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 terms of the Programme described in this base prospectus (the "**Base Prospectus**"), Bitwise Europe GmbH (the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue bonds in bearer form (the "**Bonds**") secured by predetermined cryptocurrencies (each a "**Cryptocurrency**") as underlying assets which qualify as eligible underlyings under the Programme, on the terms set out herein as completed by the final terms in respect of the relevant Bonds (the "**Final Terms**"). The applicable Cryptocurrency will be specified in the applicable Final Terms and will be a Cryptocurrency that has been approved by the London Stock Exchange plc (the "**London Stock Exchange**"). As of the date of this Base Prospectus, the only Cryptocurrencies that have been approved by the London Stock Exchange for such purposes are Bitcoin and Ethereum.

Subject to compliance with all relevant laws, regulations and directives, the Bonds may have no minimum maturity and/or no maximum maturity. The Bonds do not bear interest. The Bonds do not have a fixed maturity date.

This Base Prospectus has been approved by the United Kingdom Financial Conduct Authority ("**FCA**") as a base prospectus pursuant to the Prospectus Rules: Admission to Trading on a Regulated Market sourcebook ("**PRM**") in accordance with the Public Offers and Admissions to Trading Regulations 2024 (the "**POATRs**"). The FCA only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the rules in the PRM. Such approval should not be considered as an endorsement of the Issuer or of the quality of any Bonds that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in such Bonds. This Base Prospectus is valid for a period of 12 months from the date of approval in accordance with PRM 11.1.1R.

Applications have been made for Bonds to be listed on the Official List of the FCA (the "**Official List**") and admitted to trading on the Main Market (the "**Main Market**") of the London Stock Exchange plc (the "**London Stock Exchange**") during the period of 12 months from the date of approval of this Base Prospectus. The London Stock Exchange's main market is a regulated market for the purposes of Regulation (EU) No 600/2014 on markets in financial instruments as it forms part of UK domestic law by virtue of the EUWA ("**UK MiFIR**"). Where the Bonds are to be offered to the public, any such offer is conditional upon, and will only proceed if the Bonds are admitted to trading on the regulated market of the London Stock Exchange. Such an offer is being made in reliance on paragraph 6(a) of Part 1 of Schedule 1 of the POATRs. The Final Terms in respect of such Bonds must be submitted in their definitive form to the FCA and to the London Stock Exchange no later than 2.00 pm UK time on the business day before listing is to become effective. The Bonds will only be considered to be officially listed when the FCA announces this to the market in the form of its Official List Notice, which is released at 8:00 am UK time each business day via a Regulatory Information Service ("**RIS**"). Copies of Final Terms in relation to the Bonds to be listed on the Main Market will also be published on the website of the London Stock Exchange through a RIS. The offer of such Bonds may be withdrawn without liability to the Issuer if the Bonds are not admitted to the Main Market of the London Stock Exchange on the Issue Date. This Base Prospectus may be supplemented or replaced from time to time to reflect any significant new factor, material mistake or inaccuracy relating to the information included in it.

Investors should be aware that the POATRs apply where the Bonds are admitted to trading on a regulated market situated or operating within the United Kingdom and/or an offer of the Bonds is made to the public in the United Kingdom. Accordingly, Investors should be aware that they will only have the rights afforded by the POATRs if the POATRs apply.

The Main Market is a regulated market for the purposes of the Financial Services and Markets Act 2000 (as amended) ("**FSMA**") (a "**Regulated Market**") located or operating within the United Kingdom for the purposes of the PRM. References in this Base Prospectus to Bonds being "listed" (and all related references) shall, unless the context otherwise requires, mean that such Bonds have been admitted to the Official List and admitted to trading on the Main Market.

Each Series (as defined herein) of Bonds in bearer form will be represented on issue by a global note (a "**Global Note**"). Investors may also hold interests in the Bonds indirectly through Euroclear UK & Ireland Limited (formerly known as CREST Co Limited) ("**CREST**") through the issuance of dematerialised depository interests issued, held, settled and transferred through CREST ("**CDIs – Crest Depositary Interests**") – see "*Clearing and Settlement*".

The Bonds may be sold to professional investors and/or retail clients (as defined in the FCA Handbook Conduct of Business Sourcebook (COBS)) which are permitted to access and trade in the Bonds through the ETN trading segment of the Main Market on which the Bonds are listed to facilitate trading of the Bonds by both professional and retail investors. Bonds that are linked to crypto assets are classified as Restricted Mass Market Investments ("**RMMI**") under the FCA's financial promotion regime. Accordingly, any communication, marketing, offer or sale of the Bonds that are linked to crypto assets to retail clients must comply with the requirements applicable to RMMIs under the FCA Handbook, including (without limitation) the Conduct of Business Sourcebook ("**COBS**") restrictions on the communication and approval of financial promotions, the provision of risk warnings, and appropriateness and categorisation assessments. A key disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering, selling or distributing the Bonds or otherwise making them available to retail investors in the UK shall be prepared under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024 ("**CCI**").

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. For a description of certain restrictions on offers, sales and transfers of the Bonds and distribution of this Base Prospectus, see "*Subscription and Sale of the Bonds*".

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.

This Base Prospectus relates to the issue of Bonds, having underlying assets comprising solely physical Bitcoin or Ethereum, that are issued in accordance with the requirements of the London Stock Exchange. The Terms and Conditions of the Bonds will not be amended in a way that would result in non-compliance with the requirements of the London Stock Exchange.

Amounts payable under the Bonds may be calculated by reference to one or more "benchmarks" for the purposes of Regulation (EU) No. 2016/1011 of the European Parliament and of the Council of 8 June 2016 as it forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as amended, the "**UK Benchmarks Regulation**"). In this case, a statement will be included in the applicable Final Terms as to whether or not the relevant administrator of the "benchmark" is included in FCA's register of administrators under the UK Benchmarks Regulation.

Investing in Bonds issued under the Programme involves certain risks. Investors should make their own assessment as to the suitability of investing in the Bonds. Bonds are complex, structured products which may involve a significant degree of risk and may not be suitable or appropriate for all types of investors. It is advisable that any person wishing to invest seeks appropriate financial, tax and other advice from an independent financial advisor with appropriate regulatory authorisation and qualifications and an investment in Bonds is only suitable for persons who understand the economic risk of an investment in Bonds and are able to bear the risk for an indefinite period of time. A prospective investor should be aware that the value of their entire investment or part of their investment in Bonds may be lost. Prospective investors should be aware that the price of the underlying asset(s) by which the Bonds are secured can demonstrate high volatility and consequently the value of the Bonds may be extremely volatile.

The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Bonds are discussed under section "Risk Factors" below.

The date of this Base Prospectus is 15 October 2026

TABLE OF CONTENTS

IMPORTANT NOTICES 1
1. FREQUENTLY ASKED QUESTIONS 5
2. BASE PROSPECTUS – USER GUIDE 10
3. OVERVIEW OF THE PROGRAMME 18
4. RISK FACTORS 26
5. DOCUMENTS INCORPORATED BY REFERENCE 55
6. TERMS AND CONDITIONS - OPTION I - Bitwise Physical Bitcoin ETP (BTCE) 57
7. TERMS AND CONDITIONS - OPTION II - Bitwise Physical Ethereum ETP (ZETH) 74
8. TERMS AND CONDITIONS - OPTION III - Bitwise Ethereum Staking ETP (ET32) 91
9. TERMS AND CONDITIONS - OPTION IV - Bitwise Core Bitcoin ETP (BTC1) 118
10. INDEX DISCLAIMERS 141
11. USE OF PROCEEDS 142
12. CLEARING AND SETTLEMENT 143
13. FORM OF FINAL TERMS 145
14. DESCRIPTION OF THE ISSUER 162
15. GENERAL DESCRIPTION OF THE BONDS 167
16. HISTORICAL FINANCIAL INFORMATION 194
17. TAXATION 195
18. SUBSCRIPTION AND SALE OF THE BONDS 203
19. GENERAL INFORMATION 208

IMPORTANT NOTICES

Responsibility Statement

The Issuer, Bitwise Europe GmbH with its registered office at Thurn- und Taxis-Platz 6, 60313 Frankfurt am Main, Germany, confirms 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. The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each issue of Bonds under the Programme accordingly.

This Base Prospectus is to be read in conjunction with all other documents which are incorporated by reference herein (see "*Documents Incorporated by Reference*").

The information on any websites to which this Base Prospectus refers does not form part of this Base Prospectus and has not been scrutinised or approved by the FCA.

This Base Prospectus constitutes a base prospectus for the purpose of PRM 2.3, together with any supplements to this Base Prospectus published from time to time (each a "**Supplement**" and together the "**Supplements**") (which shall be published in compliance with PRM 10.1.1) for the purpose of giving information with regard to the Issuer and the Bonds which, according to the particular nature of the Issuer and the Bonds, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer. In relation to each separate issue of Bonds, the final offer price and the amount of such Bonds will be determined by the Issuer in accordance with prevailing market conditions at the time of the issue of the Bonds and will be set out in the applicable Final Terms.

The distribution of this Base Prospectus and the offering or sale of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer to inform themselves about and to observe any such restriction. For a description of certain restrictions on offers and sales of Bonds and on distribution of this Base Prospectus, see "*Subscription and Sale*".

This Base Prospectus does not constitute an offer of, or an invitation or solicitation by or on behalf of the Issuer to subscribe for or purchase any of the Bonds.

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.

IMPORTANT – EEA RETAIL INVESTORS – If the Final Terms in respect of any Bonds includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Bonds are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). 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 Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive 2016/97/EU, as amended, 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 Regulation (EU) 2017/1129 (as amended, the "**EU Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No. 1286/2014 (as amended, the "**EU PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA will be prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS – If the Final Terms in respect of any Bonds includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Bonds are not intended to be offered, sold, distributed or otherwise made available to and, with effect from such date, should not be offered, sold distributed or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the POATRs. Consequently, no disclosure document required by DISC for offering, selling or distributing the Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the DISC and the CCI.

MiFID II product governance / target market – The Final Terms in respect of any Bonds may include a legend entitled "MiFID II product governance" which will outline the target market assessment in respect of the 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 the 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 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 the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR product governance/ target market - The Final Terms in respect of any Bonds may include a legend entitled "**UK MiFIR Product Governance**" which will outline the target market assessment in respect of the Bonds taking into account the criteria set forth in the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**"), and which channels for distribution of the Bonds are appropriate. A distributor should take into consideration the target market assessment; however, a distributor subject to the UK MiFIR Product Governance Rules is responsible for undertaking its own target market assessment in respect of the 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 UK MiFIR Product Governance Rules, any Dealer subscribing for any Bonds is a manufacturer in respect of such

Bonds, but otherwise neither the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

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 (*Payment of Cash upon Voluntary Redemption*) and 6.4 (*Delivery of Cash upon Mandatory Redemption*) of the Terms and Conditions – Option III and IV and Condition § 4 (*Redemption*) of the Terms and Conditions – Option I and II 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 and by making available the cash proceeds of such divestment to the relevant Bondholder (for a detailed description, see *section 15.2.7 – 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.

To see worked examples of hypothetical returns where Bondholders may gain or lose some or all of their investment—including circumstances in which a Bondholder may lose their entire investment, please see section 2.1.6.2 "*Worked examples illustrating the effect of changes in underlying Cryptocurrency on a Bondholder's investment*".

In this Base Prospectus, all references to "**Pounds**" or "**GBP**" are to the lawful currency of the member states of the United Kingdom, 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 "**ETH**" are to Ethereum which was created in 2015 and displayed on https://ethereum.org/en/eth/.

1. FREQUENTLY ASKED QUESTIONS

Item	Question	Answer
1.	**What are the Bonds?**	The Bonds are limited recourse debt obligations of the Issuer without a fixed maturity date. The Bonds are intended to provide investors with a return equivalent to holding the relevant Underlying Cryptocurrency, less fees. The Bonds issued under this Base Prospectus may be linked to and secured by quantities of an Underlying Cryptocurrency, that has been approved for the LSE's Main Market (which is regulated by the FCA). As of the date hereof, eligible Underlying Cryptocurrencies are Bitcoin and Ethereum. All Bonds are secured on the relevant Underlying Cryptocurrency which are deposited with one or more Depositaries appointed by the Issuer for the storage of such Underlying Cryptocurrency, in accordance with the relevant Terms and Conditions and relevant Depositary Agreement.
2.	**Are the Bonds guaranteed?**	No. The Bonds issued under the Base Prospectus will not be guaranteed by, or be the responsibility of, any entity other than the Issuer. Aside from the Issuer, no other person is required to make payments on the Bonds. Specifically, the Bonds: (a) will not have the status of a bank deposit and will not be within the scope of any deposit protection scheme; and (b) are not insured or guaranteed by any government, government agency or other body.
3.	**Who is the Security Trustee and its role?**	The Security Trustee is The Law Debenture Trust Corporation p.l.c. ("**Law Debenture**"), an independent entity whose role is to act as security trustee of and for the benefit of the Bondholders in accordance with the German Security and Security Trust Agreement. In particular, the Security Trustee shall (i) hold, administer and enforce any security which is assigned or transferred to it by way of security or otherwise granted under a non-accessory security right and exercise its rights and discharge its duties under the German Security and Security Trust Agreement for the benefit of the Bondholders; (ii) administer and enforce such security which has been created by way of pledge or otherwise transferred to it under an accessory security right; 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.

Item	Question	Answer
4.	**Who are the Authorised Participants?**	Authorised Participants are experienced financial institutions who meet certain eligibility requirements and who have entered into an Authorised Participant Agreement with the Issuer.
5.	**What is the role of an Authorised Participant?**	Authorised Participants play a crucial role in intermediating between end investors and the Issuer by making Bonds available the end investors through the selling the Bonds in the secondary market, either via a stock exchange or directly over-the-counter. This enables end investors to buy and sell Bonds using their ordinary brokerage accounts, without having to handle the Underlying Cryptocurrencies. To facilitate these transactions, the Authorised Participants are entitled to: (a) subscribe for new Bonds directly with the Issuer by delivering the relevant Underlying Cryptocurrency; and (b) redeem Bonds directly with the Issuer by receiving the relevant Underlying Cryptocurrency from the Issuer. 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 professional clients and eligible counterparties and/or retail investors. Any Bondholder may redeem the Bonds directly with the Issuer, whereby fees may apply. Any Bondholder may require the Issuer to redeem his Bonds against physical delivery of units of the Underlying Cryptocurrency or (in fulfilment of its delivery claim to the Underlying Cryptocurrency) against cash payment.
6.	**Who are the Administrators and what do they do?**	The Administrator is Apex Corporate & Advisory Services Ltd. Among other things, the Administrator approves any transfer of Bonds held in the securities account (so called "**Issuance Account**") of the Issuer (so called "**Issuer-Owned Bonds**") or of the units of the Underlying Cryptocurrency held in the Issue's depositary wallet (so called "**Deposited Cryptocurrency**"), where security interests have been created in relation to such Issuer-Owned Bonds or Deposited Cryptocurrency. The Administrator is part of the Apex Group, a global financial services organisation and the fifth largest fund administrator in the world, which retains a focus on high client service levels delivered locally and administers circa

Item	Question	Answer
		$650bn in assets. Globally, the Apex Group administers over 6,000 structures.
7.	**How do investors buy and sell Bonds**	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 the ETN trading segment of the Main Market which enables trading of the Bonds by both professional and retail investors (in case of Bonds listed on the Main Market only) (iii) via trading on an alternative stock exchange on which such Bonds are listed or traded or (iv) over the counter (in case of Bonds not listed and/or admitted to trading on a stock exchange). Transactions in Bonds other than those directly with the Issuer can be done at any point during an exchange trading hours. Such purchases of Bonds will generally be done at an "offer/issue price" and any sales of Bonds intraday will generally be done at a "bid price". The bid and offer/issue prices of a Bond are expected to be close to the fair value of the relevant Bond on a particular day, however, they will not match exactly the fair value because bid and offer/issue prices also take account of other market conditions such as market liquidity (supply and demand) of both the Bonds and the Underlying Cryptocurrency at the time that the investor is looking to buy or sell their Bonds.
8.	**Are there transaction costs for buying and selling Bonds on an exchange or in the OTC market?**	Investors who buy and sell Bonds via a stock exchange or in the OTC market may be charged additional costs by other parties (for example broker fees) in respect of those transactions, in addition to any bid-offer spread.
9.	**How is the Cryptocurrency Entitlement per Bond calculated?**	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 (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 corresponding to the Initial Cryptocurrency Entitlement. After the Issue Date, the Cryptocurrency Entitlement will decay over time at a rate corresponding to the **Diminishing Entitlement Rate**, which is applied daily.
10.	**What is the Diminishing Entitlement Rate ("DER")?**	The Diminishing Entitlement Rate is the rate at which the Cryptocurrency Entitlement decays over time. It is an operational fee charged to Bondholders, which is being deducted directly from the Cryptocurrency Entitlement on a daily basis.

