bitwise, he was a student at the University of Pennsylvania, where he graduated with a Bachelor of Science in Computer Science in 2016. While at school, Mr. Kim also worked on Google's back-end infrastructure for Drive. From 2011-2013, Kim took time off from university to work in software security for the South Korean military.</p>
Hunter Horsley	11.10 percent	<p>Co-founder of the Bitwise Group.</p> <p>Hunter Horsley is the Chief Executive Officer of Bitwise and has served in such capacity since Bitwise's inception in October 2016. Prior to Bitwise, he was a product manager at Facebook and Instagram, leading efforts in monetization from 2015 to 2016. He graduated from the Wharton School at the University of Pennsylvania with a Bachelor of Science in Economics in 2015. Mr. Horsley took two years off from school, from 2011-2013, to be on the founding team of a technology company called Lore (formerly known as CourseKit) to assist in the development of an online learning tool which incorporated social networking features. Lore raised over \$6 million in equity, grew to 20 employees, and was sold to Noodle Education, Inc. in 2013.</p>

11.5. MANAGEMENT BOARD

Currently, the Issuer's management board consists of three managing directors. The current managing directors of the Issuer are:

Name	Occupation
Leyla Sharifullina	Managing Director
Paul "Teddy" Fusaro	Managing Director
Katherine Dowling	Managing Director

Leyla Sharifullina joined Bitwise Group at the early stages of the group of which the Issuer forms part (as displayed in the chart above under 11.4. "*Organisational Structure*") and played an essential role during the launch of the Issuer's first bond, the Bitwise Physical Bitcoin ETP (BTCE) (initially BTC_{ETC} Physical Bitcoin ETC), as well as in designing the operational structure of the Issuer. Leyla has spent her career in financial services as well as real estate industries. She worked in various investment banks in Moscow and Cyprus from 2003 until 2013 and in international real estate development company Raven Property Group from 2014 until 2019 where she held a dual role of senior analyst and structured finance management.

Leyla Sharifullina holds two masters degrees with honours in management and law from Kazan Federal University and is a CFA® charterholder since 2013.

Paul "Teddy" Fusaro, is the President of the Holding Company. Prior to his employment at the Holding Company, Mr. Fusaro was Senior Vice President and Head of Portfolio Management and Capital Markets at IndexIQ, the ETF issuer unit of New York Life Investment Management, a firm with over \$550 billion in AUM, from 2013 to 2018. In this capacity he oversaw portfolio management, trading, and operations for a suite of alternative strategy Exchange Traded Funds, Mutual Funds, and Separately Managed Accounts. Prior to that, Mr. Fusaro was Vice President of Portfolio Management and co-head of Trading and Operations at Direxion Investments, a \$13 billion AUM alternative ETF Sponsor, from 2009 to 2013. Earlier in his career, Mr. Fusaro spent time in both equity derivatives and credit derivatives at Goldman Sachs & Co. Since 2022, Mr. Fusaro has served as the Chairman of the Board of Trustees of Bitwise Funds Trust.

Katherine Dowling, is the General Counsel and Chief Compliance Officer of the Holding Company. Prior to her employment at the Holding Company, Ms. Dowling was the General Counsel and Chief Compliance Officer for True Capital Management from 2019 to 2021. Before that, Ms. Dowling was the Managing Director, Chief Operating Officer and Chief Compliance Officer at Luminate Capital Partners from 2015 to 2018, which she co-founded. Prior to 2015, Ms. Dowling spent more than ten years as an Assistant U.S. Attorney, most recently in the Economic Crimes Unit of the U.S. Attorney's Office for the Northern District of California.

The managing directors can be contacted at ETC Management Ltd, Gridiron, One Pancras Square, London N1C 4AG, United Kingdom.

11.6. SHARE CAPITAL

The registered share capital of the Issuer amounts to EUR 25,000. The share capital has been fully paid up. The shares were created under German law. The shares carry the right to receive notice of, attend to and cast votes at all general meetings of the Issuer, whereby each share carries one voting right. Holders of the shares are entitled to receive a profit participation *pro rata* to their shareholdings, subject to a resolution of the general meeting relating to the distribution of profits. In connection therewith, all outstanding shares of the Issuer carry the same rights and obligations.

11.7. FISCAL YEAR

The fiscal year of the Issuer is the calendar year.

11.8. AUDITORS

Deloitte GmbH Wirtschaftsprüfungsgesellschaft, with their registered office at Europa-Allee 91, 60486 Frankfurt am Main, Germany had been appointed as the statutory auditor of the Issuer for the financial year ended 31 December 2022. Deloitte GmbH Wirtschaftsprüfungsgesellschaft is a member of the German chamber of public accountants (*Wirtschaftsprüferkammer*).

For the financial year ended 31 December 2023, Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, with their registered office at Cecilienallee 6-7, 40474 Düsseldorf, Germany are the statutory auditors of the Issuer. Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft is a member of the German chamber of public accountants (*Wirtschaftsprüferkammer*).

11.9. RATING

The Issuer has not been rated.

11.10. MAJOR SHAREHOLDERS

The Issuer's sole shareholder is ETCM. The sole shareholder of ETCM is ETC Holdings Limited. The sole shareholder of ETC Holdings Limited is the Holding Company.

No natural persons directly or indirectly, via the Holding Company, own a shareholding above 25% in the Issuer and there are no known natural persons that otherwise control the Holding Company.

11.11. CONFLICTS OF INTEREST

Two directors of the Issuer, Paul "Teddy" Fusaro and Katherine Dowling, are also directors of ETCM.

These directors of the Issuer, as well as all employees of the Holding Company and other affiliates of the Bitwise Group, are subject to Bitwise Group's code of conduct and corresponding policy on conflicts of interest.

Accordingly, these directors of the Issuer and ETCM owe independent fiduciary duties to act in the best interests of each of the Issuer and ETCM, however not in the general interest of the Bitwise Group as such.

Despite this, potential conflicts of interest between duties to the Issuer and the private interests or duties to ETCM of these directors of the Issuer cannot be excluded and could exist due to their respective position in view of the substantial influence represented by the shareholder shares at ETCM (i.e. the sole shareholder of the Issuer) and all such possible director conflicts have been notified to the respective companies.

11.12. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

If not specified otherwise in the Final Terms for a Series of Bonds, there are no material interests, in particular, no potential material conflicts of interest with service providers or in relation to the public offering or the admission to trading of the Bonds.

11.13. MATERIAL CONTRACTS AND TRANSACTIONS

The Issuer has entered into the following agreements and has conducted the following transactions which are material to the Issuer's ability to meet its obligations to Bondholders:

- Issuance Account Control Agreement entered into between the Issuer and Quirin Privatbank AG in its function as a financial intermediary maintaining the securities account or accounts maintained by the Depo Bank on behalf of the Issuer where Bonds beneficially owned by the Issuer are held or registered (the "**Issuance Account**") for the Issuer (the "**Depo Bank**") and The Law Debenture Trust Corporation p.l.c. in each case in their function as the Security Trustee dated on or around the date of the relevant Final Terms in relation to each Series of Bonds. The terms of the Issuance Account Control Agreement prevent the Issuer from transferring any Bonds from the Issuance Account without the consent of the

Administrator even absent an Event of Default. The Issuance Account Control Agreement is governed by the laws of the Federal Republic of Germany;

- German Security and Security Trust Agreement entered into between the Issuer and The Law Debenture Trust Corporation p.l.c. in its function as the Security Trustee dated on or around the date of the relevant Final Terms in relation to each Series of Bonds. The German Security and Security Trust Agreement provides a security interest in favour of the Security Trustee for the benefit of the Bondholders, the Security Trustee itself and the Bondholders' Representative (if appointed) relating to the respective Bonds held in the Issuance Account ("**Issuer-Owned Bonds**") in relation to each Series of Bonds. The German Security and Security Trust Agreement is governed by the laws of the Federal Republic of Germany;
- Cryptocurrency Security Agreement entered into between the Issuer and The Law Debenture Trust Corporation p.l.c. in its function as the Security Trustee dated on or around the date of the relevant Final Terms in relation to each Series of Bonds. Pursuant to the Cryptocurrency Security Agreement, the Issuer grants a security interest in the Deposited Cryptocurrency and any other assets held in the Depository Wallet and the associated account of the Issuer maintained by the Depository in relation to each Series of Bonds for the benefit of the Bondholders, the Security Trustee itself and the Bondholders' Representative (if appointed). In case BitGo Trust Company, Inc. or Coinbase Custody Trust Company, LLC function as Depository in connection with a Series of Bonds, the Cryptocurrency Security Agreement will be governed by the laws of the State of New York; in case Komainu (Jersey) Limited or Zodia Custody (Ireland) Limited functions as Depository in connection with a Series of Bonds, the Cryptocurrency Security Agreement will be governed by the laws of the Federal Republic of Germany;
- Depository Account (Wallet) Control Agreement entered into between the Issuer, BitGo Trust Company, Inc. in its function as the Depository and The Law Debenture Trust Corporation p.l.c. in each case in their function as the Security Trustee dated on or around the date of the relevant Final Terms in relation to each Series of Bonds. The Depository Account (Wallet) Control Agreement grants to the Security Trustee the right to take exclusive control of the Depository Wallet upon an Event of Default. The Depository Account (Wallet) Control Agreement thereby provides to the Security Trustee, upon such Event of Default, the means to repossess and foreclose upon the Deposited Cryptocurrency and any other assets held in the Depository Wallet for the purpose of paying the Secured Obligations to the Bondholders. Additionally, the terms of the Depository Account (Wallet) Control Agreement prevent the Issuer from withdrawing any funds from the Depository Wallet without the consent of the Administrator even absent an Event of Default. The Depository Account (Wallet) Control Agreement is governed by the laws of the State of New York;
- Depository Account (Wallet) Control Agreement entered into between the Issuer, Coinbase Custody Trust Company, LLC in its function as the Depository and The Law Debenture Trust Corporation p.l.c. in each case in their function as the Security Trustee dated on or around the date of the relevant Final Terms in relation to each Series of Bonds. The Depository Account (Wallet) Control Agreement grants to the Security Trustee the right to take exclusive control of the Depository Wallet upon an Event of Default. The Depository Account (Wallet) Control Agreement thereby provides to the Security Trustee, upon such Event of Default, the means to repossess and foreclose upon the Deposited Cryptocurrency and any other assets held in the Depository Wallet for the purpose of paying the Secured Obligations to the Bondholders. Additionally, the terms of the Depository Account (Wallet) Control Agreement prevent the Issuer from withdrawing any funds from the Depository Wallet without the consent of the Administrator even absent an Event of Default. The Depository Account (Wallet) Control Agreement is governed by the laws of the State of New York;
- Depository Account (Wallet) Control Agreement entered into between the Issuer, Komainu (Jersey) Limited in its function as the Depository and The Law Debenture Trust Corporation p.l.c. in each case in their function as the Security Trustee dated on or around the date of the relevant Final Terms in relation to each Series of Bonds. The Depository Account (Wallet) Control Agreement grants to the Security Trustee the right to take exclusive control of the Depository Wallet upon an Event of Default. The Depository Account (Wallet) Control Agreement thereby provides to the Security Trustee, upon such Event of Default, the means to repossess and foreclose upon the Deposited Cryptocurrency and any other assets held in the Depository Wallet for the purpose of paying the Secured Obligations to the

Bondholders. Additionally, the terms of the Depositary Account (Wallet) Control Agreement prevent the Issuer from withdrawing any funds from the Depositary Wallet without the consent of the Administrator even absent an Event of Default. The Depositary Account (Wallet) Control Agreement is governed by the laws of the Federal Republic of Germany;

- Depositary Account (Wallet) Control Agreement entered into between the Issuer, Zodia Custody (Ireland) Limited in its function as the Depositary and The Law Debenture Trust Corporation p.l.c. in each case in their function as the Security Trustee dated on or around the date of the relevant Final Terms in relation to each Series of Bonds. The Depositary Account (Wallet) Control Agreement grants to the Security Trustee the right to take exclusive control of the Depositary Wallet upon an Event of Default. The Depositary Account (Wallet) Control Agreement thereby provides to the Security Trustee, upon such Event of Default, the means to repossess and foreclose upon the Deposited Cryptocurrency and any other assets held in the Depositary Wallet for the purpose of paying the Secured Obligations to the Bondholders. Additionally, the terms of the Depositary Account (Wallet) Control Agreement prevent the Issuer from withdrawing any funds from the Depositary Wallet without the consent of the Administrator even absent an Event of Default. The Depositary Account (Wallet) Control Agreement is governed by the laws of the Federal Republic of Germany;
- Custodial Services Agreement between the Issuer and BitGo Trust Company, Inc. in its function as the Depositary dated on or around the date of the relevant Final Terms in relation to each Series of Bonds relating to the custody of Cryptocurrency which are held on the Depositary Wallet for repayment to the Bondholders in relation to each Series of Bonds. The Custodial Services Agreement is governed by the laws of the State of South Dakota;
- Custodial Services Agreement between the Issuer and Coinbase Custody Trust Company, LLC in its function as the Depositary dated on or around the date of the relevant Final Terms in relation to each Series of Bonds relating to the custody of Cryptocurrency which are held on the Depositary Wallet for repayment to the Bondholders in relation to each Series of Bonds. The Custodial Services Agreement is governed by the laws of the State of New York;
- Custodial Services Agreement between the Issuer and Komainu (Jersey) Limited, in its function as the Depositary dated on or around the date of the relevant Final Terms in relation to each Series of Bonds relating to the custody of Cryptocurrency which are held on the Depositary Wallet for repayment to the Bondholders in relation to each Series of Bonds. The Custodial Services Agreement is governed by the laws of England and Wales;
- Custodial Services Agreement between the Issuer and Zodia Custody (Ireland) Limited, in its function as the Depositary dated on or around the date of the relevant Final Terms in relation to each Series of Bonds relating to the custody of Cryptocurrency which are held on the Depositary Wallet for repayment to the Bondholders in relation to each Series of Bonds. The Custodial Services Agreement is governed by the laws of Ireland;
- Agreements with Quirin Privatbank AG dated on or around the date of the relevant Final Terms in relation to each Series of Bonds regarding its services as Depo Bank in relation to the maintenance of securities accounts, including Issuance Accounts for each Series of Bonds. Such agreements are governed by the laws of the Federal Republic of Germany;
- Agreements with XTX Markets SAS, Flow Traders B.V., Jane Street Financial Limited, GHCO Europe Investment Services SA and Goldenberg Hehmeyer LLP, DRW Europe B.V. and Virtu Financial Ireland Limited, Makor Securities London Ltd and Susquehanna International Securities Limited dated on or around the dates of the Preceding Base Prospectus regarding their services as Authorised Participants, which have been engaged in accordance with the Issuer's intention to exclusively sell the Bonds in exchange for the relevant underlying Cryptocurrency as well as cash or cryptocurrencies other than the underlying Cryptocurrency (subject to applicability for the respective Series of Bonds) in the primary market and to ensure that the funds so received are rigorously examined for anti-money laundering purposes by facilitating all such issuances through regulated and supervised entities. According to these objectives, the Authorised Participants' obligations especially relate *inter alia* to the initial purchase of Bonds, the handling of redemption requests by Bondholders and the marketing of the

Bonds as well as other services designed to maintain control and oversight of the issuance process and the outstanding bonds by the Issuer. This includes, but is not limited to, (i) AML/KYC checks in accordance with the requirements and policies of the respective authority regulating and supervising the respective Authorised Participant, including the verification of the identity of their client(s) and assessing their suitability, along with the potential risks of illegal intentions, (ii) following the procedures for subscription and redemption of the Bonds laid out by the Issuer, (iii) complying with the selling and offering restrictions in accordance with the public offers conducted by the Issuer and to observe all such applicable restrictions in accordance with applicable laws and as determined by the Issuer and using all reasonable efforts to protect the goodwill and reputation of the Issuer in connection with the promoting and marketing of the Bonds issued and publicly offered by the Issuer, (iv) providing the Issuer with the required Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards (CSR) declarations, confirmations, and or classifications as well as any supporting certificates or documents related to the issuance of the Bonds and (v) maintaining records of all sales of any of the Bonds made by them or any of their affiliates and provide copies thereof to the Issuer. Additionally, subject to the respective Authorised Participant Agreement, the Authorised Participants may also be obligated to provide liquidity through bid and offer rates on specified exchanges (*Market Making*). In relation to the fulfilment of the aforementioned obligations, subject to the respective Authorised Participant Agreement, the respective Authorised Participants may be entitled to utilise their affiliated companies by way of delegating tasks to such affiliated companies;

- Administration Agreement entered into between the Issuer and Apex Corporate & Advisory Services Ltd in relation to all Series of Bonds dated 7 April 2022, as amended and restated from time to time, relating to the approvals required from the Administrator for any transfer of Issuer-Owned Bonds or Deposited Cryptocurrency in relation to any Series of Bonds, which are subject to a security interest created for the benefit of the Bondholders, the Security Trustee itself and the Bondholders' Representative (if appointed). The Administration Agreement is governed by the laws of Malta;
- Agency Agreement entered into between the Issuer and Quirin Privatbank AG dated 3 June 2022 relating to Quirin Privatbank AG acting as paying and fiscal agent for the Bonds in relation to a Series of Bonds. The Agency Agreement is governed by the laws of the Federal Republic of Germany;
- Execution Agency Agreement entered into between the Issuer and Wintermute Trading Ltd dated 11 April 2023 relating to the Execution Agent's exchange of Cryptocurrency as required as part of any applicable subscription and/or redemption process. The Execution Agency Agreement is governed by the laws of England and Wales;
- Master Services Agreement between the Holding Company and Blockdaemon Inc. in relation to the granting of a right and license by Blockdaemon for the Issuer to access and use the nodes for the purposes of generating staking rewards associated with the underlying cryptocurrencies that provide a proof-of-stake consensus. The Master Services Agreement is governed by the laws of the State of California;
- Intercompany Agreement between the Issuer and ETCM dated 20 July 2023 related to accounting, the general management and administration of the Issuer by ETCM, supporting services relating to the Issuer's marketing and promotion activities regarding the Bonds (such as the hosting of the website of the Issuer and the distribution of publications of the Issuer), administrative assistance in processing subscriptions to and redemptions of the Bonds, and, in certain situations, IT support of the Issuer (which includes the support of the website of the Issuer) in relation to all Series of Bonds. For the services provided under and in accordance with the Intercompany Agreement, the Issuer is obligated to forward one hundred per cent. of its gross revenues, including payments it has received in the form of fees under the Bonds, in order to satisfy its payment obligations *vis-à-vis* ETCM, so that any such revenues will not form part of the Issuer's liability mass. The Intercompany Agreement is governed by laws of England and Wales; and
- Under the Preceding Base Prospectus, which immediately precedes this Base Prospectus, the Issuer has been issuing the following bonds linked to Cryptocurrency:

- (1) Bitwise Physical Bitcoin ETP (BTCE) - (ISIN DE000A27Z304).
As of the date of this Base Prospectus the Issuer has issued 16,862,906 of such bonds;
 - (2) Bitwise Physical Ethereum ETP (ZETH) - (ISIN DE000A3GMKD7).
As of the date of this Base Prospectus the Issuer has issued 3,610,220 of such bonds;
 - (3) Bitwise Physical Litecoin ETP (ELTC) - (ISIN DE000A3GN5J9).
As of the date of this Base Prospectus the Issuer has issued 775,110 of such bonds;
 - (4) Bitwise Physical Cardano ETP (RDAN) - (ISIN DE000A3GVKY4).
As of the date of this Base Prospectus the Issuer has issued 745,800 of such bonds;
 - (5) Bitwise Physical Solana ETP (ESOL) - (ISIN DE000A3GVKZ1).
As of the date of this Base Prospectus the Issuer has issued 1,083,750 of such bonds;
 - (6) Bitwise Physical XRP ETP (GXRP) - (ISIN DE000A3GYNB0).
As of the date of this Base Prospectus the Issuer has issued 324,920 of such bonds;
 - (7) Bitwise MSCI Select 20 Crypto Index ETP (DA20) – (ISIN DE000A3G3ZL3).
As of the date of this Base Prospectus the Issuer has issued 76,656 of such bonds;
 - (8) Bitwise Ethereum Staking ETP (ET32) – (ISIN DE000A3G90G9).
As of the date of this Base Prospectus the Issuer has issued 9,154,187 of such bonds; and
 - (9) Bitwise Core Bitcoin ETP (BTC1) – (ISIN DE000A4AER62).
As of the date of this Base Prospectus the Issuer has issued 1,587,429 of such bonds,
- together, the Series of "**Existing Series of Bonds**".

11.14. TREND INFORMATION

There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for at least the current financial year.

11.15. MATERIAL ADVERSE CHANGE IN THE PROSPECTS

There has been no material adverse change in the prospects of the Issuer since 31 December 2023, the date of its last published audited financial information.

11.16. SIGNIFICANT CHANGE IN THE FINANCIAL PERFORMANCE

There has been no significant change in the financial performance of the group of which the Issuer forms part since 30 June 2024, i.e. the end of the last financial period for which (unaudited) financial information has been published to the date of this Base Prospectus.

11.17. SIGNIFICANT CHANGE IN THE FINANCIAL POSITION

There has been no significant change in the financial position of the group of which the Issuer forms part since 30 June 2024, i.e. the end of the last financial period for which (unaudited) financial information has been published to the date of this Base Prospectus.

11.18. BORROWING AND FUNDING

There have been no material changes in the borrowing and funding structure of the Issuer since 31 December 2023.

11.19. LEGAL AND ARBITRATION PROCEEDINGS

During the previous 12 months, there have been no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Issuer and/or the group.

11.20. RECENT EVENTS

There have been no relevant recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.

12. HISTORICAL FINANCIAL INFORMATION

The Issuer was incorporated on 27 August 2019.

The Issuer's annual financial statements as of 31 December 2022 and 31 December 2023 (together, the "**Annual Financial Statements**") as well as the Issuer's interim financial statements as of 30 June 2024 (together with the Annual Financial Statements, the "**Financial Statements**") are incorporated into this Base Prospectus by reference (see also 18.1. "*Incorporation by Reference*").

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. The Issuer's interim financial statements as of 30 June 2024 have neither been audited nor been reviewed by the auditors of the Issuer.

The fiscal year of the Issuer commences on 1 January and ends on 31 December. The next financial statements of the Issuer will be prepared as of and for the year ended 31 December 2024.

13. GENERAL DESCRIPTION OF THE BONDS

13.1. DIAGRAM ON SUBSCRIPTION, PURCHASE, SALE AND SECURITY

Diagram 1a: Bonds' Subscription, Redemption, Purchase & Sale – PRIMARY and SECONDARY Market

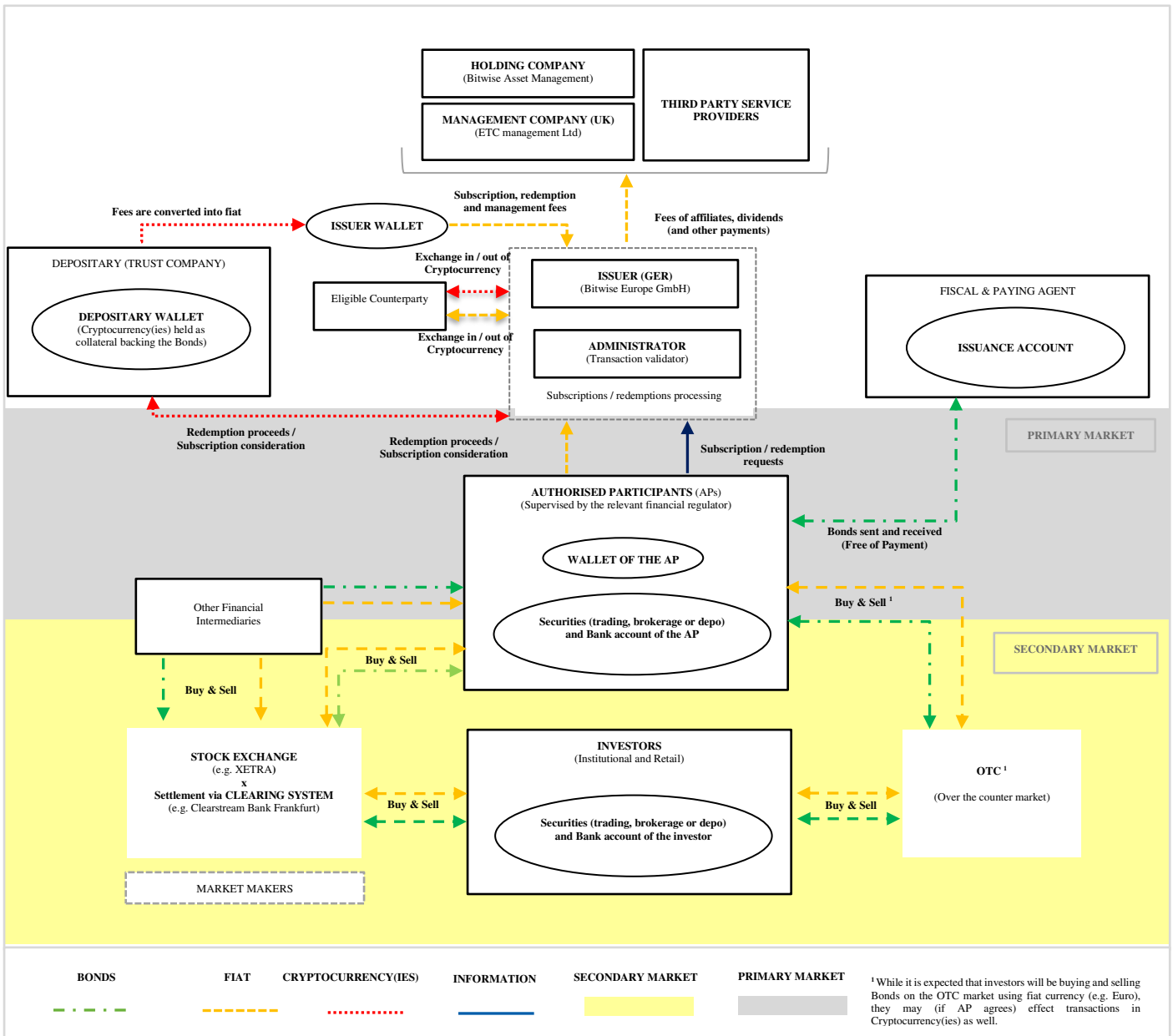
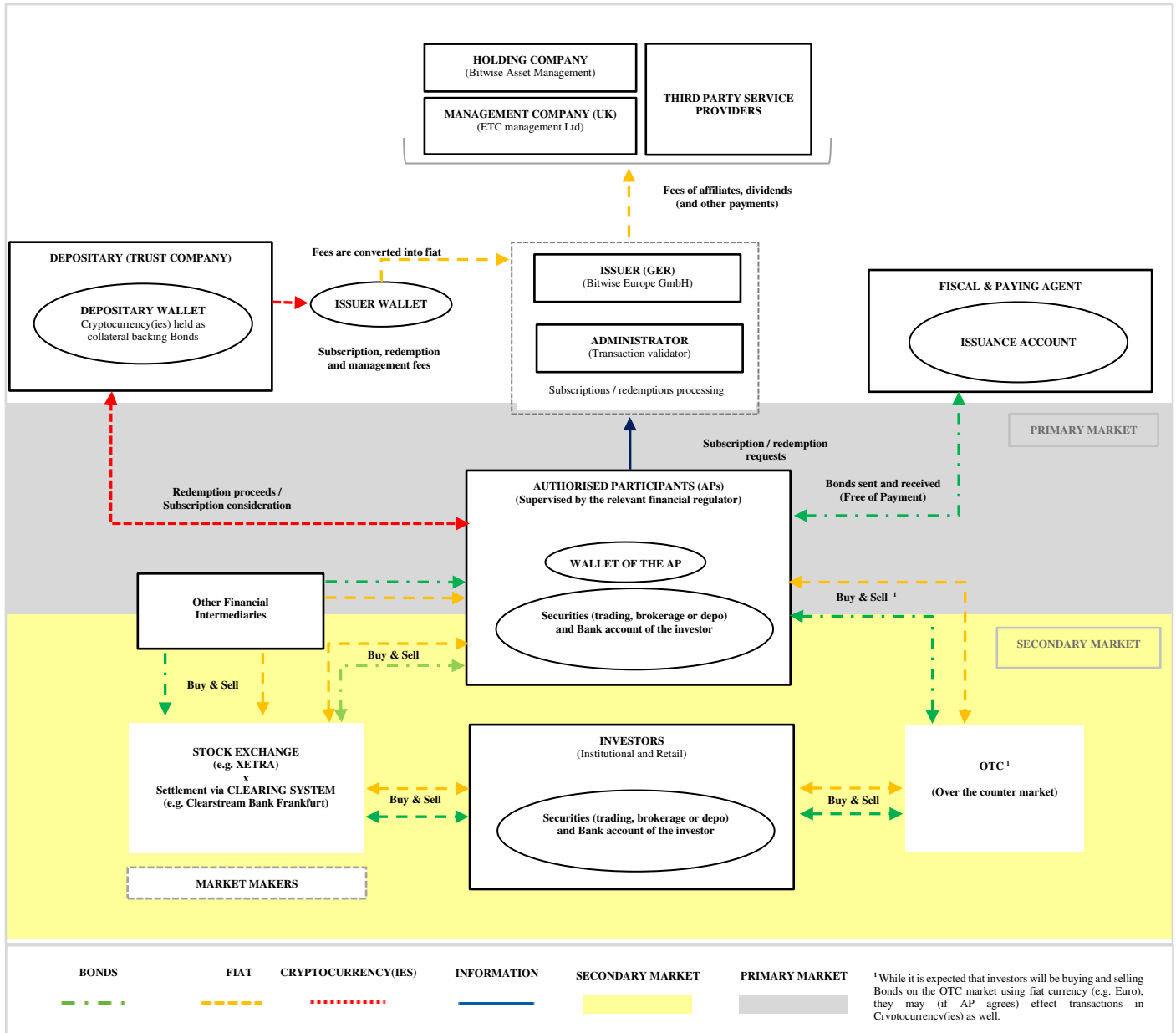


Diagram 1b: Bonds' Subscription, Redemption, Purchase & Sale – PRIMARY and SECONDARY Market for Continuously Offered Bonds



As shown in the diagram above, each prospective investor, who is not an Authorised Participant, cannot purchase the Bonds directly from the Issuer in the primary market. Such investors may buy the Bonds (i) directly from an Authorised Participant or (ii) via the relevant Stock Exchange or (iii) over the counter. The respective means to subscribe for or purchase the Bonds (as further explained in section 13.2.1. "Form of Bonds, Status") are as follows:

(a) No purchase directly from the Issuer

An investor cannot purchase the Bonds directly from the Issuer in the primary market. Initially, in the primary market, the Bonds may only be subscribed for or purchased by Authorised Participants.

Once the Bonds have been subscribed for or purchased in the primary market by Authorised Participants, Authorised Participants may proceed to sell the Bonds so purchased in the secondary market on an anonymous basis (i) via the relevant Stock Exchange (in case of Bonds admitted to trading on a stock exchange) or (ii) over the counter. Alternatively, Authorised Participants may also directly contact their own clients for a sale/purchase of the Bonds.

Accordingly, following the issuance of the Bonds and the purchase by an Authorised Participant in accordance with the procedures set out above, investors, who are not Authorised Participants, have two means to invest in the Bonds:

(i) Purchase via Stock Exchange or from any party in the secondary market

Investors may purchase the Bonds in the secondary market from any person on an anonymous basis (i) via the relevant Stock Exchange (in case of Bonds admitted to trading on a stock exchange) or (ii) over the counter. Bonds can be purchased by prospective investors with any accepted currency, depending on the respective trading venue.

(ii) Purchase directly from Authorised Participants

Authorised Participant may also contact their clients directly. In such case, the Bonds may be purchased directly from Authorised Participants in both cryptocurrency/cryptocurrencies and fiat-currency, depending on which kind of currency is accepted by the relevant Authorised Participant. Each Authorised Participant may charge a subscription fee from the purchasing investor at its own discretion.

13.2. DESCRIPTION OF THE BONDS

13.2.1. Form of Bonds, Status

Bonds issued under this Base Prospectus are issued under German law, are debt securities (*Schuldverschreibungen*) within the meaning of Section 793 of the German Civil Code (*Bürgerliches Gesetzbuch*) and are being issued in bearer form. The Bonds do not provide for interest payments and do not have a fixed maturity date. The obligations under the Bonds constitute direct, unsubordinated and secured obligations of the Issuer ranking *pari passu* among themselves. The Bonds are freely transferable, subject to the applicable selling restrictions (as further set out in section 17.2. "*Selling Restrictions*").

In the secondary market, Bonds can be purchased by prospective investors with any accepted currency.

Only Authorised Participants may purchase Bonds directly from the Issuer in the primary market. The Bonds can be subscribed for with units of the relevant underlying Cryptocurrency or with units of the underlying Cryptocurrency comprising the Index in the case of a Series of Bonds linked to an Index. Additionally, if so specified in the relevant Final Terms, Bonds can be subscribed for against payment in (A) cash and/or (B) transfer of (i) any digital asset whose origin is derived from a blockchain, including digital currencies; (ii) digital commodities provisioning raw digital resources; or (iii) digital tokens, provisioning finished digital goods and services, which do not fall within the scope of MiCAR (each of (i) – (iii), a "**Non-MiCAR Crypto Asset**") or (iv) any crypto-asset within the meaning of MiCAR (a "**MiCAR Crypto Asset**" and, together with the Non-MiCAR Crypto Assets, the "**Eligible Assets**").

Cash amounts or cryptocurrencies other than the underlying Cryptocurrency so received for the subscription will be exchanged into an amount of underlying Cryptocurrency corresponding to the market value of the cryptocurrencies other than the underlying Cryptocurrency or the relevant fiat currency by an execution agent. For the avoidance of doubt, if Bonds are subscribed for with units of the underlying Cryptocurrency comprising an Index, Authorised Participants are required to transfer units of each of the underlying Cryptocurrency comprising the Index in an amount per unit of the Index as further specified in the relevant Final Terms of each Series of Bonds, unless otherwise notified by the Issuer.

Units of Cryptocurrency received by the Issuer through such transactions (either directly or through exchange of cash amounts or cryptocurrencies other than the underlying Cryptocurrency received) will be transferred to a depositary wallet operated by the relevant Depositary (the "**Depositary Wallet**"), whereby the Issuer's rights and claims in connection with the Depositary Wallet will be assigned as security in favour of the Bondholders of a particular Series of Bonds, the Security Trustee itself and the Bondholders' Representative (if appointed) (for a detailed description of such security and the relevant agreements, see 13.3. "*Description of the Security*"). In case of an Index of underlying Cryptocurrency,

the units of each of the underlying Cryptocurrency comprising the Index will be transferred to a separate depositary wallet specifically operated for each individual Cryptocurrency comprising the Index. The Issuer will procure that at any given time it holds such amount of the underlying Cryptocurrency on the Depositary Wallet which is equal to or exceeds the Secured Obligations Amount, however, (i) allowing for any delay associated with payment of the Staking Rewards as prescribed by the protocol of the respective underlying Cryptocurrency, (ii) allowing for any delay associated with the delivery of Transfer Amounts, (iii) taking into account any possible temporary shortfall reasonably required due to the execution of any of the Eligible Rebalance Procedures, (iv) subject to an adjustment following the occurrence of a Collateral Shortfall Event and (v) subject to total or partial forfeit or reductions due to actions or inactions of the Staking Provider or other associated parties in accordance with the protocol of the Cryptocurrency (as described below under 13.3.1. "*Security over Depositary Wallet*"). In case of an Index of underlying Cryptocurrency, the units of each of the underlying Cryptocurrency comprising the Index will be transferred to a separate Depositary Wallet specifically operated for such Cryptocurrency.

13.2.2. FX Hedging

The Terms and Conditions of the Bonds (for Series of Bonds issued pursuant to Annex A - Part E) allow for the Issuer to engage in FX Hedging activities ("**FX Hedging**") to hedge currency exposure between the currency in which the Bonds are denominated (the "**Bond Currency**") and the currency in which the Reference Price of the underlying Cryptocurrency or the underlying Index is denominated (the "**Reference Price Currency**").

Such FX Hedging typically involves the notional forward sale of the Reference Price Currency and purchase of the Bond Currency and is designed to reduce the exposure of the Reference Price (and, therefore, the Bonds) to exchange rate fluctuations between such currencies.

In circumstances where the Bond Currency is generally strengthening against the Reference Price Currency, FX Hedging will allow Bondholders to benefit from such currency movements, since the upside in the performance of the Bond Currency as compared to the Reference Price Currency will be reinvested in an equivalent amount of units of the underlying Cryptocurrency, which, in turn, will lead to an increase in the Cryptocurrency Entitlement.

Conversely, where the Bond Currency is generally weakening against the Reference Price Currency, the downside in the performance of the Bond Currency as compared to the Reference Price Currency will be realised by a sale of the relevant units of the underlying Cryptocurrency, leading to a decrease in the Cryptocurrency Entitlement.

This gain or loss, as the case may be, aims to help offset any loss or gain in the value of the Bonds (expressed in the Bond Currency) that is attributable to exchange rate fluctuations. However, FX Hedging will not offset such exchange rate fluctuations perfectly, primarily because of data lag, interest rate differentials and transaction costs.

