

PRE-SPLIT ANNOUNCEMENT

**for the attention of the holders of the ETHetc Physical Ethereum ETC bonds with the
ISIN DE000A3GMKD7
issued by
ETC Issuance GmbH**

This notice relates to the ETHetc Physical Ethereum ETC bonds with the ISIN DE000A3GMKD7 (the "**Bonds**"), offered by ETC Issuance GmbH (the "**Issuer**") under its base prospectus dated 23 November 2021, 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. The Merge

The Issuer hereby informs the **Bondholders**, that the current Mainnet of Ethereum will merge with the Ethereum Beacon Chain proof-of-stake system (the "**Merge**"). The Merge is expected to take place on or around 15 September 2022.

Following the Merge, it is expected, that the Ethereum blockchain will be subject to a hard-fork, resulting in a split of the Ethereum blockchain into two separate blockchains and a corresponding split of the cryptocurrency Ether ("**ETH**") in two cryptocurrencies: (1) the main Ethereum blockchain and the cryptocurrency ETH, which will be based on a proof-of-stake system and (2) a separate blockchain for a forked version of Ethereum and a newly created cryptocurrency ("**ETHW**"), which will continue to be based on a proof-of-work system.

This event will constitute a **Split** in accordance with §1 (8) of the T&Cs.

2. Notification of the Split

On or around 15 September 2022, the Issuer will inform the **Bondholders** via separate notice, in accordance with §18 of the T&Cs, that the **Split** has occurred in relation to ETH, as underlying Cryptocurrency of the Bonds and that the consequences set out in 3. – 5. below will be triggered.

The publication of that notice constitutes a **Split Notification Event** in accordance with §1 (8) of the T&Cs.

3. Immediate consequences for the Bonds and Bondholders

Following the occurrence of the **Split Notification Event**, in accordance with §13 (1) of the T&Cs, each Bond shall represent a claim on a basket of ETH and ETHW that corresponds to such **Cryptocurrency Entitlement** as each **Bond** represented before the **Split**, whereby the weighting of ETH and ETHW will correspond to (1) the balance of ETH and ETHW held on the **Depositary Wallet** at the point of a **Split Notification Event**; divided by (2) the **Outstanding Amount** at the point of the

Split Notification Event, whereby (1) and (2) will be specified in more detail in the notice of the **Split Notification Event**.

4. Split of the Bonds and Suspension of Put Option Exercises

Following the occurrence of the **Split Notification Event**, the Issuer will split the Bonds in accordance with §13 (2) of the T&Cs, resulting in two separate series of bonds: (1) a series of Bonds with the ISIN DE000A3GMKD7 representing a claim on the Issuer on ETH and (2) a series of bonds with the ISIN DE000A3G01J0 (to be further specified in the notice of the **Split Notification Event**) representing a claim on ETHW (such new series of bonds, the “**ETHW Bonds**”).

During the period from the occurrence of the **Split Notification Event**, however in no case for a period longer than 90 days, the Issuer will suspend any **Put Option Exercises** by **Bondholders** in relation to the ETHW Bonds. During this period, **Bondholders** will not be able to exercise their ETHW Bonds but will only be able to sell their ETHW Bonds in the secondary market via an exchange or over-the-counter.

5. Mandatory Redemption

Immediately following the issuance of the ETHW Bonds, the Issuer intends to give a **Mandatory Redemption Notice** in accordance with §4 (2)(d) of the T&Cs, due to the Issuer being unable to obtain continued services by an eligible **Depository** in relation to the ETHW Bonds within reasonable time.

Following the **Mandatory Redemption Notice**, in accordance with §4 (2) of the T&Cs, the ETHW Bonds will be redeemed at their **Mandatory Redemption Price**, either by physical delivery of an amount of ETHW corresponding to the respective **Cryptocurrency Entitlement** or in **USD**.

In order to receive ETHW, **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.

6. Next steps

On or around 15 September 2022, the Issuer will inform the **Bondholders** of the occurrence of the **Split** by way of separate notice.

In connection therewith, the Issuer will inform **Bondholders** of any additional relevant details of ETHW, and the **Outstanding Amount**.

In a separate notice, the Issuer will subsequently inform the **Bondholders** of the **Mandatory Redemption** and will provide further details relating to requirements to be fulfilled by **Bondholders**, the **Mandatory Redemption Date** and the **Mandatory Redemption Price**.

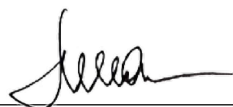
This document is provided by ETC Issuance GmbH, in its capacity as the issuer of the Bonds. It is directed at **Bondholders** and prospective investors in the Bonds to draw particular attention to the modalities and consequences of the Split of Ether and the subsequent split of the Bonds and the subsequent Mandatory Redemption of the ETHW Bonds that might impact the decision of prospective investors to invest in the Bonds.

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 AND THE ETHW BONDS HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, (THE "**SECURITIES ACT**"). THE BONDS AND THE ETHW 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.

Yours faithfully,



for and on behalf of

ETC Issuance GmbH