Item	Question	Answer
11.	**Effects of the DER over time?**	Based on the ongoing reduction of the Cryptocurrency Entitlement caused by the DER, the value of the Bonds and, thus, of the Bondholders' investments will decline over time, if such reduction through the DER is not exceeded by the performance of the Underlying Cryptocurrency. Therefore, the value of the Bondholders' investments will decline, even if the value of the Underlying Cryptocurrency remains unchanged.
12.	**How does a Bondholder redeem its Bonds?**	The Bonds do not have a fixed maturity date. However, each Bondholder may require the Issuer to redeem his Bonds against physical delivery of the Cryptocurrency Entitlement or (in fulfilment of its delivery claim to the Cryptocurrency) against cash payment. In order to terminate his Bonds, the Bondholder needs to (i) submit a redemption form together with all required KYC documents, (ii) pay an upfront redemption fee (which is subject to certain exemptions) and (iii) transfer the Bonds in relation to which the right for redemption was exercised, to the Issuance Account free of payment.
13.	**Who is the "holder" of the Bonds?**	The Bonds are represented by a global note (the "**Global Note**") without coupons. 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. The Global Note will be kept in custody by or on behalf of Clearstream Europe AG.
14.	**What is the minimum investment?**	The minimum investment in the secondary market is one Bond. Subscriptions by Authorised Participants will not be subject to a subscription minimum.
15.	**Can an investor lose more than its investment?**	No. Although an investor could experience a fall in the value of his investment owing to a fall in the price of the Underlying Cryptocurrency, they cannot lose more than their initial investment. To see worked examples of hypothetical returns where Bondholders may gain or lose some or all of their investment—including circumstances in which a Bondholder may lose their entire investment, please see section 2.1.6.2 "*Worked examples illustrating the effect of changes in underlying Cryptocurrency on a Bondholder's investment*".
16.	**Are investors charged a fee for holding the Bonds?**	Yes, Bondholders are charged a fee in respect of the holding of the Bonds, which is the Diminishing Entitlement Rate. The Cryptocurrency Entitlement per Bond is reduced each day by the Diminishing Entitlement Rate.
17.	**Do the Bonds have a set maturity date?**	No, they do not. Bonds are undated bonds and have no set maturity date.

Item	Question	Answer
18.	**Are there any circumstances where the Bonds may be redeemed early?**	Yes, the Bonds may be redeemed early if the Issuer determines that a Mandatory Redemption Event has occurred in respect of the Bonds.

2. BASE PROSPECTUS – USER GUIDE

2.1.1 INTRODUCTION

The purpose of this "User Guide" is to provide a simple tool for investors to help them in the various documents relating to the Programme.

2.1.2 DOCUMENTATION

For each new issue of Bonds issued under the Base Prospectus, the following documents are available to investors systematically:

- **The Base Prospectus**: Such document:
    - contains the information relating to the Issuers and the general risk factors relating to the Issuers and the Bonds;
    - describes the general terms and conditions of the Bonds;
    - sets out all the possible specific characteristics of the Bonds, including all possible payoff formulae used to calculate the interest and/or the redemption amount(s) due early or at maturity and all possible Cryptocurrencies.
- **The Supplement(s) if any**: This document is issued for every significant new factor, material mistake or inaccuracy relating to the information included in the Base Prospectus which is capable of affecting the assessment of the Bonds.
- **The Final Terms**: This document is issued for each new issue of Bonds and includes:
    - the general characteristics, e.g. issuer, relevant identification codes, denomination, etc.;
    - the financial characteristics, e.g. redemption formulae, automatic early redemption mechanism (if any);
    - the underlying Cryptocurrency to which the product is linked; and
    - the relevant dates, e.g. issue, trading, valuation dates, observation dates, etc.

2.1.3 HOW TO NAVIGATE IN THE BASE PROSPECTUS

THE VARIOUS SECTIONS OF THE BASE PROSPECTUS

Common sections relevant for all Bonds

Table of contents of the Base Prospectus

Sections relevant to specific Bond issuances

• FREQUENTLY ASKED QUESTIONS • BASE PROSPECTUS – USER GUIDE • OVERVIEW OF THE PROGRAMME • RISK FACTORS • DOCUMENTS INCORPORATED BY REFERENCE	1. Sections providing for **general information** on the Base Prospectus, the Issuers or the Bonds
• TERMS AND CONDITIONS - OPTION I - Bitwise Physical Bitcoin ETP (BTCE) • TERMS AND CONDITIONS - OPTION II - Bitwise Physical Ethereum ETP (ZETH) • TERMS AND CONDITIONS - OPTION III - Bitwise Ethereum Staking ETP (ET32) • TERMS AND CONDITIONS - OPTION IV - Bitwise Core Bitcoin ETP (BTC1)	2. Sections applicable to the Bonds. Depending on the underlying Cryptocurrency.
• INDEX DISCLAIMER • USE OF PROCEEDS • CLEARING AND SETTLEMENT	3. Sections relating to additional general information
• FORM OF FINAL TERMS	4. Section for relating to the form of final terms
• DESCRIPTION OF THE ISSUERS	5. Section relating to the Issuers
• GENERAL DESCRIPTION OF THE BONDS	6. Section relating to the Bonds specifically
• HISTORICAL FINANCIAL INFORMATION • TAXATION • SUBSCRIPTION AND SALE OF THE BONDS • GENERAL INFORMATION	7. Sections relating to **additional general information**

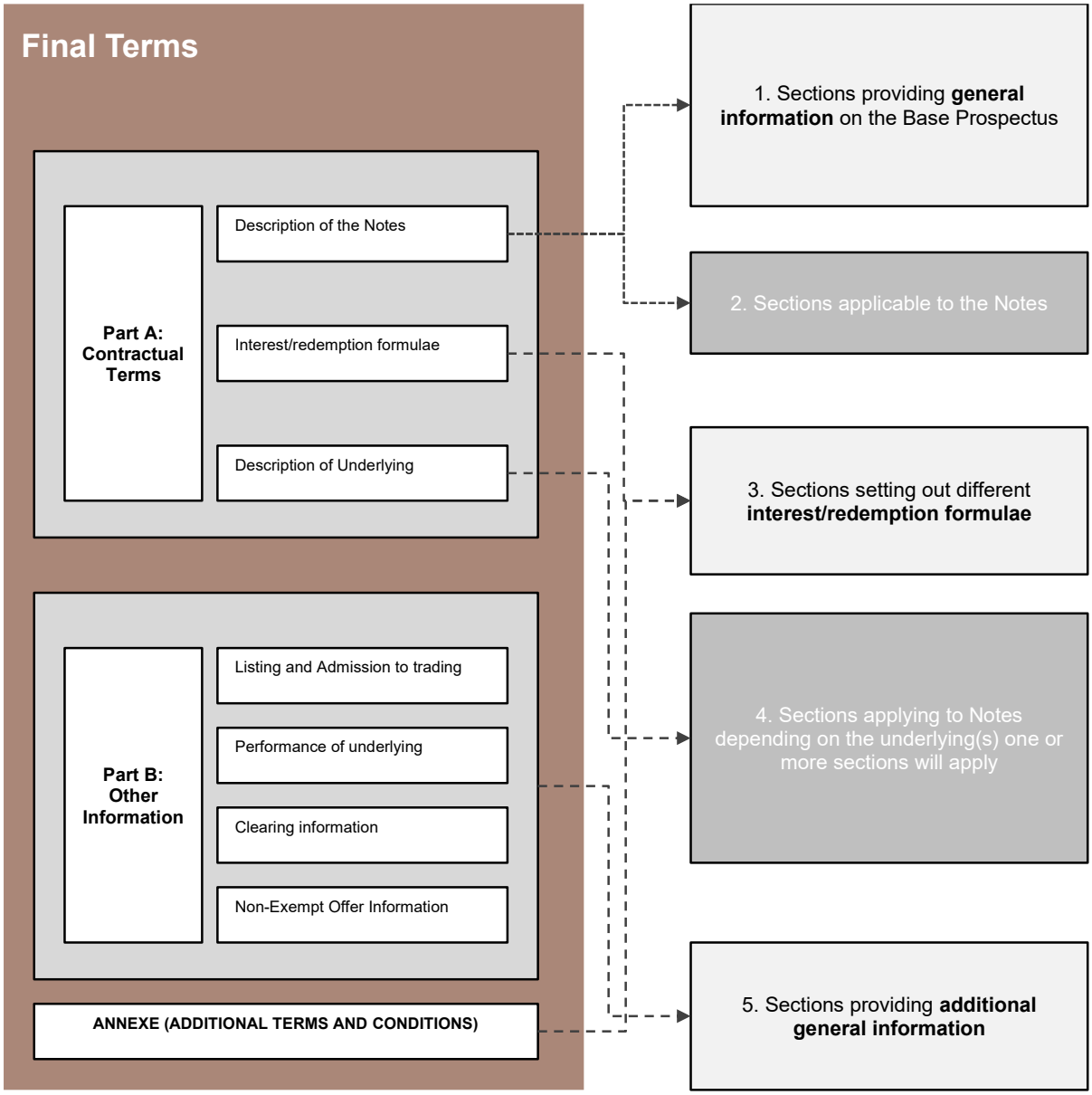
Bonds issued under the Base Prospectus rely on many generic sections of the Base Prospectus set out above but, depending on the characteristics of the Bonds, not all sections of the Base Prospectus will be relevant to a specific Bonds issuance.

2.1.4 HOW TO READ THE FINAL TERMS

The applicable Final Terms are divided into two to four parts, as the case may be:

- Part A, named "Contractual Terms" provides the specific contractual terms of the Bonds;
- Part B, named "Other Information" provides other information specific to the Bonds.

Exhaustive information on the Bonds in respect of the first part of the Final Terms is available in the Base Prospectus. The following diagram provides the links between the various paragraphs of the first part of the Final Terms and the corresponding sections of the Base Prospectus.



2.1.5 WORKED EXAMPLES

Set out below are explanations of how payments and redemption operate in relation to the various types of Bonds, together with worked examples.

The following table sets out for each type of Bond details of where the following can be found in this Base Prospectus an explanation of the payments under such Bond and a related worked example.

Type of Bond	**Explanation of payments and worked example**
Bitwise Physical Bitcoin ETP (BTCE)	188-190
Bitwise Physical Ethereum ETP (ZETH)	188-190
Bitwise Ethereum Staking ETP (ET32)	188-190
Bitwise Core Bitcoin ETP (BTC1)	188-190

2.1.6 HOW DOES A BONDHOLDER DETERMINE THE VALUE OF THEIR INVESTMENT?

2.1.6.1 Cryptocurrency Entitlement on Redemption

Each Bond entitles the Bondholder, upon redemption, to receive an amount of the "Cryptocurrency Entitlement" or, in certain circumstances, a cash amount equivalent to the value of the Cryptocurrency Entitlement. The value of a Bondholder's investment is therefore directly linked to the value of the underlying Cryptocurrency, less any applicable fees and charges, and may fluctuate significantly over time.

Calculation of the Cryptocurrency Entitlement

The Cryptocurrency Entitlement per Bond is determined as follows:

- On the Issue Date, each Bond is backed by a specified amount of the underlying Cryptocurrency (the "**Initial Cryptocurrency Entitlement**").
- Over time, the Cryptocurrency Entitlement decreases daily at a rate equal to the "DER", which represents the management or holding fee. The DER is specified in the Final Terms for each Series of Bonds.
- The formula for the Cryptocurrency Entitlement on any given day is:

  $$\mathbf{CE = ICE \times (1\text{-}DER)^n}$$

  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.

2.1.6.2 Worked examples illustrating the effect of changes in underlying Cryptocurrency on a Bondholder's investment

The following hypothetical scenarios illustrate how the value of a Bondholder's investment may change over time, including circumstances where a Bondholder may lose all of their investment. These examples are for illustrative purposes only and do not represent actual or expected performance.

The following assumptions have been made (for all examples):

1. An investor invests in the Bonds for one full calendar year
2. Initial Cryptocurrency Entitlement (ICE) is 0.01 BTC per Bond
3. Diminishing Entitlement Rate (DER) is 2.00% per annum, applied daily
4. Issue Price is £100 per Bond (when BTC is £10,000)
5. No additional transaction or redemption fees are included for simplicity (see below for fee impact)
6. The value of BTC is used as the underlying Cryptocurrency for illustration
7. No Staking Rewards are assumed in these examples

Scenario 1: The price of the underlying Cryptocurrency falls to zero

- After one year, the price of BTC falls to £0.
- Cryptocurrency Entitlement after one year:
  0.01 × (1 – 0.02) = 0.0098 BTC
- Value of Bond after one year:
  0.0098 BTC × £0 = £0

Result:
The investor loses their entire investment. This scenario demonstrates that if the underlying Cryptocurrency becomes worthless, the Bonds will also become worthless, regardless of the initial investment or the amount of Cryptocurrency Entitlement remaining.

Scenario 2: The price of the underlying Cryptocurrency decreases by 75%

- After one year, the price of BTC falls to £2,500.
- Cryptocurrency Entitlement after one year:
  0.01 × (1 – 0.02) = 0.0098 BTC
- Value of Bond after one year:
  0.0098 BTC × £2,500 = £24.50

Result:
The investor's investment has decreased from £100 to £24.50, a loss of £75.50.

Scenario 3: The price of the underlying Cryptocurrency increases by 75%

- After one year, the price of BTC rises to £17,500.
- Cryptocurrency Entitlement after one year:
  0.0098 BTC (as above)
- Value of Bond after one year:
  0.0098 BTC × £17,500 = £171.50

Result:
The investor's investment has increased from £100 to £171.50, a gain of £71.50.

Scenario 4: The price of the underlying Cryptocurrency remains unchanged

- After one year, the price of BTC remains at £10,000.
- Cryptocurrency Entitlement after one year:
  0.0098 BTC
- Value of Bond after one year:
  0.0098 BTC × £10,000 = £98

Result:
The investor's investment has decreased from £100 to £98, a loss of £2, due to the effect of the Diminishing Entitlement Rate (management fee).

Impact of Fees and Charges

In addition to the Diminishing Entitlement Rate, investors may be subject to other fees, such as redemption fees, upfront redemption fees, and transaction costs. These fees will further reduce the value of the investment and the amount received upon redemption or sale of the Bonds.

No Capital Protection

The Bonds are not capital protected. Investors may lose some or all of their investment, including in circumstances where the value of the underlying Cryptocurrency falls sharply or becomes worthless. The value of the Bonds is also affected by the ongoing management fee (DER), which reduces the Cryptocurrency Entitlement over time, even if the price of the underlying Cryptocurrency remains unchanged.

2.1.7 GLOSSARY

Purpose and Usage

This glossary is provided solely to help investors understand technical and legal terminology used in this Base Prospectus. It is intended as an educational aid for retail investors who may be unfamiliar with cryptocurrency concepts and related legal terms.

Please note: This glossary is for informational purposes only. To the extent any terms in this glossary are formally defined in the Terms & Conditions of the Bonds, those formal definitions in the Terms & Conditions shall prevail and have legal effect. This glossary does not modify, supplement, or override the Terms & Conditions in any way.

Investors are encouraged to refer to this glossary to better understand the technical language used throughout the document, but should always rely on the formal definitions provided in the Terms & Conditions when assessing their legal rights and obligations in relation to the Bonds.

Term / Phrase	Simple Explanation / Definition
Bearer Bond / Bearer Form	A bond that is not registered to a specific owner. Whoever physically holds the bond is presumed to be the owner.
Bondholder	The person or entity that owns the bond and is entitled to its benefits.
Cryptocurrency	A digital asset that uses cryptography for security and operates on a blockchain. Examples include Bitcoin and Ethereum.

Blockchain	A special type of database where transactions are recorded in a decentralised, distributed ledger, not controlled by a single entity.
Distributed Ledger	A database that is shared and synchronised across multiple sites, institutions, or geographies, accessible by multiple people.
Peer-to-peer network	A network where computers (peers) connect directly to each other to share information, rather than through a central server.
Cold Storage	Storing cryptocurrencies offline to protect them from hacking or unauthorised access.
Hot Wallet	A cryptocurrency wallet that is connected to the internet, making it more convenient but also more vulnerable to hacking.
Digital Wallet	A software application or device that stores the private and public keys needed to access and manage cryptocurrencies.
Private Key	A secret code that allows the holder to access and control their cryptocurrency in a digital wallet. Losing it means losing access to the funds.
Public Key	A cryptographic code that allows others to send cryptocurrency to a wallet. It is paired with a private key.
Elliptic Curve Cryptography	A type of cryptography (mathematical method for securing information) used to secure cryptocurrencies like Bitcoin and Ethereum.
Hash Function	A mathematical function that converts an input (like a transaction) into a fixed-size string of numbers and letters, used to secure blockchain transactions.
51 Percent Attack	When a single miner or group controls more than half of the computing power on a blockchain, allowing them to manipulate transactions.
Double-spending	A risk in digital currency where the same unit of cryptocurrency is spent more than once.
Staking	Locking up cryptocurrency to support the operations of a blockchain network and earn rewards.
Slashing	A penalty in staking where some or all of the staked cryptocurrency is lost due to errors or malicious actions by the validator.
Proof of Stake	A blockchain consensus mechanism where validators are chosen to create new blocks and confirm transactions based on the amount of cryptocurrency they have staked.
Validator	A participant in a proof-of-stake blockchain who validates transactions and creates new blocks, often by staking cryptocurrency.
Fork / Hard Fork / Soft Fork	A change to a blockchain's protocol. A hard fork creates a new, separate blockchain; a soft fork is a backward-compatible change.
Airdrop	When a new cryptocurrency is distributed for free to holders of an existing cryptocurrency, often as a reward or promotion.
Index	In this context, a benchmark or reference value, often representing the price or performance of a group of cryptocurrencies.
Reference Price	The official price used to value the underlying cryptocurrency for the bonds, often from a recognised exchange or index provider.
Diminishing Entitlement Rate (DER)	The rate at which the amount of cryptocurrency backing each bond decreases over time, representing a management or holding fee.
Cryptocurrency Entitlement	The amount of cryptocurrency that each bondholder is entitled to receive per bond, which may decrease over time due to fees.
Mandatory Redemption	When the issuer is required to redeem (buy back) the bonds before maturity due to certain events, such as regulatory changes.
Voluntary Redemption	When a bondholder chooses to redeem (sell back) their bonds to the issuer before maturity.
Cash Settlement	Receiving the value of the bond in cash (fiat currency) instead of cryptocurrency.