13.2.3. Payout structure and effects of the value of the underlying Cryptocurrency

(a) Payout structure

Each Bond represents the right of the Bondholder to demand from the Issuer (a) delivery of the respective underlying Cryptocurrency corresponding to the Cryptocurrency Entitlement (as described in detail below under 13.2.8. "*Redemption of the Bonds*") or (b) payment of a cash amount and/or an amount of other Eligible Assets (as specified in the relevant Final Terms) in fulfillment of its delivery claim to the above-mentioned underlying Cryptocurrency.

(b) Collateralization of the Issuer's obligations

These obligations of the Issuer are collateralized by the respective amount of units of the underlying Cryptocurrency: Pursuant to Condition 14.3 of the Terms and Conditions⁶ the Issuer shall at any given time procure in relation to each Series of Bonds that it holds such amount of

⁶ §12 (3) of the relevant terms and conditions in case of Bonds issued under the Preceding Base Prospectuses.

the underlying Cryptocurrency equal to or exceeding the Secured Obligations Amount (subject to the restrictions set out in the Terms and Conditions and as described below under 13.3.1. "Security over Depositary Wallet") on the Depositary Wallet held with the Depositary.

Compliance with this covenant is ensured at contractual level within the framework of the issuance and security structure: In the primary market, each Series of Bonds may be purchased with units of the relevant underlying Cryptocurrency (as set out in the relevant Final Terms) as well as against payment in cash or transfer of cryptocurrencies other than the underlying Cryptocurrency, whereby cash amounts and cryptocurrencies other than the underlying Cryptocurrency received for the subscription will be exchanged into a corresponding amount of underlying Cryptocurrency by an execution agent. Units of Cryptocurrency received by the Issuer through such transactions (either directly or through exchange of cash amounts or cryptocurrencies other than the underlying Cryptocurrency received) will be transferred to the Depositary Wallet, whereby the Issuer's rights and claims in connection with the Depositary Wallet will be assigned as security in favour of the Bondholders of a particular Series of Bonds, the Security Trustee itself and the Bondholders' Representative (if appointed). Any subsequent transfers of the units of the Cryptocurrency so deposited are subject to a prior approval of the Administrator (for a detailed description of such security and the relevant agreements, see 13.3 "Description of the Security").

(c) Structural link between the value of the underlying Cryptocurrency and the value of the Bonds

Due to this structural link to (a) the value of the underlying Cryptocurrency and (b) the Issuer's compliance with the aforementioned covenant, any breach of this covenant as well as any decline in the value of the respective underlying Cryptocurrency will result in a corresponding decline (i) in the market value of the Bonds on the secondary market, (ii) in the redemption amount in case of a redemption in cash⁷ and (iii) in the value of the units of the underlying Cryptocurrency received in case of a redemption in kind.

(d) Effects of the value of the underlying Cryptocurrency

The value and performance of the Bonds materially depends on the value and performance of the respective underlying Cryptocurrency.

In accordance with their derivative structure based on the Issuer's payment and delivery obligations to Bondholders under the Bonds, the Bonds are expected (subject to the deduction of any fees and costs) to track the performance of the underlying Cryptocurrency nearly 1:1.

(e) Effects of Staking

In case of Bonds issued pursuant to Annex A – Part C (applicable to Bonds linked to a single Cryptocurrency to be staked), Part D (applicable to Bonds linked to an Index of Cryptocurrency to be staked) and Part F (applicable to Bonds with index based calculation), the Terms and Conditions of the Bonds allow for the Issuer to use staking services provided by the Staking Provider (see in detail below, 13.2.6. "Staking").

Accordingly, the Issuer may apply some or all of the units of the underlying Cryptocurrency forming part of the Deposited Cryptocurrencies in respect of such Series of Bonds for Staking (as defined below). Staking Rewards (as defined below) received as part of the Staking process, subject to the deduction of the Staking Fees (as defined below) will form part of the Cryptocurrency Entitlement. Subject to the application of the management fee (see below), the Cryptocurrency Entitlement will either increase (if the Staking Rewards exceed the management fee), remain constant (if the Staking Rewards are equal to the management fee) or

⁷ Unless otherwise stated, any references to the Voluntary Redemption and cash settlement shall be read and construed as (i) references to the EUR Put Option and to redemptions in EUR in relation to the Bitwise MSCI Select 20 Crypto Index ETP (DA20) Bonds, the Bitwise Ethereum Staking ETP (ET32) Bonds and the Bitwise Core Bitcoin ETP (BTC1) Bonds and (ii) as references to the USD Put Option and redemptions in USD in relation to the Bonds issued before 21 November 2022.

decay slower when compared to a product with the same management fees but no staking feature (if the management fee exceeds the Staking Rewards).

(f) Effects of the management fee

In relation to each Series of Bonds, the Issuer charges a management fee to the Bondholders (as set out in the relevant Final Terms). Such management fee is expressed as the rate at which the Cryptocurrency Entitlement and, thus, the monetary value of the Bondholders' claim for payment of a cash amount or delivery of the respective underlying Cryptocurrency decays over time.

Unless such decay is compensated by the accumulation of Staking Rewards (as set out above and, in detail, below under 13.2.6. "*Staking*"), the Cryptocurrency Entitlement will gradually decay over time.

Accordingly, if such decay of the Cryptocurrency Entitlement is not exceeded by the performance of the underlying Cryptocurrency, the monetary value of the Bondholders' claim for payment of a cash amount or delivery of the respective underlying Cryptocurrency will decay over time, even if the value of the underlying Cryptocurrency remains unchanged. Correspondingly, in case of a declining value of the underlying Cryptocurrency, such decline will be amplified even further.

13.2.4. Description of the underlying Cryptocurrency and Indices

(a) Underlying Cryptocurrency

According to the European Banking Authority's opinion on "virtual currencies" dated as of 4 July 2014, virtual currencies or cryptocurrencies "are a digital representation of value that is neither issued by a central bank or public authority nor necessarily attached to a fiat currency, but is accepted by natural or legal persons as a means of exchange and can be transferred, stored or traded electronically". In addition, all cryptocurrencies are based on the idea of a limited money supply. Unlike the money that central banks can print indefinitely and the book money that commercial banks create, new cryptocurrency units are created through a predetermined mathematical process within a computer network. This process is called "mining". BaFin has qualified Bitcoin as unit of account (*Rechnungseinheiten*) within the meaning of Section 1 para. 11 sent. 1 of the German Banking Act (*Kreditwesengesetz* – "KWG") and Bitcoin and other cryptocurrencies are thus financial instruments within the meaning of the KWG. Bitcoin and other cryptocurrencies are, however, not legal tender and do neither qualify as currency nor foreign note or coin.

Bitcoin

Bitcoin is the first decentralised cryptocurrency and was released as an open-source software in 2009. Bitcoin was developed to secure payment transactions over a peer-to-peer network (blockchain). Bitcoin intends to bridge the need for a trusted third party, democratise the monetary system and ensure that transactions are anonymous.

Bitcoin Cash

Bitcoin Cash is a cryptocurrency created in August 2017, from a hard fork of Bitcoin. Bitcoin Cash increases the size of blocks allowing more transactions to be processed and to accelerate the verification process. Because Bitcoin Cash is able to process transactions more quickly than the Bitcoin network, the transaction processing times and fees tend to be lower.

Aave

Aave is an open source and non-custodial liquidity protocol for earning interest on deposits and borrowing assets. In essence, it performs a role similar to money markets in traditional finance. The native token, AAVE, provides holders with discounted fees on the platform, and it also serves as a governance token - giving owners a say in the future development of the protocol.

Algorand

Algorand is an open source blockchain designed by Turing Award winner and MIT professor, Silvio Micali. It launched in June 2019 and aims to achieve all three challenges of blockchains today: security, scalability and decentralisation. As of December 2020, it was able to handle almost 1 million transactions per day.

Avalanche

Avalanche is a hub for decentralized application (DApps) on the blockchain. Its developers claim that smart contracts on the Avalanche network can settle in as little as one second. Notable projects on Avalanche include the decentralized money market, Aave, which facilitates the borrowing and lending of \$20 billion worth of cryptocurrencies.

Binance Coin

BNB also known as the Binance Coin, is the native cryptocurrency of the Binance cryptocurrency exchange, currently the world's largest by trading turnover. BNB is a utility cryptocurrency and is used to pay exchange fees applied to cryptocurrency transactions on the Binance exchange. Users of BNB receive a discount in transaction fees on the Binance Exchange. BNB was created in July 2017 and initially operated on the Ethereum blockchain with the token ERC-20 before it became the native currency of Binance's own blockchain, the Binance Chain.

Cardano

Cardano was founded in 2015 by Charles Hoskinson, a co-founder of the Ethereum network. It is an open-source project designed to be a decentralised application (DApp) development platform with a multi-asset ledger and verifiable smart contracts. Cardano operates on a PoS consensus mechanism that allows its native currency, ADA, to be sent and received easily and securely while also ensuring the safety of smart contracts on the Cardano Blockchain.

Chainlink

Chainlink is a decentralised oracle network which aims to connect smart contracts with data and services from the real world that exist outside of blockchain networks. LINK, the native currency of the Chainlink network, is used to reward node operators. The Chainlink Network is driven by a large open-source community of data providers, node operators, smart contract developers, researchers, security auditors and more. The company focuses on ensuring that decentralized participation is guaranteed for all node operators and users looking to contribute to the network.

Cosmos

Titled the "internet of blockchains" by its founding team, Cosmos aims to create a network of crypto networks united by open-source tools for streamlining transactions between them and establishing interoperability.

EOS

EOS is a blockchain-based decentralised operating system that is designed to create, host and support secure, decentralised applications (DApps) and smart contracts. To enable its applications to be free for users, EOS employs vertical and horizontal scaling (done by block producers).

Ethereum

Launched in July 2015, Ethereum is a cryptocurrency based on an open-source, blockchain-based, decentralised software platform (which is also called Ethereum). The cryptocurrency Ethereum is the second largest cryptocurrency after Bitcoin. Unlike Bitcoin or Bitcoin Cash, Ethereum was not established to create an alternative monetary system, but rather to facilitate and monetize the operation of the Ethereum smart contract and decentralised application (dapp) platform.

Ethereum Classic

Ethereum Classic is the forked version of Ethereum that followed the 'DAO attack' in 2016. It was created when a group of users of the Ethereum blockchain elected not to upgrade to new code recommended by project developers and continued to utilise the original code. It will continue to use the Proof-of-Work consensus.

Filecoin

Filecoin is an open-source protocol that is backed by a blockchain that records commitments made by the network's participants, with transactions made using FIL, the blockchain's native currency. Filecoin is a decentralised storage system designed to overcome the problems of centralisation such as protection of the integrity of a data location, censorship and immutability.

Internet Computer

The Internet Computer is a layer-1 protocol that is developed by the DFINITY Foundation and aims to become 'a blockchain network that evolves the internet'. It intends to extend the functionality of the public internet so that it can host backend software on a smart-contract compatible, distributed network.

Litecoin

Launched in the year 2011 as a fork of Bitcoin, Litecoin is an alternative cryptocurrency based on the model of Bitcoin. Litecoin differs from Bitcoins in aspects like faster block generation rate, an increased total supply compared to Bitcoin and uses another new mining algorithm called scrypt.

MakerDAO

Maker is a cryptocurrency built on the Ethereum blockchain designed to minimise the price volatility of its own USD-pegged cryptocurrency, DAI. DAI has a monetary value of one USD. Through the MakerDAO system, users can create Collateralised Debt Position (CDPs) and use specific cryptocurrencies as collateral to generate DAI. MakerDAO is governed in a decentralised manner by the holders of its MKR tokens through a decentralised autonomous organisation (DAO).

Polkadot

Polkadot is an open-source multichain protocol that unites multiple specialised blockchains into a unified, scalable network. facilitates the cross-chain transfer of any data or asset types, not just tokens, thereby making a wide range of blockchains interoperable with each other. The Polkadot protocol connects public and private chains, permissionless networks, oracles and future technologies, allowing these independent blockchains to trustlessly share information and transactions through the Polkadot relay chain. The network uses the NPoS (nominated proof-of-stake) mechanism to select validators and nominators and maximise chain security.

Polygon

Formerly known as the Matic Network, Polygon was launched in 2017 and is an interoperability and Layer 2 scaling framework for building Ethereum-compatible blockchains. Scaling is achieved by utilising side-chains for off-chain computation while ensuring security by using the Plasma framework and a decentralised network of PoS validators.

Solana

Founded in 2017, Solana is a web-scale blockchain that provides fast, secure, scalable, decentralised applications (DApps) and marketplaces. The overarching goal of the Solana software is to demonstrate that there is a possible set of software algorithms using the combination to create a blockchain. So this would allow transaction throughput to scale proportionally with network bandwidth satisfying all properties of a blockchain: scalability, security and decentralisation.

Stellar

Founded in 2014, Stellar is an open network designed with the aim of utilising blockchain to provide more accessible financial services to people worldwide. Originally based on the Ripple Labs protocol, the blockchain was created as a result of a hard fork, and the code was subsequently rewritten. It boasts very fast transactions with low fees and while its focus is on providing a platform for cross-border payments, it also permits the creation of smart contracts.

Tezos

Tezos is a decentralised, open-source energy efficient POS blockchain network that can execute peer-to-peer transactions and serve as a platform for deploying smart contracts. Tezos features an on-chain governance model that allows the protocol to amend itself when upgrade proposals receive a favourable vote from the community. This feature allows Tezos to avoid hard forks that other blockchains have to contend with.

Uniswap

Uniswap is a decentralised finance protocol that is used to exchange cryptocurrencies. The protocol facilitates automated transactions between cryptocurrency tokens on the Ethereum blockchain through the use of smart contracts. Uniswap is an example of one of the core products in the decentralised finance (DeFi) ecosystem, decentralised cryptocurrency exchanges (DEXs). DEXs aim to solve many of the problems of their centralised counterparts, including the risk of hacking, mismanagement and arbitrary fees.

XRP

Ripple is a blockchain protocol and cryptocurrency first released in 2012. The coin for the cryptocurrency is pre-mined and called XRP. The Ripple network, although decentralised as the Bitcoin network, is owned and operated by a private company with the same name. While Bitcoin is seeing increasing use by individuals and organisations as a virtual currency, the Ripple payment system is more popular among banks. RippleNet is a consortium of more than 200 financial institutions based in more than 40 countries, allowing the facilitation of cross-border payments.

(b) Underlying Indices

The Final Terms for each Series of Bonds will specify the respective underlying Index which is applicable to that Series of Bonds.

The details of the methodology of the respective Index as well as the specific set of rules for each individual Index will depend on the selected Index administrator and Index, and the relevant information will be made available by reference to the respective information published by the Index administrator. The Issuer and/or any company forming part of the Bitwise Group will not function as an Index administrator in relation to a Series of Bonds.

13.2.5. Description of the Depositary

The Issuer has appointed each of BitGo Trust Company, Inc. ("**BitGo**"), Coinbase Custody Trust Company, LLC ("**Coinbase Custody**"), Komainu (Jersey) Limited ("**Komainu**") and Zodia Custody (Ireland) Limited ("**Zodia**") as Depositary under the Programme.

BitGo is a qualified custodian, regulated by the South Dakota Division of Banking. Pursuant to information on its website (<https://www.bitgo.com/>), BitGo provides institutional investors with security, compliance, and custodial solutions for blockchain-based currencies. BitGo is currently the world's largest processor of on-chain bitcoin transactions, processing 15 percent of all global bitcoin transactions, worth of USD 15 billion per month across all cryptocurrencies. The company has a customer base that includes the world's largest cryptocurrency exchanges and spans more than 50 countries. BitGo is headquartered in Palo Alto, California, and has offices in London, Singapore, and Tokyo.

Coinbase Custody is a fiduciary under New York State Banking Law and a qualified custodian regulated under the Investment Company Act of 1940 and the Investment Advisers Act of 1940. Pursuant to information on its website (<https://custody.coinbase.com/>), Coinbase Custody holds all digital assets in a secure and segregated custody solution and they are held in trust for the benefit of the Bondholders. Coinbase Custody maintains what it believes to be one of the industry-leading insurance policies to protect both online and offline assets across all of its products. Coinbase Custody's cold storage solution uses the same cold storage architecture that has underpinned Coinbase, Inc's custody of over USD 20 billion in cryptocurrency assets for its retail customers over 7 years, without any incident.

Komainu is a Jersey-domiciled company with its registered office at Third Floor, 2 Hill Street, St. Helier, Jersey, JE2 4UA. It provides custody services from time to time pursuant to the respective custodial services agreements. Komainu is a joint venture involving Japanese custodian, Nomura Holdings, Inc. and blockchain experts, Ledger SAS. It is regulated by the Jersey Financial Services Commission for the provision of custody and depositary services.

Komainu utilises multi-party computation (MPC) wallets to eliminate a single point of failure whilst allowing high availability access to digital assets for transfer and connectivity. It provides bespoke solution to allow the Issuer to create permissioned controls configurable down to wallet level to meet its needs and those prescribed by the respective security documents. Komainu provides extensive, institutional-grade insurance coverage.

Zodia, a private company limited by shares and registered in Ireland (entity number 701983) having its principal place of business in Dublin, Ireland. Zodia is a wholly-owned subsidiary of Zodia Custody Limited and an indirect subsidiary of Standard Chartered PLC. Northern Trust Corporation and SBI Holdings, Inc. are minority shareholders in Zodia Custody Limited. The core business of Zodia is to act

as a custodian wallet provider, and in particular to (i) generate and safeguard private keys, and (ii) safeguard cryptoassets on behalf of its clients which are secured by the private keys. Zodia is a custodian wallet provider and is accordingly registered with the Central Bank of Ireland (the "CBI") with Firm Reference Number C453603 under the Criminal Justice Act 2010 to 2021 (as amended) (the "CJA") in respect of its activities in cryptoassets.

The Issuer may, however, from time to time appoint another Depositary under the Programme in relation to a particular Series of Bonds.

13.2.6. Staking

The Terms and Conditions of the Bonds issued pursuant to Annex A – Part C (applicable to Bonds linked to a single Cryptocurrency to be staked), Part D (applicable to Bonds linked to an Index of Cryptocurrency to be staked) and Part F (applicable to Bonds with index based calculation) allow for the Issuer to use staking services provided by the Staking Provider.

"**Staking**" is the contribution of Cryptocurrency associated with a given decentralised network to such network for the purpose of facilitating, validating and approving transactions on such network.

The Depositary offers Staking for specific Cryptocurrency directly from the respective Depositary Wallet. Accordingly, subject to the Terms and Conditions of the respective Series of Bonds, the Bondholders can participate in rewards of the Staking ("**Staking Rewards**"). The Staking Rewards are the receipt of units of the respective Cryptocurrency associated with a given decentralized network from such network as a reward for Staking on such network. The Issuer may, notwithstanding the obligation to have an amount of the underlying Cryptocurrency equal to or exceeding the Secured Obligations Amount on the Depositary Wallet held with the Depositary (subject to the restrictions set out in the Terms and Conditions and as described below under **Error! Reference source not found.** "*Security over Depositary Wallet*") at any given time, in respect of the Cryptocurrency of any Series of Bonds apply some or all of the units of the underlying Cryptocurrency forming part of the Deposited Cryptocurrencies in respect of such Series of Bonds for Staking (a "**Staking Transaction**").

The process for Staking will be initiated by the Issuer, following the mandatory authorisation process with the Depositary, as approved by the Administrator. The Issuer will provide instructions to the Depositary to instruct the Staking Provider to stake the relevant Cryptocurrency.

Following the occurrence of a Redemption Date or the Issuer giving a Mandatory Redemption Notice to the Bondholders, the unrestricted transferability of the relevant units of the Cryptocurrency subject to Staking will need to be re-established (the "**De-staking**"). Accordingly, following the occurrence of a Redemption Date or the Issuer giving a Mandatory Redemption Notice to the Bondholders, the Issuer will initiate the De-Staking in relation to the affected units of the Cryptocurrency and a certain time period, which is required to re-establish unrestricted transferability of relevant units of the Cryptocurrency which have previously been committed to a Staking Transaction, as specified for each relevant day by the relevant Yield Index Provider, Staking Provider or other third-party data provider, will commence (the "**Expected Unbonding Period**").

Following the expiration of the Expected Unbonding Period, the respective units of the Cryptocurrency can be withdrawn through the standard withdrawal process.

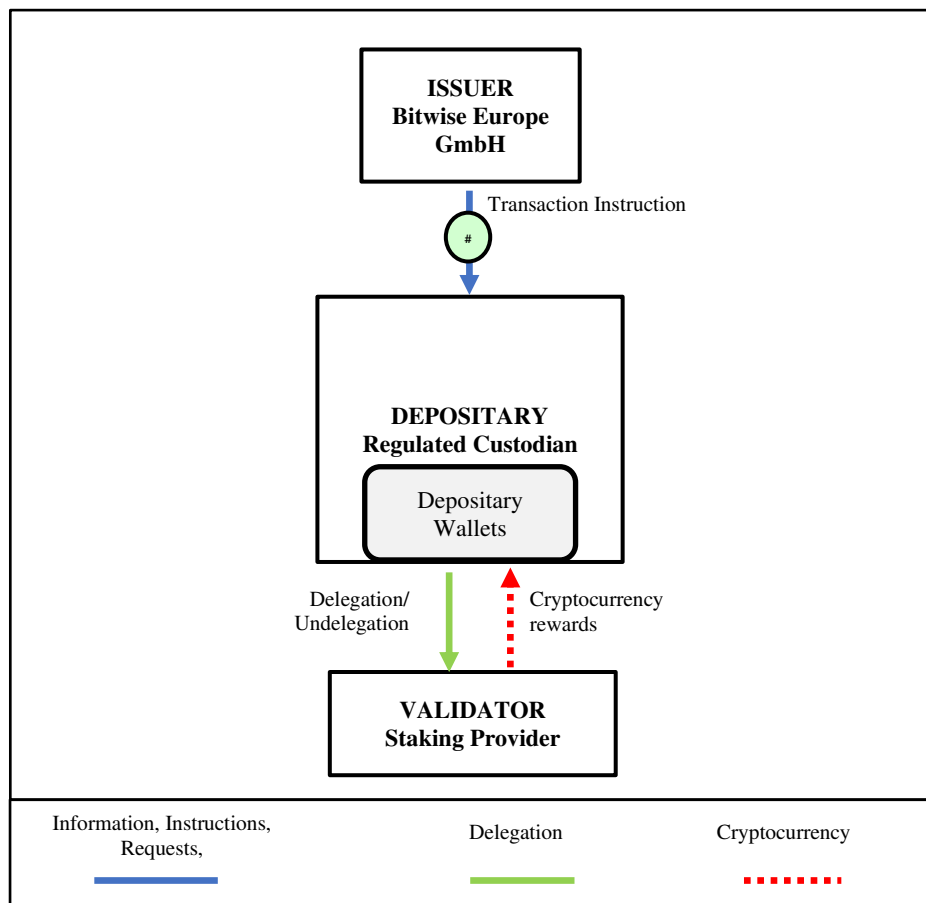
Staking Rewards received as part of the Staking process will be restaked, either automatically by the Staking Provider or manually by the Depositary on behalf of the Issuer. Staking Rewards will form part of the Cryptocurrency Entitlement, whereby the amount of Staking Rewards to be added to the Cryptocurrency Entitlement will be subject to a deduction of fees applied to the Staking Rewards ("**Staking Fees**", also referred to as "**DSC**" and " **DSC^i_t** ") of the underlying Cryptocurrency. The Staking Fees are subject to the Issuer's discretion. In the event of a Slashing Event, the Issuer shall use commercially reasonable efforts to utilize any insurance coverage offered by the Staking Provider to the Depositary, if applicable, to mitigate the impact on the Secured Obligations Amount.

The Depositary, acting on behalf of the Issuer, shall not enter into any Staking Transaction in respect of units of the underlying Cryptocurrency of any Series of Bonds unless an agreement with the Staking

Provider is in effect in relation to such Cryptocurrency and the relevant Series of Bonds. Such an agreement may include a requirement pursuant to which the Staking Provider is required to indemnify the Depositary against all Slashing penalties that arise in consequence of or in relation to any fault of the Staking Provider pursuant to any Staking Transaction. If such an indemnity is in place, and where the total or a portion of the Deposited Cryptocurrency is forfeited or reduced due to a Slashing Event and the Issuer, despite making use of commercially reasonable efforts to utilize any insurance coverage offered by the Staking Provider to the Depositary, is not able to fully mitigate or compensate the effects of these events on the Secured Obligations Amount due to the Staking Provider or the Depositary being unable to satisfy their obligations vis-à-vis the Issuer, the Issuer has the right to adjust and reduce the Cryptocurrency Entitlement (even to zero), whereby, *for the avoidance of doubt*, the Issuer may not permanently reduce the Cryptocurrency Entitlement if and to the extent that (i) the reductions of the Deposited Cryptocurrency are covered and compensated by any insurance offered by the Staking Provider to the Depositary and (ii) such compensated amounts of Cryptocurrency are actually transferred to and deposited in the Depositary Wallet of the Issuer.

For the avoidance of doubt: The underlying Cryptocurrency used for Staking will at all times remain subject to the security interest in relation to the Issuer's rights and claims on the Depositary Wallet which has been established as security for the benefit of the Bondholders, the Security Trustee itself and the Bondholders' Representative (if appointed).

Diagram 2: Staking process



13.2.7. Description of the Staking Provider

Blockdaemon Inc., a Delaware corporation with an address at 1055 West 7th Street, 33rd Floor, Los Angeles, CA 90017, is an independent blockchain node infrastructure to stake, scale, and deploy nodes with institutional-grade security and monitoring. It supports more than 40 blockchain networks. Blockdaemon is used by exchanges, custodians, crypto platforms, financial institutions and developers to connect commercial stakeholders to blockchains. It simplifies the process of deploying nodes and creating scalable enterprise blockchain solutions via APIs, high availability clusters, auto-decentralization and auto-healing of nodes. Nodes are fault-tolerant, high-traffic nodes which include redundancies to handle high traffic and ensure a node failure does not take the network down.

Sous Vide Ltd. (Marinade), registered at 2nd Floor, Ellen L. Skelton Building, Fishers Lane, Road Town, Tortola, VG1110 British Virgin Islands, is a staking marketplace for the Solana protocol. Marinade is one of the leading staking solution on Solana with over \$1 Bn in TVL.

Marinade is integrated with regulated custodians to offer its solution to institutional investors. Marinade provides distributed staking and staking rewards protection through its programmatic staking mechanism. Marinade also offers its institutional staking solution without any smart contract risk. Through this holistic approach, Marinade offers a risk managed rewards mechanism for institutional staking.

13.2.8. Redemption of the Bonds

Bonds will be redeemed in units of the underlying Cryptocurrency.

For the avoidance of doubt, if the Bonds will be redeemed in units of the underlying Cryptocurrency comprising the Index, Bondholders will receive units of each of the underlying Cryptocurrency

comprising the Index in an amount per Unit of the Index as further described in the relevant Final Terms.

Given that the Bonds will be redeemed in the underlying Cryptocurrency, each Bondholder will require a Digital Wallet for the underlying Cryptocurrency in order to receive such units of the underlying Cryptocurrency. In the case of the underlying Cryptocurrency comprising the Index, the Bonds will be redeemed in units of all of the underlying Cryptocurrency comprising the Index, and a separate Digital Wallet for each of the underlying Cryptocurrency comprising the Index is required.

Where a Bondholder is prevented from having one or several Digital Wallets or receiving units of the underlying Cryptocurrency, it may choose to sell Bonds in the secondary market via a stock exchange (in case of Bonds admitted to trading on a stock exchange) or via an OTC market (see 13.2.10. "Sale of Bonds in the secondary market").

Alternatively, a Bondholder may also redeem the Bonds in cash as described below, and the cash proceeds of the Cryptocurrency Execution Procedure (or the Cryptocurrency Divestment Procedure in case of the Bitwise MSCI Select 20 Crypto Index ETP (DA20) Bonds, the Bitwise Ethereum Staking ETP (ET32) Bonds and the Bitwise Core Bitcoin ETP (BTC1) Bonds or the Cryptocurrency Auction Procedure in case of Bonds issued before 21 November 2022) will be made available to the Bondholder.

For the avoidance of doubt, in case of an Index of Cryptocurrency, a Bondholder will be unable to receive Units of the Index, if it is unable to receive any or all of the underlying Cryptocurrency comprising the Index.

In such case, the sale of units of the underlying Cryptocurrency comprising the Index via the Cryptocurrency Execution Procedure (or the Cryptocurrency Divestment Procedure in case of the Bitwise MSCI Select 20 Crypto Index ETP (DA20) Bonds, the Bitwise Ethereum Staking ETP (ET32) Bonds and the Bitwise Core Bitcoin ETP (BTC1) Bonds or the Cryptocurrency Auction Procedure in case of Bonds issued before 21 November 2022) will not be limited to the underlying Cryptocurrency, which the Bondholder is unable to receive. Instead, the units of all underlying Cryptocurrency comprising the Index will be subject to such procedure.

Bonds will either be redeemed (a) at the Issuer's discretion upon the occurrence of a Mandatory Redemption Event at their Mandatory Redemption Price as further described below, or (b) in case of a Voluntary Redemption by a Bondholder at their Cryptocurrency Entitlement or in cash via the Cryptocurrency Execution Procedure (or the Cryptocurrency Divestment Procedure in case of the Bitwise MSCI Select 20 Crypto Index ETP (DA20) Bonds, the Bitwise Ethereum Staking ETP (ET32) Bonds and the Bitwise Core Bitcoin ETP (BTC1) Bonds or the Cryptocurrency Auction Procedure in case of Bonds issued before 21 November 2022) as described in the diagrams below:

Diagram 3a: Bonds' redemption at investor's request (Voluntary Redemption)

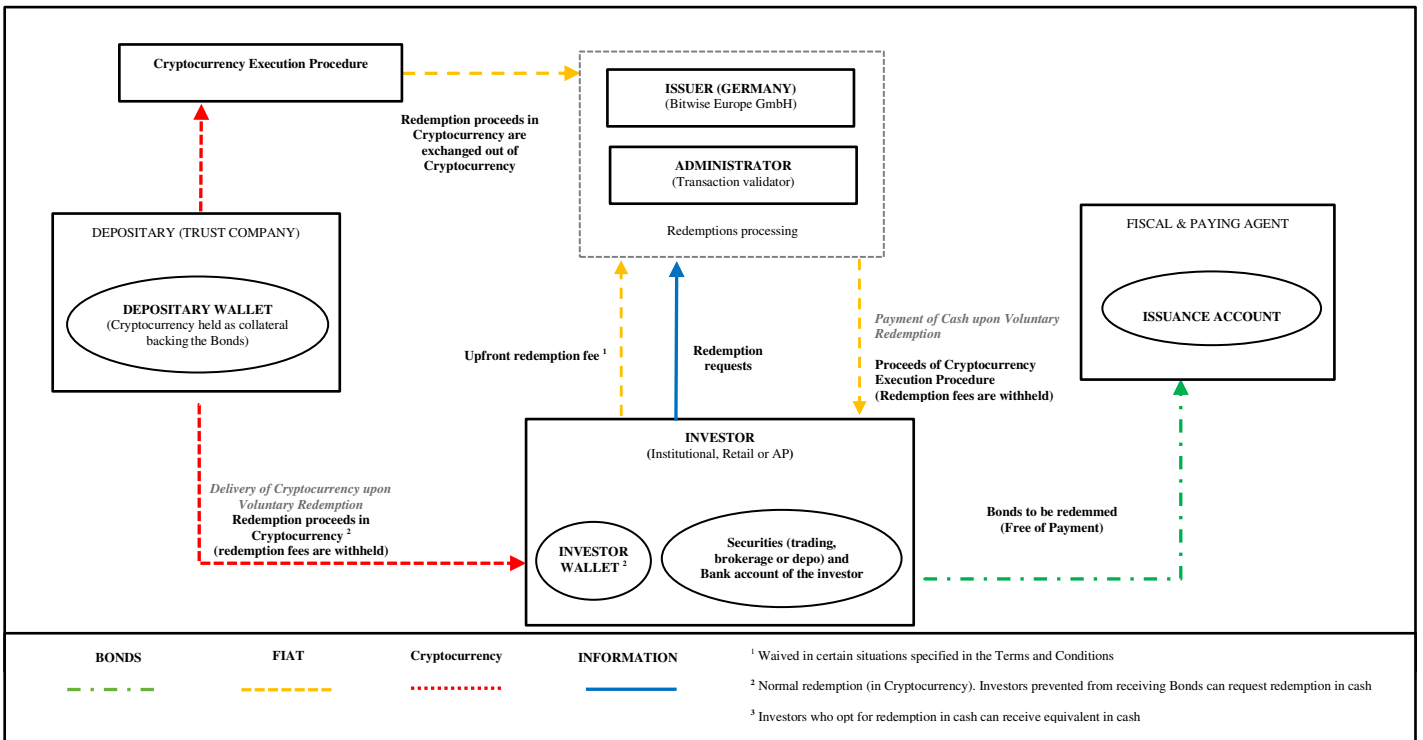


Diagram 3b: Bonds' redemption at investor's request for Bitwise MSCI Select 20 Crypto Index ETP (DA20) Bonds, the Bitwise Ethereum Staking ETP (ET32) Bonds and the Bitwise Core Bitcoin ETP (BTC1) Bonds

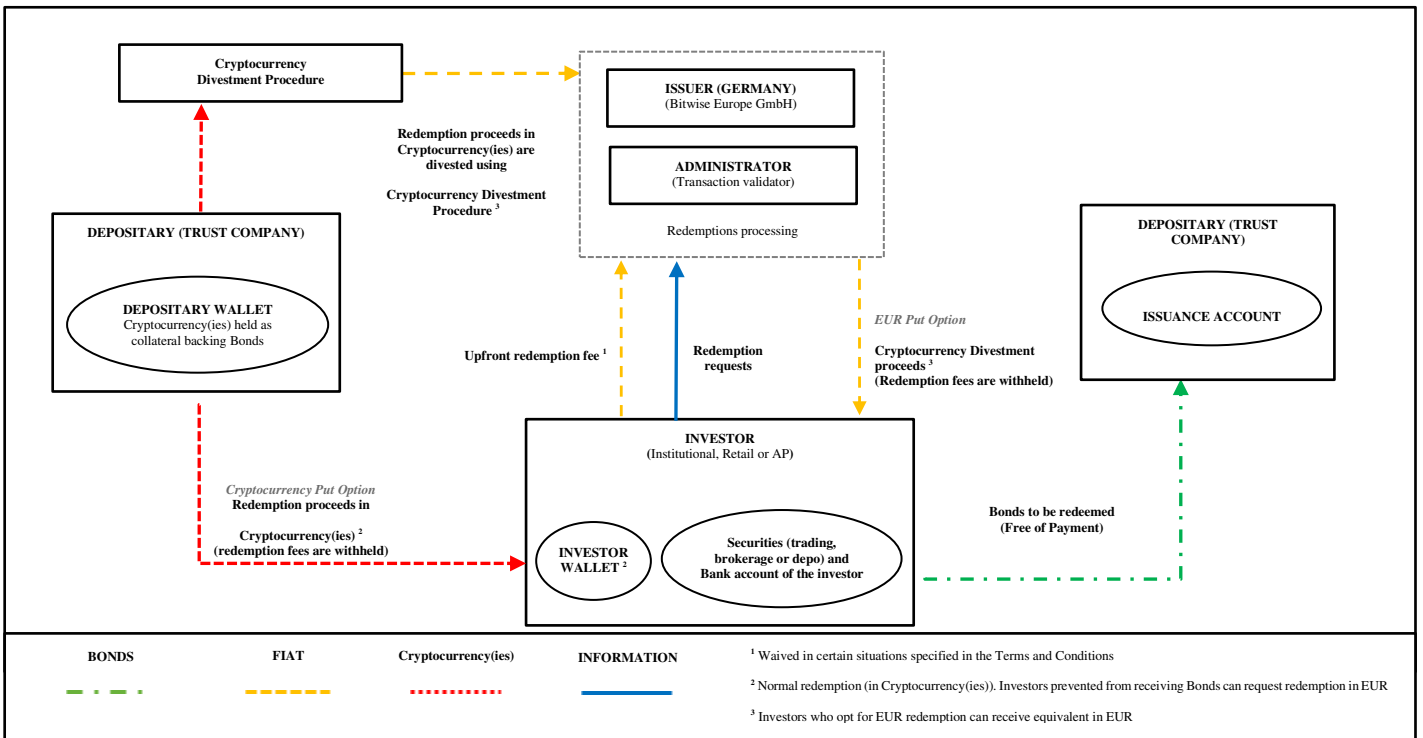
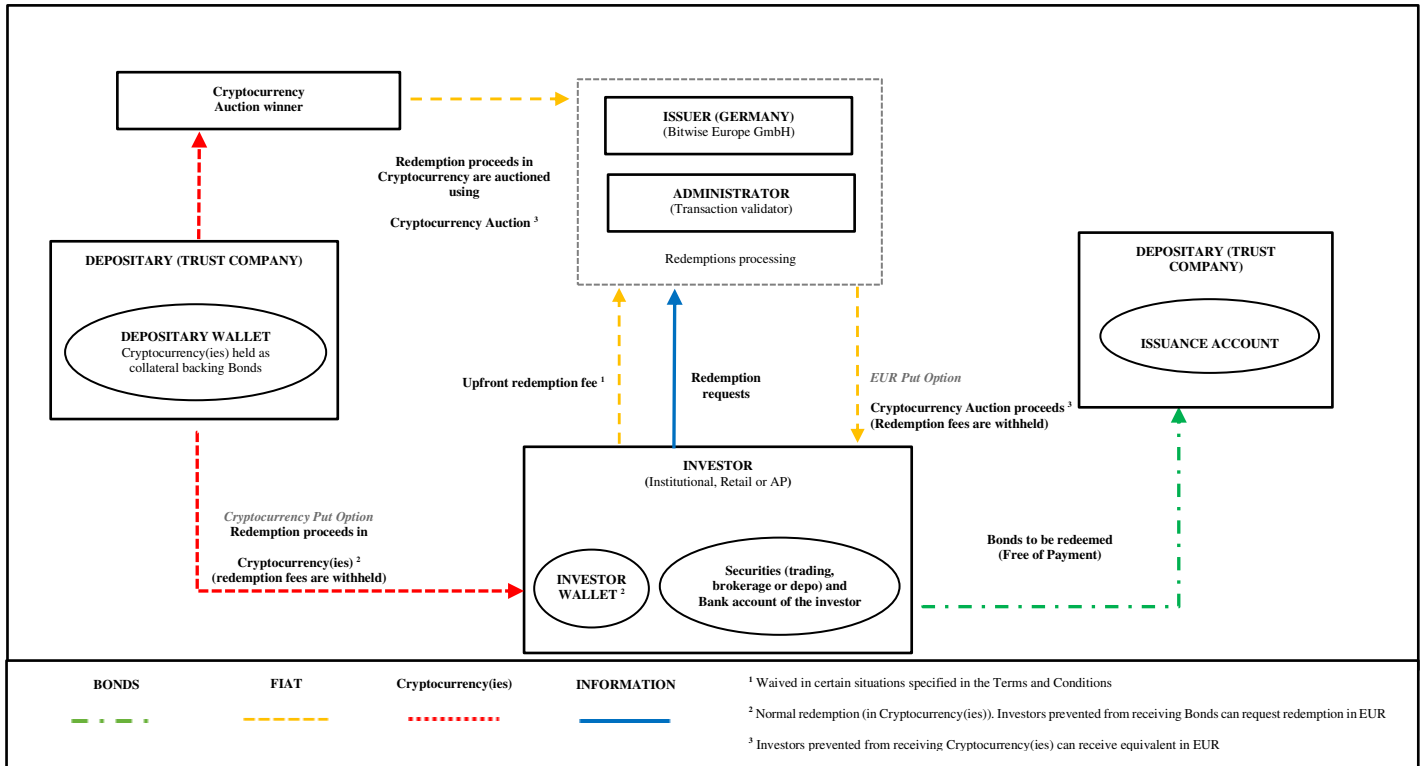


Diagram 3c: Bonds' redemption at investor's request for Bonds issued before 21 November 2022



(a) Mandatory Redemption

Upon the occurrence of a Mandatory Redemption Event (as further described in the Terms and Conditions), the Bonds may be redeemed by the Issuer by giving notice to the Bondholders.

