

MANDATORY REDEMPTION NOTICE

for the attention of the holders of the ETC Group Physical Avalanche ETC bonds with the ISIN DE000A3GWNN9 issued by ETC Issuance GmbH

This notice relates to the ETC Group Physical Avalanche ETC bonds with the ISIN DE000A3GWNN9 (the "**Bonds**"), offered by ETC Issuance GmbH (the "**Issuer**") under its base prospectus dated 21 November 2022, as supplemented from time to time (the "**Base Prospectus**") and must be read in conjunction with the Terms and Conditions of the Bonds (the "**T&Cs**"). Terms not otherwise defined herein shall have the meaning as specified in the T&Cs.

1. Mandatory Redemption

The Issuer hereby informs the **Bondholders**, that it has taken the decision to issue this **Mandatory Redemption Notice** pursuant to §4 (2) (a) of the T&Cs on the basis that for a continuous period of 90 (ninety) days the USD equivalent of the **Outstanding Amount** is less than USD 100 million.

This notice constitutes a **Mandatory Redemption Notice** in accordance with §4 (2) of the T&Cs.

2. Immediate consequences for the Bonds and Bondholders

As a consequence of this **Mandatory Redemption Notice**, the Bonds will be redeemed on the **Mandatory Redemption Date** at their **Mandatory Redemption Price**.

In order to receive the underlying cryptocurrency, Avalanche ("AVAX"), **Bondholders** will be required to, within a twenty-day period after the **Mandatory Redemption Notice** (i) submit a duly completed **Mandatory Redemption Form** (obtainable from the Website) including any documents requested in such form for identity verification; and (ii) transfer their Bonds to the **Issuance Account** free of payment.

Should the Bondholder wish to receive USD, it is not necessary to complete the **Mandatory Redemption Form**. The Issuer will redeem the Bonds and distribute USD without requiring any further information from the Bondholder.

3. Cryptocurrency Auction Procedure

In the event it is necessary, on or around 40 days from this notice, the Issuer will inform the **Bondholders** via the **Website** that it is auctioning the AVAX (the "**Announcement Date**"), starting on a date no later than 14 **Business Days**, and not earlier than 7 **Business Days** from the **Announcement Date**. Further details of the **Cryptocurrency Auction Procedure** will be provided via the **Website** on the **Announcement Date**

This document is provided by ETC Issuance GmbH, in its capacity as the issuer of the **Bonds**. It is directed at **Bondholders** and prospective investors in the **Bonds** to draw particular attention to the modalities and consequences of the Mandatory Redemption of the **Bonds** and the subsequent **Cryptocurrency Auction Procedure**.

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

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

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 REGULATIONS UNDER THE SECURITIES ACT, AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

Yours faithfully,



for and on behalf of

ETC Issuance GmbH

Dated: 23 February 2023