Physical Settlement	Receiving the actual cryptocurrency (e.g., Bitcoin or Ethereum) instead of cash.
Security Trustee	An independent entity that holds and manages the security (collateral) for the benefit of bondholders.
Depositary	A company that securely holds the cryptocurrency backing the bonds, often in cold storage.
Administrator	An entity responsible for approving certain transactions and transfers related to the bonds and underlying cryptocurrency.
Authorised Participant	A financial institution approved to buy bonds directly from the issuer and sell them to investors.
Clearing System	A financial system that facilitates the transfer and settlement of bonds between buyers and sellers.
CREST / CREST Depository Interests	CREST is a UK electronic settlement system for securities. CREST Depository Interests (CDIs) are electronic records representing ownership of international securities in CREST.
ISIN	International Securities Identification Number, a unique code for identifying securities.
Fiat Currency	Traditional government-issued currency, such as GBP, USD, or EUR.
Fungible	Interchangeable; each unit is the same as every other unit (e.g., one Bitcoin is the same as another Bitcoin).
Quorum	The minimum number of votes or participants required to make a decision valid, often used in meetings or votes.
Qualified Majority	A higher threshold of votes required to approve certain important decisions, often 75% or more.
Custodian	A financial institution that holds securities or assets (like cryptocurrency) for safekeeping.
Subscription Fee	A fee charged when buying (subscribing for) the bonds.
Redemption Fee / Upfront Redemption Fee	A fee charged when redeeming (selling back) the bonds to the issuer.
Exercise Fee	A fee charged when exercising the right to redeem the bonds.
Net Asset Value (NAV)	The value of a bond or fund's assets minus its liabilities, often used to determine the price per unit.
Market Maker	A firm or individual that quotes both buy and sell prices for a financial instrument, providing liquidity to the market.
Liquidity	How easily an asset can be bought or sold in the market without affecting its price.
Volatility	How much the price of an asset (like cryptocurrency) moves up and down over time.
Fiat Execution Agent	An entity responsible for converting cryptocurrency into fiat currency (e.g., GBP, USD) for settlement.
Subscription Minimum	The minimum amount or number of bonds that can be purchased in a subscription.
Subscription Maximum	The maximum amount or number of bonds that can be purchased in a subscription.

3. OVERVIEW OF THE PROGRAMME

The following overview of the Programme does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus.

Words and expressions defined in the applicable "Terms and Conditions of the Bonds" and in the applicable Final Terms shall have the same meanings in this overview of the Programme.

*This overview constitutes a general description of the Programme for the purposes of the Public Offers and Admissions to Trading Regulations 2024 ("**POATRs**") and the rules in the FCA's Admission to Trading on a Regulated Market sourcebook ("**PRM**"). It does not, and is not intended to, constitute a summary of this Base Prospectus within the meaning of PRM 2.5 (Prospectus summary) or any other requirement to prepare a summary of this Base Prospectus.*

Overview of the Issuer

"**Issuer**"	Bitwise Europe GmbH

Overview of the Bonds

"**Description of the Programme**"	Pursuant to this Programme, the Issuer may issue Bonds secured by the Underlying Cryptocurrency (as defined herein) specified in the Final Terms, which will be a type of Cryptocurrency that has been approved for the LSE's Main Market (which is regulated by the FCA). As of the date of this Base Prospectus, the only Cryptocurrencies that have been approved by the London Stock Exchange for such purposes are Bitcoin and Ethereum. All Bonds are secured on the relevant Underlying Cryptocurrency which are deposited with one or more Depositaries appointed by the Issuer for the storage of such Underlying Cryptocurrency, in accordance with the relevant Terms and Conditions and relevant Depositary Agreement. This Base Prospectus permits offers of Bonds to professional clients, eligible counterparties and/or retail investors in the United Kingdom through the ETN trading segment of the Main Market on which the Bonds are listed to facilitate trading of the Bonds by both professional and retail investors. Pursuant to one or more other prospectuses and/or offering documents, the Issuer may offer or list Bonds in other markets or on other exchanges. Any such offer or listing would be undertaken solely pursuant to such other prospectuses or offering documents and not pursuant to this Base Prospectus.
"**Programme**"	On 4 December 2024, the Issuer established this Programme for the issuance of bonds secured by Cryptocurrencies. The Final Terms relating to each Series of Bonds together with the applicable Terms and Conditions will specify the detailed applicable terms. Bonds issued under this Base Prospectus are intended to be admitted to trading on a market in the UK only.
"**Underlying Cryptocurrency** "	Under the Programme, Cryptocurrencies are eligible to be used as underlying of a Series of Bonds. Cryptocurrencies that may be specified as an underlying in the Final Terms applicable to Bonds admitted to trading on the Main Market are Cryptocurrencies. As of the date of this Base Prospectus,

the only Cryptocurrencies that have been approved by the London Stock Exchange for such purposes are Bitcoin and Ethereum.

The respective Final Terms of each Series of Bonds will set out the specific Underlying Cryptocurrency for such Series of Bonds including the respective securities codes (as applicable) and will include details of where information on the respective Underlying Cryptocurrency can be obtained (and whether it can be obtained free of charge), whereby item 8 "*Underlying Cryptocurrency*" of PART **A** (*Contractual Terms*) of the Final Terms will set out the specific Underlying Cryptocurrency and item 12 "*Information about the past and future performance of the Underlying Cryptocurrency and its volatility*" of Part B (*Final Terms – Other Information*) of the Final Terms will set out details of where information about the past and future performance of the Underlying Cryptocurrency and its volatility can be obtained free of charge.

The types of Bonds available are ("**Options**"):

- Terms and Conditions Option I: Bitwise Physical Bitcoin ETP (BTCE)
- Terms and Conditions Option II: Bitwise Physical Ethereum ETP (ZETH)
- Terms and Conditions Option III: Bitwise Ethereum Staking ETP (ET32)
- Terms and Conditions Option IV: Bitwise Core Bitcoin ETP (BTC1)

The term Cryptocurrencies comprises all digital assets whose origin is derived from a blockchain, including digital currencies, digital commodities provisioning raw digital resources or digital tokens provisioning finished digital goods and services.

In this context, a blockchain can be described as a special type of database, where transactions are not governed by a single entity. Instead, the entire transaction history is recorded in a decentralised, distributed ledger. The key aspect behind blockchain is that processes are not completed by one, but by many computers, simultaneously. Trust in Bitcoin, for instance, is secured through a decentralised, immutable ledger that is not run by a single company or government but by an independent community of computers all around the world. All computers are in the same network, called a peer-to-peer network. Inside the industry, this model is often called a "distributed trust model".

The present definition of cryptocurrencies refers to their potential of being a digital storage or representation of value. Cryptocurrencies are usually not issued by a central bank or another public authority and may *inter alia* be accepted by natural or legal persons as means of payment.

Cryptocurrencies can be stored, transferred, or traded electronically. Cryptocurrencies provide for a vast range of use case beyond conventional financial transactions. These use cases include, for instance, smart contracts, which have been popularised together with the ERC20 standard for tokens, on the Ethereum blockchain. They build the technological foundation of blockchain-based assets, such as utility tokens, which convey holders the right to use decentralised applications (DApps) or preferential access to the services of crypto-assets ecosystems, online games and security tokens.

On or around the Trade Date of a Series of Bonds, the Underlying Cryptocurrency of that Series of Bonds must consist only of Bitcoin and/or Ethereum (each an "**Eligible Crypto Underlying**").

A description of each individual Eligible Crypto Underlying is available free of charge at https://cryptocompare.com by selecting the individual Eligible Crypto Underlying, e.g.: https://www.cryptocompare.com/coins/btc/overview/USD and https://www.cryptocompare.com/coins/eth/overview/USD.

Each Eligible Crypto Underlying is presented with a description of features, technology and various market data. This website does not form part of this Base Prospectus and has not been scrutinised or approved by the FCA.

To see worked examples of hypothetical returns where Bondholders may gain or lose some or all of their investment—including circumstances in which a Bondholder may lose their entire investment, please see section 2.1.6.2 "*Worked examples illustrating the effect of changes in underlying Cryptocurrency on a Bondholder's investment*".

"**Bonds**"

Bonds in units with no par value denominated in pounds sterling ("**GBP**") or another fiat currency (being a currency issued by a central bank or government, such as the U.S. Dollar or the Euro). The total amount of a specific issue of Bonds will be set out in the relevant Final Terms prepared in relation to each issue of Bonds (each a "**Series of Bonds**") under the Programme. Each Series may be issued in tranches (each a "**Tranche**") having one or more issue dates and on terms otherwise identical (other than in respect of the first payment of interest, the issue date, the issue price and the nominal amount).

The Bonds provide non-leveraged long exposure in relation to the relevant Underlying Cryptocurrency and will be 100% physically backed by Cryptocurrencies.

Each Series of Bonds is represented by a global note (the "**Global Note**").

Bonds issued under the Base Prospectus are issued under German law, are debt securities (*Schuldverschreibungen*)

	within the meaning of Seciton 793 of the German Civil Code (*Bürgerliches Gesetzbuch*).
"**Structures of Bonds to be issued**"	This Base Prospectus provides for the issue of Bonds with only Bitcoin or Ethereum as a Cryptocurrency as underlying. The Bonds issued under this Base Prospectus are secured by quantities of relevant Underlying Cryptocurrency including (i) an individual underlying Cryptocurrency, and (ii) an individual underlying Cryptocurrency to be staked. 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 fulfilment of its delivery claim to the above-mentioned 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. The underlying Security of the Bonds are to be enforced and administered by the Security Trustee in accordance with the German Security and Security Trust Agreement.
"**Issue Procedures and documentation**"	Each Series will be subject to the terms and conditions applicable to such Series of Bonds (the "**Terms and Conditions**"), as completed by the relevant Final Terms relating to such Series. The Final Terms will: (i) determine which of the following Options of the Terms and Conditions shall apply to the relevant Series of Bonds – • Terms and Conditions Option I: Bitwise Physical Bitcoin ETP (BTCE) • Terms and Conditions Option II: Bitwise Physical Ethereum ETP (ZETH) • Terms and Conditions Option III: Bitwise Ethereum Staking ETP (ET32) • Terms and Conditions Option IV: Bitwise Core Bitcoin ETP (BTC1) (ii) specify and complete Annex A and Annex B of the relevant Option of the Terms and Conditions by specifying and completing the relevant information in PART **A** (*Contractual Terms*) and Part B (*Final Terms – Other Information*) of the Final Terms.
"**Form of Bonds**"	The Bonds may be issued in bearer form only.

	Bondholders may also hold interests in the Bonds indirectly through Euroclear UK & Ireland Limited (formerly known as CRESTCo Limited) ("**CREST**") through the issuance of dematerialised depository interests ("**CREST Depository Interests**" or "**CDIs**") issued, held, settled and transferred through CREST, representing interests in the relevant Bonds in respect of which the CDIs are issued (the "**Underlying Bond**"). CREST Depository Interests are independent bonds distinct from the Bond, constituted under English law and transferred through CREST and will be issued by CREST Depository Limited (the "**CREST Depository**") pursuant to the global deed poll dated 25 June 2001 (as subsequently modified, supplemented and/or restated) (the "**CREST Deed Poll**"). Neither the Bonds nor any rights attached thereto will be issued, held, transferred or settled within the CREST system other than through the issue, holding, transfer and settlement of CDIs. Holders of CDIs will not be entitled to deal directly in the Bonds and, accordingly, all dealings in the Bonds will be effected through CREST in relation to the holding of CDIs. See "*Clearing and Settlement*" for more information regarding holding CDIs.
"**Clearing Systems**"	The Bonds will be accepted for clearance through Clearstream Europe AG, Frankfurt am Main, Mergenthalerallee 61, 65760 Eschborn, Germany ("**Clearstream Europe**") or, if so specified in the Final Terms in relation to any Tranche, such other clearing system as may be agreed between the Issuer and the Paying Agent. After their initial issuance, Bonds traded on the Main Market will settle in CREST. Interests in the Bonds may also be held through CREST through CDIs, representing the interests in the relevant Bonds underlying the CDIs. The current address of CREST is Euroclear UK & International Limited, 33 Cannon Street, London EC4M 5SB. You should note that the CDIs are the result of the CREST settlement mechanics and are not the subject of this Base Prospectus. Such Bonds shall be cleared through the clearing system operated by London Clearing House Limited ("**LCH**").
"**Currencies**"	Subject to compliance with all relevant laws, regulations and directives, Bonds may be issued in any fiat currency decided by the Issuer, including GBP, EUR, CHF and U.S. dollars.
"**Maturities**"	Subject to compliance with all relevant laws and regulatory requirements, the Bonds will have no fixed maturity date.
"**Interest Periods and Interest Rates**"	The Bonds do not bear interest.
"**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 or Hong Kong (SAR) 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 18.1.4. "*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.

"**Events of Default**"

The following Events of Default are included (as more fully described in Condition 13 – *Events of Default* of Terms and Conditions – Option III and IV, and Condition 11 – *Taxation* of Terms and Conditions – Option I and II):

(a) non-payment in respect of the Bonds within 15 (fifteen) days subject to exceptions; or

(b) failure to perform any other significant obligation for more than 45 (forty-five) calendar days after notification; or

(c) inability to pay its debts as they fall due; or

(d) insolvency proceedings; or

(e) liquidation unless solvent reorganisation.

"**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 professional clients and eligible counterparties and/or retail investors, 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. Professional clients and eligible counterparties and/or retail 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 the ETN trading segment of the Main Market which enables trading of the Bonds by both professional and retail investors (in case of Bonds listed on the Main Market only) (iii) via trading on an alternative stock exchange on which such Bonds are listed or traded or (iv) over the counter (in case of Bonds not listed and/or admitted to trading on a stock exchange).

"**Governing Law**"	German law. The Bonds are debt securities (*Schuldverschreibungen*) within the meaning of § 793 of the German Civil Code (*Bürgerliches Gesetzbuch* - "**BGB**")
"**Listing and Admission to Trading**"	Bonds of a particular Series issued under the Programme may be listed on the Official List of the FCA and admitted to trading on the ETN segment of the Main Market of the London Stock Exchange, or under a separate prospectus and/or offering document, on such other or additional Regulated Market or other stock exchange(s) as decided by the Issuer in relation to such Series. The applicable Final Terms for each issue will state whether or not the relevant Bonds are to be listed and/or admitted to trading and, if so, on which stock exchange(s) and/or market(s). In addition to the London Stock Exchange, subject to a separate prospectus and/or offering document (i.e. not this Base Prospectus) the Issuer may apply for the Bonds to be admitted to such other stock exchanges and to be admitted to trading on the regulated market thereof: the Regulated Market (General Standard) (*Regulierter Markt (General Standard)*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the SIX Swiss Exchange according to the Exchange Traded Product Regulatory Standard of the SIX Swiss Exchange and other stock exchanges and regulated or main markets. The Issuer may also apply for the Bonds to be admitted to trading on a multilateral trading facility or MTF or on other exchanges.
"**Selling Restrictions**"	There are restrictions on the sale of the Bonds and the distribution of offering materials in various jurisdictions, including the United Kingdom, the United States, the EEA and such other restrictions as may be required in connection with a particular issue. See "*Subscription and Sale*".
"**Use of Proceeds**"	Unless specified otherwise in the relevant Final Terms, the reason for the issue of Bonds under the Programme is primarily to finance general corporate purposes in the form of payments to BEM, and, to the extent that amounts of the net proceeds remain with the Issuer after the respective payments to BEM, business development of the Issuer.
"**Rating**"	Neither the Issuer nor any Series of Bonds are rated.
"**Fiscal Agent and Paying Agents**"	Quirin Privatbank AG or any other entity specified in the applicable Final Terms.
"**Depositaries**"	The Issuer has appointed each of Coinbase Custody Trust Company, LLC ("**Coinbase Custody**"), Komainu (Jersey) Limited ("**Komainu**"), Zodia Custody (Ireland) Limited ("**Zodia**") and BitGo Trust Company, Inc. ("**BitGo**") as Depositary under the Programme and any successor Depositary appointed by the Issuer in respect of the Bonds shall be specified in the applicable Final Terms.