If, following a Mandatory Redemption Event, the Issuer exercises its right to redeem the Bonds, the Bonds will be redeemed at their Mandatory Redemption Price.

The Mandatory Redemption Price per Bond will be (i) the Cryptocurrency Entitlement; or (ii) if a Bondholder opts for redemption in cash, the amount in the relevant Bond Currency of the Bonds obtained from the sale of the units of the Cryptocurrency pursuant to the Cryptocurrency Execution Procedure corresponding to the Cryptocurrency Entitlement, less any applicable fees ("**Cash Redemption Amount**") divided by the number of Outstanding Bonds redeemed in cash, minus any reasonable third-party fees related to the redemption of the Bonds.

In connection therewith, "**Cryptocurrency Entitlement**" means, as at any Business Day, a Bondholder's claim against the Issuer in respect of each Bond, expressed as the number of units of the Cryptocurrency or Units of the Index per Bond, and calculated by the Issuer in its sole discretion in accordance with the following formula (as further described in the Terms and Conditions):

1. For Series of **Bonds linked to a single Cryptocurrency issued pursuant to Annex A - Part A** of the Terms and Conditions, the Cryptocurrency Entitlement will be determined pursuant to the following formula:

$$CE_{(t)} = CE_{(t-1)} * \left(1.0 - \frac{DER}{365}\right)$$

Where:

"**CE_(t)**" means the Cryptocurrency Entitlement on day "t" days after the Issue Date;

"**t**" means the number of calendar days elapsed since the Issue Date;

" $CE_{(t-1)}$ " means the Cryptocurrency Entitlement on the previous day before day "t" days after the Issue Date;

" $CE_{(0)}$ " or "**Initial Cryptocurrency Entitlement**" means the Cryptocurrency Entitlement on the Issue Date; and

"**DER**" means the Diminishing Entitlement Rate. The Diminishing Entitlement Rate represents the management fee expressed as the rate at which the Cryptocurrency Entitlement decays over time.

2. For Series of Bonds linked to an **Index of Cryptocurrency issued pursuant to Annex A - Part B** of the Terms and Conditions, the Cryptocurrency Entitlement will be determined pursuant to the following formula:

"**Cryptocurrency Entitlement**" means the sum of individual "**Single Cryptocurrency Entitlements**" in respect of each particular Cryptocurrency comprising the Basket per Bond.

Whereby:

"**Single Cryptocurrency Entitlement**" or "**SCE**" means, as of any Business Day, part of the total Bondholder's claim against the Issuer in respect of each Bond, expressed as the number of the units of the particular Cryptocurrency comprising the Basket per Bond;

On the Issue Date, the Single Cryptocurrency Entitlement corresponds to the Initial Single Cryptocurrency Entitlement;

On any day after the Issue Date, the Single Cryptocurrency Entitlement will be calculated by the Issuer in its sole discretion in accordance with the following formula:

If the relevant day ("t" days after the Issue Date) is not a Rebalance Day:

$$SCE_{(t)}^i = SCE_{(t-1)}^i * \left(1.0 - \frac{DER}{365}\right)$$

If the relevant day ("t" days after the Issue Date) is a Rebalance Day:

$$SCE_{(t)}^i = \widetilde{SCE}_{(t)}^i * \left(1.0 - \frac{DER}{365}\right) - (RCR * RTV_{(t)}^i)$$

$$\widetilde{SCE}_{(t)}^i = \frac{W_{(t)}^i * MTM_{(t)}}{P_{(t)}^i}$$

$$MTM_{(t)} = \sum_{i \in B_{(t-1)}} SCE_{(t-1)}^i * P_{(t)}^i$$

$$RTV_{(t)}^i = \text{Max}(0, \widetilde{SCE}_{(t)}^i - SCE_{(t-1)}^i)$$

Where:

" $SCE_{(t)}^i$ " means the Single Cryptocurrency Entitlement in respect of the particular Cryptocurrency comprised in the Basket (denoted "i") on day "t" days after the Issue Date;

"t" means the number of calendar days elapsed since the Issue Date;

" $SCE_{(t-1)}^i$ " means the Single Cryptocurrency Entitlement in respect of the particular Cryptocurrency comprised in the Basket (denoted "i") on the previous day before day "t" days after the Issue Date;

" $\widetilde{SCE}_{(t)}^i$ " means the means the Single Cryptocurrency Entitlement gross of rebalance cost and management fee i in respect of the particular Cryptocurrency comprised in the Basket (denoted "i") on day "t" days after the Issue Date;

" $SCE_{(0)}^i$ " means the initial Single Cryptocurrency Entitlement on the Issue Date;

"**DER**" means the Diminishing Entitlement Rate. The Diminishing Entitlement Rate represents the management fee expressed as the rate at which the Single Cryptocurrency Entitlement decays over time;

"**RCR**" means the effective rebalance cost rate; The RCR represents a fee charged by the Issuer to affect the rebalancing of the Basket;

" $RTV_{(t)}^i$ " means the positive variation between the Single Cryptocurrency Entitlement (for the relevant Cryptocurrency denoted "i") on day "t" and the Single Cryptocurrency Entitlement on the previous calendar day; If the Basket has not comprised the relevant cryptocurrency on the previous calendar day, the respective Single Cryptocurrency Entitlement on the previous calendar day is zero; If the variation between the Single Cryptocurrency Entitlement on day "t" and Single Cryptocurrency Entitlement on the previous calendar day is negative, **RTVt i** is zero;

"**MTM**" means the mark-to-market value of the total Cryptocurrency Entitlement (as of the previous day) calculated on the day "t" calendar days after the Issue Date;

" $P_{(t)}$ " means the reference price calculated in respect of the particular Cryptocurrency comprising the Basket (denoted "i") on the day "t" calendar days after the Issue Date; The same methodology and source for $P_{(t)}^i$ calculation shall be used as prescribed by the Index Methodology for the calculation of prices of its components; and

" $W_{(t)}^i$ " means the weighting in respect of the particular Cryptocurrency comprised in the Basket (denoted "i") on the day "t" calendar days after the Issue Date.

3. For Series of **Bonds linked to a single Cryptocurrency to be staked issued pursuant to Annex A - Part C** of the Terms and Conditions, the Cryptocurrency Entitlement will be determined pursuant to the following formula:

$$CE_{(t)} = CE_{(t-1)} * \left(1 - \frac{DER}{365}\right) + \frac{SR_{(t-x)}}{N_{(t-x)}}(1 - DSC)$$

Where:

" $CE_{(t)}$ " means the Cryptocurrency Entitlement on day "t" days after the Issue Date;

" $CE_{(t-1)}$ " means the Cryptocurrency Entitlement on the previous day before day "t" days after the Issue Date;

" $CE_{(0)}$ " or "**Initial Cryptocurrency Entitlement**" means the Cryptocurrency Entitlement on the Issue Date;

"**DER**" means the Diminishing Entitlement Rate. The Diminishing Entitlement Rate represents the management fee expressed as the rate at which the Cryptocurrency Entitlement decays over time;

" $SR_{(t-x)}$ " means the staking rewards expressed in respective cryptocurrency received (both earned and accrued) from staking on the day "x" days before the day "t" days after the Issue Date;

" $N_{(t-x)}$ " means number of bonds outstanding as of end of the day "x" days before the before day "t" days after the Issue Date; and

"DSC" means the fees applied to the staking rewards.

4. For Series of **Bonds linked to an Index of Cryptocurrency to be staked issued pursuant to issued pursuant to Annex A - Part D** of the Terms and Conditions, the Cryptocurrency Entitlement will be determined pursuant to the following formula:

"**Cryptocurrency Entitlement**" means the sum of individual "**Single Cryptocurrency Entitlements**" in respect of each particular Cryptocurrency comprising the Basket per Bond.

Whereby:

"**Single Cryptocurrency Entitlement**" means, as of any Business Day, part of the total Bondholder's claim against the Issuer in respect of each Bond, expressed as the number of the units of the particular Cryptocurrency comprising the Basket per Bond;

On the Issue Date, the Single Cryptocurrency Entitlement corresponds to the Initial Single Cryptocurrency Entitlement;

On any day after the Issue Date, the Single Cryptocurrency Entitlement will be calculated by the Issuer in its sole discretion in accordance with the following formula:

If the relevant day ("t" days after the Issue Date) is not a Rebalance Day or not a day immediately following the Rebalance Day:

$$SCE_{(t)} = SCE_{(t-1)}^i * \left(1 - \frac{DER}{365}\right) + \frac{SSR_{(t-x)}}{N_{(t-x)}} (1 - DSC_{(t)}^i)$$

If the relevant day ("t" days after the Issue Date) is a day immediately following the Rebalance Day:

$$SCE_{(t)} = SCE_{(t-1)}^i * \left(1 - \frac{DER}{365}\right) + \frac{SSR_{(t-x)} + SSR_{(t-x-1)}}{N_{(t-x)}} (1 - DSC_{(t)}^i)$$

If the relevant day ("t" days after the Issue Date) is a Rebalance Day:

$$SCE_{(t)}^i = \widetilde{SCE}_{(t)}^i * \left(1.0 - \frac{DER}{365}\right) - (RCR * RTV_{(t)}^i)$$

$$\widetilde{SCE}_{(t)}^i = \frac{W_{(t)}^i * MTM_{(t)}}{P_{(t)}^i}$$

$$MTM_{(t)} = \sum_{I \in B_{(t-1)}} SCE_{(t-1)}^i * P_{(t)}^i$$

$$RTV_{(t)}^i = \text{Max}(0, \widetilde{SCE}_{(t)}^i - SCE_{(t-1)}^i)$$

Where:

" $SCE_{(t)}^i$ " means the Single Cryptocurrency Entitlement in respect of the particular Cryptocurrency comprised in the Basket (denoted "i") on day "t" days after the Issue Date;

"t" means the number of calendar days elapsed since the Issue Date;

" $SCE_{(t-1)}^i$ " means the Single Cryptocurrency Entitlement in respect of the particular Cryptocurrency comprised in the Basket (denoted "i") on the previous day before day "t" days after the Issue Date;

" $SSR_{(t-x)}$ " means the Single staking rewards expressed in respective cryptocurrency received (both earned and accrued) from staking on the day "x" days before the day "t" days after the Issue Date;

" $SSR_{(t-x-1)}$ " means the Single staking rewards expressed in respective cryptocurrency received (both earned and accrued) from staking on the previous day before the day "x" days before the day "t" days after the Issue Date;

" $N_{(t-x)}$ " means number of bonds outstanding as of end of the day "x" days before the before day "t" days after the Issue Date;

" $\widetilde{SCE}_{(t)}^i$ " means the means the Rebalanced Single Cryptocurrency Entitlement, gross of rebalance cost and management fee, in respect of the particular Cryptocurrency comprised in the Basket (denoted "i") on day "t" days after the Issue Date;

" $SCE_{(0)}^i$ " means the initial Single Cryptocurrency Entitlement, in respect of the particular Cryptocurrency comprised in the Basket (denoted "i"), on the Issue Date;

" DER " means the Diminishing Entitlement Rate. The Diminishing Entitlement Rate represents the management fee expressed as the rate at which the Single Cryptocurrency Entitlement decays over time;

" $DSC_{(t)}^i$ " means the fees applied to the staking rewards in respect of the particular Cryptocurrency comprised in the Basket (denoted "i");

" RCR " means the effective rebalance cost rate; The effective rebalance cost RCR represents a fee charged by the Issuer to affect the rebalancing of the Basket;

" $RTV_{(t)}^i$ " means the positive variation between the Single Cryptocurrency Entitlement (for the relevant cryptocurrency denoted "i") on day "t" and the Single Cryptocurrency Entitlement on the previous calendar day; If the Basket was not comprised of the relevant cryptocurrency on the previous calendar day, the respective Single Cryptocurrency Entitlement on the previous calendar day is zero; If the variation between the Single Cryptocurrency Entitlement on day "t" and Single Cryptocurrency Entitlement on the previous calendar day is negative, $RTV_{(t)}^i$ is zero;

" MTM " means the mark-to-market value of the total Cryptocurrency Entitlement (as of the previous day) calculated on the day "t" calendar days after the Issue Date;

" $P_{(t)}$ " means the reference price calculated in respect of the particular Cryptocurrency comprised in the Basket (denoted "i") on the day "t" calendar days after the Issue Date; The same methodology and source for $P_{(t)}^i$ calculation shall be used as prescribed by the Index Methodology for the calculation of prices of its components; and

" $W_{(t)}^i$ " means the weighting in respect of the particular Cryptocurrency comprised in the Basket (denoted "i") on the day "t" calendar days after the Issue Date, provided by the Index Sponsor.

5. For Series of **Bonds linked to a single Cryptocurrency with FX Hedging feature issued pursuant to Annex A - Part E** of the Terms and Conditions, the Cryptocurrency Entitlement will be determined pursuant to the following formula:

$$CE_{(t)} = (CE_{(t-1)} + FXP_{(t)}) * \left(1 - \frac{DER + HDC}{365}\right)$$

$$FXP_{(t)} = \frac{(CE_{(t-1)} * P_{(t-1)}) * \left(\frac{FFX_{(t-1)}}{FXS_{(t)}} - 1\right)}{P_{(t)}}$$

Where:

" $CE_{(t)}$ " means the Cryptocurrency Entitlement on day "t" days after the Issue Date.

"t" means the number of calendar days elapsed since the Issue Date.

" $CE_{(t-1)}$ " means the Cryptocurrency Entitlement on the previous day before day "t" days after the Issue Date.

" $CE_{(0)}$ " means the Initial Cryptocurrency Entitlement on the Issue Date.

"**DER**" means the Diminishing Entitlement Rate. The Diminishing Entitlement Rate represents the management fee expressed as the rate at which the Cryptocurrency Entitlement decays over time.

" $P_{(t)}$ " means the Reference Price of the underlying Cryptocurrency on the day 't' calendar days after the Issue Date;

" $P_{(t-1)}$ " means the Reference Price of the underlying Cryptocurrency on the previous day before day 't' days after the Issue Date.

" $FXP_{(t)}$ ", means the FX Hedge Performance. The FX Hedge Performance represents the change in Cryptocurrency entitlement rate, in respect of the FX Hedging mechanism for the mitigation of fluctuations in the exchange rate between the currency in which the Reference Price is denominated (the "**Reference Price Currency**") and the Bond Currency, on day 't' days after the Issue Date.

" $FFX_{(t-1)}$ " means the FX Forward Reference Level on the previous day before day 't' days after the Issue Date;

" $FXS_{(t)}$ " means the FX Spot Reference Level in respect to the day 't' days after the Issue Date;

"**FX Forward Reference Level**" means, in respect of any calendar day, the forward rate, expressed in the Reference Price Currency provided by the FX Counterparty, on that day as being the rate for a forward exchange of an amount of the Reference Price Currency per one unit of the Bond Currency; and

"**FX Spot Reference Level**" means, in respect of any calendar day, the currency exchange rate expressed in the Reference Price Currency provided by the FX Counterparty, on that day as being the rate for the exchange of an amount of the Reference Price Currency per one unit of the Bond Currency.

"**HDC**" means the hedging Costs. The hedging costs represents the annual cost of the Issuer to maintain the currency hedging mechanism expressed in per cent. *per annum*.

6. For Series of **Bonds with index based calculation issued pursuant to Annex A – Part F** of the Terms and Conditions, the Cryptocurrency Entitlement will be determined pursuant to the following formula:

$$CE_{(t)} = (\sum_i^n \text{Cryptocurrency Amount}_i * \text{Entitlement}) * (1.0 - \text{DER}/365)^t$$

Where:

" $CE_{(t)}$ " means the Cryptocurrency Entitlement on day "t" days after the Issue Date;

"**Cryptocurrency Amount_i**" means the amount of units of the respective Cryptocurrency comprised in the Index as calculated and published by the Index Sponsor on any day at the time specified in the relevant Final Terms;

"**DER**" means the Diminishing Entitlement Rate. The Diminishing Entitlement Rate represents the management fee expressed as the rate at which the Cryptocurrency Entitlement decays over time;

"**Entitlement**" means the entitlement for each Bond as specified in the respective Final Terms;

"**Index**" means the index specified in the respective Final Terms;

"**Index Sponsor**" means the index sponsor of the respective Index;

"**n**" means the number of different Cryptocurrencies comprised in the Index;

"**t**" means the number of calendar days elapsed since the Issue Date.

7. For **all Series of Bonds** the Issuer also aims to publish the Net Asset Value for the units of the Bonds on each business day.

The Net Asset Value is (i) the market value of the respective single underlying Cryptocurrency (in case of Bonds linked to a single Cryptocurrency issued pursuant to Annex A – Part A, Part C and Part E) or (ii) the sum of the market values of each of Cryptocurrency_(i) comprised in the Index (in case of Bonds linked to an Index of Cryptocurrency issued pursuant to Annex A – Part B and Part D as well as Bonds with index based calculation issued pursuant to Annex A – Part F). The respective Net Asset Value for each Series of Bonds is calculated in accordance with the following formula:

$$\text{Net Asset Value} = \sum_i^n p_i * q_i$$

Where (for all Cryptocurrencies_(i) comprised in the Index):

"**n**" means the number of underlying components

"**p_i**" means the respective data source or index reference price of the respective Cryptocurrency_(i) comprised in the Index as stated in the Final Terms

"**q_i**" means the Cryptocurrency Entitlement or Entitlement (as applicable) of the respective Series of Bonds as specified in the Final Terms

Example: Bonds linked to a single Cryptocurrency

If, in case of a Series of Bonds linked to a single Cryptocurrency, for example Bitcoin (BTC), the respective reference price at the specified time was 20,000 USD (**p_i**) and the Cryptocurrency Entitlement per Bond amount was 0.01 (**q_i**), then the Net Asset Value of 1 unit of the Bonds would be calculated as follows:

$$20,000 \text{ USD } (p_i) * 0.01 (q_i) = 200 \text{ USD per Bond.}$$

Example: Bonds linked to an Index of Cryptocurrency

Similarly, if, in case of a Series of Bonds linked to an Index of Cryptocurrencies, the Index is comprised of units of both, Bitcoin (BTC) and Ethereum (ETH), and the reference price of the Index at the specified time was 20,000 USD for Bitcoin and 2,000 USD for Ethereum and the Cryptocurrency Entitlement per Bond was 0.01 then the Net Asset Value of a unit in USD would be calculated as follows:

$$20,000 \text{ USD } (p_1) * 0.01 (q_i) + 2,000 (p_2) * 0.01 (q_i) = 220 \text{ USD per Bond.}$$

Whereby:

"**p₁**" means the price of BTC

"**p₂**" means the price of ETH

"**q_i**" means the Cryptocurrency Entitlement of the Series of Bonds.

8. Additionally, in case of Series of **Bonds with an underlying Index of Cryptocurrency issued pursuant to Annex A - Part B and D** of the Terms and Conditions, the Cryptocurrency Entitlement is subject to adjustments upon the occurrence of a Collateral Shortfall Event (as described below under 13.3.1. "*Security over Depositary Wallet*").

For the avoidance of doubt, in case of Bonds linked to underlying Cryptocurrency comprising the Index, the Cryptocurrency Entitlement refers to the specified number of units of each underlying Cryptocurrency contained in one Unit of the Index. This means that a Bondholder will not receive units of a single Cryptocurrency, but units of all Cryptocurrency comprising the Index in an amount per Bond as specified in the definition of "Index" in the relevant Final Terms.

In order for a Bondholder to receive the Cryptocurrency Entitlement, such Bondholder needs to (i) submit a duly completed mandatory redemption form (obtainable from the website of the Issuer) (the "**Redemption Form**"), and any documents requested in such form for verification of the Bondholder's identity and (ii) transfer its Bonds to the Issuance Account free of payment.

If a Bondholder fails to perform (i) or (ii) on or before the date specified in the relevant Mandatory Redemption Notice, the Issuer will redeem the relevant Bonds in cash.

- (b) Voluntary Redemption

Each Bondholder may at any time in whole or in part redeem its Bonds against (i) payment of the Cryptocurrency Entitlement; or (ii) the Cash Redemption Amount.

In order to exercise the right for Voluntary Redemption a Bondholder needs to (i) submit a duly completed Redemption Form, including any documents requested in such form for verification of the Bondholder's identity, (ii) pay the Upfront Redemption Fee (if any) to an account specified by the Issuer, and (iii) transfer the Bonds in relation to which the right for Voluntary Redemption is exercised to the Issuance Account free of payment. Such Redemption Form shall include (among other information) the number of Bonds being redeemed and information on the Bondholder's Digital Wallet(s).

- (c) Cryptocurrency Execution Procedure

If a Bondholders has requested a Voluntary Redemption to be settled in cash, the Bonds will be redeemed in the relevant Bond Currency of the Bonds against payment the Cash Redemption Amount.

In such case, the Issuer will instruct a service provider (the "**Execution Agent**") to sell the Cryptocurrency attributable to or forming part of the Security in respect of the Bonds subject to the relevant Voluntary Redemption request in an amount equal to the Cryptocurrency

Entitlement (the "**Cryptocurrency Execution Procedure**"). In case of a successful sale of the Cryptocurrency, the Issuer will transfer the Cash Redemption Amount to the relevant Bondholder's account as specified in the Redemption Form. In case of a partially successful execution, e.g. in cases where the Execution Agent is not able to fully execute the Cryptocurrency Execution Procedure for one or more (but not all) of the Cryptocurrency (a "**Partially Failed Execution**"), the Cash Redemption Amount will only consist of the cash proceeds generated from the successful element of the Cryptocurrency Execution Procedure.

(d) Divestment Procedure

In relation to the Bitwise MSCI Select 20 Crypto Index ETP (DA20) Bonds, the Bitwise Ethereum Staking ETP (ET32) Bonds and the Bitwise Core Bitcoin ETP (BTC1) Bonds, if a Bondholder has opted for the redemption in a fiat currency, the Bonds will be redeemed in the respective fiat currency against payment of an amount equal to the Cryptocurrency Sale Proceeds. "**Cryptocurrency Sale Proceeds**" means an amount in the respective fiat currency obtained from the sale of units of the underlying Cryptocurrency equating to the Cryptocurrency Entitlement multiplied by the number of Bonds being redeemed in the respective fiat currency from the Deposited Cryptocurrency with the relevant Depository by using one or several (as the case may be) Cryptocurrency Divestment Procedures.

If the Issuer is required to arrange for a Cryptocurrency Divestment Procedure, the Divestment Agent shall – upon instruction from the Issuer (if applicable) – in accordance with deadlines set forth in the Terms and Conditions on the so-called Divestment Start Date initiate the sale of the required number of units of the relevant underlying Cryptocurrency (the "**Cryptocurrency Divestment Procedure**") on one or more trading venues.

If the Issuer is required to arrange for a Cryptocurrency Divestment Procedure, the Divestment Agent shall – upon instruction from the Issuer (if applicable) – in accordance with deadlines set forth in the Terms and Conditions on the so-called Divestment Start Date initiate the sale of the required number of units of the relevant underlying Cryptocurrency (the "**Cryptocurrency Divestment Procedure**") on one or more trading venues.

The Cryptocurrency Divestment Procedure shall end upon the expiration of a maximum number of days (to be specified in the relevant Final Terms) from the Divestment Start Date. The technical process of the Cryptocurrency Divestment Procedure, including the submission and acceptance of offers to buy and sell, shall be carried out in accordance with the business terms and trading rules of the respective trading venue(s). Any legal entity or any natural person registered and authorised to participate in trading on the trading venue(s), may participate in the Cryptocurrency Divestment Procedure by submitting purchase orders via the trading venue(s). The Divestment Agent will offer the units of the Cryptocurrency to be divested for sale (at their full number as well as in tranches of any size) at their current fair market value, however in no case at less than 80% of the relevant Reference Price determined in accordance with the Terms and Conditions. In case of a successful sale, the settlement shall be carried out in accordance with the business terms and trading rules of the respective trading venues.

(e) Auction

In relation to Bonds issued before 21 November 2022 only, if a Bondholder is prevented from receiving units of any or all of the underlying Cryptocurrency for legal reasons, in particular due to regulatory provisions applicable to it, the Bonds may be redeemed in fiat currency against payment of an amount equal to the Cryptocurrency Sale Proceeds. "**Cryptocurrency Sale Proceeds**" means an amount in fiat currency obtained from the sale of units of the underlying Cryptocurrency equating to the Cryptocurrency Entitlement multiplied by the number of Bonds being redeemed in fiat currency from the Deposited Cryptocurrency with the relevant Depository by using one or several (as the case may be) Cryptocurrency Auction Procedures.

If the Issuer is required to arrange for a Cryptocurrency Auction Procedure, the Auctioneer shall – upon instruction from the Issuer (if applicable) – announce that it is auctioning the required

number of units of the relevant underlying Cryptocurrency on the Issuer's official website (<https://etc-group.com>).

Bids submitted for less than 80 percent of the Reference Price (with the "**Reference Price**" being, as of the relevant determination date, either (i) in case of a single Cryptocurrency as underlying, the respective Cryptocurrency price fixing for the relevant Cryptocurrency, or (ii) in case of an Index, the sum of the respective Cryptocurrency price fixings for the relevant Cryptocurrency comprising the Index, multiplied by the number of units of the relevant Cryptocurrency per Unit of the Index as the case may be, as displayed under the specified ticker of the relevant Cryptocurrency between 16:00 and 16:15 (EST) on the Auction Price Determination Date) or bids for less or more than the full number of units of the underlying Cryptocurrency auctioned will be rejected.

In case the bid is accepted by the Auctioneer, the bidder shall arrange for the transfer of a Bid Guarantee Amount to the Issuer as a guarantee for its bid (being 10 percent of the Reference Price, calculated based on the Reference Price at the Business Day preceding the Announcement Date, multiplied by the number of units of the relevant Cryptocurrency or Units of the Index being auctioned). Bids, for which no bid guarantees have been received by the Issuer, will not be considered valid and legally binding. Bids for which the bidders have posted a Bid Guarantee Amount are irrevocable and may not be cancelled by the bidders, but may be improved on request by the bidder. Upon the Issuer receiving a Bid Guarantee Amount from the bidder, or upon receiving an amendment (increase) of the bid by the bidder, the Auctioneer will announce such received or updated bid on the Issuer's official website (<https://etc-group.com>) within 24 hours of receipt.

No later than 12 hours before 13:00 (CET) on the Auction Price Determination Date, the Auctioneer will notify the highest bidder, if any, that such bidder has won the auction. The bidder shall arrange for the payment of the balance between the value of its bid, expressed as a percentage of the Reference Price at the Auction Price Determination Date, multiplied by such Reference Price and the number of units of the relevant Cryptocurrency or Units of the Index being auctioned, and the Bid Guarantee Amount credited to the Issuer. If such balance is negative, the Issuer shall transfer the balance to the bidder.

(f) Example Calculations for the option of a single underlying Cryptocurrency without Staking:

The table below contains example calculations of the redemption proceeds of the Bonds depending on (i) the time elapsed since the issuances of the Bonds (*Years since Issue Date*), (ii) the future performance of the underlying Cryptocurrency based on an exemplary level of the underlying Cryptocurrency as of the date of the redemption of the Bonds (*Underlying Cryptocurrency EUR*) and (iii) the fees applied to the Bonds (*Exercise Fee*).

Such calculations are based on the following assumptions:

Initial investment amount at the Issue Date: EUR 10,000

Cost for one unit of the relevant Cryptocurrency at the Issue Date: EUR 5,000

Initial Cryptocurrency Entitlement ($CE_{(0)}$) at the Issue Date: 0.001 per Bond

Diminishing Entitlement Rate (DER) of 2.00 percent *per annum* applied on a daily basis.

Cryptocurrency Entitlement ($CE_{(t)}$) at redemption on the day "t" days after the Issue Date calculated in accordance with the formula:

$$CE_{(t)} = CE_{(t-1)} * \left(1.0 - \frac{DER}{365} \right)$$

as further described in section a) *Mandatory Redemption*.

Initial investment ignoring fees⁸ at the Issue Date: 2,000 Bonds.

The result of the calculation described above is displayed below in the column "*Redemption Proceeds*" in Table 1 and Table 2 for each scenario. Further, to illustrate the impact of the costs incurred, Table 2 displays the calculations based on an annual performance of the Underlying Cryptocurrency of zero percent *per annum*.

⁸ The amount of the fees depends on the respective Authorised Participant or if an investor purchases the Bonds via the stock exchange.

Table 1:

Years since Issue Date	CE (per 1000 Bonds) in relevant underlying Cryptocurrency	Underlying Cryptocurrency EUR (for example only, not a forecast)	Scenario 1: Mandatory Redemption			Scenario 2: Redemption by any Bondholder with the Issuer			Scenario 3: Redemption of an Authorised Participant with the Issuer		
			Upfront Redemption Fee (EUR)	Exercise Fee	Redemption proceeds (in EUR), valued at current relevant underlying Cryptocurrency price	Upfront Redemption Fee (EUR) ⁽¹⁾	Exercise Fee	Redemption proceeds (in EUR), valued at current relevant underlying Cryptocurrency price	Upfront Redemption Fee (EUR) ⁽²⁾	Exercise Fee ^{(2)/(3)}	Redemption proceeds (in EUR), valued at current relevant underlying Cryptocurrency price ⁽⁴⁾
0	1.0000	5,000.00	-	-	10,000.00	50.00	1%	9,900.00	-	0.50%	9,950.00
1	0.9800	7,500.00	-	-	14,700.00	50.00	1%	14,553.00	-	0.50%	14,626.50
5	0.9039	4,000.00	-	-	7,231.37	50.00	1%	7,159.06	-	0.50%	7,195.21
10	0.8171	48,000.00	-	-	78,438.99	50.00	1%	77,654.60	-	0.50%	78,046.79

Table 2:

Years since Issue Date	CE (per 1000 Bonds) in relevant underlying Cryptocurrency	Underlying Cryptocurrency EUR (for example only, not a forecast)	Scenario 1: Mandatory Redemption			Scenario 2: Redemption by any Bondholder with the Issuer			Scenario 3: Redemption of an Authorised Participant with the Issuer		
			Upfront Redemption Fee (EUR)	Exercise Fee	Redemption proceeds (in EUR), valued at current relevant underlying Cryptocurrency price	Upfront Redemption Fee (EUR) ⁽¹⁾	Exercise Fee	Redemption proceeds (in EUR), valued at current relevant underlying Cryptocurrency price	Upfront Redemption Fee (EUR) ⁽²⁾	Exercise Fee ^{(2)/(3)}	Redemption proceeds (in EUR), valued at current relevant underlying Cryptocurrency price ⁽⁴⁾
0	1.0000000	5,000.00	-	-	10,000.00	50.00	1%	9,900.00	-	0.50%	9,950.00
1	0.9801981	5,000.00	-	-	9,801.98	50.00	1%	9,703.96	-	0.50%	9,752.97
2	0.9607884	5,000.00	-	-	9,607.88	50.00	1%	9,511.81	-	0.50%	9,588.66
3	0.9417630	5,000.00	-	-	9,417.63	50.00	1%	9,323.45	-	0.50%	9,370.54
4	0.9231143	5,000.00	-	-	9,231.14	50.00	1%	9,138.83	-	0.50%	9,184.98
5	0.9048349	5,000.00	-	-	9,048.35	50.00	1%	8,957.87	-	0.50%	9,003.11

(1) Pursuant to Condition 1 of the Terms and Conditions the Issuer may charge (or waive) the Upfront Redemption Fee at its reasonable discretion.

(2) Assuming the Authorised Participant does not charge any fees (or charges negligible fees)

(4) Exercise Fee might be lower in accordance with a particular Authorised Participant Agreement

(5) A particular Authorised Participant may choose not to accept redemption requests from certain Bondholders at their sole and absolute discretion and in line with their internal policies

(g) Example Calculations for the option of a single underlying Cryptocurrency with Staking:

The table below contains example calculations of the redemption proceeds of the Bonds depending on (i) the time elapsed since the issuances of the Bonds (*Years since Issue Date*), (ii) the future performance of the underlying Cryptocurrency based on an exemplary level of the underlying Cryptocurrency as of the date of the redemption of the Bonds (*Underlying Cryptocurrency EUR*), (iii) the Staking Rewards earned (expressed as the average staking yield in per cent. for the relevant period) and (iv) the fees applied to the Bonds (*Exercise Fee*).

Such calculations are based on the following assumptions:

Initial investment amount at the Issue Date: EUR 10,000

Cost for one unit of the relevant Cryptocurrency at the Issue Date: EUR 5,000

Initial Cryptocurrency Entitlement ($CE_{(0)}$) at the Issue Date: 0.001 per Bond

Diminishing Entitlement Rate (DER) of 2.00 percent *per annum* applied on a daily basis.

Cryptocurrency Entitlement ($CE_{(t)}$) at redemption on the day "t" days after the Issue Date calculated in accordance with the formulas:

$$CE_{(t)} = CE_{(t-1)} * \left(1 - \frac{DER}{365}\right) + \frac{SR_{(t-x)}}{N_{(t-x)}} (1 - DSC)$$

as further described in section a) *Mandatory Redemption*.

Initial investment ignoring fees⁹ at the Issue Date: 2,000 Bonds.

The result of the calculation described above is displayed below in the column "*Redemption Proceeds*" for each scenario, whereby Table 3 displays the calculations based on an average staking yield of zero (corresponding to no Staking Rewards), while Table 4 displays the calculations for a floating average staking yield (corresponding to changing Staking Rewards in each year).

⁹ The amount of the fees depends on the respective Authorised Participant or if an investor purchases the Bonds via the stock exchange.

Table 3:

Years since Issue Date	Average staking yield during the period	CE (per 1000 Bonds) in relevant underlying Cryptocurrency	Underlying Cryptocurrency EUR (for example only, not a forecast)	Scenario 1: Mandatory Redemption			Scenario 2: Redemption by any Bondholder with the Issuer			Scenario 3: Redemption of an Authorised Participant with the Issuer		
				Upfront Redemption Fee (EUR)	Exercise Fee	Redemption proceeds (in EUR), valued at current relevant underlying Cryptocurrency price	Upfront Redemption Fee (EUR) ⁽¹⁾	Exercise Fee	Redemption proceeds (in EUR), valued at current relevant underlying Cryptocurrency price	Upfront Redemption Fee (EUR) ⁽²⁾	Exercise Fee ⁽²⁾⁽³⁾	Redemption proceeds (in EUR), valued at current relevant underlying Cryptocurrency price ⁽⁴⁾
0	0%	1.0000000	5,000.00	-	-	10,000.00	50.00	1%	9,900.00	-	0.50%	9,950.00
1	0%	0.9801981	14,125.00	-	-	27,690.60	50.00	1%	27,413.69	-	0.50%	27,552.14
2	0%	0.9607884	23,25.00	-	-	44,676.66	50.00	1%	44,229.89	-	0.50%	44,453.28
3	0%	0.9417630	32,375.00	-	-	60,979.15	50.00	1%	60,369.36	-	0.50%	60,674.26
4	0%	0.9231143	41,500.00	-	-	76,618.49	50.00	1%	75,852.30	-	0.50%	76,235.40
5	0%	0.9048349	50,625.00	-	-	91,614.54	50.00	1%	90,698.39	-	0.50%	91,156.46

Table 4:

Years since Issue Date	Average staking yield during the period	CE (per 1000 Bonds) in relevant underlying Cryptocurrency	Underlying Cryptocurrency EUR (for example only, not a forecast)	Scenario 1: Mandatory Redemption			Scenario 2: Redemption by any Bondholder with the Issuer			Scenario 3: Redemption of an Authorised Participant with the Issuer		
				Upfront Redemption Fee (EUR)	Exercise Fee	Redemption proceeds (in EUR), valued at current relevant underlying Cryptocurrency price	Upfront Redemption Fee (EUR) ⁽¹⁾	Exercise Fee	Redemption proceeds (in EUR), valued at current relevant underlying Cryptocurrency price	Upfront Redemption Fee (EUR) ⁽²⁾	Exercise Fee ⁽²⁾⁽³⁾	Redemption proceeds (in EUR), valued at current relevant underlying Cryptocurrency price ⁽⁴⁾
0	4.00%	1.0000000	5,000.00	-	-	10,000.00	50.00	1%	9,900.00	-	0.50%	9,950.00
1	4.00%	1.0100500	14,125.00	-	-	28,533.91	50.00	1%	28,248.57	-	0.50%	28,391.24
2	5.00%	1.0278599	23,250.00	-	-	47,795.49	50.00	1%	47,317.53	-	0.50%	47,556.51
3	6.00%	1.0538578	32,375.00	-	-	68,237.29	50.00	1%	67,554.92	-	0.50%	67,896.10
4	7.00%	1.0886468	41,500.00	-	-	90,357.69	50.00	1%	89,454.11	-	0.50%	89,905.90
5	8.00%	1.1330496	50,625.00	-	-	114,721.27	50.00	1%	113,574.06	-	0.50%	114,147.67

(1) Pursuant to Condition 1 of the Terms and Conditions the Issuer may charge (or waive) the Upfront Redemption Fee at its reasonable discretion.

(2) Assuming the Authorised Participant does not charge any fees (or charges negligible fees)

(4) Exercise Fee might be lower in accordance with a particular Authorised Participant Agreement

(5) A particular Authorised Participant may choose not to accept redemption requests from certain Bondholders at their sole and absolute discretion and in line with their internal policies

13.2.9. Fees related to the redemption of the Bonds

(a) Redemption directly with the Issuer

A Bondholder may request Voluntary Redemption directly from the Issuer. Bonds will be redeemed in the underlying Cryptocurrency (or the underlying Cryptocurrency comprising the Index) to the Digital Wallet of the Bondholder unless a Bondholder has opted for redemption in cash in fulfillment of its delivery claim to underlying Cryptocurrency.

If a Bondholder decides to demand redemption directly from the Issuer and, irrespective of whether the repayment is made in the relevant Cryptocurrency or in cash, the Issuer may charge a fee of up to a certain percentage of the Cryptocurrency Entitlement for each Bond (as specified in the relevant Final Terms) in relation to which the Voluntary Redemption is requested (lower fees apply for redemptions by Bondholders who are Authorised Participants).

In addition, in case of a Voluntary Redemption by Bondholder who is not an Authorised Participant, the Issuer may charge at its sole and absolute discretion an upfront redemption fee corresponding to a maximum amount to be specified in the relevant Final Terms (the "**Upfront Redemption Fee**").

(b) Redemption via an Authorised Participant

A Bondholder may request Voluntary Redemption through an Authorised Participant, if the Bondholder qualifies in accordance with client acceptance policies of the Authorised Participant (which the Issuer has no influence over). In such case, the Bonds will be redeemed in the relevant Cryptocurrency to the Digital Wallet of the Bondholder unless a Bondholder, acting through an Authorised Participant, has opted for redemption in cash.

For every redemption through an Authorised Participant and irrespective of whether the repayment is made in the relevant underlying Cryptocurrency or in cash, the Issuer will charge a fee which shall not exceed an amount equal to a certain percentage of the Cryptocurrency Entitlement (which will be specified in the relevant Final Terms) for each Bond subject to the Voluntary Redemption.

No Upfront Redemption Fee will apply to redemption through an Authorised Participant. However, the Issuer has no influence on whether and to what extent the Authorised Participant will charge additional fees. These fees may vary depending on the Authorised Participant.

Additionally, the Issuer has no influence over client acceptance policies of the Authorised Participants, and prospective investors in the Bonds shall be aware that it might be not possible for them to redeem the Bonds through an Authorised Participant **at all** and the only way to realise the value of their investment in the Bonds will be to redeem directly with the Issuer or sell the Bonds in the secondary market via a stock exchange (in case of Bonds admitted to trading on a stock exchange) or via an OTC market (provided that a liquid market exists). In case a Bondholder is forced to redeem its Bonds directly with the Issuer, see (c) "*Redemption if no Authorised Participant has been appointed by the Issuer*".

(c) Redemption if no Authorised Participant has been appointed by the Issuer

Where no Authorised Participant has been appointed by the Issuer or where a Bondholder does not qualify in accordance with client acceptance policies of any Authorised Participant, a Bondholder may either request Voluntary Redemption directly vis-à-vis the Issuer and request redemption directly from the Issuer or sell its Bonds in the secondary market. Where a Bondholder requests Voluntary Redemption directly vis-à-vis the Issuer the Bonds will be redeemed in the relevant underlying Cryptocurrency to the Digital Wallet of the Bondholder unless a Bondholder has opted for redemption in cash.

If a Bondholder decides to demand redemption directly from the Issuer and, irrespective of whether the repayment is made in the relevant underlying Cryptocurrency or in cash, the Issuer may charge a fee of up to a certain percentage of the Cryptocurrency Entitlement (as specified

in the relevant Final Terms) for each Bond in relation to which the Voluntary Redemption is requested (lower fees apply for redemptions by the Bondholders who are Authorised Participants).

In addition, in case of a Voluntary Redemption, the Issuer may charge at its sole and absolute discretion an Upfront Redemption Fee. However, no such Upfront Redemption Fee applies if no Authorised Participants are appointed by the Issuer but may apply where an Authorised Participant has been appointed by the Issuer but the Bondholder does not qualify in accordance with client acceptance policies of such Authorised Participant.

13.2.10.Sale of Bonds in the Secondary Market

A Bondholder may sell its Bonds on the stock exchange (in case of Bonds admitted to trading on a stock exchange) or via an OTC market at any time (provided that a liquid market exists). The Issuer will not charge any fees. However, broker fees may be incurred.

13.2.11.ECB Eligibility

The Bonds are not intended to be held in a manner which would allow for them to be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life.

13.2.12.Ratings

The Bonds have not been rated.

13.2.13.Clearing and Settlement

Payments and transfers of any Series of Bonds will be settled through Clearstream Banking AG, Frankfurt am Main, Mergenthalerallee 61, 65760 Eschborn, Germany.

13.2.14.Determination of issue specific variables

Certain variables, such as values, dates and other information, are determined individually, on an issue specific case by case basis, in relation to each Series of Bonds. Such variables will be determined in the respective Final Terms relating to each Series of Bonds.

The information so determined are:

- International security identification number (ISIN) and German Securities Code;
- Underlying Cryptocurrency or Cryptocurrency comprising the Index, as the case may be;
- Initial composition of the Basket;
- Issue Date;
- Offer Period;
- Issue Price;
- Aggregate amount of Bonds to be issued;
- Series No. and Tranche No.;
- Indication where information about the past and the future performance of the underlying Cryptocurrency, cryptocurrencies or Cryptocurrency comprising the Index, as the case may be, and its/their volatility can be obtained;
- Details of the benchmark administrator;
- Details of the Index Sponsor;

- Indication whether or not the issuer intends to provide post issuance information;
- Countries where the offer to the public conducted by the Issuer takes place;
- Information with regard to the manner, place and date of the publication of the results of the offer;
- Estimate of the total expenses of the issue/offer;
- Estimate of the total expenses related to the admission to trading; and
- Names and addresses of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment (*Market Makers*).

13.3. DESCRIPTION OF THE SECURITY

The Issuer will grant the following security (the "**Security**") for the benefit of the Bondholders, the Security Trustee itself and the Bondholders' Representative (if appointed):

13.3.1. Security over Depositary Wallet

Pursuant to Condition 14.3 of the Terms and Conditions¹⁰ the Issuer shall procure in relation to each Series of Bonds that it holds such amount of the underlying Cryptocurrency equal to or exceeding the Secured Obligations Amount on the Depositary Wallet held with the Depositary (the "**Deposited Cryptocurrency**") at any given time (the "**Covenant**").

The Issuer and The Law Debenture Trust Corporation p.l.c. as Security Trustee and the relevant Depositary, (i.e. BitGo Trust Company, Inc., Coinbase Custody, Komainu and Zodia (or any other entity designated as the Depositary by the Issuer)), have entered or will enter into an account control agreement (each, a "**Depositary Account (Wallet) Control Agreement**") in relation to each Series of Bonds, governed by the laws of the State of New York (in relation to the Depositary Account (Wallet) Control Agreements entered into with BitGo and Coinbase Custody), governed by the laws of the Federal Republic of Germany (in relation to the Depositary Account (Wallet) Control Agreements entered into with Komainu and Zodia. Further, the Issuer and the Security Trustee have entered or will enter into a Cryptocurrency security agreement (the "**Cryptocurrency Security Agreement**") in relation to each Series of Bonds, governed by the laws of the State of New York (in relation to the Cryptocurrency Security Agreements entered into with BitGo and Coinbase Custody), governed by the laws of the Federal Republic of Germany (in relation to the Cryptocurrency Security Agreements entered into with Komainu and Zodia.

While any units of Cryptocurrency received by the Issuer in connection with the subscription of the Bonds will be directly transferred to the Depositary Wallet and will be secured by a security agreement for the benefit of the Bondholders, rewards received for Staking ("**Staking Rewards**") will not in any case be paid out and transferred to the Depositary Wallet immediately, but any payments and transfers of such Staking Rewards are subject to the rules of the respective underlying protocol. The payment and transfer of the units of the respective underlying Cryptocurrency earned as Staking Rewards and the deposition of such Staking Rewards into the Depositary Wallet may therefore require a certain period of time. Accordingly, the Terms and Conditions allow to take into account possible temporary shortfalls of the Deposited Cryptocurrency due to any delay associated with the payment of the Staking Rewards as prescribed by the protocol of the relevant Cryptocurrency and the transfer of such Staking Rewards to the Depositary Wallet by not considering such temporary shortfall as breach of the Covenant.

In case of Bonds secured by a basket comprised of Cryptocurrency which are components of an underlying Index, in case of a rebalancing of the underlying Index (*i.e.* a change in the composition of

¹⁰ §12 (3) of the relevant terms and conditions in case of Bonds issued under the Preceding Base Prospectuses.

the Cryptocurrency of which the respective Index is comprised of), the Issuer will be required to reflect such rebalancing of the underlying Index in the Deposited Cryptocurrency accordingly.

In order to facilitate such rebalancing progress, the Issuer may be required to execute an Eligible Rebalance Procedure (as specified in Condition 1 of the Terms and Conditions¹¹) which includes, without limitation, the withdrawal and transfers of units of the underlying Cryptocurrency comprising the Deposited Cryptocurrency to the Depository or any other eligible counterparty (as further specified in the Terms and Conditions).

In connection therewith, it is possible that temporary shortfalls of the Deposited Cryptocurrency may occur. Accordingly, Condition 14.3 of the Terms and Conditions¹² allows to take into account possible temporary shortfalls of the Deposited Cryptocurrency in limited circumstances, as further specified in Condition 2.11 of Annex B, by not considering such temporary shortfall as breach of the Covenant.

In case that such shortfall of the Deposited Cryptocurrency due to an execution of Eligible Rebalance Procedures (as specified in Condition 1 of the Terms and Conditions¹³) or failure of the FX Counterparty to transfer the relevant Cryptocurrency manifests not only as temporary, but as a permanent shortfall ("**Collateral Shortfall Event**"), the Issuer will inform the relevant Bondholders accordingly and, in accordance with Condition 14.3 and Condition 1 of the Terms and Conditions¹⁴, the amount of the units of the underlying Cryptocurrency to be held on the Depository Wallet with the Depository as Deposited Cryptocurrency will be adjusted accordingly to reflect such Collateral Shortfall Event by subtracting such shortfall from the previously applicable amount of Deposited Cryptocurrency.

Following such adjustment of the Deposited Cryptocurrency, the Cryptocurrency Entitlement will be adjusted accordingly to correspond to the amount of Deposited Cryptocurrency divided by the number of Bonds outstanding. Such adjustment of the Cryptocurrency Entitlement will affect all unfinalized transactions in connection with a Mandatory Redemption by the Issuer or the request for Voluntary Redemption by a Bondholder even if they were initiated prior to such adjustment. Thereafter, both the Cryptocurrency Entitlement and the Deposited Cryptocurrency shall continue to evolve as specified in the Terms and Conditions, disregarding any effect of the formulas on the Cryptocurrency Entitlement value prior to the relevant Collateral Shortfall Event.

Pursuant to the Cryptocurrency Security Agreement, the Issuer grants a security interest in the Deposited Cryptocurrency and any other assets in relation to each Series of Bonds held in the Depository Wallet and the associated account of the Issuer maintained by the Depository (the "**Depository Account**"), and certain proceeds of such assets, together referred to as the "**Collateral**", in favour of the Bondholders, the Security Trustee itself and the Bondholders' Representative (if appointed). The security interest granted in the Collateral secures the Secured Obligations Amounts, as defined in the German Security and Security Trust Agreement.

The Cryptocurrency Security Agreement grants to the Security Trustee the right to repossess and foreclose upon the Collateral in relation to each Series of Bonds upon an Event of Default for the purpose of paying the Secured Obligations Amounts. Event of Default is defined in the Cryptocurrency Security Agreement to mean that the Issuer delivers written notice to the Security Trustee of the occurrence of an Event of Default listed in Condition 13.1 of the Terms and Conditions¹⁵.

The Depository Account (Wallet) Control Agreement grants to the Security Trustee the right to take exclusive control of the Depository Account in relation to each Series of Bonds upon an Event of Default, as defined in the Cryptocurrency Security Agreement, by delivering to the Depository a "Notice of Exclusive Control". Following delivery of a Notice of Exclusive Control by the Security Trustee to

¹¹ §1 (8) of the relevant terms and conditions in case of the Bitwise MSCI Select 20 Crypto Index ETP (DA20) Bonds, the Bitwise Ethereum Staking ETP (ET32) Bonds and the Bitwise Core Bitcoin ETP (BTC1) Bonds.

¹² §12 (3) of the relevant terms and conditions in case of the Bitwise MSCI Select 20 Crypto Index ETP (DA20) Bonds, the Bitwise Ethereum Staking ETP (ET32) Bonds and the Bitwise Core Bitcoin ETP (BTC1) Bonds.

¹³ §1 (8) of the relevant terms and conditions in case of the Bitwise MSCI Select 20 Crypto Index ETP (DA20) Bonds, the Bitwise Ethereum Staking ETP (ET32) Bonds and the Bitwise Core Bitcoin ETP (BTC1) Bonds.

¹⁴ §1 (8) and §12 (3) of the relevant terms and conditions in case of the Bitwise MSCI Select 20 Crypto Index ETP (DA20) Bonds, the Bitwise Ethereum Staking ETP (ET32) Bonds and the Bitwise Core Bitcoin ETP (BTC1) Bonds.

¹⁵ §11 (1) of the relevant terms and conditions in case of Bonds issued under the Preceding Base Prospectuses.

the Depository, the Issuer no longer has a right to withdraw assets from the Depository Account but has a period of 30 (thirty) days during which the Issuer may contest the existence of an Event of Default. Following such thirty-day period, provided the Notice of Exclusive Control has not been rescinded by the Security Trustee upon direction by the Bondholders' Representative, the Security Trustee has the right to withdraw and dispose of the Deposited Cryptocurrency and any other assets held in the Depository Wallet and the Depository Account for the purpose of paying the Secured Obligations.

To assist the Security Trustee, the Administrator, which is appointed (and replaced, if applicable) by the Issuer in relation to all Series of Bonds only with the consent of the Security Trustee, is legally required to verify compliance of the Issuer with (i) the covenant set out in Condition 14.3. of the Terms and Conditions¹⁶ and (ii) the obligation of the Issuer to transfer Bonds to a subscribing party once the appropriate subscription price was paid into the Depository Wallet. The terms of the Depository Account (Wallet) Control Agreement prevent the Issuer from transferring or disposing of any assets from the Depository Account and / or the Depository Wallet without consent of the Administrator, even absent an Event of Default.

13.3.2. Security over Issuer-Owned Bonds

Pursuant to the German Security and Security Trust Agreement described below, the Issuer has granted (or will grant) a pledge over the unsold or repurchased Bonds in relation to each Series of Bonds held now or in the future in the name of the Issuer on the Issuance Account in relation to each Series of Bonds, or any other account(s) replacing or substituting for this present Issuance Account for whatever reason, to which the pertinent co-ownership interests in the collective custody holdings (*Miteigentumsanteile am Girosammelbestand*) are being and shall exclusively be credited to.

In addition, the Issuer, the Security Trustee and the respective financial intermediary maintaining the Issuance Account for the Issuer (the "**Depo Bank**"), currently Quirin Privatbank AG has entered or will enter into the Issuance Account Control Agreement in relation to each Series of Bonds, pursuant to which the Administrator has to approve for the Depo Bank any transfer of the Bonds out of the Issuance Account to ensure that an appropriate number of units of the relevant underlying Cryptocurrency was deposited to the Depository Wallet by the party subscribing to the Bonds and the Issuer is in continuous compliance with the covenant set out in Condition 14.3 of the Terms and Conditions¹⁷.

13.3.3. German Security and Security Trust Agreement

In relation to each Series of Bonds, the Issuer and the Security Trustee have entered or will enter into a German Security and Security Trust Agreement, pursuant to which the Security Trustee will be appointed to act as security trustee of and for the benefit of the Bondholders, the Security Trustee itself and the Bondholders' Representative (if appointed, whereby, initially, no Bondholders' Representative will be appointed) in connection with the administration and the handling of the rights of the Bondholders against the Issuer as well as among themselves in relation to the Security. In particular, the Security Trustee shall (i) hold, administer and enforce such Security which is assigned or transferred to it by way of security (*Sicherungsabtretung/Sicherungsübereignung*) or otherwise granted under a non-accessory security right (*nicht akzessorische Sicherheit*) and exercise its rights and discharge its duties under this Agreement as trustee (*Treuhänder*) for the benefit of the Bondholders; (ii) administer and enforce such Security which has been created by way of pledge (*Verpfändung*) or otherwise transferred to it under an accessory security right (*akzessorische Sicherheit*); and (iii) act in relation to the Security in accordance with the terms and subject to the conditions of the German Security and Security Trust Agreement.

¹⁶ §12 (3) of the relevant terms and conditions in case of Bonds issued under the Preceding Base Prospectuses

¹⁷ §12 (3) of the relevant terms and conditions in case of Bonds issued under the Preceding Base Prospectuses

14. TERMS AND CONDITIONS

The following is the text of the general terms and conditions (together, the "Terms and Conditions" and each, a "Condition") which, together with Annex A, Annex B and Part II of these Final Terms relating to a particular Series of Bonds, will be applicable to the Bonds of such Series and which will be attached to or endorsed on the Global Note representing such Series of Bonds in definitive form. In case of inconsistencies between the Terms and Conditions and the Final Terms, the Final Terms shall prevail.

The Bonds are issued under the **Programme**.

Bondholders are deemed to have notice of all the provisions of these Terms and Conditions and the Final Terms.

1. DEFINITIONS

The following definitions are applicable to all Bonds issued under the Programme by the Issuer and shall be read in conjunction with the Final Terms related to each Series of Bonds.

"**Administrator**" means the institution(s) specified in Condition 8.1 below that the Issuer from time to time, has designated as an Administrator to approve any transfer of Issuer-Owned Bonds or Deposited Cryptocurrency, where security interests have been created in relation to such Issuer-Owned Bonds or Deposited Cryptocurrency, respectively, for the benefit of the Bondholders, the Security Trustee and the Bondholders' Representative (if appointed). The Administrator may be appointed, or such appointment terminated by the Issuer pursuant to Condition 8 – *Transaction Partners*;

"**Affiliate**" means any company within the meaning of Section 15 of the German Stock Corporation Act (*Aktiengesetz*);

"**Annex A**" means the annex headed "Annex A – Cryptocurrency Entitlement", which forms an integral part of these Terms and Conditions;

"**Annex B**" means the annex headed "Annex B - Adjustments and Special Situations", which forms an integral part of these Terms and Conditions;

"**Authorised Participant**" means any entity supervised by a financial supervisory authority in a member state of the European Economic Area, the United Kingdom, Canada, Australia, Singapore, New Zealand, Japan, Switzerland, Hong Kong (SAR) or the United States which has been appointed by the Issuer as an authorised participant as specified in Condition 8.1 below, that has entered into an authorised participant agreement with the Issuer. Authorised Participants may be appointed, or their appointment terminated by the Issuer pursuant to Condition 8 – *Transaction Partners*;

"**Bond Currency**" means [EUR] [USD] [CHF] [●];

"**Bonds**" means the bonds to which these Terms and Conditions relate;

"**Bondholder**" means any holder of a proportionate co-ownership or other beneficial interest or right in the Bonds and shall include those persons who are the beneficiaries of Secured Redemptions Obligations or Secured Settlement Obligations;

"**Bondholder Wallet**" means the relevant digital wallet(s) of each Bondholder required to receive and transfer units of the relevant Cryptocurrency;

"**Bondholders' Representative**" has the meaning given in Condition 18.7;

"**Business Day**" means a day (other than a Saturday, a Sunday or a public holiday) on which (i) the Clearing System, (ii) the banks in Frankfurt am Main, London and New York, (iii) T2 (the real time gross settlement system operated by the Eurosystem), or any successor system thereto ("**TARGET**") settle payments, and (iv) the Depository is open for dealings in the Cryptocurrency;

"**Cash Redemption**" means settlement of the Redemption of the Bonds by payment of the Redemption Amount in cash and in accordance with Conditions 5 and/or 6;

"**Cryptocurrency**" means: (i) MiCAR Crypto Assets and (ii) Non-MiCAR Crypto Assets, in each case which form part of the underlying Security. Wherever a singular expression is used in these Terms and Conditions, that expression is considered as including the plural if the context requires unless otherwise specifically stated;

"**Cryptocurrency Execution Procedure**" has the meaning given in Condition 15;

"**Cryptocurrency Entitlement**" means, [as of any Business Day, the Bondholder's claim against the Issuer in respect of each Bond, expressed as the number of the units of the Cryptocurrency per Bond, as calculated by the Issuer in its reasonable discretion and in accordance with general market practice, in accordance with the formulas contained in Annex A][the sum of all **Single Cryptocurrency Entitlements** as defined in the formulas contained in Annex A];

"**Cryptocurrency Security Agreement**" means the cryptocurrency security agreement entered into between the Issuer and the Security Trustee, which grants the security interest in the Deposited Cryptocurrency and Depository Wallet for the benefit of the Bondholders, Security Trustee and Bondholder's Representative (if appointed);

"**Custodian**" has the meaning given in Condition 20.4;

["**Default Rate**" means [0.01 percent] [a percentage corresponding to the Euro short-term rate (€STR) calculated by the European Central Bank for the relevant day, divided by 365 [and multiplied by [●]][[●]] of the Cryptocurrency Entitlement multiplied by the number of Bonds in relation to which the option for Voluntary Redemption with cash settlement in accordance with Condition 5.6 was exercised for each day of delay in the transfer of the Redemption Amount following the successful completion of the Cryptocurrency Execution Procedure in accordance with Condition 15 (including successful elements in case of Partially Failed Executions in accordance with Condition 15.4). Such Default Rate does not apply if the Issuer fails to deliver the Redemption Amount for reasons beyond its control, which includes (but is not limited to) circumstances where the Issuer is required to comply with any provision of applicable law relating to funding of terrorist activities or money laundering.]

"**Depo Bank**" means the entity specified in Condition 8.1 below, a financial institution(s) that the Issuer has designated as the Depo Bank to maintain the Issuance Account on behalf of the Issuer or any successor or replacement Depo Bank. The Depo Bank may be appointed or such appointment terminated by the Issuer pursuant to Condition 8 – *Transaction Partners*;

"**Depository**" means the entity specified in Condition 8.1 below, a financial institution(s) that the Issuer, from time to time, has designated as the Depository for its holdings of the Cryptocurrency or any additional, successor or replacement Depository. The Depository may be appointed or such appointment terminated by the Issuer pursuant to Condition 8 – *Transaction Partners*;

"**Depository Account (Wallet) Control Agreement**" means the depository account (wallet) control agreement entered into between the Issuer, the Depository and the Security Trustee, which stipulates how the Depository holds the Cryptocurrency on behalf of the Issuer, together with the rights and obligations of the Issuer, the Depository and the Security Trustee;

"**Depository Wallet**" means a cryptocurrency wallet or wallets operated by the Depository on behalf of the Issuer, (i) where the assets held in such wallet are segregated from the assets of any other customers of the Depository, the assets of the Depository itself and from any other assets of the Issuer; and (ii) where the rights and claims in connection with such assets are assigned as security in favour of the Bondholders, Security Trustee and Bondholder's representative (if appointed) pursuant to the Security Documents to secure the Issuer's obligations arising from the Bonds;

"**Deposited Cryptocurrency**" means the number of units of the Cryptocurrency held on the Depository Wallet with the Depository at any given time;

["**Determination Agent**" means the entity specified in Condition 8.1 below, an entity that the Issuer, from time to time, has designated as a Determination Agent to make certain determinations which may be required under these Terms and Conditions. The Determination Agent may be appointed or such appointment terminated by the Issuer pursuant to Condition 8 – *Transaction Partners*;]

"Disruption Event" shall have the meaning as provided in Annex B;

["De-Stake" or "De-Staking" means the re-establishment of unrestricted transferability of relevant units of the Cryptocurrency which was previously committed to Staking;]

"Eligible Assets" means any [(i) MiCAR Crypto Asset [,][and (ii) Non-MiCAR Crypto Asset][and (iii) cash received from the transfer of Transfer Amounts following the (partial) termination of the relevant FX Hedging Transaction];

"Event of Default" has the meaning given in Condition 13;

"Execution Agent" means the entity specified in Condition 8.1 below, a financial institution(s) that the Issuer, from time to time, has designated as an Execution Agent to perform Cryptocurrency Execution Procedure(s) which may be required under these Terms and Conditions. The Execution Agent may be appointed or such appointment terminated by the Issuer pursuant to Condition 8 – *Transaction Partners*;

"Execution Agency Agreement" means an agreement entered into between the Issuer and an Execution Agent, appointing the Execution Agent and the fees, terms and conditions in respect of which it acts in such role;

"Exercise Fee" means a fee that may be charged by the Issuer upon a Redemption, to be no higher than [●];

The Exercise Fee may be lowered at any time by Issuer and the Issuer shall notify the Bondholders in accordance with Condition 19;

["Expected Bonding Period" means the expected period (in full days rounded up) between the initiation of Staking for a particular Cryptocurrency and first rewards accruing in respect of the relevant unit of the Cryptocurrency. The Expected Bonding Period is specified for each relevant day by the [Yield Index Provider,] Staking Provider or other third-party data provider;]

["Expected Unbonding Period" means the expected period (in full days rounded up) which is required for De-Staking the units of the Cryptocurrency, as specified in the relevant blockchain protocol governing the Cryptocurrency. The Expected Unbonding Period is specified for each relevant day by the [Yield Index Provider,] Staking Provider or other third-party data provider;]

"FATF" means The Financial Action Task Force (on Money Laundering), an intergovernmental organization founded in 1989 to develop policies to combat money laundering;

["Fiat Execution Agent" means the entity specified in Condition 8.1. below, a financial institution(s) that the Issuer, from time to time, has designated as a Fiat Execution Agent. The Fiat Execution Agent may be appointed, or such appointment terminated by the Issuer pursuant to Condition 8 – *Transaction Partners*;]

"Fiscal Agent" means the entity specified in Condition 8.1. below, a financial institution(s) that the Issuer, from time to time, has designated as a Fiscal Agent. The Fiscal Agent may be appointed, or such appointment terminated by the Issuer pursuant to Condition 8 – *Transaction Partners*;

["FX Counterparty" means the entity specified in Condition 8.1 below, a financial institution(s) that the Issuer, from time to time, has designated as a counterparty to carry out the foreign exchange hedge on behalf of the Issuer. The FX Counterparty may be appointed, or such appointment terminated by the Issuer pursuant to Condition 8 – *Transaction Partners*;]

"German Security and Security Trust Agreement" has the meaning given in Condition 9.1;

"Index" means [●];

["Index Sponsor" means the entity specified in Condition 8.1 below, a financial institution(s) that the Issuer, from time to time, has designated as an index sponsor to create and administrate an index. The Index Sponsor may be appointed, or such appointment terminated by the Issuer pursuant to Condition 8 – *Transaction Partners*;]

"Issuance Account" means a securities account or accounts maintained by the Depo Bank on behalf of the Issuer where Bonds which are (i) beneficially owned by the Issuer; and (ii) pledged in favour of Bondholders, Security Trustee and Bondholder's Representative (if appointed) are held or registered. The Issuer can change

the Issuance Account and/or add additional Issuance Accounts pursuant to the Security Documents; Initial Issuance Account details are as follows: [●]. *For the avoidance of doubt*, the Issuer may have other securities account(s) with the Depo Bank or other financial institution where it may hold Bonds in its capacity as a Bondholder which are not subject to the Security, and (i) such account(s) are not considered Issuance Account(s); and (ii) such Bonds are not considered Issuer-Owned Bonds;

"Issuance Account Control Agreement" means the issuance account control agreement entered into between the Issuer, the Depo Bank and the Security Trustee, which stipulates how the Depo Bank maintains the security account(s) on behalf of the Issuer, together with the rights and obligations of the Issuer, the Depo Bank and the Security Trustee;

"Issue Date" means [●];

"Issuer" means Bitwise Europe GmbH;

"Issuer-Owned Bonds" means the Bonds held in the Issuance Account, pledged as Security for the benefit of the Bondholders, Security Trustee and Bondholder's Representative (if appointed) under the Security Documents and are not considered Outstanding Bonds. Any disposal of Issuer-Owned Bonds from the Issuance Account is subject to approval by the independent Administrator;

"KYC Documents" means the adequate documents, as reasonably specified in the Redemption Form and solely determined by the Issuer, that are used to verify the identity of an individual or organisation for the purpose of Know Your Customer (KYC) compliance;

"Mandatory Redemption" means the ability of the Issuer to Redeem the Bonds, as further described in Condition 6;

"Mandatory Redemption Date" means, for both Physical Redemption and Cash Redemption, the date published in the Mandatory Redemption Notice;

"Mandatory Redemption Event" has the meaning given in Condition 6.1;

"Mandatory Redemption Notice" has the meaning given in Condition 6.1;

"Mandatory Redemption Price" means, per Bond:

- (a) for Physical Redemption, the amount in Cryptocurrency [or Eligible Assets, as applicable] equal to the Cryptocurrency Entitlement as of the Mandatory Redemption Date; or
- (b) for Cash Redemption, the amount, in Bond Currency or a fiat currency published in the Mandatory Redemption Notice, equal to the proceeds of the sale of the relevant Cryptocurrency amounting to the Cryptocurrency Entitlement as of the Mandatory Redemption Date less any reasonable third-party fees related to Redemption of the Bonds.

"Mandatory Redemption Settlement Date" means in respect of a Mandatory Redemption:

- (a) if Physical Redemption applies, no later than the [●] Business Day following the applicable Mandatory Redemption Date; and
- (b) if Cash Redemption applies, the [●] Business Day following the date on which the Issuer has received in full cleared funds in the Issuer's cash account the proceeds of the sale of the relevant Cryptocurrency in respect of the Bonds being Redeemed.

"MiCAR" means Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets;

"MiCAR Crypto Asset" means any crypto-asset within the meaning of MiCAR;

["NAV Calculation Agent" means the entity specified in Condition 8.1. below, a financial institution(s) that the Issuer, from time to time, has designated as a NAV Calculation Agent. The NAV Calculation Agent may be appointed, or such appointment terminated by the Issuer pursuant to Condition 8 – *Transaction Partners*;

"Non-MiCAR Crypto Asset" means (i) any digital asset whose origin is derived from a blockchain, including digital currencies; (ii) digital commodities provisioning raw digital resources; or (iii) digital tokens, provisioning finished digital goods and services, which do not fall within the scope of MiCAR;

"Outstanding Amount" means, at any given time, the total number of Outstanding Bonds multiplied by the Cryptocurrency Entitlement;

"Outstanding Bonds" means Bonds issued and placed with investors that have not yet been repurchased or otherwise cancelled by the Issuer (excluding, for the avoidance of doubt, Issuer-Owned Bonds as well as Bonds held by the Issuer in other securities account(s) with the Depo Bank or other financial institution in its capacity as a Bondholder which are not subject to the Security);

Any Bonds which are held by the Issuer in its capacity as a Bondholder on any securities account other than the Issuance Account are considered Outstanding Bonds and not Issuer-Owned Bonds, with the Issuer maintaining all rights in respect of such Bonds including, but not limited to, the right to pledge such Bonds for the benefits of third parties or to dispose of them on the secondary market;

"Partially Failed Execution" has the meaning given in Condition 15.4;

"Paying Agent" means the entity specified in Condition 8.1 below, a financial institution(s) that the Issuer, from time to time, has designated as a Paying Agent to distribute cash payments (if any) to the Bondholders on behalf of the Issuer. The Paying Agent may be appointed, or such appointment terminated by the Issuer pursuant to Condition 8 – *Transaction Partners*;

"Physical Redemption" means in relation to the Redemption of any Bonds, settlement of the Secured Redemption Obligations in respect thereof by delivery of the relevant Cryptocurrency [or Eligible Assets, as applicable] in accordance with Conditions 5 and/or 6;

"Programme Document" means each of the Security Documents and each agreement concluded with the Transaction Partner(s) governing their rights and obligations in the relevant capacity as particular Transaction Partner;

"Prospectus" means the base prospectus of the Issuer in relation to the Bonds, as the same may be modified, supplemented or amended from time to time;

"Qualified Majority" has the meaning given in Condition 18.4;

"Reference Price" [means, in relation to a Cryptocurrency, as of the relevant determination date, the [Bloomberg Cryptocurrency][Cryptocompare][●] fixing for such Cryptocurrency (the "**Price Source**") as [displayed][calculated] between [16:00][●] and [16:15][●] [(EST)][(CET)][(GMT)][(UTC)][●]] [has the meaning given under the definition of " $P_{(t)}$ " in Annex A;]

[The Issuer reserves the right, within its reasonable discretion, to replace the Price Source for the fixing of the Reference Price by an equivalent replacement price source (the "**Successor Price Source**").

Such replacement of the Price Source by the Successor Price Source shall become effective only after prior notice to the Bondholders in accordance with Condition 19 given a reasonable number of days (taking into consideration the interests of the Bondholders and the relevant capital market practice) prior to such replacement.

The Successor Price Source shall replace the Price Source with immediate effect following notification to the Bondholders in case of (i) the permanent cessation of the Price Source; (ii) the announcement of the permanent cessation of the Price Source; and (iii) a temporary disruption of the Price Source for more than [●] consecutive days.

Following the replacement of the Price Source by the Successor Price Source becoming effective, this provision shall apply mutatis mutandis to the relevant replacement of such Successor Price Source by any new Successor Price Source. In this case, any reference in this provision to the term "Price Source" shall be deemed to be a reference to the Successor Price Source that last applied;]

"Relevant Taxing Jurisdiction" has the meaning given in Condition 11.1;

"Redemption" means the redemption of Bonds by the Issuer in accordance with these Terms and Conditions (and **"Redeem"** and **"Redeemed"** shall be construed accordingly);

"Redemption Amount" means, per Bond:

- (a) in the case of Physical Redemption, the amount in Cryptocurrency [or Eligible Assets, as applicable] equal to the Cryptocurrency Entitlement as of the Voluntary Redemption Date or Mandatory Redemption Date (as applicable), less the Exercise Fee in case of the Voluntary Redemption; or
- (b) in the case of Cash Redemption, the amount in Bond Currency obtained from the sale of the units of Cryptocurrency corresponding to the Cryptocurrency Entitlement as of the Voluntary Redemption Date or Mandatory Redemption Date (as applicable), less the Exercise Fee in case of Voluntary Redemption and less any other applicable fees in connection with the sale of the units of Cryptocurrency and the transfer of Bond Currency.