	The Issuer may, from time to time, appoint another qualified Depositary in respect of the Series of Bonds (as specified in the Final Terms), provided that for so long as the Bonds are outstanding and admitted to trading on the Main Market the Issuer shall not appoint any entity as Depositary in respect of a Series of Bonds unless (i) such entity is subject to anti-money laundering regulation in the United Kingdom, the European Union (or the European Economic Area, where equivalent laws apply), Jersey, Switzerland or the United States; (ii) the Issuer has granted security over the cryptocurrencies held or to be held in custody by such Depositary, on the same or equivalent terms as the security arrangements described herein.
"**Security Trustee**"	The Law Debenture Trust Corporation p.l.c or any other entity specified in the applicable Final Terms.

4. RISK FACTORS

*Bitwise Europe GmbH (the "**Issuer**"), in its reasonable opinion, believes that the following factors may represent the risks known to it which may affect its ability to fulfil its obligations under the Bonds.*

In addition, factors which are material for the purposes of assessing the market risks associated with Bonds issued under the Programme are also described below.

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.

4.1 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.

4.1.1 Risks related to the Issuer's business activities

4.1.1.1 Risks related to the limited business objective of the Issuer.

The focus of the Issuer's business activities is the issuance of bonds secured by 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 4.2.4. "*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, under the intercompany agreement between the Issuer and Bitwise Europe Management Ltd ("BEM"), BEM has the right to charge the Issuer for its services to the Issuer with up to 100 per cent. of the Issuer's gross revenues, which are calculated as (1) the sum of all fees charged by and income accrued by the Issuer in connection with the issuance of the Bonds and in accordance with the Terms and Conditions of the respective Series of Bonds, irrespective of manner of payment, including in particular any revenues generated (i) through charging subscription fees, certain redemption fees, 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 Cryptocurrency received as proceeds for the subscription of the Bonds in relation to each Series of Bonds as well as (ii) by withholding of a certain proportion of profits or benefits received in connection with the staking of the Cryptocurrency (as specified in the relevant Final Terms in relation to each Series of Bonds) minus (2) all properly incurred expenses related to the marketing and promotion of the Bonds (excluding fees of the directors of the Issuer). Accordingly, such revenues will not be available to the Issuer and, ultimately, the Bondholders, in case of financial difficulties or an insolvency scenario.

4.1.1.2 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 secured by Cryptocurrency, the Issuer depends on its reputation and the reputation of associated parties to maintain and grow 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 4.2.1.3. "*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*").

4.1.1.3 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 Bondholder 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.

4.1.2 Risks related to the Issuer's corporate structure

4.1.2.1 Risks related to the concentration of shareholdings in the Issuer and the Holding Company.

The Issuer is wholly owned by BEM, which, in turn, is wholly owned Bitwise Europe 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. Decisions taken at the Holding Company level may prioritise the wider group's interests over those of the Issuer or the Bondholders. For example, the Holding Company could direct the Issuer to alter custody, safekeeping, or operational arrangements for the underlying Cryptocurrency, transfer assets or liabilities within the group, or take actions that prioritise group interests over maintaining robust Bondholder protections. Any such actions could weaken the Issuer's financial position, reduce the resources available to service the Bonds, and ultimately increase the risk that the Issuer may be unable to make payments on the Bonds. In such circumstances, Bondholders could lose some or all of their investment.

4.1.3 Legal and regulatory risks

4.1.3.1 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

[1] A structure chart of the Bitwise Group is provided at 14.7.

private cryptographic keys for others, so that the Issuer does not require relevant authorisation from the FCA under Part 4A of the Financial Services and Market Act 2000. 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.

4.1.3.2 Change in regulatory status of the Issuer.

The Issuer`s business is focused on issuing bonds linked to the underlying cryptocurrencies. 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 with respect to its business of issuing bonds linked to cryptocurrencies. However, the Issuer is subject to applicable laws and regulations in the UK and the EEA for carrying out the business of issuance of bonds linked to cryptocurrencies. 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 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 4.2.1.3. "*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*").

4.1.3.3 Risks related to regulation of blockchain technologies and digital assets.

The Bonds are linked to one Cryptocurrency and the regulatory regime in the UK governing the underlying Cryptocurrency is currently undeveloped and likely to evolve rapidly. Various legislative and executive bodies in the United Kingdom 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 Bondholders 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. Such developments could reduce the value of a Series of Bonds and may negatively affect the rights of Bondholders to receive payments under a Series of Bonds resulting in the Bondholders losing all or part of their investment.

4.1.3.4 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 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.

Should there be a material adverse change in cooperation with any existing service provider and a suitable alternative be unavailable or impracticable, the Issuer may be unable to maintain the listing of a Series of Bonds or fulfil its obligations. This could result in suspension or delisting of the Bonds or reduced or no liquidity for Bondholders wishing to sell. In such circumstances, Bondholders may lose some or all of their investment.

In addition, the role of service providers may give rise to conflicts of interest because some providers also serve other entities within the Bitwise group or have their own commercial interests. This could result in decisions that favour the group or the service providers themselves over the Bondholders, which may be adverse to Bondholders' interests and negatively impact the Issuer's ability to safeguard crypto assets, maintain the listing of the Bonds, or act solely in the best interests of the 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 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.

Such scenarios can result in the Bondholders losing all or some of their investment.

4.1.3.5 Regulatory investigations and litigation affecting the Issuer's counterparties, including Depositaries.

The counterparties with whom the Issuer transacts, including the Depositaries, or entities within their corporate groups, may from time to time be subject to regulatory investigations, enforcement actions or litigation in their home jurisdictions or elsewhere, arising in the ordinary course of their business. For example, Coinbase, Inc. and Coinbase Global, Inc. (affiliates of Coinbase Custody Trust Company, LLC, one of the Depositaries appointed under the Programme) have been the subject of regulatory scrutiny in the United States, including a complaint filed by the U.S. Securities and Exchange Commission in June 2023 alleging that Coinbase, Inc. had operated as an unregistered securities exchange, broker and clearing agency, which Coinbase, Inc. and Coinbase Global, Inc. disputed and defended, and which the U.S. Securities and Exchange Commission dismissed in February 2025.

While any such proceedings relate to the relevant counterparty as an entity and do not, of themselves, affect the validity, segregation or enforceability of the Issuer's custody or security arrangements (under which the Deposited Cryptocurrency is intended to be held in segregated accounts and pledged for the benefit of Bondholders), Bondholders should be aware that an adverse judgment, enforcement action or reputational consequence affecting a Depositary or

other counterparty (or its wider corporate group) could adversely affect that counterparty's ability or willingness to continue providing services to the Issuer, could contribute to broader regulatory scrutiny of the digital asset custody sector, or could affect market perception of the Issuer or the Bonds. Any of these outcomes could have a material adverse effect on the Issuer's business and, in turn, could adversely affect the value of the Bonds or the timing of payments to Bondholders, and Bondholders may lose part or all of their investment.

4.1.3.6 Dependence on authorisations.

In relation to the Bonds to be issued under this Base Prospectus, application may be made to the London Stock Exchange for the Bonds to be admitted to trading on the Main Market of the London Stock Exchange. Any application to any further stock exchange for the Bonds to be admitted to trading on the regulated market of any such stock exchange will be made under the Issuer's separate disclosure and/or offering document. In relation to such Bonds to be admitted to trading on the regulated market of the London Stock Exchange or of any such other stock exchange, the Issuer depends on the London Stock Exchange's authorisation and the permissibility under the rules and regulations of the United Kingdom and/or the authorisation and permissibility of any such other further 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 may result in the suspension or delisting of a Series of Bonds. This would significantly reduce or eliminate liquidity for Bondholders wishing to sell and could cause the value of a Series of Bonds to fall sharply.

If any such authorisation risk materialises, it could have a material adverse effect on the Issuer`s business and financial position and could result in the Bondholders losing all or some of their investment. Internal control and IT risks

4.1.3.7 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 ultimately becoming insolvent, and any Bondholders may lose a part or all of their investment in a Series of Bonds due to such security breach.

4.1.3.8 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.

In such scenarios, the Bondholders may lose a part or all of their investment in the Bonds.

4.2 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:

4.2.1 Risks related to the nature and the Terms and Conditions of a Series of Bonds

4.2.1.1 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**") 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 case of a Failed Execution, 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. GBP, 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.

4.2.1.2 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 Bondholders 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 a Bondholder 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 Redemption 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.

4.2.1.3 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 Execution Procedure, and all risks related to this procedure apply.

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.

4.2.1.4 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 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 Execution Procedure fails and, subsequently, the redemption request is cancelled. Depending on the amount of Bonds held by the Bondholder, in particular when compared to the amount of applicable fees, this can materially reduce the Bondholder's return. If such fees are not neutralised by corresponding gains of the underlying, Bondholders will suffer a partial or total loss of their investment.

4.2.1.5 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.

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 (the "**Digital Wallet**") and report such Digital Wallet 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. During the time of the delay, the value of the Cryptocurrency can fluctuate to the detriment of the Bondholders, which may result in lower than expected returns, and may result in the Bondholders losing all or part of their investment.

4.2.1.6 Investing in the Bonds does not correspond to a direct investment in the underlying Cryptocurrency.

Bondholders 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 4.2.1.17. "*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. 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

Bondholder had actually owned the underlying Cryptocurrency and held such investment for a similar period. In such circumstances, Bondholders may lose some or all of their investment.

4.2.1.7 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 4.2.4. "*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.

4.2.1.8 Changes in regulation of the underlying Cryptocurrency.

The Bonds are linked to the underlying Cryptocurrency. A potential Bondholder has, therefore, to consider that the regulation of the underlying Cryptocurrency is subject to change in the UK and other countries. 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.

4.2.1.9 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. 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 lies solely with the Bondholder. The Bondholder is also entirely responsible for the secure storage of the private key of its Digital Wallet 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.

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. In such circumstances, the Issuer will apply the Cryptocurrency Execution Procedure and Mandatory Redemption process to liquidate the underlying Cryptocurrency into cash. If market conditions are adverse, or if execution costs and volatility are significant, the redemption amount paid to Bondholders could be materially lower than the value of the underlying Cryptocurrency and therefore, the Bondholders may lose some or all of their investment.

4.2.1.10 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. If such a decrease in price occurs, Bondholders may receive less monies than expected or lose some of their investment.

4.2.1.11 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 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.

4.2.1.12 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 Bondholders not being able to hedge against falling prices of the Bonds due to falling prices of the underlying Cryptocurrency. Bondholders 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 and failure to do so may result in the Bondholders losing some or all of their investment.

4.2.1.13 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 may be contrary to the interests of some or all Bondholders. For example, a modification could alter the way redemption is calculated, affect the treatment of fees or expenses, or change the mechanics of trading or settlement. These

changes could reduce the market value or liquidity of a Series of Bonds. In more severe cases, modifications could result in Bondholders receiving significantly less than they expected on redemption or, in extreme circumstances, could cause Bondholders to lose the full value of their investment in the Bonds.

4.2.1.14 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 may be outvoted and bound by changes they disagree with, including changes to payment terms or other key rights under the Bonds. This means that even if an individual Bondholder votes against an amendment, they will still be bound by it. Such amendments could reduce the value of the Bonds or, in extreme cases, could result in Bondholders losing the entire amount they invested.

4.2.1.15 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, it may be more difficult or even impossible for Bondholders of a Series of Bonds to take collective action to enforce their rights. This could leave Bondholders unable to protect their interests effectively in a default or insolvency scenario. In such circumstances, Bondholders may recover less than the amount they invested and lose some or all of their investment in the Bonds.

4.2.1.16 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 is appointed by majority decision of the Bondholders of a Series of Bonds, a Bondholder may lose its ability to exercise its individual right to pursue and enforce its rights under the Bonds against the Issuer where those rights have been transferred to the Bondholders' Representative. In that case, only the Bondholders' Representative will be entitled to claim and enforce the rights of all Bondholders. This could delay or limit enforcement action and may result in Bondholders recovering less than they invested and suffering a partial loss or, in extreme cases, suffering a total loss of their investment in the Bonds.

4.2.1.17 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. 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 Bonds (direct costs), potential Bondholders must also take into account any follow-up costs (such as Depositary fees).

The specific risk is that such additional costs may lower the yield of the investment substantially. Therefore, potential Bondholders should inform themselves about any additional costs incurred in connection with the purchase, Depositary or sale of the Bonds before investing in the Bonds.

4.2.1.18 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 partial or total loss of the investment in the Bonds.

4.2.1.19 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 Depositary and/or the protocol of any applicable Cryptocurrency itself, or (iv) any calculations with regards to the Bonds (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.

4.2.1.20 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 or (ii) conduct an unscheduled 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.

4.2.2 Risks related to the Security of the Bonds

4.2.2.1 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, (as defined below and as further described below under 15.3.1 "*Security over Depositary Wallet*"), and (ii) 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. 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 4.2.2.4. "*Realisation of Security and role of the Security Trustee*" below.

Moreover, Bondholders should note that some of the security interests are not governed by German law, but by foreign laws, 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, provided that such failure is directly caused by its gross negligence or wilful misconduct. In such case, the Security Trustee might not be able to enforce the Security, when it becomes necessary under the Terms and Conditions of the Bonds. This means that Bondholders may no longer rely on the Bonds, and thus their claims for repayment/redemption, to be fully asset backed (or even not backed at all in the worst case, depending on the level of the Security Trustee's failure to perfect/protect). In such case, Bondholders are subject to the risk that they may lose their entire investment, if the Issuer does not have sufficient funds for repayment available.

4.2.2.2 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 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 be unable to access the underlying Cryptocurrency in a timely manner and could be exposed to adverse price fluctuations. This may result in Bondholders suffering a reduction in the value of their investment (a partial loss) or, in extreme cases, if the Cryptocurrency cannot be recovered at all, a total loss of their investment.

4.2.2.3 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 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 cause Bondholders in the Bonds to suffer financial losses. Depending on the nature and severity of the misconduct, Bondholders may lose part of the value of their investment (a partial loss) or, in extreme cases, may suffer a total loss of their investment. 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.

4.2.2.4 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 Bondholders.

The Security Trustee shall have no responsibility whatsoever to any other party or to any Bondholder 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 impossible for the Bondholders to take collective action and enforce the Security. This could result in delays, reduced recoveries, or, in extreme circumstances, Bondholders suffering a partial or total loss of their investment in the Bonds.

4.2.3 Risks related to the Staking of the underlying Cryptocurrency

4.2.3.1 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 the purposes of Staking (as further described below under 15.2.5. "*Staking*"). For the avoidance of doubt, the Issuer's activities of Staking would not result in non-compliance with the requirements of the London Stock Exchange and the cryptocurrency framework in the admission conditions of the London Stock Exchange.

Proof of stake is a type of consensus mechanism used by some blockchain networks to achieve consensus across the participants on the blockchain. Consensus mechanism in the blockchain is a system that validates a transaction and marks it as authentic. It requires users to stake their Cryptocurrency to become a validator in the network.

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 could result in Bondholders receiving less than they expected on redemption or selling at a lower price in the secondary market. In severe cases, if liquidity restrictions or price declines are prolonged, Bondholders could suffer a significant reduction in the value of their investment. Therefore, the Bondholders may lose some or all of their investment.

4.2.3.2 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**".

It is possible that the Staking Provider (as further described in section 15.2.7. "*Description of the Staking Provider*". below, the "**Staking Provider**") will indemnify the Depositary against losses related to Slashing and Staking Penalties (an "**Indemnity**"). If such an Indemnity is provided, the Depositary 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 Depositary's ability to pass on any amounts so received. If either of the Staking Provider or the Depositary 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 Depositary 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 Bondholders in such Bonds may suffer a total loss of their investment.

4.2.3.3 Risk in connection with the delayed deposition of Staking Rewards

In accordance with Condition 14.3 of the Terms and Conditions - Option III and IV, and Condition § 12(3) of the Terms and Conditions – Option I and II and subject to certain carve-outs such as (i) delays associated with payment of the rewards received for Staking ("**Staking Rewards**"), and (ii) 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 section 15.3.1. "*Security over Depositary 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 Depositary.

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, Staking Rewards will not 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 (see also under 15.3.1. "*Security over Depositary 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 Depositary 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 Depositary 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 are subject to the counterparty risk of the Staking Provider. This means that, in case of the Staking Provider's bankruptcy, liquidation or permanent disability to satisfy its obligations vis a vis the Issuer during such period, the Issuer may have insufficient units of Cryptocurrency and/or cash to satisfy its obligations under the Bonds, ultimately resulting in the Bondholders suffering a partial or even total loss of the investment.

4.2.3.4 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 "$\boldsymbol{DSC^{i}_{(t)}}$"). The scale of such Staking Fees is subject to the Issuer's discretion. Because of the Staking Fees, Bondholders will receive fewer Staking Rewards than they would if they held the underlying Cryptocurrency directly. This means that the overall return on the Bonds may be lower than expected, and Bondholders could receive less than they anticipated from their investment resulting in a partial or total loss of investment.