"Redemption Form" means the form, together with all the requirements contained therein, prescribed from time to time by the Issuer, obtainable from the Website, for requesting redemption of Bonds;

"SchVG" has the meaning given in Condition 18.3;

"Secured Obligations Amount" means the sum of the Secured Settlement Obligations Amount, the Outstanding Amount and the Secured Redemption Obligations Amount;

"Secured Redemption Obligations" means obligations of the Issuer to (i) settle the Cryptocurrency Entitlement with respect of those Bonds which are Redeemed at the discretion of the Issuer due to a Mandatory Redemption Event in the Cryptocurrency, as further described in Condition 6; or (ii) to transfer the Cryptocurrency Entitlement to the Bondholders exercising the Voluntary Redemption with Cryptocurrency settlement, as further described in Condition 5;

"Secured Redemption Obligations Amount" means amount in the Cryptocurrency [and cash received from the transfer of Transfer Amounts following the (partial) termination of the relevant FX Hedging Transaction (if any)] of those Secured Redemption Obligations which are not yet fulfilled by the Issuer and remain outstanding;

"Secured Settlement Obligations" means obligations of the Issuer to transfer Bonds to the Authorised Participant subscribing to or purchasing Bonds from the Issuer in the primary market, but only if such subscribing or purchasing Authorised Participant has transferred (or arranged to be transferred) at least [(i) the Cryptocurrency Entitlement (to be calculated as of [the date of the subscription or purchase of the Bonds in the primary market] [the Subscription Effective Bonding Date]) per Bond being subscribed or purchased in the primary market to the Depository Wallet [and (ii) any cash premium required for the Issuer to enter into the FX Hedging Transaction (if applicable) to such Bonds being subscribed or purchased in the primary market];

"Secured Settlement Obligations Amount" means the amount in the Cryptocurrency (aggregate Cryptocurrency Entitlement of the Bonds to be settled) [and cash amounts received by the Issuer as premium to enter into FX Hedging Transactions in relation to the Bonds to be settled] of those Secured Settlement Obligations which are not yet fulfilled by the Issuer and remain outstanding;

"Security" has the meaning given in Condition 3;

"Security Documents" means (a) the German Security and Security Trust Agreement entered into between the Issuer and the Security Trustee; (b) the Cryptocurrency Security Agreement entered into between the Issuer and the Security Trustee, (c) the Depository Account (Wallet) Control Agreement entered into between the Issuer, the Security Trustee and the Depository; (d) the Issuance Account Control Agreement entered into between the Issuer, the Depo Bank and the Security Trustee; (e) any other agreement or document granting, acknowledging, perfecting or giving legal effect to Bondholder's security interest in the Depository Wallet and/or the Deposited Cryptocurrency; or (f) any other agreement or document granting, acknowledging, perfecting or giving legal effect to Bondholder's security interest in the Issuance Account and/or Issuer-Owned Bonds;

"Security Trustee" means [●], a security trustee which holds the security interest in (i) the Depository Wallet and the Deposited Cryptocurrency and (ii) the Issuer-Owned Bonds held in the Issuance Account for the benefit of the Bondholders, Security Trustee and Bondholder's Representative (if appointed) or any successor or

replacement security trustee. The Security Trustee may be appointed or such appointment terminated by the Issuer pursuant to Condition 9 – *Security Trustee*;

["**Staking**" means activities which involve setting aside a certain amount of eligible Cryptocurrency to become an active validating node for the networks proof-of-stake protocol (and "**Stake**" and "**Staked**" shall be construed accordingly);]

["**Staking Provider**" means the entity specified in Condition 8.1 below that the Issuer, from time to time, has designated as a Staking Provider to perform the Staking of the Deposited Cryptocurrency on the instructions from the Issuer. The Staking Provider may be appointed or such appointment terminated by the Issuer pursuant to Condition 8 – *Transaction Partners*;]

["**Subscription Effective Bonding Date**" has the meaning given in Condition 2.2;]

"**Substitute Debtor**" has the meaning given in Condition 16.1;

"**Termination Notice**" has the meaning given in Condition 13.2

"**Totally Failed Execution**" has the meaning given in Condition 15;

["**Transfer Amounts**" means an amount of the Cryptocurrency and/or cash corresponding to the FX Hedge Performance accrued from the Issue Date of the Bonds to the termination of the respective FX Hedging Transactions. In case of Voluntary Redemptions, the Transfer Amounts will be calculated *pro rata* corresponding to the amount of Bonds so redeemed;]

"**Upfront Redemption Fee**" means no higher than [●], which the Issuer may charge at its reasonable discretion and in accordance with general market practice for the exercise of a Voluntary Redemption by a Bondholder who is not an Authorised Participant;

"**Voluntary Redemption**" means the Redemption of Bonds at the option of one or more Bondholders, in accordance with Condition 5;

"**Voluntary Redemption Date**" has the meaning given in Condition 5.1;

"**Voluntary Redemption Settlement Date**" means:

- (a) if Physical Redemption applies, the [●] Business Day following the applicable Voluntary Redemption Date; and
- (b) if Cash Redemption applies, the [●] Business Day following the date on which the Issuer has received in full cleared funds in the Issuer's cash account the proceeds of the sale of the relevant Cryptocurrency in respect of the Bonds being Redeemed.

["**Yield Index Provider**" means the entity specified in Condition 8.1 below that the Issuer, from time to time, has designated as a Yield Index Provider;]

"**Website**" means the Issuer's official website at <https://etc-group.com>.

2. FORM, SERIES AND SUBSCRIPTION RESTRICTIONS

2.1 Each Bond represents the right of the Bondholder to demand and receive from the Issuer:

- (a) delivery of the Cryptocurrency in accordance with the Terms and Conditions; and/or
- (b) payment of a cash amount [and][/]or[an amount of other Eligible Assets, as applicable] determined in accordance with the Terms and Conditions in fulfilment of its delivery claim to the Cryptocurrency pursuant to (a) above.

2.2 *Subscription Restrictions.* The Bonds may only be subscribed or purchased by Authorised Participants from the Issuer in the primary market, and the following shall apply:

[(a)][Unless Condition 2.2 (b) applies,] Authorised Participants subscribing to the Bonds shall transfer a number of units of the relevant Cryptocurrency corresponding to the Cryptocurrency Entitlement [plus

any cash premium required for the Issuer to enter into the FX Hedging Transaction (if applicable)] ([as of the date of the subscription or purchase in the primary market] [as of the date falling Expected Bonding Period calendar days after the date of the subscription or purchase in the primary market (such later date, the "**Subscription Effective Bonding Date**")]) per Bond to be subscribed or purchased.

[(b) The Issuer may sell Bonds to the Authorised Participants in derogation from Condition 2.2 (a) provided the following is satisfied:

- (i) the consideration the Issuer receives is (i) cash, (ii) Cryptocurrency (not necessarily in the amount or composition corresponding to the Cryptocurrency Entitlement) or (iii) Eligible Assets or (iv) any combination of the foregoing;
- (ii) the Issuer converts the consideration received from the Authorised Participant into a number of units of the relevant Cryptocurrency corresponding to the Cryptocurrency Entitlement with a counterparty appropriately regulated or registered (if not subject to regulation) for AML/KYC purposes with financial authorities in its country of incorporation and operation, whereby the exchange rate is based on the current market value and the consideration so received from the Authorised Participant (as determined by the relevant counterparty) and of the underlying Cryptocurrency;
- (iii) The Issuer shall not make any conversions with counterparties based outside of the list of the acceptable jurisdictions for the location of an Authorised Participant or not supervised (through regulation or registration) for AML/KYC purposes, even if jurisdiction in question does not require entities dealing in Cryptocurrency [or Eligible Assets] to be supervised;
- (iv) The Issuer shall only deliver Bonds to the Authorised Participant if: (a) sub-conditions (i) to (iii) (inclusive) are satisfied; (b) delivery of Bonds will not result in the Issuer being in breach of any Condition of these Terms and Conditions but specifically Condition 14.3; and (c) the Administrator approves such transfer; and
- (v) The agreement between the Issuer and the Authorised Participant governing relationships between the parties shall contain the provision that in case subscription is performed pursuant to Condition 2.2 (b) no obligation to deliver Bonds to the Authorised Participant exists unless sub-conditions (i) to (iv) (inclusive) are satisfied, including, that any obligation to deliver Bonds (even after above-mentioned sub-conditions are satisfied) is an unsecured contractual claim and does not qualify as part of Secured Settlement Obligations.]

[(b)][(c)] [If, for the purposes of Condition.2.2.(a), the Cryptocurrency Entitlement as of the Subscription Effective Bonding Date cannot be calculated exactly on the day of the primary market transaction, the Authorised Participant is required to: (i) transfer such number of units of the Cryptocurrency per Bond which is equal or exceeds the greatest possible value of the Cryptocurrency Entitlement on the Subscription Effective Bonding Date, if such greatest possible value can be calculated pursuant to the relevant formulas in Annex A; or (ii) agree to receive the number of Bonds to be determined not on the primary market subscription date, but once the Cryptocurrency Entitlement on the Subscription Effective Bonding Date is available, with a corresponding delay in the settlement of the Bonds.]

[(b)][(c)] [(d)] [The Issuer shall not sell any Bonds on the primary market unless it enters into a hedging transaction with the FX Counterparty (as defined above) which seeks to offset potential movements in the exchange rate fluctuations between the currency in which the Bonds are denominated (the Bond Currency) and the currency in which the relevant Cryptocurrency is denominated (the Reference Price Currency (as defined in Annex A)) and ensures that the amount of the Deposited Cryptocurrency and amounts due from the FX Counterparty taken together are equal or greater than Secured Obligations Amount at all times (the "**FX Hedging Transaction**").]

2.3 *Form.* The Bonds are being issued in bearer form.

2.4 *Redemption.* The Bonds do not have a fixed maturity date.

- 2.5 *Global Note.* The Bonds are represented by a global note (the "**Global Note**") without coupons. The Global Note shall be signed by or on behalf of the Issuer and shall be authenticated by or on behalf of the Fiscal Agent. Definitive certificates representing individual Bonds and coupons will not be issued and the right of the Bondholders to request the issue and delivery of definitive Bonds shall be excluded.
- 2.6 *Clearing System.* The Global Note will be kept in custody by or on behalf of the Clearing System until all obligations of the Issuer under the Bonds have been satisfied. "**Clearing System**" means Clearstream Banking AG, Frankfurt, Mergenthalerallee 61, 65760 Eschborn, Germany and any successor in such capacity.

3. STATUS AND SECURITY

- 3.1 *Status.* The obligations under the Bonds constitute direct, unsubordinated, limited recourse and secured obligations of the Issuer ranking *pari passu* among themselves with Secured Redemption Obligations and Secured Settlement Obligations.
- 3.2 *Security.* As continuing security for the payment and discharge of the obligations to the Bondholders under the Bonds the Issuer pledges and assigns, as applicable, in favour of the Bondholders, the Security Trustee and the Bondholders' Representative (if appointed) pursuant to the Security Documents (i) all of its rights, title, interest and benefit, present and future, in, to and under the Depositary Wallet and the Deposited Cryptocurrency; [and](ii) all of its rights, title, interest and benefit, present and future, in, to and from the Issuer-Owned Bonds; and (iii) all of its rights, title, interest and benefit present and future in, to and from the amounts due from the FX Counterparty due under the FX Hedging Transaction] (the "**Security**"). Details of the accounts and the terms and conditions of the respective pledges and assignments shall be stipulated in the Security Documents between the Security Trustee and the Issuer. The Security will be held, administered and enforced by the Security Trustee in accordance with the German Security and Security Trust Agreement.
- 3.3 *Security Release and Proceeds.* The Security shall be released in accordance with the provisions of the German Security and Security Trust Agreement.
- 3.4 [*Limited recourse.* It is the Issuer's intention that assets comprising Security shall always be sufficient to satisfy all of the obligations arising in connection with the Bonds (by operation of these Terms and Conditions, including without limitation procedures put in place where the Administrator has to approve (i) issuances of new Bonds on the primary market only against the deposit of appropriate assets to become part of the Security, and (ii) any release of assets from the Security). However, in the event assets comprising the Security are insufficient to cover all or some of the liabilities arising in connection with the Bonds, subject to mandatory legal provisions, Bondholders shall have no claim against: (i) general assets of the Issuer or any affiliated party not comprising the Security; (ii) assets comprising pools pledged for the benefit of holders of other securities issued by the Issuer, which are not Bonds; or (iii) any other assets which are not part of the Security.]

4. INTEREST

- 4.1 There will be no payment of interest on the Bonds.

5. VOLUNTARY REDEMPTION

- 5.1 An Authorised Participant or a Bondholder may (subject as provided herein) require the Issuer to Redeem all, or in part, its Bonds in the form of a Physical Redemption or (in fulfilment of its delivery claim to the Cryptocurrency) Cash Redemption by (i) submitting a duly completed Redemption Form, together with all required KYC Documents; (ii) paying the Upfront Redemption Fee (if applicable); and (iii) transferring the Bonds to the Issuance Account free of payment (collectively the "**Voluntary Redemption Steps**"). The date on which all of the Voluntary Redemption Steps have been completed, shall be the "**Voluntary Redemption Date**".
- 5.2 Settlement in respect of the relevant Bonds will be effected in accordance with Condition 5.5 by the delivery of Cryptocurrency [or Eligible Assets, as applicable] or Condition 5.6 by the delivery of cash as requested by the redeeming Bondholder on the Redemption Form, unless (i) the redeeming Bondholder in its Redemption Form certifies that it is prohibited for legal or regulatory reasons from

owning or taking delivery of any of the applicable Cryptocurrency [or Eligible Assets, as applicable] upon a Redemption and/or (ii) the Issuer is prohibited for legal or regulatory reasons from effecting a delivery of any of the relevant Cryptocurrency to the Bondholder, in which case settlement will only be effected by the delivery of cash as set out in Condition 5.6.

5.3 Upon completion of the Voluntary Redemption Steps, the Issuer shall take all necessary actions to give effect to the Redemption Form as required by this Condition 5.

5.4 The Issuer may suspend the right to request Redemptions or the settlement of Redemptions of the Bonds, in accordance with the provisions in Annex B.

5.5 *Delivery of Cryptocurrency upon Voluntary Redemption*

Where Bonds held by a Bondholder are required to be redeemed by Physical Redemption:

- (a) The Issuer shall [subject to paragraph (d) below] upon completion of the Voluntary Redemption Steps, [(i) instruct the Staking Provider to De-Stack the required amount of Cryptocurrency within a reasonable period of time, but no later than 10 Business Days following the completion of the Voluntary Redemption Steps, to effect the Redemption; and (ii)] [(i)] within a reasonable period of time, but no later than 10 Business Days following the completion of the Voluntary Redemption Steps terminate the required amount of FX Hedging Transactions and instruct the relevant FX Counterparty to transfer the respective Transfer Amounts attributable to the FX Hedge Performance in respect of the Bonds to be redeemed in order for the Issuer to effect the Redemption] on the Voluntary Redemption Settlement Date; and [(ii)] [(iii)] instruct the relevant Depository to transfer the relevant Cryptocurrency attributable to or forming part of the Security in respect of such Bonds in an amount equal to the Redemption Amount with respect of those Bonds, from the Depository Wallet to the relevant Bondholder Wallet, to be delivered on the Voluntary Redemption Settlement Date[, provided however that in case any of the Cryptocurrency which is to be delivered as part of the Redemption is Staked, settlement of such Cryptocurrency may be delayed by the time period needed to effect the De-Staking]. [If the Issuer receives cash from the transfer of the Transfer Amounts, the Issuer shall transfer the cash amounts so received with respect to the Bonds on the Voluntary Redemption Settlement Date to the relevant Bondholder's account as specified in the Redemption Form.]
- (b) From the Voluntary Redemption Settlement Date, in the case of Physical Redemption all title to and risks in the Redemption Amount shall pass to the Bondholder. The Issuer shall not be responsible or liable for (and no Event of Default shall occur by virtue of) any failure by a Depository to effect a delivery of Cryptocurrency in accordance with the instructions of the Issuer. However, in the event of such failure, the Issuer shall to the extent practicable assign to the redeeming Bondholder its claims in relation to such Cryptocurrency in satisfaction of all claims of such Bondholder in respect of the Bonds to be redeemed and the Bondholder shall have no further claims against the Issuer or the Security. [Additionally, the Issuer shall not be responsible in the case the settlement of the Cryptocurrency is delayed due to the delays with De-Staking of relevant Cryptocurrency which is beyond its reasonable control.] [Additionally, the Issuer shall not be responsible in case the settlement of the Cryptocurrency is delayed due to a delay related to the termination of the relevant FX Hedging Transactions.]
- (c) The Secured Redemption Obligations of the Issuer in respect of the Bonds being Redeemed shall be satisfied by transferring the Redemption Amount in accordance with the provisions of this Condition 5.5.[]
- (d) In case of redemptions by Authorised Participants, in derogation from paragraph (a) above, the Issuer may fulfil its obligations stipulated in this Condition 5.5 by transfer of Eligible Assets instead of the Cryptocurrency, and paragraphs (a) to (c) above shall apply to the Eligible Assets accordingly, provided the following is satisfied:
- (i) The Issuer converts the amount of the relevant Cryptocurrency corresponding to the Cryptocurrency Entitlement into a number of units of the Eligible Assets with a counterparty appropriately regulated or registered (if not subject to regulation) for

AML/KYC purposes with financial authorities in its country of incorporation and operation, whereby the exchange rate is based on the current market value of the Eligible Assets (as determined by the relevant counterparty) and of the underlying Cryptocurrency;

- (ii) The Issuer shall not make any conversions with counterparties based outside of the list of the acceptable jurisdictions for the location of an Authorised Participant or not supervised (through regulation or registration) for AML/KYC purposes, even if jurisdiction in question does not require entities dealing in Cryptocurrency or Eligible Assets to be supervised;
- (iii) Transfer and/or delivery of Eligible Assets will not result in the Issuer being in breach of any Condition of these Terms and Conditions and the Administrator approves such transfer; and
- (iv) The agreement between the Issuer and the Authorised Participant governing relationships between the parties shall contain the provision that in case redemption is performed pursuant to this Condition 5.5 (d) no obligation to deliver or transfer Eligible Assets to the Authorised Participant exists unless sub-conditions (i) to (iii) (inclusive) are satisfied, including, that any obligation to deliver or transfer Eligible Assets (even after above-mentioned sub-conditions are satisfied) is an unsecured contractual claim and does not qualify as part of the Secured Redemption Obligations.]

5.6 *Payment of Cash upon Voluntary Redemption*

Where Bonds held by a Bondholder are required to be redeemed by Cash Redemption:

- (a) The Issuer shall upon completion of the Voluntary Redemption Steps, [(i) instruct the Staking Provider to De-Stake of the required amount of Cryptocurrency within a reasonable period of time, but no later than 10 Business Days following the completion of the Voluntary Redemption Steps, to effect the Redemption; and (ii) [(i)] within a reasonable period of time, but no later than 10 Business Days following the completion of the Voluntary Redemption Steps terminate the required amount of FX Hedging Transactions and instruct the relevant FX Counterparty to transfer the respective Transfer Amounts attributable to the FX Hedge Performance in respect of the Bonds to be redeemed in order for the Issuer to effect the Redemption] on the Voluntary Redemption Settlement Date; and [(ii) [(iii)]] instruct the Execution Agent to sell in accordance with the Cryptocurrency Execution Procedure as detailed in Condition 15, the relevant Cryptocurrency attributable to or forming part of the Security in respect of such Bonds in an amount equal to the Cryptocurrency Entitlement per Bond being Redeemed. For this purpose, the Issuer may give such instructions to the Depository as necessary to effect such sale. [*For the avoidance of doubt*, the Cryptocurrency Execution Procedure will start once all relevant Cryptocurrency attributable to or forming part of the Security in respect of the Bonds being Redeemed is successfully De-Staked.]
- (b) The Issuer shall transfer the aggregate Redemption Amount with respect to the Bonds on the Voluntary Redemption Settlement Date to the relevant Bondholder's account as specified in the Redemption Form.
- (c) The obligations of the Issuer in respect of Bonds being Redeemed shall be satisfied by transferring the Redemption Amount in accordance with the provisions of this Condition 5.6.

6. MANDATORY REDEMPTION

- 6.1 Upon occurrence of a Mandatory Redemption Event (as defined below) the Issuer at its sole and absolute discretion may, (but is not obliged to) give notice to the Bondholders in accordance with Condition 19 (the "**Mandatory Redemption Notice**"), stating the applicable Mandatory Redemption Event. Upon giving a Mandatory Redemption Notice, the Bonds shall be redeemed on the Mandatory Redemption Date at their Mandatory Redemption Price. A "**Mandatory Redemption Event**" is determined at the Issuer's sole and absolute discretion for [any event (including without limitation the lack of success in placing of the Bonds with investors) which in the sole and absolute discretion of the

Issuer makes continuing the issuance of Bonds and/or maintaining Outstanding Bonds economically or practically not viable.] [one of the following events:

- (a) for a continuous period of 90 (ninety) calendar days the Bond Currency equivalent of the Outstanding Amount, calculated on each calendar day using the most recent published Reference Price(s) for the relevant Cryptocurrency(ies), is less than [100,000,000.00][●] [one hundred million][●]; or
- (b) any new or existing law or regulation, or interpretation of any existing law or regulation, requires the Issuer to obtain any license, permission or approval, or to become regulated, registered or supervised in any way in Germany or elsewhere, to continue fulfilling its obligations under these Terms and Conditions, but excluding requirements to publish an approved prospectus with respect to the Bonds; or
- (c) as a result of any change in, or amendment to, the laws or regulations of the United Kingdom, the Federal Republic of Germany, or any other member state of the European Economic Area or any political subdivision or taxing authority thereto or therein affecting taxation, the tax treatment of the Cryptocurrency in general changes materially, such change was not reasonably foreseeable at the Issue Date, and such change is in the assessment of the Issuer materially disadvantageous to the business of the Issuer (regardless of whether this affects the issuance of the Bonds); or
- (d) any third-party service provider, including the Issuer's auditors, legal advisers, the Transaction Partners or the Security Trustee, stops providing services to the Issuer, and the Issuer fails to find a replacement within reasonable time; or
- (e) if the Issuer was ordered by the competent court or otherwise became required by law to arrange for the Bonds to be mandatorily redeemed.]

6.2 From the date of the Mandatory Redemption Notice, the Issuer shall [instruct the Staking Provider to De-Stack all of the Deposited Cryptocurrency which is Staked on the Mandatory Redemption Date and] [terminate any FX Hedging Transactions on the Mandatory Redemption Date and] take all necessary steps in relation to the units of the Cryptocurrency affected by the Mandatory Redemption Notice to facilitate the Redemption.

6.3 *Delivery of Cryptocurrency upon Mandatory Redemption*

In case the Issuer gives the Mandatory Redemption Notice in respect of the Bonds:

- (a) Subject to [paragraph (d) below and] Condition 6.4, the Bonds held by a Bondholder shall be redeemed by Physical Redemption if the Bondholder: (i) submits to the Issuer a duly completed Redemption Form, together with all required KYC Documents; and (ii) transfers the Bonds to the Issuance Account free of payment (collectively the "**Mandatory Redemption Steps**"), in which case the Issuer shall instruct the relevant Depository to transfer the relevant Cryptocurrency attributable to or forming part of the Security in respect of such Bonds in an amount equal to the Redemption Amount as of the Mandatory Redemption Date with respect of those Bonds, from the Depository Wallet to the relevant Bondholder Wallet, to be delivered on the Mandatory Redemption Settlement Date.
- (b) From the Mandatory Redemption Settlement Date, in the case of Physical Redemption all title to and risks in the Redemption Amount in respect of each Bond shall pass to the holder of such Bonds. The Issuer shall not be responsible or liable for (and no Event of Default shall occur by virtue of) any failure by a Depository to effect a delivery of Cryptocurrency in accordance with the instructions of the Issuer. However, in the event of such failure, the Issuer shall to the extent practicable assign to the redeeming Bondholder its claims in relation to such Cryptocurrency in satisfaction of all claims of such Bondholder in respect of the Bonds to be Redeemed and the Bondholder shall have no further claims against the Issuer or the Security. [Additionally, the Issuer shall not be responsible in case the settlement of the Cryptocurrency is delayed due to the De-Stacking delay provided that the Issuer has complied with the Condition 6.2.] [Additionally, the Issuer shall not be responsible in case the settlement of the Cryptocurrency is delayed due to a delay

related to the termination of the relevant FX Hedging Transactions on the Mandatory Redemption Date.]

- (c) The Secured Redemption Obligations of the Issuer in respect of the Bonds being Redeemed shall be satisfied by transferring the Redemption Amount in accordance with the provisions of this Condition 6.3.[
- (d) In case of redemptions by Authorised Participants, in derogation from paragraph (a) above, the Issuer may fulfil its obligations stipulated in this Condition 6.3 by transfer of Eligible Assets instead of the Cryptocurrency, and paragraphs (a) to (c) above shall apply to the Eligible Assets accordingly, provided the following is satisfied:
 - (i) The Issuer converts the amount of the relevant Cryptocurrency corresponding to the Cryptocurrency Entitlement into a number of units of the Eligible Assets with a counterparty appropriately regulated or registered (if not subject to regulation) for AML/KYC purposes with financial authorities in its country of incorporation and operation, whereby the exchange rate is based on the current market value of the Eligible Assets (as determined by the relevant counterparty) and of the underlying Cryptocurrency;
 - (ii) The Issuer shall not make any conversions with counterparties based outside of the list of the acceptable jurisdictions for the location of an Authorised Participant or not supervised (through regulation or registration) for AML/KYC purposes, even if jurisdiction in question does not require entities dealing in Cryptocurrency or Eligible Assets to be supervised;
 - (iii) Transfer and/or delivery of Eligible Assets will not result in the Issuer being in breach of any Condition of these Terms and Conditions and the Administrator approves such transfer; and
 - (iv) The agreement between the Issuer and the Authorised Participant governing relationships between the parties shall contain the provision that in case redemption is performed pursuant to this Condition 6.3 (d) no obligation to deliver or transfer Eligible Assets to the Authorised Participant exists unless sub-conditions (i) to (iii) (inclusive) are satisfied, including, that any obligation to deliver or transfer Eligible Assets (even after above-mentioned sub-conditions are satisfied) is an unsecured contractual claim and does not qualify as part of the Secured Redemption Obligations.]

6.4 *Delivery of Cash upon Mandatory Redemption*

- (a) Bonds held by a Bondholder shall be redeemed by Cash Redemption if (i) the Bondholder fails to complete the Mandatory Redemption Steps on or before the date specified in the Mandatory Redemption Notice (which, for the avoidance of doubt, shall not be the Mandatory Redemption Date or a later date); (ii) relevant Bondholder in its Redemption Form certifies that it is prohibited for legal or regulatory reasons from owning or taking delivery of any of the applicable Cryptocurrency upon a Redemption; or (iii) the Issuer is prohibited for legal or regulatory reasons from effecting a delivery of any of the relevant Cryptocurrency to the Bondholder.[
- (b) Notwithstanding paragraph (a) above, in case of Bonds held by an Authorised Participant, the Issuer may choose for the Bonds to be redeemed by Cash Redemption.]
- (c) In case of a Cash Redemption pursuant to [paragraph (a)][paragraphs (a) and (b)], the Issuer shall instruct the Execution Agent on the Mandatory Redemption Date to sell in accordance with the Cryptocurrency Execution Procedure as detailed in Condition 15 the relevant Cryptocurrency attributable to or forming part of the Security in respect of such Bonds in an amount equal to the Cryptocurrency Entitlement (as of the Mandatory Redemption Date) per Bond being Redeemed. For this purpose, the Issuer may give such instructions to the Depositary as necessary to effect such sale. [*For the avoidance of doubt*, the Cryptocurrency Execution Procedure will start once all relevant Cryptocurrency attributable to or forming part of the Security in respect of the Bonds being Redeemed is successfully De-Staked.]

- (d) The Issuer shall transfer the aggregate Redemption Amount with respect to the Bonds on the Mandatory Redemption Settlement Date through the applicable Clearing System.
- (e) The obligations of the Issuer in respect of Bonds being Redeemed shall be satisfied by transferring the Redemption Amount in accordance with the provisions of this Condition 6.4.

6.5 If a Redemption pursuant to Condition 6.3 or Condition 6.4 applies in accordance with this Condition 6, the Bondholder of such Bonds being mandatorily redeemed acknowledges and agrees:

- (a) to accept the Redemption Amount;
- (b) that the Issuer makes no representation or warranty as to the price at which the relevant Cryptocurrency will be sold or the amount of the proceeds of sale realised from the sale of such Cryptocurrency as long as the Cryptocurrency Execution Procedure as detailed in Condition 15 is followed; and
- (c) that the Issuer shall not be liable for any failure by any Depository [,][or] Execution Agent [or FX Counterparty] in respect of any transfer [,][or] sale [or FX Hedging Transaction] of any Cryptocurrency pursuant to any transaction completed under Condition 6.2, 6.3 and/or Condition 6.4 but in the event of any such failure, on request from the Bondholder the Issuer shall to the extent practicable transfer or assign to the redeeming Bondholder its rights or claims in relation to such Cryptocurrency in satisfaction of all claims of such Bondholder in respect of the Bonds to be Redeemed and the Bondholder shall have no further claims against the Issuer or the Security.

7. PAYMENTS

7.1 *Payment of Mandatory Redemption Price.* In the case of a Mandatory Redemption pursuant to Condition 6 and in the case the Bonds are to be Redeemed in Bond Currency or a fiat currency published in the Mandatory Redemption Notice, payment of the Mandatory Redemption Price in respect of those Bonds shall be made to the Paying Agent for further forwarding to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.

7.2 *Discharge.* The Issuer shall be discharged by payment to, or to the order of, the Paying Agent.

[

7.3 *Partial Redemption.* Annex B may provide that in certain situations or on specific dates the Issuer may or shall partially Redeem the Bonds by converting part of the Outstanding Amount determined by the provisions of Annex B into the Bond Currency (and withdrawing and selling part of the Deposited Cryptocurrency accordingly) using the Cryptocurrency Execution Procedure. In this case, payment of such partial redemption proceeds in respect of such Bonds shall be made to the Paying Agent for further forwarding to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.]

8. TRANSACTION PARTNERS

8.1 *Appointment; Specified Offices.* The initial Administrator, Depo Bank, Depository, [Determination Agent,] Execution Agent, Fiscal Agent, [Index Sponsor,] Paying Agent[, Staking Provider] [and FX Counterparty] [and Yield Index Provider] [and Fiat Execution Agent] [and NAV Calculation Agent] (each a "**Transaction Partner**" and collectively, the "**Transaction Partners**") will be as specified below and their initial specified offices shall be:

Administrator:

[Apex Corporate & Advisory Services Ltd,
Central North Business Centre Level 1
Sqaq il-Fawwara Sliema SLM1670,
Malta]

Depo Bank:

[Quirin Privatbank AG
Kurfürstendamm 119
10711 Berlin
Germany]

[•]

Depository:

[BitGo Trust Company, Inc
6216 Pinnacle Place
Suite 101
Sioux Falls, SD 57108
United States of America]

[Coinbase Custody Trust Company, LLC
200 Park Avenue
Suite 1208
New York, NY 10003
United States of America]

[Komainu (Jersey) Limited
3rdFloor, 2 Hill Street
St. Helier
Jersey, JE2 4UA]

[Zodia Custody (Ireland) Limited
3rd Floor, Kilmore House
Park Lane, Spencer Dock
Dublin
Ireland, D01 XN99]

[Determination Agent: [•]]

Execution Agent:

[Wintermute Trading Ltd.
3rd Floor, 1 Ashley Road
Altrincham, Cheshire
United Kingdom, WA14 2DT]

[•]

[Fiat Execution Agent: [•]]

[NAV Calculation Agent: [•]]

[FX Counterparty: [•]]

[Index Sponsor: [•]]

Paying Agent and Fiscal Agent:

[Quirin Privatbank AG
Kurfürstendamm 119
10711 Berlin
Germany]

[•]

[Staking Provider: [•]]

[Yield Index Provider: [●]]

The Paying Agent, the Fiscal Agent and the Depositary reserve the right at any time to change their specified offices to some other office in the same country.

- 8.2** *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of any of the Authorised Participants and/or any of the Transaction Partner(s) and to appoint a replacement (for any of the Transaction Partners) or additional (for the Depositary, Depo Bank [and Staking Provider] [and FX Counterparty]) Transaction Partner(s). The Issuer shall at all times maintain an Administrator, Depo Bank, Depositary, [Determination Agent,] Execution Agent, Fiscal Agent, [Index Sponsor,] Paying Agent [Staking Provider] [and FX Counterparty] [and Yield Index Provider] [and Fiat Execution Agent] [and NAV Calculation Agent]. Any variation, termination, appointment or change to any Transaction Partner(s) shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after at least [●] Business Days prior notice to the Bondholders in accordance with Condition 19.
- 8.3** *Agent of the Issuer.* The Transaction Partner(s) and any additional or replacement Transaction Partner(s) appointed pursuant to Condition 8.1 or Condition 8.2 above act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust with any Bondholder.

9. SECURITY TRUSTEE

- 9.1** *Appointment.* Any Security hereunder shall be held and managed by the Security Trustee on behalf of all present and future Bondholders. The Security Trustee shall, in relation to third parties, act as the holder of the Security and manage it on behalf of the Bondholders. The detailed duties of the Security Trustee shall solely be governed by the security trust agreement entered into between the Issuer and the Security Trustee (the "**German Security and Security Trust Agreement**") as set out in Annex 1 of the respective Global Note.
- 9.2** *Authorisation.* Each Bondholder instructs and authorises the Security Trustee (with the right of sub-delegation) to act as its security trustee (*Treuhänder*) and in particular (without limitation) to enter into and amend any documents evidencing Security, and to make and accept all declarations and take all actions it considers necessary or useful in connection with any Security on behalf of that Bondholder. The Security Trustee shall further be entitled to enforce or release any Security, to perform any rights and obligations under any documents evidencing Security and to execute new and different documents evidencing or relating to the Security.
- 9.3** *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the Security Trustee and to appoint another Security Trustee. The Issuer shall at all times maintain a Security Trustee. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after at least [●] Business Days prior notice to the Bondholders from these events in accordance with Condition 19.

10. INFORMATION DUTIES

Copies of the Security Documents in connection with the Bonds will be made available to Bondholders pursuant to the German Security and Security Trust Agreement, together with all other Programme Documents relevant to the Bondholders' security interest in in the Issuance Account and/or Issuer-Owned Bonds and/or the Security as soon as reasonably practicable after the Issue Date.

11. TAXATION

- 11.1** *Payment Free of Taxes.* All amounts payable in respect of the Bonds shall be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied at source by way of withholding or deduction by or on behalf of the Federal Republic of Germany (the "**Relevant Taxing Jurisdiction**") or any respective political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law.
- 11.2** *Other Tax Jurisdiction.* If at any time the Issuer becomes subject to any taxing jurisdiction other than, or in addition to, the Relevant Taxing Jurisdiction references in this Condition to the Federal Republic

of Germany shall be read and construed as references to the jurisdiction of the Issuer, and/or to such other jurisdiction(s).

12. PRESENTATION PERIOD AND PRESCRIPTION

The presentation period provided for in Section 801 paragraph 1, sentence 1 German Civil Code is reduced to ten years for the Bonds. The period of limitation for claims under the Bonds presented during the period for presentation will be two years calculated from the expiration of the relevant presentation period.

13. EVENTS OF DEFAULT

13.1 *Events of Default.* If an Event of Default occurs and is continuing, each Bondholder shall be entitled to declare all but not some of its Bonds due and payable by submitting a Termination Notice (pursuant to Condition 13.2 below) to the Issuer for its entire claim arising from the Bonds and demand (subject to Condition 13.3 below) an immediate payment of the Cryptocurrency Entitlement per Bond in accordance with the conditions set out in Condition 5 (but without any fees payable by the Bondholder which would otherwise be required by the above-mentioned Condition 5). Each of the following is an "**Event of Default**":

(a) the Issuer fails to pay out the Cryptocurrency Entitlement or any other amount in respect of the Bonds within 15 (fifteen) days from the relevant due date, except if the Issuer fails to pay out the Cryptocurrency Entitlement or any other amount in respect of the Bonds for reasons beyond its control, which should include (but is not limited to) circumstances where there is a Disruption Event, or the Issuer is required to comply with any provision of applicable law relating to the funding of terrorist activities or money laundering.

For the avoidance of doubt: Failure to exercise the Cash Redemption in Bond Currency due to a Totally Failed Execution or Partially Failed Execution shall not amount to such failure; or

(b) the Issuer fails to duly perform any other significant obligation arising from the Bonds and such failure, if capable of remedy, continues unremedied for more than 45 (forty-five) calendar days after the Issuer has received notice thereof from a Bondholder; or

(c) the Issuer is unable or admits its inability to pay its debts as they fall due; or

(d) insolvency proceedings against the Issuer are instituted and have not been discharged or stayed within 90 (ninety) days, or the Issuer applies for or institutes such proceedings; or

(e) the Issuer enters into liquidation unless this is done in connection with a merger or other form of combination with another company and such company assumes all obligations of the Issuer in connection with the Bonds.

13.2 *Termination Notices.* Any notice by a Bondholder to Redeem its Bonds in accordance with this Condition 13 (a "**Termination Notice**") shall be made by means of a declaration in text form to the Paying Agent in the German or English language together with evidence by means of a certificate of the Custodian that such Bondholder, at the time of such Termination Notice, is a Bondholder with respect of the relevant Bonds.

13.3 *Cure.* For the avoidance of doubt, the right to declare Bonds due in accordance with this Condition 13 shall terminate if the situation giving rise to it has been cured before the right is exercised.

14. COVENANTS

14.1 *Undertaking regarding Security.* So long as any Bond remains outstanding, the Issuer will not (except where explicitly permitted under the Terms and Conditions):

(a) create or permit to subsist any prior-ranking or equal-ranking mortgage, pledge, lien, security interest, charge or encumbrance securing any obligation of any person (or any arrangement having a like or similar effect) upon all or any of the Security (without prejudice to the right to create or

permit to subsist any lower-ranking security interest in relation to the Depositary Wallet and/or the Deposited Cryptocurrency); or

(b) transfer sell, lend, part with or otherwise dispose of, or grant any option or present or future right to acquire, any of the Security.

14.2 *Limitation on Incurrence of indebtedness.* The Issuer shall not after the Issue Date, incur any indebtedness for financing purposes.

For the avoidance of doubt, the following is a non-exclusive list of indebtedness that is explicitly *not* for financing purposes (and thus can be incurred by the Issuer):

- (i) any costs incurred by the Issuer in its ordinary course of business; or
- (ii) any exchange traded notes or similar bonds issued with a primary purpose to give investors exposures other than the credit risk of the Issuer itself;

14.3 *Deposited Cryptocurrency.* The Issuer shall at any given time procure that it holds such amount of the Cryptocurrency equal to or exceeding the Secured Obligations Amount on the Depositary Wallet held with the Depositary (the "**Deposited Cryptocurrency**"), provided however that the amount of Cryptocurrency held by the Issue in the Depositary Wallet may be less than the Secured Obligations Amount in certain situations which are further described in Annex B.

14.4 [*Staking.* For the avoidance of doubt, and notwithstanding anything in this Condition 14, the Issuer may use the Deposited Cryptocurrency in activities related to Staking, which may result in partial or total loss of Deposited Cryptocurrency due to a Slashing Event, in which case the Cryptocurrency Entitlement might be reduced (even to zero) in accordance with the provisions of Annex B and the Bondholders might suffer a total or partial loss.]

14.5 [*FX Hedging Transaction.* Notwithstanding anything in this Condition 14, the Issuer shall not sell any Bonds on the primary market unless it enters into a FX Hedging Transaction with the FX Counterparty which seeks to offset potential movements in the exchange rate fluctuations between the currency in which the Bonds are denominated (the Bond Currency) and the currency in which the relevant Cryptocurrency is denominated (the Reference Price Currency (as defined in Annex A)) and ensures that the amount of the Deposited Cryptocurrency and amounts due from the FX Counterparty taken together are equal or greater than Secured Obligations Amount at all times.]

15. CRYPTOCURRENCY EXECUTION PROCEDURE

15.1 If the Issuer is required, pursuant to these Terms and Conditions, to conduct a Cryptocurrency Execution Procedure, the Execution Agent shall upon instructions from the Issuer sell in accordance with the Execution Agency Agreement the Cryptocurrency attributable to or forming part of the Security in respect of the Bonds subject to Cash Redemption in an amount equal to the Cryptocurrency Entitlement as of the Voluntary Redemption Date or Mandatory Redemption Date (as applicable) (the "**Cryptocurrency Execution Procedure**").

15.2 *Totally Failed Execution and special provisions for Mandatory Redemption*

The Cryptocurrency Execution Procedure required by any Condition other than Mandatory Redemption process shall be deemed to be unsuccessful if the Execution Agent fails to sell any units of the Cryptocurrency it has been instructed to sell by the Issuer, for whatever reason (including, without limitation, as a result of disruption to the availability of the Reference Price) (a "**Totally Failed Execution**").

If the Cryptocurrency Execution Procedure required as part of the Mandatory Redemption process is unsuccessful (in full or in part), the Issuer shall sell the required amount(s) of Cryptocurrency using any reasonable efforts to achieve best possible price for the Bondholders (including, without limitation, repeated use of the Cryptocurrency Execution Procedure or other methods at the Issuer's discretion) within a reasonable period of time. Upon completion, proceeds of such sale(s) shall be considered the proceeds of the initially required Cryptocurrency Execution Procedure

15.3 Without prejudice to other provisions of this Condition 15, in case of a Totally Failed Execution, the Issuer shall return all Bonds previously delivered to the Issuer in relation to which the Cash Redemption was exercised, to the Bondholder within a reasonable period. The Issuer may choose to charge any Exercise Fee to the respective Bondholder in case of a Totally Failed Execution. In this case, the Issuer shall forfeit such number of Bonds for its own benefit to become Issuer-Owned Bonds from the Bonds to be returned to the Bondholder, so that Cryptocurrency Entitlement, as of the Voluntary Redemption Date, multiplied by the number of Bonds forfeited does not exceed the Exercise Fee.

15.4 *Partially Failed Execution*

Without prejudice to other provisions of this same paragraph, in the event that Cash Redemption not associated with a Mandatory Redemption was exercised in relation to the Bonds and it is not possible for the Execution Agent to fully execute the Cryptocurrency Execution Procedure for one, or more (but not all) of the Cryptocurrency constituting the Cryptocurrency Entitlement (as a result of a Disruption Event or otherwise) (the "**Affected Cryptocurrency**") (a "**Partially Failed Execution**"), the Issuer shall, in its sole and absolute discretion:

- (a) transfer the cash proceeds generated from the successful element of the Cryptocurrency Execution Procedure to the redeeming Bondholder; and
- (b) retain, and hold on trust for the benefit of the Bondholder, the Affected Cryptocurrency until the redeeming Bondholder provides instructions for the Issuer to transfer the Affected Cryptocurrency in the form of a Physical Redemption (if permissible) or until such time as the Execution Agent can sell it and transfer the proceeds in the form of a Cash Redemption.

16. SUBSTITUTION

16.1 The Issuer may, without the consent of the Bondholders, if no Event of Default is occurring, at any time substitute the Issuer with any Affiliate of the Issuer as principal debtor in respect of all obligations arising from or in connection with the Bonds (the "**Substitute Debtor**") provided that:

- (a) the Substitute Debtor, in a manner legally effective, assumes all obligations of the Issuer in respect of the Bonds;
- (b) the Security will be legally effective at all times;
- (c) the Substitute Debtor and the Issuer have obtained all necessary governmental and regulatory approvals and consents for such substitution and that all such approvals and consents are in full force and effect and that the obligations assumed by the Substitute Debtor in respect of the Bonds are valid and binding in accordance with their respective terms enforceable by each Bondholder;
- (d) the Substitute Debtor is licensed (or exempt from the requirement to be licensed) to execute transactions in the Cryptocurrency;
- (e) the Substitute Debtor can transfer to the Paying Agent in the currency required and without being obligated to deduct or withhold any taxes or other duties of whatever nature levied by the country in which the Substitute Debtor or the Issuer has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Bonds;
- (f) the Substitute Debtor has agreed to indemnify and hold harmless each Bondholder against any tax, duty, assessment or governmental charge imposed on such Bondholder in respect of such substitution; and
- (g) there shall have been delivered to the Paying Agent, at the cost of the Issuer, an opinion or opinions by lawyers of recognised standing to the effect that subparagraphs (a) to (f) above have been satisfied.

Any substitution of the Issuer pursuant to this Condition 16 and the date of effectiveness of such substitution shall be published in accordance with Condition 19.

- 16.2** Upon effectiveness of the substitution any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the Substitute Debtor and any reference to the Relevant Taxing Jurisdiction with respect to the Issuer shall from then on be deemed to refer to the Relevant Taxing Jurisdiction with respect to the Substitute Debtor. Furthermore, in the event of such substitution and if the Relevant Taxing Jurisdiction of the Substitute Debtor does not include the Federal Republic of Germany, an alternative reference to the Federal Republic of Germany shall be deemed to have been included in addition to the reference according to the preceding sentence to the Relevant Taxing Jurisdiction of the Substitute Debtor.
- 16.3** Upon effective substitution of the Issuer as set forth in this paragraph, the Issuer shall be released from any obligation arising from or in connection with the Bonds.

17. FURTHER ISSUES, PURCHASE AND CANCELLATION

- 17.1** Without prejudice to any covenant contained in Condition 14, the Issuer may from time to time, without the consent of the Bondholders, sell Issuer-Owned Bonds, other Bonds held by the Issuer or issue further Bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the relevant Issue Date and/or issue price) so as to form a single series with the Bonds.
- 17.2** Without prejudice to any covenant contained in Condition 14, the Issuer may at any time purchase Bonds in the open market or otherwise and at any price. Bonds purchased by the Issuer may, at the option of the Issuer, be held, resold, transferred to the Issuance Account to become Issuer-Owned Bonds (if not already held on such account) or surrendered to the Paying Agent for cancellation.

18. AMENDMENTS OF THE TERMS AND CONDITIONS

- 18.1** The Issuer may, without the consent of the Bondholders in its reasonable discretion and taking into consideration the interests of the Bondholders and the relevant capital market practice: (i) make any modification to these Terms and Conditions which is of a formal, minor or technical nature or is made to correct a manifest error and that is in the opinion of the Issuer not materially prejudicial to the interests of the Bondholders, and (ii) make any other modifications, and any waiver or authorisation of any breach or proposed breach of any of these Terms and Conditions that is not materially prejudicial to the interests of the Bondholders. Any such modification, authorisation or waiver will be binding on the Bondholders and will be notified by the Issuer to the Bondholders in accordance with Condition 19 without undue delay. If and to the extent required by applicable law, a supplement to the Prospectus will be established and filed for approval.

Additionally, regarding the provisions of these Terms and Conditions which allow for any action (or lack of any action) to be taken (or not taken) at the Issuer's discretion (including, without limitation, provisions referring to situation(s) where the Issuer 'may' take some action), the Issuer may amend these Terms and Conditions to make them more restrictive on itself by prescribing particular behaviour to be implemented by the Issuer (which may – however – still include some limited amount of discretion) where before it had complete discretion.

- 18.2** The Issuer may furthermore, without the consent of the Bondholders, make any modification to these Terms and Conditions which is not specifically stated therein to require the consent of the Bondholders, including any modification which is made as a consequence of the occurrence of an Adjustment Event (as defined in Annex B) and subject to the conditions details in Annex B.
- 18.3** The Terms and Conditions may also be amended with consent of the Issuer by virtue of a majority resolution of the Bondholders pursuant to Sections 5 et seqq. of the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen* – "**SchVG**"), as amended from time to time. In particular, the Bondholders may consent to amendments which materially change the substance of the Terms and Conditions, including such measures as provided for under Section 5 paragraph 3 of the SchVG by resolutions passed by such majority of the votes of the Bondholders as stated under Condition 18.4 below. A duly passed majority resolution shall be binding equally upon all Bondholders.
- 18.4** Except as provided by the following sentence and *provided that* the quorum requirements are being met, the Bondholders may pass resolutions by simple majority of the voting rights participating in the

vote. Resolutions which materially change the substance of the Terms and Conditions, in particular in the cases of Section 5 paragraph 3 numbers 1 through 9 of the SchVG, may only be passed by a majority of at least 75 percent of the voting rights participating in the vote (a "**Qualified Majority**").

- 18.5** Subject to Condition 18.6 below, resolutions of the Bondholders shall exclusively be made by means of a vote without a meeting in accordance with Section 18 of the SchVG. The request for voting will provide for further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions shall be notified to the Bondholders together with the request for voting. The exercise of voting rights is subject to the Bondholders' registration. The registration must be received at the address stated in the request for voting no later than the third day preceding the beginning of the voting period. As part of the registration, Bondholders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian in accordance with Condition 20.4 (i) (a) and (b) hereof by means of a declaration in text form and by submission of a blocking instruction by the Custodian stating that the relevant Bonds are not transferable from (and including) the day such registration has been sent to (and including) the day the voting period ends.
- 18.6** If it is ascertained that no quorum exists for the vote without meeting pursuant to Condition 18.5 above, the scrutineer may convene a Bondholders' meeting, which shall be deemed to be a second noteholders' meeting within the meaning of Section 15 paragraph 3 sentence 3 of the SchVG. Attendance at the second Bondholders' meeting and exercise of voting rights is subject to the Bondholders' registration. The registration must be received at the address stated in the convening notice no later than the third day preceding the second Bondholders' meeting. As part of the registration, Bondholders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian in accordance with Condition 20.4 (i) (a) and (b) hereof by means of a declaration in text form and by submission of a blocking instruction by the Custodian stating that the relevant Bonds are not transferable from (and including) the day such registration has been sent to (and including) the stated end of the noteholders' meeting.
- 18.7** The Bondholders may by majority resolution provide for the appointment or dismissal of a joint representative (the "**Bondholders' Representative**"), the duties and responsibilities and the powers of such Bondholders' Representative, the transfer of the rights of the Bondholders to the Bondholders' Representative and a limitation of liability of the Bondholders' Representative. Appointment of a Bondholders' Representative may only be passed by a Qualified Majority if such Bondholders' Representative is to be authorised to consent, in accordance with Condition 18.4 above, to a material change in the substance of the Terms and Conditions.
- 18.8** Any notices concerning Conditions 18.5 to 18.7 shall be made exclusively pursuant to the provisions of the SchVG.

19. NOTICES

- 19.1** All notices regarding the Bonds, other than any notices stipulated in Conditions 18.5 to 18.7 which shall be made exclusively pursuant to the provisions of the SchVG, will be published on the Website.
- 19.2** The Issuer will be entitled to deliver all notices concerning the Bonds, other than any notices stipulated in Conditions 18.5 to 18.7, to the Clearing System for communication by the Clearing System to the Bondholders to the extent that the rules of the stock exchange on which the Bonds are listed or admitted to trading permit so.
- 19.3** Any notice, other than any notices stipulated in Conditions 18.5 to 18.7, will be deemed to have been validly given on the date of the first publication (or, if required to be published in a newspaper, on the first date on which publication shall have been made in the required newspaper) or, as the case may be, on the fourth Business Day after the date of such delivery to the Clearing System.

20. GOVERNING LAW

- 20.1** The Bonds, as to form and content, and all rights and obligations of the Bondholders and the Issuer, shall be governed by German law. The Security Documents, as to form and content, and all rights and obligations of the Bondholders and the Issuer, shall be governed by German law.

- 20.2** To the extent legally permissible, the courts of Frankfurt am Main, Federal Republic of Germany, shall have jurisdiction for any actions or other legal proceedings arising out of or in connection with the Bonds. The local court (*Amtsgericht*) of Frankfurt am Main shall have jurisdiction for all judgments in accordance with Section 9 paragraph 2, Section 13 paragraph 3 and Section 18 paragraph 2 SchVG in accordance with Section 9 paragraph 3 SchVG. The regional court (*Landgericht*) in the district of Frankfurt am Main shall have exclusive jurisdiction for all judgments over contested resolutions by Bondholders in accordance with section 20 paragraph 3 SchVG. Should the Issuer change its registered seat, the statutory jurisdiction pursuant to the SchVG shall apply.
- 20.3** All calculations and determinations required to be made by these Terms and Conditions shall be made by the Issuer, or any party appointed by the Issuer, in its sole and absolute discretion.
- 20.4** Any Bondholder may in any proceedings against the Issuer, or to which such Bondholder and the Issuer are parties, protect and enforce in its own name its rights arising under the relevant Bonds on the basis of (i) a statement issued by the Custodian with which such Bondholder maintains a securities account in respect of the Bonds (a) stating the full name and address of the Bondholder, (b) specifying the aggregate principal amount of Bonds credited to such securities account on the date of such statement and/or specifying the aggregate principal amount of Bonds transferred from such Bondholder's securities account to the Issuance Account (including effective dates of such transfer(s)) and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b), and (ii) a copy of the Global Note representing the relevant Bonds certified as being a true copy of the original Global Note by a duly authorised officer of the Clearing System or a depository of the Clearing System, without the need for production in such proceedings of the actual records or the Global Note representing the Bonds. For purposes of the foregoing, "**Custodian**" means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Bondholder maintains a securities account in respect of the Bonds, including the Clearing System. Each Bondholder may, without prejudice to the foregoing, protect and enforce its rights under these Bonds also in any other way which is admitted in the country of the proceedings.

21. LANGUAGE

These Terms and Conditions are written in English language.

ANNEX A – Cryptocurrency Entitlement

PART A – Bonds linked to a single underlying Cryptocurrency

"**Cryptocurrency Entitlement**" means, as of any Business Day, the Bondholder's claim against the Issuer in respect of each Bond, expressed as the number of the units of the particular Cryptocurrency comprising the Bond.

On the Issue Date, the Cryptocurrency Entitlement corresponds to the Initial Cryptocurrency Entitlement (as defined below).

On any day after the Issue Date, the Cryptocurrency Entitlement will be calculated by the Issuer in its sole discretion in accordance with the following formula:

$$CE_{(t)} = CE_{(t-1)} * \left(1.0 - \frac{DER}{365}\right)$$

Where:

" $CE_{(t)}$ " means the Cryptocurrency Entitlement on day "t" days after the Issue Date;

"t" means the number of calendar days elapsed since the Issue Date;

" $CE_{(t-1)}$ " means the Cryptocurrency Entitlement on the previous day before day "t" days after the Issue Date;

" $CE_{(0)}$ " or "**Initial Cryptocurrency Entitlement**" means [●], the Cryptocurrency Entitlement on the Issue Date; and

"**DER**" means the Diminishing Entitlement Rate. The Diminishing Entitlement Rate represents the management fee expressed as the rate at which the Cryptocurrency Entitlement decays over time; As of the Issue Date, the Diminishing Entitlement Rate is [●] percent. The Diminishing Entitlement Rate applicable to any future (but not past) periods of time may be changed by the Issuer at any time and the Issuer shall notify the Bondholders thereof in accordance with Condition 19.

PART B – Bonds linked to an Index of underlying Cryptocurrency

"**Basket**" means a basket of Cryptocurrency initially composed as specified in Part II below, which are the components of the Index on any given day and are not notified as Unsupported Cryptocurrency by the Issuer;

For the avoidance of doubt: Any reference to a "unit of the Basket" or "units of the Basket" in this Terms and Conditions also refers to the units of the Cryptocurrency comprising the Basket;

["**Index**" means [●];]

"**Index Methodology**" means [insert reference to Index Methodology];

The Issuer reserves the right, in its reasonable discretion, to replace the Index and the corresponding Index Methodology with an Index (the "**Replacement Index**") and corresponding Index Methodology (the "**Replacement Index Methodology**"), which the Issuer deems to be comparable to the initial Index, the components of the Index and its Index Methodology, provided it notifies the Bondholders thereof in accordance with Condition 19. Following any such replacement, any reference to the term Index and Index Methodology shall refer to the Replacement Index and the Replacement Index Methodology. The Issuer shall at all times maintain an "Index" and "Index Methodology".

"**Index Sponsor**" means the entity specified in Part II below;

"**Rebalance Day**" means any day on which a rebalancing of the components of the Index takes place;

"**Single Cryptocurrency Entitlement**" or "**SCE**" means, as of any Business Day, part of the total Bondholder's claim against the Issuer in respect of each Bond, expressed as the number of the units of the particular Cryptocurrency comprising the Basket per Bond;

On the Issue Date, the Single Cryptocurrency Entitlement corresponds to the Initial Single Cryptocurrency Entitlement (as defined below);

On any day after the Issue Date, the Single Cryptocurrency Entitlement will be calculated by the Issuer in its sole discretion in accordance with the following formula:

If the relevant day ("t" days after the Issue Date) is not a Rebalance Day:

$$SCE_{(t)}^i = SCE_{(t-1)}^i * \left(1.0 - \frac{DER}{365}\right)$$

If the relevant day ("t" days after the Issue Date) is a Rebalance Day:

$$SCE_{(t)}^i = \widetilde{SCE}_{(t)}^i * \left(1.0 - \frac{DER}{365}\right) - (RCR * RTV_{(t)}^i)$$

$$\widetilde{SCE}_{(t)}^i = \frac{W_{(t)}^i * MTM_{(t)}}{P_{(t)}^i}$$

$$MTM_{(t)} = \sum_{i \in B_{(t-1)}} SCE_{(t-1)}^i * P_{(t)}^i$$

$$RTV_{(t)}^i = \text{Max}(0, \widetilde{SCE}_{(t)}^i - SCE_{(t-1)}^i)$$

Where:

"**SCE_(t)ⁱ**" means the Single Cryptocurrency Entitlement in respect of the particular Cryptocurrency comprised in the Basket (denoted "i") on day "t" days after the Issue Date;

"**t**" means the number of calendar days elapsed since the Issue Date;

" $SCE_{(t-1)}^i$ " means the Single Cryptocurrency Entitlement in respect of the particular Cryptocurrency comprised in the Basket (denoted "i") on the previous day before day "t" days after the Issue Date;

" $\widehat{SCE}_{(t)}^i$ " means the means the Single Cryptocurrency Entitlement gross of rebalance cost and management fee i in respect of the particular Cryptocurrency comprised in the Basket (denoted "i") on day "t" days after the Issue Date;

" $SCE_{(0)}^i$ " means the initial Single Cryptocurrency Entitlement on the Issue Date. As of the Issue Date, the respective Single Cryptocurrency Entitlements shall be:

[Insert table with SCE]

"**DER**" means the Diminishing Entitlement Rate. The Diminishing Entitlement Rate represents the management fee expressed as the rate at which the Single Cryptocurrency Entitlement decays over time. As of the Issue Date, the Diminishing Entitlement Rate is [●] percent. The Diminishing Entitlement Rate applicable to any future (but not the past) period of time may be changed by the Issuer at any time and the Issuer shall notify the Bondholders thereof in accordance with Condition 19;

"**RCR**" means the effective rebalance cost rate; The RCR represents a fee charged by the Issuer to affect the rebalancing of the Basket. As of the Issue Date, RCR is not more than [●][1.00] percent; The RCR rate applicable to any future (but not past) period of time may be changed by the Issuer at any time and the Issuer shall notify the Bondholders thereof in accordance with Condition 19, *provided however* that notwithstanding the foregoing the Issuer may lower RCR rate applicable to past periods of time and adjust Single Cryptocurrency Entitlement and Cryptocurrency Entitlement upwards accordingly by giving the Bondholders notice in accordance with Condition 19;

" $RTV_{(t)}^i$ " means the positive variation between the Single Cryptocurrency Entitlement (for the relevant Cryptocurrency denoted "i") on day "t" and the Single Cryptocurrency Entitlement on the previous calendar day; If the Basket has not comprised the relevant cryptocurrency on the previous calendar day, the respective Single Cryptocurrency Entitlement on the previous calendar day is zero; If the variation between the Single Cryptocurrency Entitlement on day "t" and Single Cryptocurrency Entitlement on the previous calendar day is negative, **RTVt i** is zero;

"**MTM**" means the mark-to-market value of the total Cryptocurrency Entitlement (as of the previous day) calculated on the day "t" calendar days after the Issue Date;

" $P_{(t)}$ " means the reference price calculated in respect of the particular Cryptocurrency comprising the Basket (denoted "i") on the day "t" calendar days after the Issue Date; The same methodology and source for $P_{(t)}^i$ calculation shall be used as prescribed by the Index Methodology for the calculation of prices of its components; [and]

" $W_{(t)}^i$ " means the weighting in respect of the particular Cryptocurrency comprised in the Basket (denoted "i") on the day "t" calendar days after the Issue Date, provided by the Index Sponsor. The Issuer reserves the right, within its reasonable discretion, to adjust said weightings by distributing weights, attributed to any Unsupported Cryptocurrency comprised in the Index, among Cryptocurrency comprised in the Basket (denoted "i"), such that the total sum of the weightings is equal to 100.00 percent [; and][.]

["Unsupported Cryptocurrency"] means any Cryptocurrency that the Issuer notifies the Bondholders of in accordance with Condition 19 provided that the Issuer may revoke the designation of a cryptocurrency as an Unsupported Cryptocurrency only if the relevant day is a Rebalance Day.

In the event the Issuer revokes the designation of a Cryptocurrency as an Unsupported Cryptocurrency thereby including such Cryptocurrency in the definition of Basket, the Single Cryptocurrency Entitlement applicable to

any future (but not the past) periods of time shall be determined in accordance with the "Single Cryptocurrency Entitlement" formula above;

In the event the Issuer designated a Cryptocurrency as an Unsupported Cryptocurrency, and the effective date of such designation is not a Rebalance Date, the Issuer shall perform an unscheduled rebalance of all Single Cryptocurrency Entitlements according to the formulas above as if such date was a Rebalance Day where affected Cryptocurrency was excluded from the Index (and, accordingly, from the Basket).]

PART C – Bonds linked to a single underlying Cryptocurrency to be Staked

"**Cryptocurrency Entitlement**" means, as of any Business Day, the Bondholder's claim against the Issuer in respect of each Bond, expressed as the number of the units of the particular Cryptocurrency comprising the Bond.

On the Issue Date, the Cryptocurrency Entitlement corresponds to the Initial Cryptocurrency Entitlement (as defined below).

On any day after the Issue Date, the Cryptocurrency Entitlement will be calculated by the Issuer in its sole discretion in accordance with the following formula:

$$CE_{(t)} = CE_{(t-1)} * \left(1 - \frac{DER}{365}\right) + \frac{SR_{(t-x)}}{N_{(t-x)}} (1 - DSC)$$

Where:

" $CE_{(t)}$ " means the Cryptocurrency Entitlement on day "t" days after the Issue Date;

" $CE_{(t-1)}$ " means the Cryptocurrency Entitlement on the previous day before day "t" days after the Issue Date;

" $CE_{(0)}$ " or "**Initial Cryptocurrency Entitlement**" means [●], the Cryptocurrency Entitlement on the Issue Date;

"**DER**" means the Diminishing Entitlement Rate. The Diminishing Entitlement Rate represents the management fee expressed as the rate at which the Cryptocurrency Entitlement decays over time. As of the Issue Date, the Diminishing Entitlement Rate is [●] percent. The Diminishing Entitlement Rate applicable to any future (but not past) period of time may be changed by the Issuer at any time and the Issuer shall notify the Bondholders thereof in accordance with Condition 19;

" $SR_{(t-x)}$ " means the staking rewards expressed in respective cryptocurrency received (both earned and accrued) from staking on the day "x" days before the day "t" days after the Issue Date;

"**x**" means [[●] days][a number of days as prescribed by the Expected Unbonding Period of the respective Cryptocurrency];

" $N_{(t-x)}$ " means number of bonds outstanding as of end of the day "x" days before the before day "t" days after the Issue Date; and

"**DSC**" means the fees applied to the staking rewards. As of the Issue Date, the DSC shall be [●]. The DSC applicable to any future (but not past) period of time may be changed by the Issuer at any time and the Issuer shall notify the Bondholders thereof in accordance with Condition 19.

PART D – Bonds linked to an Index of underlying Cryptocurrency to be Staked

"**Basket**" means a basket of Cryptocurrency initially composed as specified in Part II below, which are the components of the Index on any given day and are not notified as Unsupported Cryptocurrency by the Issuer;

For the avoidance of doubt: Any reference to a "unit of the Basket" or "units of the Basket" in this Terms and Conditions also refers to the units of the Cryptocurrency comprising the Basket;

"**Index**" means [●];

"**Index Methodology**" means [insert reference to Index Methodology];

The Issuer reserves the right, in its reasonable discretion, to replace the Index and the corresponding Index Methodology with an Index (the "**Replacement Index**") and corresponding Index Methodology (the "**Replacement Index Methodology**"), which the Issuer deems to be comparable to the initial Index, the components of the Index and its Index Methodology, provided it notifies the Bondholders thereof in accordance with Condition 19. Following any such replacement, any reference to the term Index and Index Methodology shall refer to the Replacement Index and the Replacement Index Methodology. The Issuer shall at all times maintain an "**Index**" and "**Index Methodology**".

"**Rebalance Day**" means any day on which a rebalancing of the components of the Index takes place;

"**Single Cryptocurrency Entitlement**" means, as of any Business Day, part of the total Bondholder's claim against the Issuer in respect of each Bond, expressed as the number of the units of the particular Cryptocurrency comprising the Basket per Bond.

On the Issue Date, the Single Cryptocurrency Entitlement corresponds to the Initial Single Cryptocurrency Entitlement (as defined below).

On any day after the Issue Date, the Single Cryptocurrency Entitlement will be calculated by the Issuer in its sole discretion in accordance with the following formula:

If the relevant day ("t" days after the Issue Date) is not a Rebalance Day or not a day immediately following the Rebalance Day:

$$SCE_{(t)} = SCE_{(t-1)}^i * \left(1 - \frac{DER}{365}\right) + \frac{SSR_{(t-x)}}{N_{(t-x)}} (1 - DSC_{(t)}^i)$$

If the relevant day ("t" days after the Issue Date) is a day immediately following the Rebalance Day:

$$SCE_{(t)} = SCE_{(t-1)}^i * \left(1 - \frac{DER}{365}\right) + \frac{SSR_{(t-x)} + SSR_{(t-x-1)}}{N_{(t-x)}} (1 - DSC_{(t)}^i)$$

If the relevant day ("t" days after the Issue Date) is a Rebalance Day:

$$SCE_{(t)}^i = \widetilde{SCE}_{(t)}^i * \left(1.0 - \frac{DER}{365}\right) - (RCR * RTV_{(t)}^i)$$

$$\widetilde{SCE}_{(t)}^i = \frac{W_{(t)}^i * MTM_{(t)}}{P_{(t)}^i}$$

$$MTM_{(t)} = \sum_{I \in B_{(t-1)}} SCE_{(t-1)}^i * P_{(t)}^i$$

$$RTV_{(t)}^i = \text{Max}(0, \widetilde{SCE}_{(t)}^i - SCE_{(t-1)}^i)$$

Where:

" $SCE_{(t)}^i$ " means the Single Cryptocurrency Entitlement in respect of the particular Cryptocurrency comprised in the Basket (denoted "i") on day "t" days after the Issue Date;

"t" means the number of calendar days elapsed since the Issue Date;

" $SCE_{(t-1)}^i$ " means the Single Cryptocurrency Entitlement in respect of the particular Cryptocurrency comprised in the Basket (denoted "i") on the previous day before day "t" days after the Issue Date;

" $SSR_{(t-x)}$ " means the Single staking rewards expressed in respective cryptocurrency received (both earned and accrued) from staking on the day "x" days before the day "t" days after the Issue Date;

"x" means [\bullet] days[a number of days as prescribed by the Expected Unbonding Period of the respective cryptocurrency];

" $SSR_{(t-x-1)}$ " means the Single staking rewards expressed in respective cryptocurrency received (both earned and accrued) from staking on the previous day before the day "x" days before the day "t" days after the Issue Date;

" $N_{(t-x)}$ " means number of bonds outstanding as of end of the day "x" days before the day "t" days after the Issue Date;

" $\widetilde{SCE}_{(t)}^i$ " means the means the Rebalanced Single Cryptocurrency Entitlement, gross of rebalance cost and management fee, in respect of the particular Cryptocurrency comprised in the Basket (denoted "i") on day "t" days after the Issue Date;

" $SCE_{(0)}^i$ " means the initial Single Cryptocurrency Entitlement, in respect of the particular Cryptocurrency comprised in the Basket (denoted "i"), on the Issue Date. As of the issue date, the respective Single Cryptocurrency Entitlements shall be:

[Insert table with $SCE_{(0)}^i$]

"**DER**" means the Diminishing Entitlement Rate. The Diminishing Entitlement Rate represents the management fee expressed as the rate at which the Single Cryptocurrency Entitlement decays over time. As of the Issue Date, the Diminishing Entitlement Rate is [\bullet] percent. The Diminishing Entitlement Rate applicable to any future (but not the past) period of time may be changed by the Issuer at any time and the Issuer shall notify the Bondholders thereof in accordance with Condition 19;

" $DSC_{(t)}^i$ " means the fees applied to the staking rewards in respect of the particular Cryptocurrency comprised in the Basket (denoted "i"). As of the Issue Date, the DSC shall be:

[Insert table with $DSC_{(0)}^i$]

The DSC applicable to any future (but not past) period of time may be changed by the Issuer at any time and the Issuer shall notify the Bondholders thereof in accordance with Condition 19;

"**RCR**" means the effective rebalance cost rate; The effective rebalance cost RCR represents a fee charged by the Issuer to affect the rebalancing of the Basket. As of the Issue Date, RCR is not more than [1.00][\bullet] percent; The RCR rate applicable to any future (but not the past) period of time may be changed by the Issuer at any time and the Issuer shall notify the Bondholders thereof in accordance with Condition 19, *provided however* that notwithstanding the foregoing the Issuer may lower the RCR applicable to past periods of time and adjust the Single Cryptocurrency Entitlement and Cryptocurrency Entitlement upwards accordingly by giving the Bondholders notice in accordance with Condition 19;

" $RTV_{(t)}^i$ " means the positive variation between the Single Cryptocurrency Entitlement (for the relevant cryptocurrency denoted "i") on day "t" and the Single Cryptocurrency Entitlement on the previous calendar day;

If the Basket was not comprised of the relevant cryptocurrency on the previous calendar day, the respective Single Cryptocurrency Entitlement on the previous calendar day is zero; If the variation between the Single Cryptocurrency Entitlement on day "t" and Single Cryptocurrency Entitlement on the previous calendar day is negative, $RTV_{(t)}^i$ is zero;

"**MTM**" means the mark-to-market value of the total Cryptocurrency Entitlement (as of the previous day) calculated on the day "t" calendar days after the Issue Date;

" $P_{(t)}^i$ " means the reference price calculated in respect of the particular Cryptocurrency comprised in the Basket (denoted "i") on the day "t" calendar days after the Issue Date; The same methodology and source for $P_{(t)}^i$ calculation shall be used as prescribed by the Index Methodology for the calculation of prices of its components; [and]

" $W_{(t)}^i$ " means the weighting in respect of the particular Cryptocurrency comprised in the Basket (denoted "i") on the day "t" calendar days after the Issue Date, provided by the Index Sponsor. The Issuer reserves the right, within its reasonable discretion, to adjust said weightings by distributing weights, attributed to any Unsupported Cryptocurrency comprised in the Index, among Cryptocurrency comprised in the Basket (denoted "i"), such that the total sum of the weightings is equal to 100.00 percent [; and][.]

["**Unsupported Cryptocurrency**" means any Cryptocurrency that the Issuer notifies the Bondholders of in accordance with Condition 19 provided that the Issuer may revoke the designation of a cryptocurrency as an Unsupported Cryptocurrency only if the relevant day is a Rebalance Day;

In the event the Issuer revokes the designation of a Cryptocurrency as an Unsupported Cryptocurrency thereby including such Cryptocurrency in the definition of Basket, the Single Cryptocurrency Entitlement applicable to any future (but not the past) periods of time shall be determined in accordance with the "Single Cryptocurrency Entitlement" formula above;

In the event the Issuer designated a Cryptocurrency as an Unsupported Cryptocurrency, and the effective date of such designation is not a Rebalance Date, the Issuer shall perform an unscheduled rebalance of all Single Cryptocurrency Entitlements according to the formulas above as if such date was a Rebalance Date where affected Cryptocurrency was excluded from the Index (and, accordingly, from the Basket).]

PART E – Bonds linked to a single underlying Cryptocurrency with FX Hedging Feature

"**Cryptocurrency Entitlement**" means, as of any Business Day, the Bondholder's claim against the Issuer in respect of each Bond, expressed as the number of the units of the Cryptocurrency per Bond.

On the Issue Date, the Cryptocurrency Entitlement corresponds to the Initial Cryptocurrency Entitlement (as defined below).

On any day after the Issue Date, the Cryptocurrency Entitlement will be calculated by the Issuer in its sole discretion in accordance with the following formula:

$$CE_{(t)} = (CE_{(t-1)} + FXP_{(t)}) * \left(1 - \frac{DER + HDC}{365}\right)$$

$$FXP_{(t)} = \frac{(CE_{(t-1)} * P_{(t-1)}) * \left(\frac{FFX_{(t-1)}}{FXS_{(t)}} - 1\right)}{P_{(t)}}$$

"**CE_(t)**" means the Cryptocurrency Entitlement on day "t" days after the Issue Date;

"**t**" means the number of calendar days elapsed since the Issue Date;

"**CE_(t-1)**" means the Cryptocurrency Entitlement on the previous day before day "t" days after the Issue Date;

"**CE₍₀₎**" means the Initial Cryptocurrency Entitlement on the Issue Date. As of the Issue Date, the Cryptocurrency Entitlement shall be [●];

"**DER**" means the Diminishing Entitlement Rate. The Diminishing Entitlement Rate represents the management fee expressed as the rate at which the Cryptocurrency Entitlement decays over time. As of the Issue Date, the Diminishing Entitlement Rate is [●] percent. The Diminishing Entitlement Rate applicable to any future (but not past) period of time may be changed by the Issuer at any time and the Issuer shall notify the Bondholders thereof in accordance with Condition 19;

"**P_(t)**" means the Reference Price of the underlying Cryptocurrency on the day 't' calendar days after the Issue Date;

"**P_(t-1)**" means the Reference Price of the underlying Cryptocurrency on the previous day before day 't' days after the Issue Date;

"**FXP_(t)**", means the FX Hedge Performance. The FX Hedge Performance represents the change in Cryptocurrency entitlement rate, in respect of the FX Hedging mechanism for the mitigation of fluctuations in the exchange rate between the currency in which the Reference Price is denominated (the "**Reference Price Currency**") and the Bond Currency, on day 't' days after the Issue Date;

"**FFX_(t-1)**" means the FX Forward Reference Level on the previous day before day 't' days after the Issue Date;

"**FXS_(t)**" means the FX Spot Reference Level in respect to the day 't' days after the Issue Date;

"**FX Forward Reference Level**" means, in respect of any calendar day, the forward rate, expressed in the Reference Price Currency provided by the FX Counterparty, on that day as being the rate for a forward exchange of an amount of the Reference Price Currency per one unit of the Bond Currency; for the purposes of the foregoing, "forward exchange" shall mean exchange to be settled [●] business days in the future, with "business days" understood as customary in relevant foreign exchange markets; and

"**FX Spot Reference Level**" means, in respect of any calendar day, the currency exchange rate expressed in the Reference Price Currency provided by the FX Counterparty, on that day as being the rate for the spot exchange of an amount of the Reference Price Currency per one unit of the Bond Currency. For the purposes of the

foregoing, “spot exchange” shall mean exchange to be settled [*] business days in the future, with “business days” understood as customary in relevant foreign exchange markets.