4.2.4 Risks related to the underlying Cryptocurrency

4.2.4.1 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. An investment in the Bonds should be regarded as highly speculative and involves a significant degree of risk. To see worked examples of hypothetical returns where Bondholders may gain or lose some or all of their investment—including circumstances in which a Bondholder may lose their entire investment, please see section 2.1.6.2 "*Worked examples illustrating the effect of changes in underlying Cryptocurrency on a Bondholder's investment*". Bondholders should be aware that 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 certainty regarding the regulation of cryptocurrencies and uncertainty regarding their legal and tax status and regulations of cryptocurrencies continue to evolve across different jurisdictions worldwide including the UK. Any change in regulation in any particular jurisdiction including the UK 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. In the UK specifically, the FCA has finalised a comprehensive cryptoasset regulatory regime made under the Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026, which will take effect from 25 October 2027. These and any further regulatory developments in the UK or other jurisdictions, whether affecting the Issuer, the Depositaries, the Bonds or the underlying Cryptocurrency, may have a material adverse effect on the value of, and market for, the Bonds. See also 4.2.4.2 "*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 4.2.4.5. "*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 Depositaries 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 4.2.1.17. "*The Bonds are subject to transaction costs and charges*".

The FCA has cautioned that cryptoasset exchange traded notes, such as the Bonds, are to be considered high-risk investments. There can be no assurance that Bondholders will recover any portion of their initial investment. Prospective Bondholders must be prepared to sustain a total loss of their investment.

4.2.4.2 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 could impair or prevent the Issuer from carrying out its business at all. This in turn may result in Bondholders receiving less than they invested or, in some cases, suffering a total loss of their investment in the Bonds.

4.2.4.3 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 4.2.1.4. "*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. Bondholders 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 Bondholder confidence in future outlook of the asset class. These dynamics may impact the value of an investment in the Bonds, potentially resulting in a partial or a total loss of their investment.

4.2.4.4 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. This could adversely impact the value of any Bonds and/or result in a Bondholder's partial or total loss of its investment.

4.2.4.5 Split of a blockchain could result in a split of the Bonds into separate Series of Bonds, and exchanges of the underlying Cryptocurrency.

Notwithstanding that the Terms and Conditions refer to Adjustment Events and Splits, potential Bondholders should refer to the risk factors entitled "4.2.4.5 - *Split of a blockchain could result in a split of the Bonds into separate Series of Bonds, and exchanges of the underlying Cryptocurrency*" and "4.2.4.6 - *An Airdrop Event could result in new crypto assets which the Issuer may not accept and therefore, the Bondholders may not be able to participate*" for information concerning the Issuer's approach to addressing Splits and Airdrop Events.

A forking event occurs when the underlying blockchain for the respective protocol, i.e. Bitcoin or Ethereum, changes the way it operates. There are two types of forks: (a) a 'Hard Fork'; and (b) a 'Soft Fork'. 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. Using Bitcoin as an example, a Hard Fork requires miners and developers to vote accordingly. The Bondholders are holders of securities and not in themselves, miners or developers. Accordingly, they have no influence over forking events.

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 4 of ANNEX B to the Terms and Conditions – Option III and IV, and Condition § 13 of the Terms and Conditions - Option I and II, 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 Depositary 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 Depositary 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 4.2.4.1. "*Price volatility of the underlying Cryptocurrency*".

A Split may result in the Bonds being backed by newly-forked assets which are not approved by the London Stock Exchange. In the event of a fork, the Issuer will ensure that no cryptocurrencies other than Bitcoin and Ethereum will be used as underlying of the Bonds. In such a situation, the London Stock Exchange may require that the affected Bonds are delisted if Cryptocurrencies other than Bitcoin and Ethereum will be used as underlying of the Bonds. If the Issuer issues a new series of Bonds being backed by newly-forked assets which are not approved by the London Stock Exchange, such Bonds will not be admitted to trading on the London Stock Exchange. If the Bonds are suspended or delisted as a result of a fork, Bondholders may not be able to sell their Bonds on the exchange, or may only be able to do so at a significantly reduced price.

In such scenarios, the Bondholders may suffer a partial loss or a total loss of their investment.

4.2.4.6 An Airdrop Event could result in new crypto assets which the Issuer may not accept and therefore, the Bondholders may not be able to participate.

Notwithstanding that the Terms and Conditions refer to Adjustment Events, potential Bondholders should refer to the risk factors entitled "4.2.4.5 - *Split of a blockchain could result in a split of the Bonds into separate Series of Bonds, and exchanges of the underlying Cryptocurrency*" and "4.2.4.6 - *An Airdrop Event could result in new crypto assets which the Issuer may not accept and therefore, the Bondholders may not be able to participate*" for information concerning the Issuer's approach to addressing Splits and Airdrop Events.

An Airdrop occurs when the issuer of a new crypto asset declares to the holder of another specific crypto asset that they will be entitled to claim, for free, a quantity of the new crypto asset because they are holding this specific other crypto asset. If an Airdrop occurs in respect of either Bitcoin or Ethereum, the airdropped asset may be a new type of digital asset and the airdropped assets may not be Bitcoin or Ethereum. If an Airdrop occurs intended to benefit holders of a Cryptocurrency, then the ability of a holder of Bonds relating to such Cryptocurrency to participate in the Airdrop will depend on the support of the relevant Depositary and the Issuer. The permissibility of the airdropped digital assets is also dependent on the London Stock Exchange's acceptance of the airdropped digital assets. If the airdropped digital assets are prohibited, the Issuer may not be able to claim ownership and hence any potential value in the airdropped digital assets may not be realisable for the Bondholders.

The acceptance of the airdropped digital assets may also depend on conditions (such as depositing crypto assets with a specific platform or joining specific social media groups associated with the Airdrop) which may not be supported by the Depositaries and/or the Issuer. If these conditions cannot be met, Bondholders may not be able to gain any value from such Airdrops. For the avoidance of doubt, the only Cryptocurrencies permitted as of the date of this Base Prospectus are Bitcoin and Ethereum.

The Issuer is not obliged to accept airdropped assets. The Issuer would only accept airdropped assets if the airdropped digital assets comply with the London Stock Exchange requirements. The Issuer will only issue new bonds or accept airdropped digital assets if the relevant checks (such as whether the airdropped digital assets are specified investments under Part III of the Regulated Activities Order) are successfully completed.

The benefit of an Airdrop, if supported by both the Depositary and Issuer and approved by the London Stock Exchange, could be passed on to the Bondholders at the Issuer's discretion. Alternatively, the Issuer could decide to not accept the airdropped digital assets and therefore

the Bondholders would not obtain any benefit of the airdropped digital assets or realise any value from them.

For the avoidance of doubt, if an airdrop were to result in the inclusion of a crypto asset that does not fall within the London Stock Exchange's crypto asset framework due to an error, the Bonds could be at the risk of suspension or delisting by the London Stock Exchange. In such circumstances, Bondholders could suffer a partial or total loss of their investment.

4.2.4.7 There is no obligation on a Depositary or Issuer to support any Airdrop or hold the airdropped digital asset and so there is no certainty that Bondholders will be able to obtain any airdropped digital assets or realise any value from them. 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 GBP, 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 GBP. 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.

4.2.4.8 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, the value of the underlying Cryptocurrency could fall sharply or trading in it could be suspended or prohibited. This would directly reduce the value of the Bonds. In such circumstances, Bondholders could lose some or all of their investment.

4.2.4.9 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 (being a computer within a blockchain network that maintains and updates a copy of the entire blockchain and which validates and relays transactions with that blockchain's network), 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 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.

4.2.4.10 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" (which is a negative action undertaken against a particular blockchain network by a single minor, or group of miners acting in concert, who control (even temporarily) a majority of the network mining power of a particular blockchain network), 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' (which means that the same unit of the Cryptocurrency is used twice or more for different transactions) 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 undermine 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 could break the cryptographic algorithms currently used to secure blockchains. Cryptocurrency are based on Elliptic Curve Cryptography, a public key cryptographic algorithm, which is not quantum-computer resistant, used to perform critical security functions, including encryption, authentication and digital signatures. If the integrity of the blockchains of any of the underlying Cryptocurrencies were compromised, transactions could be manipulated or invalidated. This could cause a collapse in the value of the affected Cryptocurrency, and because the Bonds are directly linked to that value, Bondholders could suffer financial losses. Such losses could range from a reduction in the value of their investment (a partial loss) to, in extreme circumstances, a total loss of the monies they invested in the Bonds.

4.2.4.11 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 jeopardise the integrity and security of the networks of the underlying Cryptocurrency, in particular in cases where a

bug is exploited by malicious actors to disrupt the normal functioning of the network, such as by preventing or reversing transactions, enabling double-spending, or otherwise manipulating transaction records. Certain bugs could also compromise cryptographic protections, potentially allowing theft of assets held on the network or the unauthorised creation of additional units of the Cryptocurrency. Any of these events could result in a loss of units of the underlying Cryptocurrency or, at least, materially damage market confidence in the Cryptocurrency, reduce its adoption, or cause a significant decline in its market value. This may result in a partial or even total loss of the Bondholders' investments."

4.2.4.12 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. This could lead to delays, loss of confidence in the Cryptocurrency, and reductions in its market value. As the Issuer's business model relies on the use, acceptance and value of the underlying Cryptocurrency, any such internet disruption could adversely affect the ability of the Issuer to operate, generate revenue or meet its obligations.

In such scenarios, the Bondholders may lose some or all of their investment in the Bonds.

4.2.4.13 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.

4.2.4.14 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 4.2.4.11. "*Technical Risks Related to the Cryptocurrency including 51 percent attacks*".

- A hack of the Depositary 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 Depositary takes significant measures to prevent a hack of the Depositary 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. For the affected Bondholder, this type of hack could result in the permanent loss of the redeemed Cryptocurrency and therefore a total loss of that Bondholder's investment in the Bonds. In this respect, please also refer to 4.2.4.13. "*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 Depositary Wallet would not directly affect Bondholders, but it could affect the financial and economic position of the Issuer and may cause the Issuer to cease commercial operations and wind up its activities. In such circumstances, the Bonds could be subject to mandatory redemption and Bondholders may recover less than they invested (a partial loss) or, in extreme cases where the Issuer becomes insolvent with insufficient assets, could suffer a total loss of their investment.

4.2.4.15 Competition between cryptocurrencies.

Different cryptocurrencies compete with each other for adoption by users, developers and Bondholders. This competition can take different forms: some cryptocurrencies may be able to process transactions more quickly or at lower cost than Bitcoin or Ethereum, others may be designed to handle a larger number of transactions or adapt more easily to technological upgrades, and still others may offer additional functionality such as smart contracts or decentralised finance applications. In addition, cryptocurrencies that use less energy-intensive consensus mechanisms than Bitcoin's proof-of-work model may be seen as more sustainable and therefore become more attractive to regulators or the public. If competing cryptocurrencies develop superior technology or gain wider adoption, the importance and market share of Bitcoin or Ethereum could decline, which could lead to a sustained fall in the price of the underlying Cryptocurrency. Because the Bonds are directly linked to the value of the underlying Cryptocurrency, such a fall in price would reduce the value of the Bonds. Bondholders could therefore suffer financial losses, ranging from a reduction in the value of their investment (a partial loss) to a total loss of the monies they invested in the Bonds.

4.2.4.16 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 would directly reduce the value of the Bonds. As the value of the Bonds is linked to the value of the underlying Cryptocurrency, Bondholders may suffer losses if the price of the Cryptocurrency falls. In severe cases, a sharp or sustained decline in the price of the Cryptocurrency could cause Bondholders to lose the full amount of their investment in the 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 increase in supply could severely reduce the price of such Cryptocurrency. This in turn would reduce the value of the Bonds and could cause Bondholders to lose some or all of their investment.

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 could change dramatically. This could negatively affect the price of the underlying Cryptocurrency and, as a result, the value of the Bonds. In such a scenario, Bondholders could lose some or all of their investment.

4.2.4.17 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.

In such circumstances, Bondholders may lose some or all of their investment in the Bonds.

4.2.4.18 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 4.2.4.1. "*Price volatility of the underlying Cryptocurrency*" and 4.2.4.3. "*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 with UK Bondholders who may wish to purchase the Bonds from the Issuer, 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.

In such circumstances, Bondholders may lose some or all of their investment in the Bonds.

4.2.4.19 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 "**Mempool**") 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 maximise 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. If redemption proceeds are delayed, the value of the underlying Cryptocurrency could fluctuate during the waiting period, which may reduce the value of the Bonds and result in a partial loss of the investment. If redemption proceeds are not received at all, Bondholders could suffer a total loss of the monies they invested in the Bonds.

4.2.5 Risks related to the admission of the Bonds to trading

4.2.5.1 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 Bonds 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 London 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 Bondholders 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 Bondholders to realise their anticipated yield.

Any application to any other stock exchange for the Bonds to be admitted to trading on the regulated markets of any such stock exchange will be made under a separate disclosure and/or offering document.

4.2.5.2 Products listed on the regulated market of the London Stock Exchange may be suspended from trading.

The London Stock Exchange where the Bonds are listed, and/or the FCA may at any time, in their sole and absolute discretion, elect to temporarily suspend trading at the request of the Issuer or on their own initiative if this is deemed necessary in exceptional circumstances, in particular, in the event of suspected price manipulation, falsification of liquidity or criminal activity. The London Stock Exchange where the Bonds are listed may also order a suspension in trading if the ongoing listing requirements are no longer fulfilled.

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. If trading has been suspended for a continuous period of three months, the Bonds are likely to be delisted from the London Stock Exchange, unless the reasons for the suspension ceased to exist.

Neither the London Stock Exchange nor the FCA (or any other relevant regulatory bodies) accept liability for damage or loss incurred in connection with the suspension of trading and delisting. If the Bonds are suspended or delisted, Bondholders may no longer be able to sell their Bonds on the exchange or may only be able to do so at a significantly reduced price. This could result in Bondholders losing some or all of their investment.

4.2.5.3 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 may impact the Issuer's ability 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.

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, potentially resulting in a partial loss of the Bondholder's investment and, in extreme cases, a total loss.

4.2.6 Risks Arising from Limited Regulation and Bondholder Protections in the Cryptoasset Market

4.2.6.1 Unregulated Market Conditions and Limited Recourse for Bondholders

The market for the Cryptocurrencies is relatively new and remains largely unregulated in many jurisdictions. As a result, Bondholders are subject to heightened risks that would not ordinarily apply to more established asset classes, including, without limitation, risks arising from cyber-attacks, financial crime, fraud, operational deficiencies and the failure or insolvency of market participants. Furthermore, unlike investments in certain other financial instruments, investments in cryptoasset-linked products are not eligible for protection under the Financial Services Compensation Scheme ("**FSCS**"), and accordingly Bondholders would have no right to compensation from the FSCS if they suffer a loss on their investment; the FCA has confirmed that this position will continue under its finalised cryptoasset regulatory regime. Under the FCA's new cryptoasset regulatory regime, customers of an FCA-regulated cryptoasset firm who are consumers may in certain circumstances refer complaints to the Financial Ombudsman Service ("**FOS**"), however the FOS will consider any such complaints about investment losses in the usual manner, based on the application of a 'fair and reasonable' test, which will include considering the nature of the investment product.

This means that the Bondholders could lose part or all of the monies they invested, and protection in the form of compensation or safety net is limited.

4.2.6.2 Complexity of Cryptoasset-Linked Products and Concentration Risk

The Bonds are complex in structure, and the risks associated with them may not be readily apparent. Prospective Bondholders are strongly encouraged to undertake an independent assessment of the investment, including consultation with professional advisers, and should exercise a high degree of caution in evaluating opportunities that appear to offer returns that are inconsistent with their underlying risk profile. Concentrated investment in a single asset class, particularly in high-risk investments such as these Bonds, could further exacerbate the potential for loss. Diversification across a range of investment types is generally considered a prudent strategy by the FCA, and prevailing regulatory guidance suggests that Bondholders should avoid allocating more than a limited portion of their overall investable assets (for example, no more than 10%) to high-risk investments of this type.

4.2.7 Taxation risks relating to the Bonds

4.2.7.1 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 Bondholders. Bondholders 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). Potential tax liability could negatively impact the market price of the relevant Series of Bonds, potentially leading to a partial loss of the Bondholder's investment and, in extreme cases, a total loss.

4.2.7.2 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. For example, the German Ministry of Finance plans to abolish the one-year Cryptocurrency holding period 2027 onwards and to tax private crypto gains at a rate of 26.375% regardless of the holding period. The corresponding draft bill is in the early stages of approval within the federal government. The Ministry of Finance's draft is subject to interagency review, after which the document must undergo further consideration by the government, the German parliament (*Bundestag*), and the German Federal Council (*Bundesrat*) (see 17.2 "*Taxation in Germany*"). Before deciding to invest in the Bonds, Bondholders should consult their local tax advisor regarding tax matters. Such matters may negatively affect the market price of the relevant Series of Bonds and could result in a partial or, in extreme cases, total loss of the Bondholder's investment.

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 4.2.1.3. "*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*").

5. DOCUMENTS INCORPORATED BY REFERENCE

The pages identified in the cross-reference tables below of the following documents, which have been previously published or are published simultaneously with the Base Prospectus and have been filed with the FCA shall be incorporated by reference in, and form part of, this Base Prospectus. Any documents incorporated by reference into the following documents shall not be deemed to have been incorporated by reference into or form part of this Base Prospectus.