"**HDC**" means the hedging Costs. The hedging costs represents the annual cost of the Issuer to maintain the currency hedging mechanism expressed in per cent. *per annum*. The hedging costs applicable to any future (but not past) period of time may be changed by the Issuer at any time and the Issuer shall notify the Bondholders thereof in accordance with Condition 19.

PART F – Bonds with index based calculation

"**Cryptocurrency Entitlement**" means, as of any Business Day, the Bondholder's claim against the Issuer in respect of each Bond, expressed as the number of the units of the Cryptocurrency per Bond.

On any day after the Issue Date, the Cryptocurrency Entitlement will be calculated by the Issuer in its reasonable discretion in accordance with the following formula:

$$CE_{(t)} = (\sum_i^n \text{Cryptocurrency Amount}_i * \text{Entitlement}) * (1.0 - \text{DER}/365)^t$$

Where:

"**CE**_(t)" means the Cryptocurrency Entitlement on day "t" days after the Issue Date;

"**Cryptocurrency Amount**_i" means the amount of units of the respective Cryptocurrency comprised in the Index as calculated and published by the Index Sponsor at [●] on any day;

"**DER**" means the Diminishing Entitlement Rate. The Diminishing Entitlement Rate represents the management fee expressed as the rate at which the Cryptocurrency Entitlement decays over time; As of the Issue Date, the Diminishing Entitlement Rate is [●] percent. The Diminishing Entitlement Rate applicable to any future (but not past) periods of time may be changed by the Issuer at any time and the Issuer shall notify the Bondholders thereof in accordance with Condition 19;

"**Entitlement**" means [●];

"**Index**" means [●];

"**Index Methodology**" means [insert reference to Index Methodology];

The Issuer reserves the right, in its reasonable discretion, to replace the Index and the corresponding Index Methodology with an Index (the "**Replacement Index**") and corresponding Index Methodology (the "**Replacement Index Methodology**"), which the Issuer deems to be comparable to the initial Index, the components of the Index and its Index Methodology, provided it notifies the Bondholders thereof in accordance with Condition 19. Following any such replacement, any reference to the term Index and Index Methodology shall refer to the Replacement Index and the Replacement Index Methodology. The Issuer shall at all times maintain an "Index" and "Index Methodology".

"**Index Sponsor**" means the entity specified in Part II below;

"**n**" means the number of different Cryptocurrencies comprised in the Index;

"**t**" means the number of calendar days elapsed since the Issue Date.

Annex B – Adjustments and Special Situations

1. DEFINITIONS

For the purposes of this Annex B, terms defined in the Terms and Conditions have the meanings given to them in the Terms and Conditions unless otherwise defined in this Annex B. The following terms have the meanings given to them below:

"**Adjustment Event**" means any of the following events or circumstances occur:

- (a) a Split;
- (b) an Airdrop Event;
- (c) a Disruption Event;
- (d) a Partial Cryptocurrency Disruption[; and][.]
- (e) [an Index Disruption Event[; and][.]]
- (f) [a FX Hedging Transaction Failure Event[; and][.]]
- (g) [a Slashing Event.]

"**Airdrop Event**" means the allocation and distribution by a third party of a cryptocurrency to holders of a Cryptocurrency on such conditions as may be prescribed by that third party which may include without limitation that the holder of the Cryptocurrency perform a prescribed activity or task;

["**Collateral Shortfall Event**" means the situation where, contrary to the covenant set out in Condition 14.3, the amount of Cryptocurrency held by the Issuer in the Depositary Wallet permanently falls below the Secured Obligations Amounts due to [the execution of any of the Eligible Rebalance Procedures][a FX Hedging Transaction Failure Event];]

"**Disruption Event**" means that the Issuer may (but is not obligated to), with respect to any day, determine that an Adjustment Event or one or more of the following disruption events has occurred or exists on such day with respect to the Bonds (each such event a "**Disruption Event**"):

- (a) *Crypto Trading Disruption*: in respect of Cryptocurrency comprising the Cryptocurrency Entitlement for the Bonds trading in any of the relevant Cryptocurrency is subject to a material suspension or material limitation on any Major Exchange for the trading of such Cryptocurrency (including without a limitation a temporary or permanent: (i) scheduled closure, (ii) cessation of trading or (iii) severe lack of reasonable liquidity compared to the 30 calendar day average);
- (b) *Service Provider Disruption*: resignation or termination of any of the Transaction Partner(s) for any reason until a successor or replacement is appointed;
- (c) *Settlement Disruption*: situations in which: (i) any Cryptocurrency held as Security with respect to the Bonds is being inaccessible (due to any operational or legal problem with the Depositary, technical problem with the protocol of the applicable Cryptocurrency or for any other reason); or (ii) the Bonds are not capable of being transferred to the Issuance Account for any reason[.]; or]
- (d) [*FX Disruption*: any disruption(s) which have a materially adverse effect on the FX Counterparty's relevant hedging abilities[.]; or]
- (e) [*Calculation Disruption*: situations where the Issuer acting in good faith is unable to calculate the Cryptocurrency Entitlement for the Bonds.]

["**Eligible Rebalance Procedures**" means, for any combination of the following:

- (a) instructions given to the Execution Agent to buy and sell the required amount of Cryptocurrency out of the Deposited Cryptocurrency to perform the rebalance; and

(b) any settlement of the Cryptocurrency in respect of any instruction covered by (a) above;]

["**FX Hedging Transaction Failure Event**" means a failure by the FX Counterparty to deliver to the Issuer any Cryptocurrency [or cash] due under the terms of the FX Counterparty agreement;]

["**Index Cancellation**" means in respect of an Index, the Index Sponsor in respect of that Index permanently cancels such Index;]

["**Index Disruption Event**" means an Index Cancellation, Index Suspension and/or Index Modification;]

["**Index Modification**" means in respect of an Index that the Index Sponsor announces that it shall make a material change in the formula for or the method of calculating that Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent cryptocurrencies and capitalisation and other routine events);]

["**Index Suspension**" means in respect of an Index on any Business Day, the Index Sponsor fails to calculate or announce such Index, however the Index Cancellation has not yet happened;]

"**Major Exchange**" means, on the relevant calendar date, any of the three highest-volume Cryptocurrency exchanges and/or trading platforms that report prices for the applicable Cryptocurrency (as measured by the 30 calendar day average trading volume);

["**Partial Cryptocurrency Disruption**" means the case where Cryptocurrency Entitlement consists of more than one type of Cryptocurrency and: (i) cessation of support for some (but not all) types of Cryptocurrency comprised in the Cryptocurrency Entitlement by the Depository; or (ii) any change in the legal or regulatory status for some (but not all) types of the Cryptocurrency similar to the one described in the Condition 6.1.(b), including without limitation, classification by a regulatory authority of any such Cryptocurrency as a security;]

["**Slashing Event**" means a situation directly or indirectly cause by Staking of relevant Cryptocurrency where some or all of the Deposited Cryptocurrency which is Staked is forfeited or reduced in accordance with the technical protocol of the Cryptocurrency due to actions or inactions of the Staking Provider or associated third parties (including without limitation the Issuer itself);]

"**Split**" means a split or fork in the blockchain of a Cryptocurrency, leading to a division of the Cryptocurrency into two or more separate cryptocurrencies.

2. SUSPENSION OF REDEMPTION AND ADJUSTMENTS

2.1 *Suspension of Redemption*

If the Issuer, in its sole and absolute discretion, determines that due to a Disruption Event(s), it would adversely affect the interests of the Issuer or the Bondholders to continue to permit Redemptions, the Issuer may at any time and from time to time while such Disruption Event(s) are continuing suspend the right to, or timings of any Redemption (including Voluntary Redemption(s) and Mandatory Redemption(s)), including the ones which are already pending.

2.2 Subject to provisions of this Annex B Condition 2, the Issuer may in its sole and absolute discretion terminate such suspension at any time.

2.3 The following provisions shall apply where Redemptions have been suspended:

- (i) the Issuer shall give notice of any such suspension and of the termination of any such suspension to the Transaction Partners, and to the Bondholders in accordance with Condition 19, as soon as practicable, but the failure to give any such notice shall not prevent the exercise of its powers to institute suspensions and terminations of such suspensions; and
- (ii) any such suspension may continue for a period of up to 60 (sixty) calendar days, after the expiration of which the Issuer shall either: (i) remove any applicable restrictions on the Redemption of the Bonds; or (ii) trigger the Mandatory Redemption process (or, in case

suspension was declared during the Mandatory Redemption process, take all commercially reasonable steps to finalize such Mandatory Redemption without further suspensions).

- 2.4** The Issuer shall have no liability to the Authorised Participants, the Security Trustee, any of the Transaction Partner(s), the Bondholders or any other person for any determination or non-determination that it makes in respect of the occurrence, existence or continuation of a Disruption Event.
- 2.5** If an Adjustment Event has occurred, the Issuer shall, as soon as reasonably practicable, determine in good faith and in a commercially reasonable manner whether in its opinion it is appropriate to make one or more adjustments to the Cryptocurrency Entitlement to account for the economic effect on the Bonds of the relevant Adjustment Event, in particular and without limitation [:(a)] in the case of [a Slashing Event,] a Split and an Airdrop: to the greatest degree commercially practicable assign to the Bondholders the economic benefit or loss of any Adjustment Event as if the Bondholders held the Cryptocurrency comprising the Cryptocurrency Entitlement in respect of each Bond directly in their name; [(b) in the case of an Index Disruption Event, suspend the rebalances of the Index even if required by the methodology of the Index Sponsor and the formulas for the Cryptocurrency Entitlement, and/or replace the Index with a similar new Index and make the unscheduled rebalance of the Deposited Cryptocurrency accordingly; and (c) in the case of Partial Cryptocurrency Disruption, add the affected Cryptocurrency to the list of the Unsupported Cryptocurrency and rebalance the Deposited Cryptocurrency accordingly].
- 2.6** If the Issuer determines that it is appropriate to make such adjustments, it will, as soon as reasonably practicable, determine in good faith and in a commercially reasonable manner (which may, for the avoidance of doubt, include partial redemption of the Bonds against the payment of cash) the nature and effective date of such adjustment(s), and notify the Transaction Partners and, in accordance with Condition 19, the Bondholders of the occurrence of such Adjustment Event and the details of such adjustments to the Cryptocurrency Entitlement as soon as reasonably practicable upon making such determinations.
- 2.7** With effect from the effective date of any such adjustment (which for the avoidance of doubt may be in the past), the Issuer, the Bondholders and the Transaction Partners shall take into account the relevant adjustment(s) so notified to them when making any determination and/or calculation they are required to make under the Terms and Conditions.
- 2.8** In making decisions regarding necessary adjustments pursuant to this Annex B Condition 2.5, the Issuer shall not make adjustments which result in any extraordinary revenue to itself at the expense of the Bondholders. In the previous sentence ‘extraordinary revenue’ shall mean any revenue which would not be reasonably expected to be received by the Issuer in the absence of the Adjustment Event.
- 2.9** [In case a Collateral Shortfall Event occurs: (i) Cryptocurrency Entitlement per Bond shall be the amount of Deposited Cryptocurrency divided by the number of Outstanding Bonds on the date of the notification of the Collateral Shortfall Event to the Bondholders in accordance with Condition 19, whereby such Cryptocurrency Entitlement shall affect all unfinalized Redemption transactions even if they were initiated prior to such change; and (ii) the Cryptocurrency Entitlement shall evolve thereafter in accordance with the formulas set out in Annex A disregarding any effect of the formulas on the Cryptocurrency Entitlement value prior to the relevant Collateral Shortfall Event.]
- 2.10** [Any determination, non-determination, suspension, adjustment or termination of any suspension shall only be made by the Issuer with the explicit written approval of the Determination Agent]
- 2.11** Notwithstanding Condition 14.3, the Issuer may hold less Cryptocurrency in the Depository Wallet than the Secured Obligations Amount provided that such shortfall is:
- (a) [temporary due to any delay associated with payment of the staking rewards as prescribed by the protocol of the Cryptocurrency;] [or]

- (b) [temporary due to any delay associated with settlement of the Cryptocurrency from the FX Counterparty in relation to the FX Hedging Transaction;] [or]
- (c) [reasonably required to execute one or more Eligible Rebalance Procedure(s) (including without limitation withdrawals of amounts to be sold from the Depositary to be transferred to the Execution Agent);] [or]
- (d) [continuing only until such time as Cryptocurrency Entitlement is adjusted accordingly due to the Collateral Shortfall Event, and is a result of a Collateral Shortfall Event which is occurring as a result of [one or more Eligible Rebalance Procedure(s)][or][FX Hedging Transaction Failure Event][:];] [or]
- (e) [continuing only until such time as Cryptocurrency Entitlement is adjusted accordingly due to a Slashing Event occurring, and is a result of a Slashing Event.]

2.12 [*For the avoidance of doubt*, in case of a Slashing Event the Issuer may reduce the Cryptocurrency Entitlement in accordance with the provisions of Annex B Condition 2.5 and the Bondholders will suffer a total or partial loss of their investment in such case, provided however that the Issuer shall use commercially reasonable efforts to utilize any insurance coverage offered by the Staking Provider to any party, if applicable, to mitigate the impact of the Slashing Event on the Cryptocurrency Entitlement. The Issuer may not permanently reduce the Cryptocurrency Entitlement if and to the extent that (i) the reductions of the Deposited Cryptocurrency are covered and compensated by any insurance offered by the Staking Provider to the Depositary and (ii) such compensated amounts of Cryptocurrency are actually transferred to and deposited in the Depositary Wallet of the Issuer.]

2.13 [*For the avoidance of doubt*, in case of a FX Hedging Transaction Failure Event, the Issuer may reduce the Cryptocurrency Entitlement in accordance with the provisions of Annex B Condition 2.5 and the Bondholders will suffer a partial loss of their investment in such case, provided however that the Issuer shall use commercially reasonable efforts to seek recourse against the FX Counterparty for such loss, to mitigate the impact of the FX Hedging Transaction Failure Event on the Cryptocurrency Entitlement. The Issuer may not permanently reduce the Cryptocurrency Entitlement if and to the extent that (i) the reductions of the Deposited Cryptocurrency are covered and compensated by the FX Counterparty and (ii) such compensated amounts of Cryptocurrency are actually transferred to and deposited in the Depositary Wallet of the Issuer.]

15. FORM OF FINAL TERMS

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Bonds has led to the conclusion that for the Offer Jurisdictions: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "distributor") should take into consideration the manufacturer[‘s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer[‘s/s’] target market assessment) and determining appropriate distribution channels[, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable].]¹⁸

[MIFID II PRODUCT GOVERNANCE / RETAIL INVESTORS, PROFESSIONAL INVESTORS AND ECPS TARGET MARKET – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Bonds has led to the conclusion that for the Offer Jurisdictions: (i) the target market for the Bonds is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); EITHER¹⁹ [and (ii) all channels for distribution of the Bonds are appropriate, including investment advice, portfolio management, non-advised sales and pure execution services] OR²⁰ [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Bonds to retail clients are appropriate - investment advice[,/ and] portfolio management[,/ and][non-advised sales][and pure execution services][, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable]]. [Consider any negative target market]. Any person subsequently offering, selling or recommending the Bonds (a "distributor") should take into consideration the manufacturer[‘s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer[‘s/s’] target market assessment) and determining appropriate distribution channels[, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable].]²¹²²

[PROHIBITION OF OFFER TO PRIVATE CLIENTS IN SWITZERLAND – [The Bonds are not intended to be offered to private clients within the meaning of the Swiss Federal Financial Services Act (FinSA) in Switzerland. For these purposes, a private client means a person who is not one (or more) of the following: (i) a professional client as defined in Article 4(3) FinSA (not having opted-in on the basis of Article 5(5) FinSA) or Article 5(1) FinSA; or (ii) an institutional client as defined in Article 4(4) FinSA; or (iii) a private client with an asset management agreement according to Article 58(2) FinSA.]²³

[The Bonds do not constitute a participation in a collective investment scheme in the meaning of the Swiss Federal Act on Collective Investment Schemes (CISA) and are not subject to the supervision by the Swiss

¹⁸ Include legend in case MiFID II target market assessment in respect of the Bonds is "Professional Investors and Eligible Counterparties only."

¹⁹ Include for Bonds that are not ESMA complex pursuant to the Guidelines on complex debt instruments and structured deposits (ESMA/2015/1787) (the "ESMA Guidelines").

²⁰ Include for Bonds that are ESMA complex pursuant to the ESMA Guidelines. This list may need to be amended, for example, if advised sales are deemed necessary. If there are advised sales, a determination of suitability and appropriateness will be necessary. In addition, if the Bonds constitute "complex" products, pure execution services to retail clients are not permitted without the need to make the determination of appropriateness required under Article 25(3) of MiFID II.

²¹ If there are advised sales, a determination of suitability will be necessary.

²² Include legend in case MiFID II target market assessment in respect of the Bonds is "Retail Investor Target Market."

²³ Legend to be included if the Bonds potentially constitute debt instruments with a "derivative character" for the purpose of FinSA and are offered in Switzerland and no key information document or equivalent document under FinSA will be prepared or the Issuer wishes to prohibit offers to private clients in Switzerland for any other reason, in which case, the "Prohibition of Offer to Private Clients in Switzerland" selling restriction should be specified to be "Applicable" in the Final Terms.

Financial Market Supervisory Authority FINMA, and investors will not benefit from the specific investor protection under the CISA.]²⁴

[Relevant Index disclaimers to be included, as required]

²⁴ Include if Bonds are offered in Switzerland.

Final Terms

[Title of relevant Series of Bonds]
issued pursuant to the

Programme for the issuance of Bonds secured by Cryptocurrency

dated 30 October 2024

of

Bitwise[®]

Bitwise Europe GmbH

Issue Price:

[Cryptocurrency Entitlement per Bond plus a subscription fee of [up to] [●] percent of the Cryptocurrency Entitlement per Bond]

Issue Date: []

Trade Date: []

Series No.: []

Tranche: []

These final terms dated [●] (the "**Final Terms**") have been prepared for the purpose of Article 8(4) of Regulation (EU) 2017/1129. Full information on the Issuer and the offer of the Bonds is only available on the basis of the combination of the Final Terms when read together with the Base Prospectus of Bitwise Europe GmbH dated 30 October 2024, including any supplements thereto (the "**Base Prospectus**"). The Base Prospectus [and the supplement dated [insert date] [, the supplement dated [insert date]] [and the supplement dated [insert date]]] [has][have] been or will be, as the case may be, published on the website of the Issuer (<https://etc-group.com>). In case of an issue of Bonds which are listed on the regulated market of a stock exchange, the Final Terms relating to such Bonds will also be published on the website of the Issuer (<https://etc-group.com>). [A summary of the individual issue of the Bonds is annexed to these Final Terms.]²⁵

[These Final Terms will be deposited with SIX Exchange Regulation Ltd. as review body (*Prüfstelle*) in Switzerland and published according to Article 64 [of the Swiss Federal Financial Services Act ("**FinSA**")][FinSA] for the purposes of an offer of the Bonds to the public in Switzerland on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented] which has been included as a foreign prospectus that is deemed approved according to Article 54(2) FinSA in the list of approved prospectuses according to Article 64(5) FinSA by SIX Exchange Regulation Ltd., deposited with this review body and published according to Article 64 FinSA.]²⁶

Terms not otherwise defined herein shall have the meanings specified in the Terms and Conditions of the Bonds as set out in the [Base Prospectus] [base prospectus dated 14 January 2021] [base prospectus dated 23 November 2021] [base prospectus dated 21 November 2022] [base prospectus dated 21 November 2023] (the "**Terms and Conditions**").

²⁵ Not to be included for Bonds which are issued with a denomination of at least EUR 100,000 or the equivalent amount in another currency unless a summary section shall be included on a voluntary basis.

²⁶ Include where the Final Terms are deposited with SIX Exchange Regulation Ltd. as review body in Switzerland.

[In case of Continuously Offered Bonds: The Base Prospectus under which the Bonds specified in these Final Terms are issued loses its validity at the end of 30 October 2025 or the publication of a new base prospectus in relation to the Programme for the issuance of Bonds secured by Cryptocurrency of Bitwise Europe GmbH immediately succeeding the Base Prospectus (the "**New Base Prospectus**"), depending on which event occurs earlier (the "**Expiry Date of the Base Prospectus**"). Notwithstanding the above, the Bonds specified in these Final Terms (the "**Continuously Offered Bonds**") shall continue to be subject to the terms and conditions of the Base Prospectus. From the Expiry Date of the Base Prospectus, these Final Terms must be read in conjunction with the New Base Prospectus. The New Base Prospectus will be available (no later than the Expiry Date of the Base Prospectus) on <https://etc-group.com>.]

PART I.: TERMS AND CONDITIONS

Select (i) the Terms and Conditions, Part A, B, C, D, E or F of Annex A and Annex B of this Base Prospectus, (ii) Option I, II, III, IV or V of the Terms and Conditions of the Base Prospectus dated 21 November 2022 as supplemented by the First Supplement dated 7 February 2023, (iii) Option I of the Base Prospectus dated 14 January 2021, as supplemented by the First Supplement dated 16 February 2021 to the Base Prospectus dated 14 January 2021, (iv) Option I of the Base Prospectus dated 23 November 2021, as supplemented by the First Supplement dated 22 March 2022 and the Second Supplement dated 21 June 2022 to the Base Prospectus dated 23 November 2021, (v) Option II of the Base Prospectus dated 21 November 2022 as supplemented by the First Supplement dated 7 February 2023 or (vi) the Terms and Conditions, Part A, B, C, D, E or F of Annex A and Annex B of the Base Prospectus dated 21 November 2023, which are incorporated by reference into this Base Prospectus, in each case by inserting the relevant Option

PART II.

1. Net proceeds:

[The Bonds are initially purchased from the Issuer in the primary market with *[insert relevant Cryptocurrency]* *[insert relevant cryptocurrencies comprising the Index]*. *[insert relevant Cryptocurrency]* *[insert relevant cryptocurrencies comprising the Index]* received by the Issuer through the subscription of the Bonds will be transferred to the Depository 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 [●] units of Bonds are sold and based on the *[insert relevant Cryptocurrency]* value of [●]*[insert values for each Cryptocurrency comprising the Index]* ([in each case] as of *[insert Issue Date]*[●]), the net proceeds for each [●] units of Bonds are [●].] [●]
2. [Subscription Restrictions: [●]]
3. (i) Listing and Trading:

[None] [No application will be made for the Bonds to be admitted to trading on the regulated market of any stock exchange.] [Application may be made][has been made] for admission to trading of the Bonds as of [the Issue Date] [●] on [the regulated market of the Frankfurt Stock Exchange] [the regulated market of the Warsaw Stock Exchange] [SIX Swiss Exchange] *[insert (further stock) exchanges in the European Economic Area]* *[insert (further) Swiss trading venue in the sense of the FMIA]* [●]
- (ii) Estimate of the total expenses related to the admission of trading: [Not applicable] [●]
- (iii) Estimate of the total expenses of the issue/offer: [●]
- (iv) Listing Agent's Responsibility:

In connection with this issue of Bonds and with regard to this issue only, [Steubing AG Wertpapierhandelsbank, with its registered office at Goethestrasse 29, 60313 Frankfurt am Main, Germany] [Bankhaus Scheich Wertpapierspezialist AG, with its registered office at Rossmarkt 21, 60311 Frankfurt am Main, Germany] [Quirin Privatbank AG, with its registered office at Kurfürstendamm 119, 10711 Berlin, Germany], accepts responsibility for the Base Prospectus, including these Final Terms, and confirms that to the best of its knowledge and belief, the information for which it accepts responsibility as aforesaid is in accordance with the facts and does not omit anything likely to affect the importance of such information.]

4. Interest of natural and legal persons involved in the issue/offer: [None] *[give details of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest]*
5. Reasons for the offer and use of proceeds [●]
6. Post-Issuance Information: [The Issuer does not intend to provide post-issuance information unless required by any applicable laws and/or regulations.][*specify*]
7. Non-exempt Offer: [Not applicable] [●]
8. Offer Jurisdictions: [Not applicable]
[Germany][Austria][Croatia][Cyprus][Czechia]
[Denmark][Estonia][Finland][France][Greece]
[Ireland][Italy][Luxembourg][Malta]
[The Netherlands][Norway][Poland][Portugal]
[Slovakia][Slovenia][Spain][Sweden]
9. Swiss Non-exempt Offer: [Not applicable] [Applicable]²⁷
[Withdrawal right according to Article 63(5) of the Swiss Federal Financial Services Ordinance (FinSO): [If an obligation to prepare a supplement to the Base Prospectus according to Article 56(5) FinSA is triggered during the Offer Period (see 7. above), investors who have already subscribed or agreed to purchase or subscribe for Bonds before any such supplement to the Base Prospectus is published have the right to withdraw their subscriptions and acceptances within a period of three working days from the publication of such supplement regardless of whether the Offer Period (see 7. above) closes prior to the expiry of such three working day period.]
10. Prohibition of Offer to Private Clients in Switzerland: [Not Applicable]
[Not applicable] [Applicable]
11. [Consent to the use of the Base Prospectus:
The Issuer consents to the use of the Base Prospectus by the following financial intermediar[y][ies] (individual consent): [Not applicable] [●]
Individual consent for the subsequent resale or final placement of the Bonds by the financial intermediar[y][ies] is given in relation to: [Not applicable] [Austria] [and][,] [Croatia] [and][,] [Cyprus] [and][,] [Czechia] [and][,] [Denmark] [and][,] [Estonia] [and][,] [Finland] [and][,] [France] [and][,] [Germany] [and][,] [Greece] [and][,] [Ireland] [and][,] [Italy] [and][,] [Luxembourg] [and][,] [Malta] [and][,] [Norway] [and][,] [Poland] [and][,] [Portugal] [and][,] [Slovakia] [and][,] [Slovenia] [and][,] [Spain] [and][,] [Sweden] [and][,] [The Netherlands] [and][,] [Switzerland]

²⁷ If not applicable, delete the remaining placeholders of this paragraph 9.

- Any other clear and objective conditions attached to the consent which are relevant for the use of the Base Prospectus: [Not applicable] [●]
- The subsequent resale or final placement of Bonds by financial intermediaries can be made: [Not applicable] [As long as the Base Prospectus is valid for the offer of the Bonds: [●] [●] [During the Offer Period (see 7. above)]]
12. (i) Commissions and Fees: [None][*specify*]
- (ii) Expenses and taxes specifically charged to the subscriber of the Bonds: [None][*specify*]
13. Categories of potential investors: [Retail investors] [and] [Professional investors]
14. Information with regard to the manner, place and date of the publication of the results of the offer: [*Give details with regard to the manner and date in which results of the offer are to be made public*]
15. [Name and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment (*Market Makers*): [●]
[*Insert description of the main terms of commitment*]]
16. ISIN: [●]
17. German Securities Code: [●]
18. An indication where information about the past and the future performance of the underlying [Cryptocurrency][cryptocurrencies] [Cryptocurrency comprising the Index][Index] and [its][their] volatility can be obtained: [●]
19. [Composition of the Basket as of the Issue Date: [●]]
20. [Details of benchmark administrator: [●]]
21. [Details of Index Sponsor: [●]]

16. TAXATION

16.1. WARNING REGARDING TAXATION

THE TAX LEGISLATIONS OF THE INVESTOR'S HOME MEMBER STATE AND OF THE ISSUER'S COUNTRY OF INCORPORATION MAY HAVE AN IMPACT ON THE INCOME RECEIVED FROM THE BONDS.

PROSPECTIVE INVESTORS 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.

16.2. 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 Base 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 not aware of any court rulings with respect to the taxation of bonds linked to a single Cryptocurrency or by an index consisting of various Cryptocurrency so that it cannot be excluded that tax courts might take a differing view.

a) **Income Taxation (capital gains and staking income)**

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 capital income (*Einkünfte aus Kapitalvermögen*) pursuant to Section 20 EStG being subject to the flat tax regime (*Abgeltungsteuer*) (in principle 25% plus 5.5% solidarity surcharge and church tax as the case may be) irrespective of any holding period. The solidarity surcharge has in general been partially abolished as of 1 January 2021, however, not for capital income unless the individual income tax burden for an individual holder is lower than 25%.

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 EStG should apply. This position is backed by marginal number 85 of the letter of the German Federal Ministry of Finance (Bundesfinanzministerium, "**BMF**") regarding individual issues relating to the treatment of virtual currencies and other tokens under income tax law dated May 10, 2022 (IV C 1 - S 2256/19/10003 :001; Federal Tax Gazette ("**BStBl.**") 2022 I p. 668 – the "**BMF Letter**"). In this letter, the BMF clarifies that the German Federal Fiscal Court (Bundesfinanzhof, "**BFH**") case law on Xetra gold bonds (cf. BFH rulings of May 12, 2015, VIII R 35/14, BStBl II p. 834 and VIII R 4/15, BStBl II p. 835, BFH ruling of February 6, 2018, IX R 33/17, BStBl II p. 525) and gold bullion securities (cf. BFH ruling of 16. June 2020, VIII 7/17, BStBl II 2021 p. 9) is to be applied mutatis mutandis if a bond exclusively conveys a claim to delivery of a fixed quantity of units of a virtual currency or other tokens deposited with the issuer or a claim to payment of the proceeds from the sale of the units of a virtual currency or other tokens by the issuer. In this case, according to the BMF, there is no capital claim within the meaning of Section 20 para. 1 no. 7 EStG, but a claim for payment in kind. Further, in marginal number 86 the letter states that the sale of such a note may give rise to income from private sales transactions pursuant to Section 22 number 2 in

conjunction with Section 23 para. 1 sentence 1 number 2 EStG and that payments made by the issuer during the term of the bond constitute other income for the investor within the meaning of Section 22 no. 3 EStG. The BMF Letter has been published in the Federal Tax Gazette Part I (*Bundessteuerblatt I*). Pursuant to Section 44 para.1 sentence 3 EStG, this published legal opinion of the tax authorities is binding for the German custody banks regarding the German withholding tax. Therefore, it should be clear that there is no German tax withholding obligation with respect to the Bonds. However, it cannot be ruled out that the German tax authorities or courts could regard a bond secured by cryptocurrencies as a capital claim (being subject to the flat tax regime) if the cash settlement, instead of the delivery of the virtual currency, should become the regular repayment method.

Pursuant to the provisions on private sales transactions (Sections 22 no. 2, 23 para. 1 sentence 1 no. 2 sentence 1 EStG) the acquisition and sale of assets by a Private Investor is only 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 (therefore) not be subject to tax. Moreover, the redemption of the Bonds should not constitute a sale under the private sales transactions' rules. However, it is not all clear whether a rebalancing with respect to an index of cryptocurrencies or any other disposal of the underlying cryptocurrencies could represent a disposal. Although, there are good arguments that this should not be the case (as there is no change of or realization of the cryptocurrencies delivery claim, see ruling of the German Federal Fiscal Court dated January 24, 2012 (IX R 62/10, BStBl II 2012, 564), marg. no. 28), there is a risk that the German tax authorities could take a different view. Pursuant to marginal number 68 of the BMF Letter a hard fork of a virtual currency/cryptocurrency (as defined in the BMF Letter) does not result in income under Section 22 no. 3 EStG. However, if the units of a new virtual currency/cryptocurrency created as a result of a fork are sold, the resulting profit is taxable as income from private sales transactions pursuant to Section 22 no. 2 in conjunction with Section 23 para. 1 sentence 1 no. 2 EStG, provided that the units of the cryptocurrency existing prior to the hard fork were acquired and the period between acquisition and sale does not exceed one year. The date of acquisition of the units of the new cryptocurrency corresponds to the acquisition date of the units of the cryptocurrency existing before the hard fork. Based on the aforementioned position of the tax authorities, the BFH case law on Xetra gold bonds (which has been accepted in the BMF Letter) and the BMF letter regarding individual issues with respect to the flat tax dated May 19, 2022 (with respect to the split of stocks see marg. no. 88 et seq.), there are good arguments that a possible split of the Bonds caused by a hard fork event should be treated in the same way as the split of the underlying cryptocurrency itself. However, a deviating position of the German tax authorities in this respect cannot be excluded. 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 underlying Cryptocurrency 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 1,000, 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.

Although there are arguments (the Bondholder merely invests in a capital market product as a purely passive investor and has no legal or contractual relationship with the Staking Provider (so that the legal relationship of the Issuer with the Staking Provider cannot be attributed to the Bondholder); the Bond is a speculative product (total loss of the cryptocurrency is possible and Staking Rewards are not certain); the Staking Rewards only form a calculation item in the formula for calculating the cryptocurrency entitlement and income calculated into an index does not necessarily have to lead to taxable income) that the income from the Staking Rewards which form part of the Cryptocurrency Entitlement could be treated as income from private sales transactions as described above, the German tax authorities may take the position that payments made by the issuer with respect to the Staking

Rewards constitute other income for the investor within the meaning of Section 22 no. 3 EStG. Such income is in general subject to taxation at the time of the inflow of such income which should arguably be the time at which the Bondholder redeems the Bond, but not already the time the Issuer receives the staking rewards from the Staking Provider. If other income is less than EUR 256 in a calendar year, it is not subject to income tax.

b) Withholding Tax (*Kapitalertragsteuer/Quellensteuer*)

Gains from private sales transactions and payments made by the issuer within the meaning of Section 22 no. 3 EStG 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 or payments made by the issuer with respect to other income within the meaning of Section 22 no. 3 EStG. If German custody banks should deduct withholding tax, investors should be able to request a refund of the withholding tax deducted during the assessment procedure based on the above mentioned (see a) Income Taxation) BMF letter regarding the income tax treatment of cryptocurrencies.

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

c) Tax assessment

Taxable gains from private sales transactions and other income within the meaning of Section 22 no. 3 EStG must be included by the investor in their tax return. They are subject to the standard rate of income tax (up to 45% plus up to 5.5% solidarity surcharge and any church tax as the case may be).

d) Disposal of units of the underlying Cryptocurrency delivered

In case of a redemption, the gains from the subsequent disposal of the units of the underlying Cryptocurrency are, in principle, subject to statutory income tax (up to 45%, plus solidarity surcharge of up to 5.5% and church tax as the case may be) if the units of the underlying Cryptocurrency 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 units of the underlying Cryptocurrency were acquired corresponds to the point in time at which the Bonds were acquired and not only the point in time at which the units of the underlying Cryptocurrency 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 units of the underlying Cryptocurrency 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 1,000. Losses incurred upon disposal of the units of the underlying Cryptocurrency 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 must be declared by the investor in his or her tax declaration.

17. SUBSCRIPTION, SALE AND OFFER OF THE BONDS

17.1. OFFER OF THE BONDS

17.1.1. Offer to the public

In the primary market each issue of a Series of Bonds is initially only purchased by Authorised Participants and may subsequently be offered by such Authorised Participants to institutional and retail investors or to institutional investors only, as specified in the relevant Final Terms, in compliance with applicable selling restrictions during the relevant offer period (as specified in the relevant Final Terms). An offer to the public may be made in the countries specified under Condition 6 "*Consent to the Use of the Base Prospectus*".

As further set out in section 17.1.2. "*Conditions and technical details of the offer*" below, to the extent that Authorised Participants directly contact their (existing) clients for a sale of the Bonds, the Authorised Participants will only contact professional investors. This is also set out in the table below in the column "*Description*".

As of the date of this Base Prospectus, the Issuer has entered into agreements with seven Authorised Participants.

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

Name (regulatory status)	Address	Description
XTX Markets SAS	3-5 Rue St Georges Paris 75009 France	XTX Markets SAS will not face investors but will only subscribe for and redeem the Bonds for their own purposes.
Flow Traders B.V. (Headquarters) (AFM regulated)	Jacob Bontiusplaats 9 Amsterdam 1018 LL The Netherlands	Flow Traders B.V. will register with Deutsche Börse to perform the role of designated sponsor. Flow Traders B.V. will face professional investors to subscribe for and redeem the Bonds.
Jane Street Financial Limited (FCA regulated)	2 & A Half Devonshire Square London EC2M 4UJ United Kingdom	Jane Street Financial Limited will face professional investors to subscribe for and redeem the Bonds.
Goldenberg Hehmeyer LLP	5th Floor 5 Greenwich View Place London E14 9NN United Kingdom	Goldenberg Hehmeyer LLP will face professional investors to subscribe for and redeem the Bonds.
DRW Europe B.V.	Gustav Mahlerlaan 1212 Unit 3.30 1081 LA Amsterdam The Netherlands	DRW Europe B.V. will face professional investors to subscribe for and redeem the Bonds.
Bank Frick & Co. AG	Landstrasse 14 9496 Balzers Liechtenstein	Bank Frick & Co. AG will face professional investors to subscribe for and redeem the Bonds.

Virtu Financial Ireland Limited	Whitaker Court Whitaker Square Sir John Rogerson's Quay Dublin 2 Ireland	Virtu Financial Ireland Limited will face professional investors to subscribe for and redeem the Bonds.
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*Any changes to the list of Authorised Participants will be detailed at <https://etc-group.com>

17.1.2. Conditions and technical details of the offer

Any offer of Bonds is not subject to any conditions or time limits other than the time limits resulting from the validity of the Base Prospectus und the relevant offer period as specified above under "*Offer to the Public*". There is no possibility to reduce subscriptions. No minimum or maximum subscription amounts will be specified.

In the primary market, the Issuer will sell Bonds only to Authorised Participants. Any such subscription and subsequent delivery of the Bonds is subject to the following conditions:

Bonds may be purchased with units of the relevant underlying Cryptocurrency (as set out in the relevant Final Terms) and, if applicable for the relevant Series of Bonds, against payment in cash, as well as against transfer of cryptocurrencies other than the underlying Cryptocurrency (in each case as set out in the relevant Final Terms).

Any investors who are not Authorised Participants can purchase the Bonds in the secondary market either from an Authorised Participant on an anonymous basis (i) via a stock exchange (in case of Bonds admitted to trading on a stock exchange) through their broker or (ii) from any person over the counter. Bonds can be purchased either with units of the relevant Cryptocurrency (as set out in the relevant Final Terms) or with USD, EUR or any other fiat currency or Cryptocurrency accepted by the respective counterparty or trading venue.

In addition, Authorised Participants may also directly contact their (existing) clients for a sale of the Bonds. Where Bonds are purchased from an Authorised Participant, such Bonds can be purchased with units of the underlying Cryptocurrency (as set out in the relevant Final Terms) or with EUR or any other fiat currency or cryptocurrency as will be determined by each Authorised Participant selling the Bonds in the secondary market.

Bonds issued under this Base Prospectus will be delivered via book-entry through the Clearing System and its account holding banks.

17.1.3. Charges and costs relating to the offer

The estimated total expenses of the issue and/or offer of each Series of Bonds will be specified in the relevant Final Terms of each issue of Bonds.

The Issuer may charge a subscription fee up to a certain percentage of the Cryptocurrency Entitlement (as specified in the relevant Final Terms) from the Authorised Participants. Authorised Participants may charge additional fees to investors who are purchasing Bonds from them. These fees may vary and the Issuer has no influence on whether and to what extent the Authorised Participant is charging fees.

17.1.4. Method of determination of the Issue Price

Each issue of a Series of Bonds will be issued at an issue price as stated in the relevant Final Terms. The issue price for Authorised Participants will be equal to the Cryptocurrency Entitlement plus a subscription fee (as specified in the relevant Final Terms).

1. For Series of **Bonds linked to a single Cryptocurrency issued pursuant to Annex A - Part A** of the Terms and Conditions, the Cryptocurrency Entitlement will be determined pursuant to the following formula:

$$CE_{(t)} = CE_{(t-1)} * \left(1.0 - \frac{DER}{365}\right)$$

Where:

" $CE_{(t)}$ " means the Cryptocurrency Entitlement on day "t" days after the Issue Date;

"t" means the number of calendar days elapsed since the Issue Date;

" $CE_{(t-1)}$ " means the Cryptocurrency Entitlement on the previous day before day "t" days after the Issue Date;

" $CE_{(0)}$ " or "**Initial Cryptocurrency Entitlement**" means the Cryptocurrency Entitlement on the Issue Date; and

"**DER**" means the Diminishing Entitlement Rate. The Diminishing Entitlement Rate represents the management fee expressed as the rate at which the Cryptocurrency Entitlement decays over time.

2. For Series of **Bonds linked to an Index of Cryptocurrency issued pursuant to Annex A - Part B** of the Terms and Conditions, the Cryptocurrency Entitlement will be determined pursuant to the following formula:

"**Cryptocurrency Entitlement**" means the sum of individual "**Single Cryptocurrency Entitlements**" in respect of each particular Cryptocurrency comprising the Basket per Bond.

Whereby:

"**Single Cryptocurrency Entitlement**" or "**SCE**" means, as of any Business Day, part of the total Bondholder's claim against the Issuer in respect of each Bond, expressed as the number of the units of the particular Cryptocurrency comprising the Basket per Bond;

On the Issue Date, the Single Cryptocurrency Entitlement corresponds to the Initial Single Cryptocurrency Entitlement;

On any day after the Issue Date, the Single Cryptocurrency Entitlement will be calculated by the Issuer in its sole discretion in accordance with the following formula:

If the relevant day ("t" days after the Issue Date) is not a Rebalance Day:

$$SCE_{(t)}^i = SCE_{(t-1)}^i * \left(1.0 - \frac{DER}{365}\right)$$

If the relevant day ("t" days after the Issue Date) is a Rebalance Day:

$$SCE_{(t)}^i = \widetilde{SCE}_{(t)}^i * \left(1.0 - \frac{DER}{365}\right) - (RCR * RTV_{(t)}^i)$$

$$\widetilde{SCE}_{(t)}^i = \frac{W_{(t)}^i * MTM_{(t)}}{P_{(t)}^i}$$

$$MTM_{(t)} = \sum_{i \in B_{(t-1)}} SCE_{(t-1)}^i * P_{(t)}^i$$

$$RTV_{(t)}^i = \text{Max}(0, \widetilde{SCE}_{(t)}^i - SCE_{(t-1)}^i)$$

Where:

" $SCE_{(t)}^i$ " means the Single Cryptocurrency Entitlement in respect of the particular Cryptocurrency comprised in the Basket (denoted "i") on day "t" days after the Issue Date;

"t" means the number of calendar days elapsed since the Issue Date;

" $SCE_{(t-1)}^i$ " means the Single Cryptocurrency Entitlement in respect of the particular Cryptocurrency comprised in the Basket (denoted "i") on the previous day before day "t" days after the Issue Date;

" $\widehat{SCE}_{(t)}^i$ " means the means the Single Cryptocurrency Entitlement gross of rebalance cost and management fee i in respect of the particular Cryptocurrency comprised in the Basket (denoted "i") on day "t" days after the Issue Date;

" $SCE_{(0)}^i$ " means the initial Single Cryptocurrency Entitlement on the Issue Date;

"**DER**" means the Diminishing Entitlement Rate. The Diminishing Entitlement Rate represents the management fee expressed as the rate at which the Single Cryptocurrency Entitlement decays over time;

"**RCR**" means the effective rebalance cost rate; The RCR represents a fee charged by the Issuer to affect the rebalancing of the Basket;

" $RTV_{(t)}^i$ " means the positive variation between the Single Cryptocurrency Entitlement (for the relevant Cryptocurrency denoted "i") on day "t" and the Single Cryptocurrency Entitlement on the previous calendar day; If the Basket has not comprised the relevant cryptocurrency on the previous calendar day, the respective Single Cryptocurrency Entitlement on the previous calendar day is zero; If the variation between the Single Cryptocurrency Entitlement on day "t" and Single Cryptocurrency Entitlement on the previous calendar day is negative, **RTV_t i** is zero;

"**MTM**" means the mark-to-market value of the total Cryptocurrency Entitlement (as of the previous day) calculated on the day "t" calendar days after the Issue Date;

" $P_{(t)}$ " means the reference price calculated in respect of the particular Cryptocurrency comprising the Basket (denoted "i") on the day "t" calendar days after the Issue Date; The same methodology and source for $P_{(t)}^i$ calculation shall be used as prescribed by the Index Methodology for the calculation of prices of its components; and

" $W_{(t)}^i$ " means the weighting in respect of the particular Cryptocurrency comprised in the Basket (denoted "i") on the day "t" calendar days after the Issue Date.

3. For Series of **Bonds linked to a single Cryptocurrency to be staked issued pursuant to Annex A - Part C** of the Terms and Conditions, the Cryptocurrency Entitlement will be determined pursuant to the following formula:

$$CE_{(t)} = CE_{(t-1)} * \left(1 - \frac{DER}{365}\right) + \frac{SR_{(t-x)}}{N_{(t-x)}}(1 - DSC)$$

Where:

" $CE_{(t)}$ " means the Cryptocurrency Entitlement on day "t" days after the Issue Date;

" $CE_{(t-1)}$ " means the Cryptocurrency Entitlement on the previous day before day "t" days after the Issue Date;

" $CE_{(0)}$ " or "**Initial Cryptocurrency Entitlement**" means the Cryptocurrency Entitlement on the Issue Date

"**DER**" means the Diminishing Entitlement Rate. The Diminishing Entitlement Rate represents the management fee expressed as the rate at which the Cryptocurrency Entitlement decays over time.;

" $SR_{(t-x)}$ " means the staking rewards expressed in respective cryptocurrency received (both earned and accrued) from staking on the day "x" days before the day "t" days after the Issue Date;

" $N_{(t-x)}$ " means number of bonds outstanding as of end of the day "x" days before the before day "t" days after the Issue Date; and

"**DSC**" means the fees applied to the staking rewards.

4. For Series of **Bonds linked to an Index of Cryptocurrency to be staked issued pursuant to issued pursuant to Annex A - Part D** of the Terms and Conditions, the Cryptocurrency Entitlement will be determined pursuant to the following formula:

"**Cryptocurrency Entitlement**" means the sum of individual "**Single Cryptocurrency Entitlements**" in respect of each particular Cryptocurrency comprising the Basket per Bond.

Whereby:

"**Single Cryptocurrency Entitlement**" means, as of any Business Day, part of the total Bondholder's claim against the Issuer in respect of each Bond, expressed as the number of the units of the particular Cryptocurrency comprising the Basket per Bond;

On the Issue Date, the Single Cryptocurrency Entitlement corresponds to the Initial Single Cryptocurrency Entitlement;

On any day after the Issue Date, the Single Cryptocurrency Entitlement will be calculated by the Issuer in its sole discretion in accordance with the following formula:

If the relevant day ("t" days after the Issue Date) is not a Rebalance Day or not a day immediately following the Rebalance Day:

$$SCE_{(t)} = SCE_{(t-1)}^i * \left(1 - \frac{DER}{365}\right) + \frac{SSR_{(t-x)}}{N_{(t-x)}} (1 - DSC_{(t)}^i)$$

If the relevant day ("t" days after the Issue Date) is a day immediately following the Rebalance Day:

$$SCE_{(t)} = SCE_{(t-1)}^i * \left(1 - \frac{DER}{365}\right) + \frac{SSR_{(t-x)} + SSR_{(t-x-1)}}{N_{(t-x)}} (1 - DSC_{(t)}^i)$$

If the relevant day ("t" days after the Issue Date) is a Rebalance Day:

$$SCE_{(t)}^i = \widetilde{SCE}_{(t)}^i * \left(1.0 - \frac{DER}{365}\right) - (RCR * RTV_{(t)}^i)$$

$$\widetilde{SCE}_{(t)}^i = \frac{W_{(t)}^i * MTM_{(t)}}{P_{(t)}^i}$$

$$MTM_{(t)} = \sum_{I \in \mathbb{B}_{(t-1)}} SCE_{(t-1)}^i * P_{(t)}^i$$

$$RTV_{(t)}^i = \text{Max}(0, \widetilde{SCE}_{(t)}^i - SCE_{(t-1)}^i)$$

Where:

" $SCE_{(t)}^i$ " means the Single Cryptocurrency Entitlement in respect of the particular Cryptocurrency comprised in the Basket (denoted "i") on day "t" days after the Issue Date;

"t" means the number of calendar days elapsed since the Issue Date;

" $SCE_{(t-1)}^i$ " means the Single Cryptocurrency Entitlement in respect of the particular Cryptocurrency comprised in the Basket (denoted "i") on the previous day before the day "t" days after the Issue Date;

" $SSR_{(t-x)}$ " means the Single staking rewards expressed in respective cryptocurrency received (both earned and accrued) from staking on the day "x" days before the day "t" days after the Issue Date;

" $SSR_{(t-x-1)}$ " means the Single staking rewards expressed in respective cryptocurrency received (both earned and accrued) from staking on the previous day before the day "x" days before the day "t" days after the Issue Date;

" $N_{(t-x)}$ " means number of bonds outstanding as of end of the day "x" days before the before day "t" days after the Issue Date;

" $\widetilde{SCE}_{(t)}^i$ " means the means the Rebalanced Single Cryptocurrency Entitlement, gross of rebalance cost and management fee, in respect of the particular Cryptocurrency comprised in the Basket (denoted "i") on day "t" days after the Issue Date;

" $SCE_{(0)}^i$ " means the initial Single Cryptocurrency Entitlement, in respect of the particular Cryptocurrency comprised in the Basket (denoted "i"), on the Issue Date;

"**DER**" means the Diminishing Entitlement Rate. The Diminishing Entitlement Rate represents the management fee expressed as the rate at which the Single Cryptocurrency Entitlement decays over time;

" $DSC_{(t)}^i$ " means the fees applied to the staking rewards in respect of the particular Cryptocurrency comprised in the Basket (denoted "i");

"**RCR**" means the effective rebalance cost rate; The effective rebalance cost RCR represents a fee charged by the Issuer to affect the rebalancing of the Basket;

" $RTV_{(t)}^i$ " means the positive variation between the Single Cryptocurrency Entitlement (for the relevant cryptocurrency denoted "i") on day "t" and the Single Cryptocurrency Entitlement on the previous calendar day; If the Basket was not comprised of the relevant cryptocurrency on the previous calendar day, the respective Single Cryptocurrency Entitlement on the previous

calendar day is zero; If the variation between the Single Cryptocurrency Entitlement on day "t" and Single Cryptocurrency Entitlement on the previous calendar day is negative, $RTV_{(t)}^i$ is zero;

"**MTM**" means the mark-to-market value of the total Cryptocurrency Entitlement (as of the previous day) calculated on the day "t" calendar days after the Issue Date;

" $P_{(t)}$ " means the reference price calculated in respect of the particular Cryptocurrency comprised in the Basket (denoted "i") on the day "t" calendar days after the Issue Date; The same methodology and source for $P_{(t)}^i$ calculation shall be used as prescribed by the Index Methodology for the calculation of prices of its components; and

" $W_{(t)}^i$ " means the weighting in respect of the particular Cryptocurrency comprised in the Basket (denoted "i") on the day "t" calendar days after the Issue Date, provided by the Index Sponsor.

5. For Series of **Bonds linked to a single Cryptocurrency with FX Hedging feature issued pursuant to issued pursuant to Annex A - Part E** of the Terms and Conditions, the Cryptocurrency Entitlement will be determined pursuant to the following formula:

$$CE_{(t)} = (CE_{(t-1)} + FXP_{(t)}) * \left(1 - \frac{DER + HDC}{365}\right)$$

$$FXP_{(t)} = \frac{(CE_{(t-1)} * P_{(t-1)}) * \left(\frac{FFX_{(t-1)}}{FXS_{(t)}} - 1\right)}{P_{(t)}}$$

Where:

" $CE_{(t)}$ " means the Cryptocurrency Entitlement on day "t" days after the Issue Date.

"t" means the number of calendar days elapsed since the Issue Date.

" $CE_{(t-1)}$ " means the Cryptocurrency Entitlement on the previous day before day "t" days after the Issue Date.

" $CE_{(0)}$ " means the Initial Cryptocurrency Entitlement on the Issue Date.

"**DER**" means the Diminishing Entitlement Rate. The Diminishing Entitlement Rate represents the management fee expressed as the rate at which the Cryptocurrency Entitlement decays over time.

" $P_{(t)}$ " means the Reference Price of the underlying Cryptocurrency on the day 't' calendar days after the Issue Date;

" $P_{(t-1)}$ " means the Reference Price of the underlying Cryptocurrency on the previous day before day 't' days after the Issue Date.

" $FXP_{(t)}$ ", means the FX Hedge Performance. The FX Hedge Performance represents the change in Cryptocurrency entitlement rate, in respect of the FX Hedging mechanism for the mitigation of fluctuations in the exchange rate between the currency in which the Reference Price is denominated (the "**Reference Price Currency**") and the Bond, on day 't' days after the Issue Date.

" $FFX_{(t-1)}$ " means the FX Forward Reference Level on the previous day before day 't' days after the Issue Date;

"**FXS**_(t)" means the FX Spot Reference Level in respect to the day 't' days after the Issue Date;

"**FX Forward Reference Level**" means, in respect of any calendar day, the forward rate, expressed in the Reference Price Currency provided by the FX Counterparty, on that day as being the rate for a forward exchange of an amount of the Reference Price Currency per one unit of the Bond Currency; and

"**FX Spot Reference Level**" means, in respect of any calendar day, the currency exchange rate expressed in the Reference Price Currency provided by the FX Counterparty, on that day as being the rate for the exchange of an amount of the Reference Price Currency per one unit of the Bond Currency.

"**HDC**" means the hedging Costs. The hedging costs represents the annual cost of the Issuer to maintain the currency hedging mechanism expressed in per cent. *per annum*.

6. For Series of **Bonds with index based calculation issued pursuant to Annex A – Part F** of the Terms and Conditions, the Cryptocurrency Entitlement will be determined pursuant to the following formula:

$$CE_{(t)} = (\sum_i^n \text{Cryptocurrency Amount}_i * \text{Entitlement}) * (1.0 - \text{DER}/365)^t$$

Where:

"**CE**_(t)" means the Cryptocurrency Entitlement on day "t" days after the Issue Date;

"**Cryptocurrency Amount**_i" means the amount of units of the respective Cryptocurrency comprised in the Index as calculated and published by the Index Sponsor on any day at the time specified in the relevant Final Terms;

"**DER**" means the Diminishing Entitlement Rate. The Diminishing Entitlement Rate represents the management fee expressed as the rate at which the Cryptocurrency Entitlement decays over time;

"**Entitlement**" means the entitlement for each Bond as specified in the respective Final Terms;

"**Index**" means the index specified in the respective Final Terms;

"**Index Sponsor**" means the index sponsor of the respective Index;

"**n**" means the number of different Cryptocurrencies comprised in the Index;

"**t**" means the number of calendar days elapsed since the Issue Date.

7. Additionally, in case of Series of **Bonds with an underlying Index of Cryptocurrency issued pursuant to Annex A - Part B and D** of the Terms and Conditions, the Cryptocurrency Entitlement is subject to adjustments upon the occurrence of a Collateral Shortfall Event (as described below under 13.3.1. "*Security over Depositary Wallet*").

For investors other than Authorised Participants, the purchase price for a Series of Bonds will be determined by each Authorised Participant on an ongoing basis and may be subject to additional subscription fees.

As of the Issue Date (as specified in the relevant Final Terms) of each Series of Bonds, the Cryptocurrency Entitlement would correspond to the initially determined number units of the relevant Cryptocurrency or Units of the Index (as specified in the relevant Final Terms, the "**Initial Cryptocurrency Entitlement**") per Bond, i.e. Authorised Participants purchasing Bonds from the Issuer would receive one Bond for a number of units of the relevant Cryptocurrency or Units of the Index corresponding to the Initial Cryptocurrency Entitlement. In addition, the Issuer may charge a subscription fee up to a certain percentage of the Cryptocurrency Entitlement (as specified in the relevant Final Terms) from the Authorised Participant.

Where an investor purchases a Bond from an Authorised Participant with Euro, in case of an exemplary Cryptocurrency Entitlement of 0.001 per Bond, the Euro equivalent of the Cryptocurrency Entitlement

as of 28 October 2024, based on a value of the underlying Cryptocurrency of Euro 63,405.48²⁸ would be Euro 63.41. However, given that each Authorised Participant may charge a subscription fee from the investor who it is selling the Bonds at its own discretion, the purchase price for a Bond may be higher than Euro 63.41.

For a determination of the issue price see also section 13.2. "*Description of the Bonds*".

²⁸ Value of Bitcoin as of 28 October 2024.

17.2. SELLING RESTRICTIONS

17.2.1. General

Any person subsequently offering, selling or recommending the Bonds shall comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Bonds or possesses, distributes or publishes this Base Prospectus or any other offering material relating to the Bonds.

Persons into whose hands this Base Prospectus comes are required by the Issuer to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Bonds or possess, distribute or publish this Base Prospectus or any other offering material relating to the Bonds, in all cases at their own expense.

17.2.2. European Economic Area

If the Final Terms in respect of any Series of Bonds include a legend in the context of any prohibition to make an offer of Bonds to retail investors in certain jurisdictions in the European Economic Area, the Bonds are not intended to be offered and shall not be offered to any retail investor in such jurisdiction(s). For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
 - (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"); and
- (b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds.

If the Final Terms in respect of any Bonds do not include a legend in the context of any prohibition to make an offer of Bonds to retail investors in certain jurisdictions in the European Economic Area (each a "**Member State**"), any relevant person has represented that it has not made and will not make an offer of Bonds which are the subject of the offering contemplated by this Prospectus as completed by the final terms in relation thereto to the public in that Member State except that it may make an offer of such Bonds to the public in that Member State:

- (i) if the final terms in relation to the Bonds specify that an offer of those Bonds may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Bonds which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (iii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant dealer or dealers nominated by the Issuer for any such offer; or

- (iv) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Bonds referred to in (ii) to (iv) above shall require the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision the expression an "**offer of Bonds to the public**" in relation to any Bonds in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

17.2.3. United Kingdom - Retail selling restrictions

If the Final Terms in respect of any Series of Bonds include a legend in the context of any prohibition to make an offer of Bonds to retail investors in the United Kingdom, the Bonds are not intended to be offered and shall not be offered to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (8) of Article 2(1) of Commission Delegated Regulation (EU) 2017/565 as it forms part of English law by virtue of the European Union (Withdrawal) Act 2018, as amended by the Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018; or
 - (ii) a customer within the meaning of Article 68(1) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, where that customer would not qualify as a professional client as defined in point (8) of Article 2(28) of Regulation (EU) No 600/2014 as it forms part of English law by virtue of the European Union (Withdrawal) Act 2018, as amended by the Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018; or
 - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 as it forms part of English law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Prospectus Regulation**"); and
- (b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds.

If the Final Terms in respect of any Bonds do not include a legend in the context of any prohibition to make an offer of Bonds to retail investors in the United Kingdom, any relevant person has represented that it has not made and will not make an offer of Bonds which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in the United Kingdom except that it may make an offer of such Bonds to the public in the United Kingdom:

- (i) if the final terms in relation to the Bonds specify that an offer of those Bonds may be made other than pursuant to Article 1(4) of the UK Prospectus Regulation in the United Kingdom (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Bonds which has been approved by the Financial Conduct Authority provided that any such prospectus has subsequently been completed by final terms contemplating such Non-exempt Offer, in accordance with the UK Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

- (ii) at any time to any legal entity which is a qualified investor as defined in the UK Prospectus Regulation;
- (iii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the UK Prospectus Regulation) subject to obtaining the prior consent of the relevant dealer or dealers nominated by the Issuer for any such offer; or
- (iv) at any time in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation,

provided that no such offer of Bonds referred to in (ii) to (iv) above shall require the Issuer to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision the expression "**offer of Bonds to the public**" in relation to any Bonds in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds.

17.2.4. United Kingdom - Other regulatory restrictions

Any person subsequently offering, selling or recommending the Bonds has to ensure that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

17.2.5. United States

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered, sold or delivered within the United States of America (the "**United States**") to or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Bonds are being offered and sold only (1) to "accredited investors" (as defined in Rule 501 of Regulation D under the Securities Act) in compliance with Rule 506(c) or Rule 506(b) of Regulation D under the Securities Act; (2) to 'qualified institutional buyers' as defined in Rule 144A under the Securities Act; and (3) in "offshore transactions" (as defined in Regulation S under the Securities Act) in reliance upon Regulation S under the Securities Act. Any person acting as a distributor of the Bonds exclusively outside the United States has represented and agreed that neither it nor any persons acting on its behalf has offered, sold or delivered or will offer, sell or deliver any Bonds within the United States except in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, each such distributor has represented and agreed that neither it, its affiliates nor any persons acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Bonds offered in reliance on Regulation S. Terms used in this subparagraph have the meaning given to them by Regulation S.

17.2.6. Switzerland

Any person subsequently offering, selling or recommending the Bonds will be required to confirm, represent and agree that:

- (a) it has only made and will only make an offer of the Bonds to the public in Switzerland, other than pursuant to an exemption under Article 36(1) FinSA or where such offer does not qualify as a public offer in Switzerland, if the applicable Final Terms in respect of any Bonds published

according to Article 64 FinSA specify "Swiss Non-exempt Offer" as applicable, in the Offer Period specified in the applicable Final Terms, and if consent has been granted to use the Base Prospectus and the applicable Final Terms for a public offer in Switzerland in accordance with Article 36(4) FinSA; or

- (b) it has not offered and will not offer, directly or indirectly, Bonds to the public in Switzerland, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in Switzerland, this Base Prospectus, the applicable Final Terms or any other offering material relating to the Bonds, other than pursuant to an exemption under Article 36(1) FinSA or where such offer or distribution does not qualify as a public offer in Switzerland.

For these purposes "public offer" refers to the respective definitions in Article 3(g) and (h) FinSA and as further detailed in the implementing Swiss Federal Financial Services Ordinance (FinSO).

If Bonds qualifying as debt instruments with a "derivative character" (as such expression is understood under FinSA) are offered to private clients within the meaning of FinSA in Switzerland a key information document under Article 58 FinSA (Basisinformationsblatt für Finanzinstrumente) or Article 59(2) FinSA in respect of such Bonds must be prepared and published. According to Article 58(2) FinSA, no key information document is required if Bonds are acquired for private clients under an asset management agreement. For this purpose, a private client means a person who is not one (or more) of the following: (i) a professional client as defined in Article 4(3) FinSA (not having opted-in on the basis of Article 5(5) FinSA) or Article 5(1) FinSA; or (ii) an institutional client as defined in Article 4(4) FinSA; or (iii) a private client with an asset management agreement according to Article 58(2) FinSA. For these purposes "offer" refers to the interpretation of such term in Article 58 FinSA.

The Bonds do not constitute a participation in a collective investment scheme in the meaning of the Swiss Federal Act on Collective Investment Schemes (CISA) and are not subject to the supervision by the FINMA, and investors will not benefit from the specific investor protection under the CISA.

18. GENERAL INFORMATION

18.1. INCORPORATION BY REFERENCE

The following documents are incorporated by reference into and shall form part of this Base Prospectus:

Document incorporated by reference	Pages incorporated by reference	Pages of the Base Prospectus, on which the incorporation has taken place
<u>Financial Information</u>		
1. Audited annual financial statements of the Issuer (<i>Jahresabschluss</i>) dated 31 December 2022 together with an unqualified auditor's report	(page numbers refer to the pages of the PDF document)	Page 53, "12. Historical Financial Information"
Statement of Financial Position	5	
Statement of Comprehensive Income	6	
Statement of Cash Flows	7	
Statement of Changes in Equity	8	
Notes to the Accounts as at 31 December 2022	9	
Notes to the Financial Statements 31 December 2022	10-13	
2. Audited annual financial statements of the Issuer (<i>Jahresabschluss</i>) dated 31 December 2023 together with an unqualified auditor's report	(page numbers refer to the pages of the PDF document)	Page 53, "12. Historical Financial Information"
Statement of Financial Position	16	
Statement of Comprehensive Income	17	
Statement of Cash Flows	18	
Statement of Comprehensive Income	19	
Notes to the Accounts as at 31 December 2023	20-27	
Independent Auditor's Report	28 - 31	
3. Unaudited interim financial statements of the Issuer (<i>Halbjahresfinanzbericht</i>) dated 30 June 2024	(page numbers refer to the pages of the PDF document)	Page 53, "12. Historical Financial Information"
Statement of Financial Position	3	
Statement of Comprehensive Income	4	

Statement of Cash Flows	5	
Statement of Changes in Equity	6	
Notes to the Accounts as at 30 June 2024	7 - 15	
<u>Base Prospectuses and Supplements</u>		
1. Base Prospectus dated 14 January 2021		Page 4, "1.3. Issue Procedures" Page 129, "Part I.: Terms and Conditions" Page 154, "19. Continuously Offered Bonds"
- Terms and Conditions		
- Option I: Terms and Conditions for Bonds linked to a single underlying Cryptocurrency	52 - 85	
- Form of Final Terms	122 - 127	
2. First Supplement dated 16 February 2021 to the Base Prospectus dated 14 January 2021		Page 4, "1.3. Issue Procedures" Page 129, "Part I.: Terms and Conditions" Page 154, "19. Continuously Offered Bonds"
- Item 6	5	
3. Base Prospectus dated 23 November 2021		
- Terms and Conditions		
- Option I: Terms and Conditions for Bonds linked to a single underlying Cryptocurrency	62 - 96	
- Form of Final Terms	137 - 144	
4. First Supplement dated 22 March 2022 to the Base Prospectus dated 23 November 2021		Page 4, "1.3. Issue Procedures" Page 129, "Part I.: Terms and Conditions" Page 154, "19. Continuously Offered Bonds"
- Items 6 - 9	3 - 4	

5.	Second Supplement dated 21 June 2022 to the Base Prospectus dated 23 November 2021		Page 4, "1.3. Issue Procedures" Page 129, "Part I.: Terms and Conditions" Page 155, "19. Continuously Offered Bonds"
	- Items 10 - 13	3 - 4	
6.	Base Prospectus dated 21 November 2022		Page 4, "1.3. Issue Procedures" Page 129, "Part I.: Terms and Conditions" Page 154, "19. Continuously Offered Bonds"
	- Terms and Conditions		
	- Option II: Terms and Conditions for Bonds linked to an index of underlying Cryptocurrencies	111 - 149	
	- Form of Final Terms	267 - 274	
7.	First Supplement dated 21 November 2022 to the Base Prospectus dated 7 February 2023		Page 4, "1.3. Issue Procedures" Page 129, "Part I.: Terms and Conditions" Page 154, "19. Continuously Offered Bonds"
	- Item 1	2	
8.	Base Prospectus dated 21 November 2023		Page 4, "1.3. Issue Procedures" Page 129, "Part I.: Terms and Conditions" Page 154, "19. Continuously Offered Bonds"
	- Terms and Conditions		
	- Terms and Conditions	87 - 106	
	- ANNEX A – Cryptocurrency Entitlement	107 - 116	
	- ANNEX B – Adjustments and Special Situations	117 - 120	
	- Form of Final Terms	121 - 128	

Any information not incorporated by reference into this Base Prospectus but contained in the documents set out above as source documents in the cross-reference lists above is either not relevant for investors or covered elsewhere in this Base Prospectus.

The documents incorporated by reference can be found on the following websites:

Financial Information:

- The audited annual financial statements of the Issuer (*Jahresabschluss*) dated 31 December 2023 together with an unqualified auditor's report:

https://etc-group.com/resources/financial_statements_Reports/annual_financial_statements_ifrs_2023.pdf

- The audited annual financial statements of the Issuer (*Jahresabschluss*) dated 31 December 2022 together with an unqualified auditor's report:

https://etc-group.com/resources/financial_statements_Reports/annual_financial_statements_ifrs_2022.pdf

- The unaudited interim financial statements of the Issuer (*Halbjahresfinanzbericht*) dated 30 June 2024:

https://etc-group.com/resources/financial_statements_Reports/etc_i_interims_reporting_062024_ifrs.pdf

Base Prospectuses and Supplements:

- Base Prospectus dated 21 November 2023:

- https://etc-group.com/resources/base_prospectus/etc_issuance_gmbh_base_prospectus_2023-11-21.pdf

- Base Prospectus dated 21 November 2022:

https://etc-group.com/resources/base_prospectus/etc_issuance_gmbh_base_prospectus_2022-11-21.pdf

- First Supplement dated 7 February 2023 to the Base Prospectus dated 21 November 2022:

https://etc-group.com/resources/base_prospectus/etc_issuance_gmbh_bp_supplement_2023-02-07.pdf

- Base Prospectus dated 23 November 2021:

https://etc-group.com/resources/base_prospectus/etc_issuance_gmbh_base_prospectus_2021-11-23.pdf

- First Supplement dated 22 March 2022 to the Base Prospectus dated 23 November 2021:

https://etc-group.com/resources/base_prospectus/etc_issuance_gmbh_bp_supplement_2022-03-22.pdf

- Second Supplement dated 21 June 2022 to the Base Prospectus dated 23 November 2021:

https://etc-group.com/resources/base_prospectus/etc_issuance_gmbh_bp_supplement_2022-06-21.pdf

- Base Prospectus dated 14 January 2021:

https://etc-group.com/resources/base_prospectus/etc_issuance_gmbh_base_prospectus_2021.pdf

- First Supplement dated 16 February 2021 to the Base Prospectus dated 14 January 2021:

https://etc-group.com/resources/base_prospectus/etc_issuance_gmbh_bp_supplement_2021-02-16.pdf

The documents containing the information incorporated by reference have been filed with BaFin. They are available free of charge by the Issuer and are published in electronic form on the Issuer's website <https://etc-group.com/de/resources/>.

18.2. DOCUMENTS ON DISPLAY

For the term of this Base Prospectus, copies of the following documents may, when published, be inspected during normal business hours (i.e. between 9:00 (CET) and 17:00 (CET)) at the specified office of the Paying Agent and will be available on the website of the Issuer (<https://etc-group.com/de/resources/>):

- (a) the Base Prospectus and any supplement thereto;
- (b) the constitutional documents of the Issuer;
- (c) the Terms and Conditions;
- (d) the German Security and Security Trust Agreement in relation to each Series of Bonds;
- (e) the Cryptocurrency Security Agreement in relation to each Series of Bonds;
- (f) the Depository Account (Wallet) Control Agreement in relation to each Series of Bonds;
- (g) the Issuance Account Control Agreement in relation to each Series of Bonds;
- (h) the relevant Final Terms for each Series of Bonds;
- (i) the audited annual financial statements of the Issuer (*Jahresabschluss*) dated 31 December 2022 together with an unqualified auditor's report;
- (j) the audited annual financial statements of the Issuer (*Jahresabschluss*) dated 31 December 2023 together with an unqualified auditor's report;
- (k) the unaudited interim financial statements of the Issuer (*Halbjahresfinanzbericht*) dated 30 June 2024;
- (l) the base prospectus dated 14 January 2021;
- (m) the first supplement dated 16 February 2021 to the Base Prospectus dated 14 January 2021;
- (n) the base prospectus dated 23 November 2021;
- (o) the first supplement dated 22 March 2022 to the base prospectus dated 23 November 2021;
- (p) the second supplement dated 21 June 2022 to the base prospectus dated 23 November 2021;
- (q) the base prospectus dated 21 November 2022;
- (r) the first supplement dated 7 February 2023 to the Base Prospectus dated 21 November 2022;
and
- (s) the base prospectus dated 21 November 2023.

19. CONTINUOUSLY OFFERED BONDS

This Base Prospectus incorporates by reference the form of final terms and (i) Option I of the terms and conditions of the base prospectus of Bitwise Europe GmbH (formerly ETC Issuance GmbH) relating to the Programme dated 14 January 2021, (ii) Option I of the terms and conditions of the base prospectus of Bitwise Europe GmbH (formerly ETC Issuance GmbH) relating to the Programme dated 23 November 2021, (iii) Option II of the terms and conditions of the base prospectus of Bitwise Europe GmbH (formerly ETC Issuance GmbH) relating to the Programme dated 21 November 2022 and (iv) the terms and conditions including Part A, B, C, D or E of Annex A and Annex B of the base prospectus of Bitwise Europe GmbH (formerly ETC Issuance GmbH) relating to the Programme dated 21 November 2023 (each, a "**Preceding Base Prospectus**" and, together, the "**Preceding Base Prospectuses**").

The bonds issued and offered under the Preceding Base Prospectus, as specified in the table below, are continuously offered and will remain subject to Option I of the terms and conditions of the relevant Preceding Base Prospectus as completed by their respective final terms (the "**Continuously Offered Bonds**").

In relation to the Continuously Offered Bonds, the relevant Final Terms are available on the website of the Issuer <https://etc-group.com>.

List of Continuously Offered Bonds:

- (1) Bitwise Physical Bitcoin ETP (BTCE) - (ISIN DE000A27Z304)
- (2) Bitwise Physical Ethereum ETP (ZETH) - (ISIN DE000A3GMKD7)
- (3) Bitwise Physical Litecoin ETP (ELTC) - (ISIN DE000A3GN5J9)
- (4) Bitwise Physical Cardano ETP (RDAN) - (ISIN DE000A3GVKY4)
- (5) Bitwise Physical Solana ETP (ESOL) - (ISIN DE000A3GVKZ1)
- (6) Bitwise Physical XRP ETP (GXRP) - (ISIN DE000A3GYNB0)
- (7) Bitwise MSCI Select 20 Crypto Index ETP (DA20) – (ISIN DE000A3G3ZL3)
- (8) Bitwise Ethereum Staking ETP (ET32) – (ISIN DE000A3G90G9)
- (9) Bitwise Core Bitcoin ETP (BTC1) – (ISIN DE000A4AER62)

20. NAMES AND ADDRESSES

ISSUER

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SECURITY TRUSTEE

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United Kingdom

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Coinbase Custody Trust Company, LLC
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Suite 1208,
New York, NY 10003
United States of America

Komainu (Jersey) Limited
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Zodia Custody (Ireland) Limited
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