Document incorporated by reference		Pages incorporated by reference (Page references refer to the relevant pages of the PDF document)	Link to the Document
Financial Information			
1.	Unaudited interim financial statements of the Issuer dated 30 June 2026		https://bitwiseinvestments.eu/resources/financial_statements_Reports/bitwise_interims_reporting_062026_ifrs.pdf
	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 2026	7-19	
2.	Audited annual financial statements of the Issuer dated 31 December 2025 together with an unqualified auditor's report		https://bitwiseinvestments.eu/resources/financial_statements_Reports/annual_financial_statements_ifrs_2025_EN.pdf
	Statement of Financial Position	18	
	Statement of Profit or Loss and Other Comprehensive Income	19	
	Statement of Cash Flows	20	
	Statement of Changes in Equity	21	
	Notes to the Accounts as at 31 December 2025	22-33	
	Independent Auditor's Report	34-37	
3.	Audited annual financial statements of the Issuer dated 31 December 2024 together with an unqualified auditor's report		https://bitwiseinvestments.eu/resources/financial_statements_Reports/annual_financial_statements_ifrs_2024_EN.pdf

Statement of Financial Position	18	
Statement of Profit or Loss and Other Comprehensive Income	19	
Statement of Cash Flows	20	
Statement of Changes in Equity	21	
Notes to the Accounts as at 31 December 2024	22-33	
Independent Auditor's Report	34-37	

In addition to the above, the following information shall be incorporated in, and form part of, this Base Prospectus, as and when it is published on the Issuer's website during the 12-month period of validity of this Base Prospectus:

(a) the future annual financial statements of the Issuer, together with the independent auditors' report thereon; and

(b) the future unaudited interim financial statements of the Issuer.

Any such documents published after the date but during the validity of this Base Prospectus shall be deemed to be incorporated by reference in, and form part of, this Base Prospectus in accordance with PRM 5.1 of the PRM Sourcebook. Such information will be published via a Regulatory Information Service (RIS) on the website of the London Stock Exchange, and will also be made available on the Issuer's website at https://bitwiseinvestments.eu/resources/.

Any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Base Prospectus to the extent that such statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the FCA in accordance with PRM 10.1.R. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Bonds, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Bonds.

Other than the documents specifically identified above, no other documents, including the contents of any websites or web pages referred to in this Base Prospectus, form part of this Base Prospectus. The non-incorporated parts of the documents incorporated by reference are either not relevant for investors or covered elsewhere in this Base Prospectus.

6. TERMS AND CONDITIONS - OPTION I - Bitwise Physical Bitcoin ETP (BTCE)

PART I.: TERMS AND CONDITIONS

§ 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 21,000,000,000 bonds (the "**Bonds**") on 5 June 2020 (the "**Issue Date**"). Each Bond represents the right of the Bondholder to demand from the Issuer (a) delivery of Bitcoin (also referred to as "**BTC**"), a cryptocurrency and worldwide payment system, released as an open-source software in 2009 and the specification of which can be found on https://bitcoin.org/en/ (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.

(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);

"**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:

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

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

"**Depositary**" means BitGo Trust Company, Inc, an independent qualified cryptocurrency custodian under the laws of the State of South Dakota, regulated by the South Dakota Division of Banking with the credential number of TC.128-2 or such other financial institution(s) that the Issuer, from time to time, has designated as the Depositary for its holdings of the Cryptocurrency pledged as security for the Bonds;

"**Depositary Wallet**" means a cryptocurrency wallet or wallets operated by the Depositary on behalf of the Issuer, where the assets held in such wallet are (i) segregated from the assets of any other customers of the Depositary 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 Depositary Wallet with the Depositary 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 rate at which the Cryptocurrency Entitlement decays over time. As of the Issue Date, the Diminishing Entitlement Rate is 2.00 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 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 organisation 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 0.001 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;

"**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);

"**Reference Price**" means, as of the relevant determination date, the Bloomberg Cryptocurrency Fixing for Bitcoin as displayed by Bloomberg under Bloomberg ticker XBT CFIX Curncy 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 Depositary 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;

"**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, 125 Wood Street, London EC2V 7AN, 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 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, 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 Depositary 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 Depositary Wallet by the Security Trustee from the copy of the Depositary 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.

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

§ 3
Interest

There will be no payments of interest on the Bonds.

§ 4
Redemption

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

(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 "**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 advisers, the Clearing System, the Paying Agent, the Fiscal Agent, the Administrator, the Trustee and the Depositary, 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-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 terminate 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 terminate 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 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 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 it, such Bondholder may terminate 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 terminate 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 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 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.

§ 6
Paying Agent, Fiscal Agent and Depositary

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

Paying Agent and Fiscal Agent:

Baader Bank AG
Weihenstephaner Straße 48
85716 Unterschleißheim
Germany

Depositary:

BitGo Trust Company, Inc
6216 Pinnacle Place
Suite 101
Sioux Falls, SD 57108
United States of America

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.

(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 Depositary and to appoint: (i) a replacement Paying Agent or additional paying agents; and/or (ii) a replacement or additional Depositary. The Issuer shall at all times maintain a Paying Agent and a Depositary. 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 Depositary and any additional or replacement Paying Agent or Depositary 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.

§ 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 (*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.

(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.

§ 8
Information Duties

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

§ 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.

§ 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) 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 terminate its Bonds in accordance with this § 11 (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 (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.

(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 Depositary Wallet held with the Depositary (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 Depositary 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 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 obtain any license, permission, authorisation, 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.

(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 (4) 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 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.

(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 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;

(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.

§ 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 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 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.

(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 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.

§ 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 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. The English version shall be the only legally binding version.

7. TERMS AND CONDITIONS - OPTION II - Bitwise Physical Ethereum ETP (ZETH)

PART I.: TERMS AND CONDITIONS

§ 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 11,400,000,000 bonds (the "**Bonds**") on 23 February 2021 (the "**Issue Date**"). Each Bond represents the right of the Bondholder to demand from the Issuer (a) delivery of Ethereum (also referred to as "**ETH**"), a cryptocurrency based on an open-source, blockchain-based, decentralised software platform (also called Ethereum) and displayed on https://ethereum.org/en/eth (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.

(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);

"**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:

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

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

"**Depositary**" means BitGo Trust Company, Inc, an independent qualified cryptocurrency custodian under the laws of the State of South Dakota, regulated by the South Dakota Division of Banking with the credential number of TC.128-2 or such other financial institution(s) that the Issuer, from time to time, has designated as the Depositary for its holdings of the Cryptocurrency pledged as security for the Bonds;

"**Depositary Wallet**" means a cryptocurrency wallet or wallets operated by the Depositary on behalf of the Issuer, where the assets held in such wallet are (i) segregated from the assets of any other customers of the Depositary 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 Depositary Wallet with the Depositary 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 rate at which the Cryptocurrency Entitlement decays over time. As of the Issue Date, the Diminishing Entitlement Rate is 1.49 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 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 organisation 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 0.01 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;

"**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);

"**Reference Price**" means, as of the relevant determination date, the Bloomberg Cryptocurrency Fixing for Ethereum as displayed by Bloomberg under Bloomberg ticker XET CFIX Curncy 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 Depositary 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;

"**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, 125 Wood Street, London EC2V 7AN, 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 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, 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 Depositary 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 Depositary Wallet by the Security Trustee from the copy of the Depositary 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.

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

§ 3
Interest

There will be no payments of interest on the Bonds.

§ 4
Redemption

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

(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 "**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 advisers, the Clearing System, the Paying Agent, the Fiscal Agent, the Administrator, the Trustee and the Depositary, 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-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 terminate 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 terminate 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 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 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 it, such Bondholder may terminate 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 terminate 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 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 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.

§ 6
Paying Agent, Fiscal Agent and Depositary

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

Paying Agent and Fiscal Agent:

Baader Bank AG
Weihenstephaner Straße 48
85716 Unterschleißheim
Germany

Depositary:

BitGo Trust Company, Inc
6216 Pinnacle Place
Suite 101
Sioux Falls, SD 57108
United States of America

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.

(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 Depositary and to appoint: (i) a replacement Paying Agent or additional paying agents; and/or (ii) a replacement or additional Depositary. The Issuer shall at all times maintain a Paying Agent and a Depositary. 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 Depositary and any additional or replacement Paying Agent or Depositary 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.

§ 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 (*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.

(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.

§ 8
Information Duties

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

§ 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.

§ 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) 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 terminate its Bonds in accordance with this § 11 (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 (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.

(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 Depositary Wallet held with the Depositary (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 Depositary 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 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 obtain any license, permission, authorisation, 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.

(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 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.

(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 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;

(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.

§ 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 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 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.

(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 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.

§ 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 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. The English version shall be the only legally binding version.

8. TERMS AND CONDITIONS - OPTION III - Bitwise Ethereum Staking ETP (ET32)

PART I: TERMS AND CONDITIONS

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

"**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 USD;

"**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 Depositary 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 – *Voluntary Redemption* and/or 6 – *Mandatory Redemption*;

"**Cryptocurrency**" 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 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;

"**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 Depositary 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 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;*

"**Depositary**" means the entity specified in Condition 8.1 below, a financial institution(s) that the Issuer, from time to time, has designated as the Depositary for its holdings of the Cryptocurrency or any additional, successor or replacement Depositary. The Depositary may be appointed or such appointment terminated by the Issuer pursuant to Condition 8 – *Transaction Partners;*

"**Depositary Account (Wallet) Control Agreement**" means the depositary account (wallet) control agreement entered into between the Issuer, the Depositary and the Security Trustee, which stipulates how the Depositary holds the Cryptocurrency on behalf of the Issuer, together with the rights and obligations of the Issuer, the Depositary and the Security Trustee;

"**Depositary Wallet**" means a cryptocurrency wallet or wallets operated by the Depositary on behalf of the Issuer, (i) where the assets held in such wallet are segregated from the assets of any other customers of the Depositary, the assets of the Depositary 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 Depositary Wallet with the Depositary 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;

"**Event of Default**" has the meaning given in Condition 13.1;

"**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 (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 to 1.00 percent of the Cryptocurrency Entitlement for each Bond in relation to which the Voluntary Redemption is exercised; or (ii) in the case of other Bondholders who are not Authorised Participants, an amount equal to a maximum of 2.50 percent of the Cryptocurrency Entitlement for each Bond in relation to which the Voluntary Redemption is exercised;

The Exercise Fee may be lowered at any time by Issuer and the Issuer shall notify the Bondholders in accordance with Condition 19 – *Notices*;

"**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 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 Index Provider, Staking Provider or other third-party data provider;

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

"**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;*

"**German Security and Security Trust Agreement**" has the meaning given in Condition 9.1;

"**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: 5990689613. *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 24 January 2024;

"**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 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 7th Business Day following the applicable Mandatory Redemption Date; and

(b) if Cash Redemption applies, the 7th 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.

"**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 in accordance with Conditions 5 – *Voluntary Redemption* and/or 6 – *Mandatory Redemption*;

"**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 Compass Crypto Reference Index Ethereum fixing at 4pm London Time (the "**Price Source**");

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 – *Notices* 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 14 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 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 – *Mandatory Redemption*; or (ii) to transfer the Cryptocurrency Entitlement to the Bondholders exercising the Voluntary Redemption with Cryptocurrency settlement, as further described in Condition 5 – *Voluntary Redemption*;

"**Secured Redemption Obligations Amount**" means amount in the Cryptocurrency 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 the Cryptocurrency Entitlement (to be calculated as of the Subscription Effective Bonding Date) per Bond being subscribed or purchased in the primary market to the Depositary Wallet;

"**Secured Settlement Obligations Amount**" means the 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;

"**Security**" has the meaning given in Condition 3.2;

"**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 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 The Law Debenture Trust Corporation p.l.c., a security trustee which holds the security interest in (i) the Depositary 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 15.2;

"**Upfront Redemption Fee**" means no higher than 100.00 Euros, 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 7th Business Day following the applicable Voluntary Redemption Date; and

(b) if Cash Redemption applies, the 7th 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.

"**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; or

(b) payment of a cash amount 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 (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 cash or Cryptocurrency (not necessarily in the amount or composition corresponding to the Cryptocurrency Entitlement) or 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 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.

(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.

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 (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 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 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 upon completion of the Voluntary Redemption Steps, (i) instruct the Staking Provider to immediately De-Stake the required amount of Cryptocurrency to effect the Redemption; and (ii) instruct the relevant Depositary 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 Depositary 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.

(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 Depositary 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.

(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.

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 immediately De-Stake of the required amount of Cryptocurrency to effect the Redemption; and (ii) instruct the Execution Agent to sell in accordance with the Cryptocurrency Execution Procedure as detailed in Condition 15 – *Cryptocurrency Execution Procedure*, 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 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.

(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 – *Notices* (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 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 USD (one hundred million US Dollars); 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-Stake all of the Deposited Cryptocurrency which is Staked 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) 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 Depositary 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 Depositary 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 Depositary 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-Staking delay provided that the Issuer has complied with the Condition 6.2.

(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.

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, in which case 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.

(b) The Issuer shall transfer the aggregate Redemption Amount with respect to the Bonds on the Mandatory Redemption Settlement Date through the applicable Clearing System.

(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 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 Depositary or Execution Agent in respect of any transfer or sale 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*. If specified as applicable in the Final Terms, 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, Depositary, Determination Agent, Execution Agent, Fiscal Agent, Index Sponsor, Paying Agent, Staking Provider (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

Depositary:

Zodia Custody (Ireland) Limited
3rd Floor, Kilmore House
Park Lane, Spencer Dock
Dublin
Ireland, D01 XN99

Determination Agent:

ETC Management Ltd.
Gridiron, One Pancras Square,
London
United Kingdom, WA14 2DT

Execution Agent:

Wintermute Trading Ltd.
3rd Floor, 1 Ashley Road
Altrincham, Cheshire
United Kingdom, WA14 2DT

Index Sponsor:

Compass Financial Technologies SA
Chemin de Mornex 6,
1003 Lausanne,
Switzerland

Paying Agent and Fiscal Agent:

Quirin Privatbank AG
Kurfürstendamm 119
10711 Berlin
Germany

Staking Provider:

Blockdaemon Inc.
1055 West 7th Street
33rd Floor
Los Angeles, CA 90017

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) 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 and Staking Provider. 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 21 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 21 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 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 that 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.

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 – *Notices*.

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 – *Covenants*, 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 – *Covenants*, 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 – *Notices* 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

"**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 the Compass Ethereum Total Return Monthly Index;

"**Index Methodology**" means *https://www.compassft.com/indice/ethtr90m/*.

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 – *Notices*. 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 <u>not</u> a Rebalance Day or <u>not</u> a day immediately following the Rebalance Day:

$$SCE_{(t)} = SCE^{i}_{(t-1)} * \left(1 - \frac{DER}{365}\right) + \frac{SSR_{(t-2)}}{N_{(t-1)}}\left(1 - \boldsymbol{DSC^{i}_{(t)}}\right)$$

If the relevant day ("t" days after the Issue Date) is a day immediately following the Rebalance Day:

$$SCE_{(t)} = SCE^{i}_{(t-1)} * \left(1 - \frac{DER}{365}\right) + \frac{SSR_{(t-2)} + SSR_{(t-3)}}{N_{(t-1)}}\left(1 - \boldsymbol{DSC^{i}_{(t)}}\right)$$

If the relevant day ("t" days after the Issue Date) is a Rebalance Day:

$$SCE^{i}_{(t)} = \widetilde{SCE}^{i}_{(t)} * \left(1.0 - \frac{DER}{365}\right) - (RCR * RTV^{i}_{(t)})$$

$$\widetilde{SCE}^{i}_{(t)} = \frac{W^{i}_{(t)} * MTM_{(t)}}{P^{i}_{(t)}}$$

$$\widetilde{SCE}^{i}_{(t)} = \frac{W^{i}_{(t)} * MTM_{(t)}}{P^{i}_{(t)}}$$

$$MTM_{(t)} = \sum_{\mathrm{I} \in \mathrm{B}_{(t-1)}} SCE^{i}_{(t-1)} * P^{i}_{(t)}$$

$$RTV^{i}_{(t)} = Max\left(0, \widetilde{SCE}^{i}_{(t)} - SCE^{i}_{(t-1)}\right)$$

Where:

"$\boldsymbol{SCE^{i}_{(t)}}$" 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;

"$\boldsymbol{SCE^{i}_{(t-1)}}$" 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;

"$\boldsymbol{SSR_{(t-2)}}$" means the Single staking rewards expressed in respective cryptocurrency received (both earned and accrued) from staking two days before day "t" days after the Issue Date;

"$\boldsymbol{SSR_{(t-3)}}$" means the Single staking rewards expressed in respective cryptocurrency received (both earned and accrued) from staking three days before day "t" days after the Issue Date;

"$\boldsymbol{N_{(t-1)}}$" means number of Bonds outstanding as of end of the previous day before day "t" days after the Issue Date;

"$\boldsymbol{\widetilde{SCE}^{i}_{(t)}}$" 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;

" $\boldsymbol{SCE^{i}_{(0)}}$ " 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 0.002;

"$\boldsymbol{DER}$" 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 0.65 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 – *Notices*;

"$\boldsymbol{DSC^{i}_{(t)}}$" 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 10 percent.;

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 – *Notices*;

"**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 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 – *Notices*, *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 – *Notices*;

"$\boldsymbol{RTV^{i}_{(t)}}$" 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, $\boldsymbol{RTV^{i}_{(t)}}$ is zero;

"$\boldsymbol{MTM}$" 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;

"$\boldsymbol{P_{(t)}}$" 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 $\boldsymbol{P^{i}_{(t)}}$ calculation shall be used as prescribed by the Index Methodology for the calculation of prices of its components;

"$\boldsymbol{W^{i}_{(t)}}$" 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 – *Notices* 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).

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 Partial Cryptocurrency Disruption;

(d) an Index Disruption Event; and

(e) 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;

"**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) *Calculation Disruption*: situations where the Issuer acting in good faith is unable to calculate the Cryptocurrency Entitlement for the Bonds.

"**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);

"**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 – *Notices*, 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 finalise 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 in the case of (a) a Slashing Event, a Split and a 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 – *Notices*, 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 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.

2.10 Notwithstanding Condition 14.3, the Issuer may hold less Cryptocurrency in the Depositary 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) 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.

2.11 *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 utilise 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.

9. TERMS AND CONDITIONS - OPTION IV - Bitwise Core Bitcoin ETP (BTC1)

PART I.: TERMS AND CONDITIONS

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

"**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 USD;

"**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 Depositary 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 – *Voluntary Redemption* and/or 6 – *Mandatory Redemption*;

"**Cryptocurrency**" 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 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 15.1;

"**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;

"**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 Depositary 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 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 – *Cryptocurrency Execution Procedure* (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;*

"**Depositary**" means the entity specified in Condition 8.1 below, a financial institution(s) that the Issuer, from time to time, has designated as the Depositary for its holdings of the Cryptocurrency or any additional, successor or replacement Depositary. The Depositary may be appointed or such appointment terminated by the Issuer pursuant to Condition 8 – *Transaction Partners;*

"**Depositary Account (Wallet) Control Agreement**" means the depositary account (wallet) control agreement entered into between the Issuer, the Depositary and the Security Trustee, which stipulates how the Depositary holds the Cryptocurrency on behalf of the Issuer, together with the rights and obligations of the Issuer, the Depositary and the Security Trustee;

"**Depositary Wallet**" means a cryptocurrency wallet or wallets operated by the Depositary on behalf of the Issuer, (i) where the assets held in such wallet are segregated from the assets of any other customers of the Depositary, the assets of the Depositary 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 Depositary Wallet with the Depositary 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;

"**Event of Default**" has the meaning given in Condition 13.1;

"**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 (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 to 1.00 percent of the Cryptocurrency Entitlement for each Bond in relation to which the Voluntary Redemption is exercised; or (ii) in the case of other Bondholders who are not Authorised Participants, an amount equal to a maximum of 1.00 percent of the Cryptocurrency Entitlement for each Bond in relation to which the Voluntary Redemption is exercised;

The Exercise Fee may be lowered at any time by Issuer and the Issuer shall notify the Bondholders in accordance with Condition 19;

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

"**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;*

"**German Security and Security Trust Agreement**" has the meaning given in Condition 9.1;

"**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: 5990689614. *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 2 April 2024;

"**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 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 7th Business Day following the applicable Mandatory Redemption Date; and

(b) if Cash Redemption applies, the 7th 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.

"**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 in accordance with Conditions 5 – *Voluntary Redemption* and/or 6 – *Mandatory Redemption*;

"**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 CME CF Bitcoin Reference Rate (BRR), the CME CF Bitcoin Reference Rate - New York Variant (BRRNY) and the CF Bitcoin Reference Rate APAC Variant (BRRAP) fixing for such Cryptocurrency as calculated between 15:00 and 16:00 (London Time) for BRR, between 15:00 and 16:00 (New York Time) for BRRY and between 15:00 and 16:00 (Hong Kong Time) for BRRAP (the "Price Source");

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 – *Notices* 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 14 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 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 – *Mandatory Redemption*; or (ii) to transfer the Cryptocurrency Entitlement to the Bondholders exercising the Voluntary Redemption with Cryptocurrency settlement, as further described in Condition 5 – *Voluntary Redemption*;

"**Secured Redemption Obligations Amount**" means amount in the Cryptocurrency 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 the Cryptocurrency Entitlement (to be calculated as of the date of the subscription or purchase of the Bonds in the primary market) per Bond being subscribed or purchased in the primary market to the Depositary Wallet;

"**Secured Settlement Obligations Amount**" means the 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;

"**Security**" has the meaning given in Condition 3 – *Status and Security*;

"**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 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 The Law Debenture Trust Corporation p.l.c., a security trustee which holds the security interest in (i) the Depositary 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*;

"**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 15.2;

"**Upfront Redemption Fee**" means no higher than 50.00 Euros, 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*;

"**Voluntary Redemption Date**" has the meaning given in Condition 5.1;

"**Voluntary Redemption Settlement Date**" means:

(a) if Physical Redemption applies, the 7th Business Day following the applicable Voluntary Redemption Date; and

(b) if Cash Redemption applies, the 7th 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.

"**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; or

(b) payment of a cash amount 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 (as of the date of the subscription or purchase in the primary market) 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 cash or Cryptocurrency (not necessarily in the amount or composition corresponding to the Cryptocurrency Entitlement) or 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 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.

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 (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 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 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 upon completion of the Voluntary Redemption Steps, instruct the relevant Depositary 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 Depositary Wallet to the relevant Bondholder Wallet, to be delivered on the Voluntary Redemption Settlement Date.

(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 Depositary 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.

(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.

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, instruct the Execution Agent to sell in accordance with the Cryptocurrency Execution Procedure as detailed in Condition 15 – *Cryptocurrency Execution Procedure*, 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 Depositary as necessary to effect such sale.

(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 – *Notices* (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 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 USD (one hundred million US Dollars); 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 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) 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 Depositary 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 Depositary 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 Depositary 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.

(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.

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, in which case 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 – *Cryptocurrency Execution Procedure* 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.

(b) The Issuer shall transfer the aggregate Redemption Amount with respect to the Bonds on the Mandatory Redemption Settlement Date through the applicable Clearing System.

(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 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 – *Cryptocurrency Execution Procedure* is followed; and

(c) that the Issuer shall not be liable for any failure by any Depositary or Execution Agent in respect of any transfer or sale 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 – *Mandatory Redemption* 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*. If specified as applicable in the Final Terms, 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, Depositary, Determination Agent, Execution Agent, Fiscal Agent and Paying 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

Depositary:

Zodia Custody (Ireland) Limited
3rd Floor, Kilmore House
Park Lane, Spencer Dock
Dublin
Ireland, D01 XN99

Determination Agent:

ETC Management Ltd.
Gridiron, One Pancras Square,
London
United Kingdom, WA14 2DT

Execution Agent:

Wintermute Trading Ltd.
3rd Floor, 1 Ashley Road
Altrincham, Cheshire
United Kingdom, WA14 2DT

Paying Agent and Fiscal Agent:

Quirin Privatbank AG
Kurfürstendamm 119
10711 Berlin
Germany

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 and Depo Bank) Transaction Partner(s). The Issuer shall at all times maintain an Administrator, Depo Bank, Depositary, Determination Agent, Execution Agent, Fiscal Agent and Paying 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 21 Business Days prior notice to the Bondholders in accordance with Condition 19 – *Notices*.

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 21 Business Days prior notice to the Bondholders from these events in accordance with Condition 19 – *Notices*.

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 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 – *Voluntary Redemption* (but without any fees payable by the Bondholder which would otherwise be required by the above-mentioned Condition 5 – *Voluntary Redemption*). 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 Issuer in the Depositary Wallet may be less than the Secured Obligations Amount in certain situations which are further described in Annex B.

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 – *Notices*.

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 – *Covenants*, 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 – *Covenants*, 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 – *Notices* 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

"**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:

"$\boldsymbol{CE_{(t)}}$" means the Cryptocurrency Entitlement on day "t" days after the Issue Date;

"**t**" means the number of calendar days elapsed since the Issue Date;

"$\boldsymbol{CE_{(t-1)}}$" means the Cryptocurrency Entitlement on the previous day before day "t" days after the Issue Date;

"$\boldsymbol{CE_{(0)}}$" or "**Initial Cryptocurrency Entitlement**" means 0.0001, the Cryptocurrency Entitlement on the Issue Date; and

"$\boldsymbol{DER}$" 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 0.30 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 – *Notices*.

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; and

(c) a Partial Cryptocurrency Disruption.

"**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;

"**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 y 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) *Calculation Disruption*: situations where the Issuer acting in good faith is unable to calculate the Cryptocurrency Entitlement for the Bonds.

"**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);

"**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 – *Notices*, 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 finalise 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 in the case of a Split and a 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.

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 – *Notices*, 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 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.

10. INDEX DISCLAIMERS

The indices which are specified in the applicable Final Terms in relation to the Price Source (each, for the purposes of this disclaimer only, an "**Index**"), are the property of the index sponsor (the "**Index Sponsor**") and has been licensed for use in connection with the Bonds. Each of the Bondholders acknowledges and agrees that the Bonds are not sponsored, endorsed, or promoted by the Index Sponsor. The Index Sponsor makes no representation whatsoever, whether express or implied, and hereby expressly disclaims all warranties (including, without limitation, those of the merchantability or fitness for a particular purpose or use), with respect to the Index or any data included therein or relating thereto, and in particular disclaim any warranty either as to the quality, accuracy and/or completeness of the Index or any data included therein, the results obtained from the use of the Index and/or the composition of the Index at any particular time on any particular date or otherwise and/or the creditworthiness of any entity, or the likelihood of the occurrence of any (however defined) with respect to an obligation, in the Index at any particular time on any particular date or otherwise. The Index Sponsor shall not be liable (whether in negligence or otherwise) to the parties or any other person for any error in the Index, and the Index Sponsor is under no obligation to advise the parties or any person of any error therein.

The Index Sponsor makes no representation whatsoever, whether express or implied, as to the advisability of purchasing or selling the Bonds, the ability of the Index to track relevant markets' performances, or otherwise relating to the Index or any transaction or product with respect thereto, or of assuming any risks in connection therewith. The Index Sponsor has no obligation to take the needs of any party into consideration in determining, composing or calculating the Index. No party purchasing or selling the Bonds, nor the Index Sponsor shall have any liability to any party for any act or failure to act by the Index Sponsor in connection with the determination, adjustment, calculation or maintenance of the Index.

11. 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 – *Form, Series and Subscription Restriction* of the Terms and Conditions - Option III and IV, and Condition § 1 – *Currency, Denomination, Form, Subscription Restrictions, Certain Definitions* of the Terms and Conditions - Option I and II). 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 (as specified in the relevant Final Terms, if applicable) 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 (together, the "**Revenue Generating Activities**").

Under the intercompany agreement between the Issuer and BEM, BEM has the right to charge the Issuer for its services to the Issuer, which include certain accounting, management and administration tasks, with up to 100 per cent. of the Issuer's gross revenues, which are calculated as (i) the sum of all fees charged by and income accrued by the Issuer in connection with the issuance of the Bonds and in accordance with the Terms and Conditions of the respective Series of Bonds, irrespective of manner of payment, including in particular the Revenue Generating Activities minus (ii) all properly incurred expenses related to the marketing and promotion of the Bonds (excluding fees of the directors of the Issuer).

Accordingly, 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 in the form of payments to BEM and, to the extent that amounts of the net proceeds remain with the Issuer after the respective payments to BEM, 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 such purposes, then this will be stated in the relevant Final Terms.

12. CLEARING AND SETTLEMENT

The term "Depositary" in this Section 10 shall exclusively mean the third-party holding securities.

Bearer Bonds

The Issuer may make applications to Clearstream Europe in respect of any Series of Bonds.

CREST Depository Interests

Following their delivery into Clearstream Europe interests in Bonds may be delivered, held and settled in CREST by means of the creation of CDIs representing the interests in the relevant Underlying Bonds. The CDIs will be issued by the CREST Depository to CDI Holders and will be governed by English Law.

The CDIs will represent indirect interests in the interest of CREST International Nominees Limited (the "**CREST Nominee**") in the Underlying Bonds. Pursuant to the CREST Manual (as defined below), Bonds held in global form by the common depositary or common safekeeper may be settled through CREST, and the CREST Depository will issue CDIs. The CDIs will be independent Bonds distinct from the Bonds, constituted under English law and may be held and transferred through CREST.

Interests in the Underlying Bonds will be credited to the CREST Nominee's account with Euroclear and the CREST Nominee will hold such interests as nominee for the CREST Depository which will issue CDIs to the relevant CREST participants.

Each CDI will be treated by the CREST Depository as if it were one Underlying Bond, for the purposes of determining all rights and obligations and all amounts payable in respect thereof. The CREST Depository will pass on to CDI Holders any interest or other amounts received by it as holder of the Underlying Bonds on trust for such CDI Holder. CDI Holders will also be able to receive from the CREST Depository notices of meetings of holders of Underlying Bonds and other relevant notices issued by the Issuer.

Transfers of interests in Underlying Bonds by a CREST participant to a participant of Clearstream Europe will be effected by cancellation of the corresponding CDIs and transfer of an interest in such Underlying Bonds to the account of the relevant participant with Clearstream Europe.

The CDIs will have the same ISIN as the ISIN of the Underlying Bonds and will not require a separate listing on the Official List maintained by the FCA.

Prospective subscribers for Bonds represented by CDIs are referred to Section 3 (Crest International Manual) of the CREST Manual which contains the form of the CREST Deed Poll to be entered into by the CREST Depository. The rights of the CDI Holders will be governed by the arrangements between CREST, Clearstream Europe and the Issuer including the CREST Deed Poll in the form contained in Section 3 of the CREST Manual executed by the CREST Depository. These rights may be different from those of holders of Bonds which are not represented by CDIs.

If issued, CDIs will be delivered, held and settled in CREST, by means of the CREST International Settlement Links Service. The settlement of the CDIs by means of the CREST International Settlement Links Service has the following consequences for CDI Holders:

(a) CDI Holders will not be the legal owners of the Underlying Bonds or have a direct beneficial interest in the Underlying Bonds. The CDIs are separate legal instruments from the Underlying Bonds to which they relate and represent an indirect interest in such Underlying Bonds.

(b) The Underlying Bonds themselves (as distinct from the CDIs representing indirect interests in such Underlying Bonds) will be held in an account with a Depositary. The Depositary will hold the Underlying Bonds through a clearing system. Rights in the Underlying Bonds will be held through custodial and depositary links through the appropriate clearing systems. The legal title

to the Underlying Bonds or to interests in the Underlying Bonds will depend on the rules of the clearing system in or through which the Underlying Bonds are held.

(c) Rights under the Underlying Bonds cannot be enforced by CDI Holders except indirectly through the intermediary depositaries and Depositaries described above. The enforcement of rights under the Underlying Bonds will therefore be subject to the local law of the relevant intermediary. The rights of CDI Holders to the Underlying Bonds are represented by the entitlements against the CREST Depository which (through the CREST Nominee) holds interests in the Underlying Bonds. This could result in an elimination or reduction in the payments that otherwise would have been made in respect of the Underlying Bonds in the event of any insolvency or liquidation of the relevant intermediary, in particular where the Underlying Bonds held in clearing systems are not held in special purpose accounts and are fungible with other Bonds held in the same accounts on behalf of other customers of the relevant intermediaries.

(d) The CDIs issued to CDI Holders will be constituted and issued pursuant to the CREST Deed Poll. CDI Holders will be bound by all provisions of the CREST Deed Poll and by all provisions of or prescribed pursuant to the CREST manual issued by Euroclear UK & Ireland (including the CREST International Manual dated 14 April 2008) as amended, modified, varied or supplemented from time to time (the "**CREST Manual**") and the CREST Rules (the "**CREST Rules**") (contained in the CREST Manual) applicable to the CREST International Settlement Links Service and CDI Holders must comply in full with all obligations imposed on them by such provisions.

(e) Potential investors should note that the provisions of the CREST Deed Poll, the CREST Manual and the CREST Rules contain indemnities, warranties, representations and undertakings to be given by CDI Holders and limitations on the liability of the CREST Depository as issuer of the CDIs.

(f) CDI Holders may incur liabilities resulting from a breach of any such indemnities, warranties, representations and undertakings in excess of the money invested by them. The attention of potential investors is drawn to the terms of the CREST Deed Poll, the CREST Manual and the CREST Rules, copies of which are available from the CREST website from time to time (at the date of this Base Prospectus, being at www.euroclear.com/site/public/EUI).

(g) Potential investors should note CDI Holders may be required to pay fees, charges, costs and expenses to the CREST Depository in connection with the use of the CREST International Settlement Links Service. These will include the fees and expenses charged by the CREST Depository in respect of the provision of services by it under the CREST Deed Poll and any taxes, duties, charges, costs or expenses which may be or become payable in connection with the holding of the CDIs through the CREST International Settlement Links Service.

(h) Potential investors should note that none of the Issuer, the relevant Dealer, the Security Trustee and the Agents will have any responsibility for the performance by any intermediaries or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

(i) Potential investors should note that Bonds represented upon issue by a Temporary Global Bond exchangeable for a Permanent Global Bond will not be immediately eligible for CREST settlement as CDIs. In such case, investors investing in the Underlying Bonds through CDIs will only receive the CDIs after such Temporary Global Bond is exchanged for a Permanent Global Bond, which could take up to 40 days after the issue of the Bonds. It is anticipated that Bonds eligible for CREST settlement as CDIs will be issued in registered form or, if issued in bearer form, will be represented upon issue by a Permanent Global Bond.

13. FORM OF FINAL TERMS

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). 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 Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, 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 (as amended, the "**EU Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**EU PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.][2]

[PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Bonds are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a "retail investor" means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Consequently no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering, selling or distributing the Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.][3]

[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].][4]

[UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES [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: (i) the target market for the Bonds is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**") and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution 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 the FCA Handbook Product Intervention and

---

[2] Include legend if there is a prohibition on marketing and sales of the specific Bonds to EEA retail investors.

[3] Include legend if there is a prohibition on marketing and sales of the specific Bonds to UK retail investors.

[4] Include legend in case MiFID II target market assessment in respect of the Bonds is "Professional Investors and Eligible Counterparties only."

Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") 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.]

[**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: (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**"); [5](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][6].]

[**UK MIFIR 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: (i) the target market for the Bonds is retail clients, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"), and eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**") and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("**UK MiFIR**"); 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 COBS, 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 the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") 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 COBS, as applicable][7]]

---

[5] Include for certain ESMA complex bonds pursuant to the ESMA Guidelines (in the UK context, as reflected in COBS). This list may need to be amended, for example, if advised sales are deemed necessary. If there are advised sales, a determination of suitability will be necessary. In addition, if the Bonds constitute "complex" products, pure execution services are not permitted to retail without the need to make a determination of appropriateness

[6] If the Bonds constitute "complex" products, pure execution services are not permitted to retail without the need to make a determination of appropriateness. If there are advised sales, a determination of suitability will be necessary.

[7] If the Bonds constitute "complex" products, pure execution services are not permitted to retail without the need to make a determination of appropriateness. If there are advised sales, a determination of suitability will be necessary.

Final Terms dated: [ ]

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*)

(the "**Issuer**")

Legal Entity Identifier (LEI): 875500BTZPKWM4X8R658

[*Title of relevant Series of Bonds*]
[Series No.: [ ]]
[Tranche: [ ]]

issued under the

Programme for the issuance of Bonds secured by Cryptocurrency

(the "**Bonds**")

Terms used herein shall have the meanings given to them in the terms and conditions (the "**Conditions**") set forth in the prospectus dated 15 October 2026 [and the supplement(s) to it dated [ ]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Rules, Admission to Trading on a Regulated Market sourcebook (the "**PRM**") (the "**Base Prospectus**"). This document constitutes the Final Terms of the Bonds described herein for the purposes of the PRM and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information. The Prospectus has been published on the website of the Regulatory News Service operated by the London Stock Exchange at http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html.

The Base Prospectus (together with any supplement thereto) is available on the website of the Issuer at https://bitwiseinvestments.eu/.

These Final Terms have been prepared for filing with the FCA for the purpose of PRM 2.3.7.

The particulars in relation to this issue of Bonds are as follows:

[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs. Italics denote guidance for completing the Final Terms.]

PART A - CONTRACTUAL TERMS

1.	**Series of Bonds to which these Final Terms apply:**	[ ]/[ ][*Name of Bonds*][ ]
2.	**Principal Amount:**	[ ]
3.	**Number of Bonds to which these Final Terms apply:**	[ ]
4.	**Trade Date:**	[ ]
5.	**Issue Date:**	[ ]
6.	**Bond Currency:**	[USD] / [GBP] / [CHF] / [EUR]

7.	**Terms and Conditions Option:**	Option [I: Bitwise Physical Bitcoin ETP (BTCE)] [II: Bitwise Physical Ethereum ETP (ZETH)] [III: Bitwise Ethereum Staking ETP (ET32)] [IV: Bitwise Core Bitcoin ETP (BTC1)]
8.	**Underlying Cryptocurrency:**	[Bitcoin] / [Ethereum] [*in case of Bitcoin or Ethereum, where applicable, insert brief description (including the principal terms and conditions) of underlying assets, Regulated Stock Exchange or (if applicable) other trading venue of the underlying, weblink to documents of the underlying on trading venue, Bonds codes including ISIN and primary listing/trading venues of relevant cryptocurrency, as applicable*]
9.	**Trading Method:**	[Units] [ ]
10.	**Default Rate:**	[Not Applicable] / [Default Rate applies and 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 – *Cryptocurrency Execution Procedure* (including successful elements in case of Partially Failed Executions in accordance with Condition 15.4).]
11.	**Diminishing Entitlement Rate:**	[ ]
12.	**Exercise Fee:**	[(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 to [0.50]/[ ] percent of the Cryptocurrency Entitlement the Cryptocurrency Entitlement for each Bond in relation to which the Voluntary Redemption 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 Voluntary Redemption is exercised]
13.	**Initial Issuance Account Details:**	[ ]
14.	**Initial Cryptocurrency Entitlement on Issue Date:**	[ ] / [Not Applicable]
15.	**Timeframe for Delivery of Bonds:**	[ ] / [Not Applicable]
16.	**Subscription Minimum:**	[ ] [Not Applicable]
17.	**[Subscription Maximum:]**	[ ] [Not Applicable]
18.	**Intended to be held in a manner which would allow Eurosystem 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.
19.	**Reference Price:**	[As of the relevant determination date, the CME CF Bitcoin Reference Rate (BRR), the CME CF Bitcoin Reference Rate - New York Variant (BRRNY) and the CF Bitcoin Reference Rate APAC Variant (BRRAP) fixing for such Cryptocurrency as [calculated] between 15:00 and 16:00 (London Time) for BRR, between 15:00 and 16:00 (New York Time) for BRRY and between 15:00 and 16:00 (Hong Kong Time) for BRRAP (the "**Price Source**"));] [As of the relevant determination date, Compass Crypto Reference Index Ethereum fixing at 4pm London Time (the "**Price Source**"));] [ ]
	(i) Successor Price Source:	[Applicable] [Not Applicable]
	(ii) Number of consecutive days for temporary disruption of Price Source:	[More than [ ] consecutive days.][Not Applicable]
20.	**Notice Deadline for Redemption Forms:**	[ ] / [Not Applicable]
21.	**Upfront Redemption Fee:**	No higher than [ ] ([*insert amount in words*])
22.	**Mandatory Redemption Settlement Date:**	[(i) if Physical Redemption applies, no later than the [ ] Business Days following the applicable Mandatory Redemption Date;] [(ii) if Cash Redemption applies, [ ] Business 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.]
		[ ] / [Not Applicable]
23.	**Mandatory Redemption Event:**	[Applicable. Condition [ ] applies] [In case of Condition [ ], Bond Currency equivalent is less than [100,000,000][ ]]
24.	**Voluntary Redemption Settlement Date:**	[(i) if Physical Redemption applies, the [ ] Business Day following the applicable Voluntary Redemption Date; and (ii) 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.] [Not Applicable]
25.	**Basket**	[Bitcoin] / [Ethereum] / [Not Applicable]
26.	**Calculation Disruption:**	[Not Applicable] / [Applicable]
27.	**Permitted reasons for Issuer to hold less Cryptocurrency in the Depositary Wallet than the Secured Obligation:**	[Not Applicable] / [Issuer's 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) [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.]]
28.	**Security - Limited Recourse:**	[Not Applicable] / [Applicable]
29.	**Payments - Partial Redemption:**	[Not Applicable] / [Applicable]
30.	**Threshold Redemption Event - Level for mandatory redemptions**	[*insert relevant percentage level*] / [Not Applicable]
31.	**Threshold Redemption Event – Level for suspension of redemptions**	[*insert relevant percentage level*] / [Not Applicable]
32.	**Variation, Termination, Appointment or Change to any Transaction Partners(s):**	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 prior notice to the Bondholders not more than [ ] but

		no more than [ ] days from these events in accordance with Condition [ ]] / [after [ ] Business Days prior notice to the Bondholders in accordance with Condition [ ]]
33.	**Variation, Termination, Appointment or Change to Security Trustee:**	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 prior notice to the Bondholders not more than [ ] but no more than [ ] days from these events in accordance with Condition [ ]] / [after [ ] Business Days prior notice to the Bondholders in accordance with Condition [ ]]
34.	**Administrator:**	[Apex Corporate & Advisory Services Ltd, Central North Business Centre Level 1 Sqaq il-Fawwara Sliema SLM1670, Malta] [ ]
35.	**Depo Bank:**	[*Name and address of relevant entity*] [Quirin Privatbank AG Kurfürstendamm 119 10711 Berlin Germany] [ ]
36.	**Depositary:**	[*Name and address of relevant entity*] [As specified in the Terms and Conditions] [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] [BitGo Trust Company, Inc. 6216 Pinnacle Place Suite 101 Sioux Falls, SD 57108 United States of America]
37.	**Determination Agent:**	[Not Applicable] / [ ]

38.	**Execution Agent:**	[Wintermute Trading Ltd. 3rd Floor, 1 Ashley Road Altrincham, Cheshire United Kingdom, WA14 2DT] [ ]
39.	**Fiat Execution Agent:**	[Not Applicable] / [ ]
40.	**Paying Agent and Fiscal Agent(s):**	[Quirin Privatbank AG Kurfürstendamm 119 10711 Berlin Germany] [ ].
41.	**Subscription Restrictions:**	[(a)][Unless paragraph (b) below applies,] Authorised Participants subscribing to the Bonds shall transfer a number of units of the relevant Cryptocurrency corresponding to the Cryptocurrency Entitlement (**[**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 (a) provided the following is satisfied: (i) the consideration the Issuer receives is cash, Cryptocurrency (not necessarily in the amount or composition corresponding to the Cryptocurrency Entitlement) or 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 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 [ ]; 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 (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 (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.]

The Issuer accepts the responsibility for the information contained in these Final Terms. [[ ] has been extracted from [ ]. The Issuer confirms that such additional information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading]

PART B OF FINAL TERMS - OTHER INFORMATION

1.	**Listing and admission to trading**:	Application [has been] / [will be] made to the London Stock Exchange for the Bonds to which these Final Terms apply to be admitted to trading on the regulated market thereof, on the ETN trading segment [The earliest trading date is expected to be [ ].]]
2.	**Interests of natural and legal persons involved in the issue:**	[So far as the Issuer is aware, no person involved in the offer of the Bonds has an interest material to the offer]
3.	**Post-Issuance Information:**	[The Issuer does not intend to provide post-issuance information unless required by any applicable laws and/or regulations] / [The Issuer intends to provide the following post-issuance information: [ ]. Such information can be obtained on [ ]]
4.	**Distribution:**	[*N.B. Consider any local regulatory requirements necessary to be fulfilled as to be able to make a non-exempt offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt offers may only be made into jurisdictions in which the Base Prospectus (and any supplement) has been notified/passported*]
	[(i) Additional Selling Restrictions:	[Not Applicable]
	(ii) Offer Period:	[Not Applicable] / [ ] [An offer of the Bonds made other than pursuant to Schedule 1 of the POATRs by the Issuer in the Offer Jurisdictions (as defined below) from the Issue Date of the Bonds (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**").]
	(iii) Offer Jurisdictions:	[Not Applicable]
	(iv) Categories of potential investors:	[Eligible Counterparties and Professional investors only] [Eligible Counterparties, Retail investors and Professional investors]
	(v) Information with regard to the manner, place and date of the	[Not Applicable] [*if applicable, give details with regard to the manner and date in which results of the offer are to be made public*]

	publication of the results of the offer:	
(vi)	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 **GTX UK LLP** 11th Floor Tower 42 25 Old Broad Street London EC2N 1HQ United Kingdom **Virtu Financial Ireland Limited** North Dock One, Fifth Floor 91/92 North Wall Quay Dublin 1 D01 H7V7Ireland [*Insert description of the main terms of commitment*]] [[ ] have agreed to make markets for the Bonds on certain exchanges and subject to specified bid/offer terms.]
(vii)	Prohibition of Sales to EEA Retail Investors:	[Applicable]/[Not Applicable] (*If the Bonds clearly do not constitute "packaged" products, or the Bonds do constitute "packaged" products and a key information document will be prepared in the EEA, "Not Applicable" should be specified. If the Bonds may constitute "packaged" products and no key information document will be prepared in the EEA, "Applicable" should be specified.*)
(viii)	Prohibition of Sales to UK Retail Investors:	[Applicable]/[Not Applicable] (*If the Bonds clearly do not constitute "packaged" products, or the Bonds do constitute "packaged" products and a key information document will be prepared in the UK, "Not Applicable" should be specified. If the Bonds may constitute "packaged" products and no key information document will be prepared in the UK, "Applicable" should be specified.*)
5.	**Terms and Conditions of the Offer**	*Note that if the offer is an exempt offer, then section 5 can be deleted.*
(i)	Offer Price:	[*Specify Issue Price*]
(ii)	Conditions to which the offer is subject:	[*Not Applicable*]/[*Give details*]
(iii)	Description of the application process:	[*Not Applicable*]/[*Give details*]

(iv)	Description of possibility to reduce subscriptions and manner for refunding amounts paid in excess by applicants:	[*Not Applicable*]/[*Give details*]
(v)	Details of the minimum and/or maximum amount of the application:	[*Not Applicable*]/[*Give details*]
(vi)	Details of the method and time limits for paying up and delivering the Bonds:	[*Not Applicable*]/[*Give details*]
(vii)	Manner in and date on which results of the offer are to be made public:	[*Not Applicable*]/[*Give details*]
(viii)	Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[*Not Applicable*]/[*Give details*]
(ix)	Whether tranches have been reserved for certain countries:[8]	[*Not Applicable*]/[*Give details*]
(x)	Process for notifying applicants of the amount allotted and an indication whether dealing may begin before notification is made:	[*Not Applicable*]/[*Give details*] (*If the Issuer is subject to MiFID II/UK MiFIR and/or EU PRIIPs Regulation/DISC such that it is required to disclose information relating to costs and charged, also include that information)*
(xi)	Amount of any expenses and taxes charged to the subscriber or purchaser:	[*Not Applicable*]/[*Give details*]
(xii)	Name(s) and address(es), to the extent known to the Issuer, of the placers in the [various countries where the offer takes place]:	[*Not Applicable*]/[*Give details*]
6.	**Authorised Participants selling the Bonds in the secondary market:**	The Bonds will be sold in the secondary market by the following Authorised Participants: **Flow Traders B.V**. Jacob Bontiusplaats 9 Amsterdam 1018 LL The Netherlands Channels for communication and distribution: Flow Traders B.V. will register with Deutsche Börse to perform the role of designated sponsor. Flow Traders B.V. will face professional clients and eligible counterparties and/or retail investors to subscribe for and redeem the Bonds. **Jane Street Financial Limited** 2 & A Half Devonshire Square London EC2M 4UJ United Kingdom

[8] This is unlikely to be relevant to a non-exempt offer in the UK under a solely FCA-approved prospectus.

Channels for communication and distribution:

Jane Street Financial Limited will face professional clients and eligible counterparties and/or retail investors to subscribe for and redeem the Bonds.

GTX UK LLP
11th Floor
Tower 42
25 Old Broad Street London EC2N 1HQ

United Kingdom Greece Channels for communication and distribution:

GTX UK LLP will face professional clients and eligible counterparties and/or retail investors to subscribe for and redeem the Bonds.

DRW Europe B.V.
Gustav Mahlerlaan 1212
Unit 3.30, 1081 LA Amsterdam
Netherlands

Channels for communication and distribution:

DRW Europe B.V. will face professional clients to subscribe for and redeem the Bonds.

Virtu Financial Ireland Limited
North Dock One, Fifth Floor
91/92 North Wall Quay
Dublin 1
D01 H7V7

Ireland Channels for communication and distribution:

Virtu Financial Ireland Limited will face professional clients and eligible counterparties and/or retail investors to subscribe for and redeem the Bonds.

7.	**Commissions and Fees:**	[The Issuer will charge a subscription fee up to [ ] percent of the Cryptocurrency Entitlement of the Bonds from the Authorised Participants selling the Bonds in the secondary market.]
8.	**Categories of potential investors:**	[Professional investors only] [Professional and retail investors]
9.	**Reasons for the offer and use of proceeds:**	[*insert reasons for offer of Bonds and/or admission to trading of Bonds on a regulated market*]
	(i) Estimated total expenses of the issue/offer:	[Not Applicable] / [ ] [*include breakdown of expenses*]

(ii)	Estimated net amount of proceeds:	[Not Applicable] / [The Bonds are initially purchased from the Issuer in the primary market with Bitcoin. Bitcoin 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 [ ] units of Bonds are sold and based on the Bitcoin value of [ ] (as of [ ]), the net proceeds for each 10,000 units of Bonds are [ ]] / [The Bonds are initially purchased from the Issuer in the primary market with ETH. ETH 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 [ ] units of Bonds are sold and based on the ETH value of [ ] (as of [ ]), the net proceeds for each 10,000 units of Bonds are [ ].]
10.	**Estimate of total expenses related to the admission to trading:**	[Not Applicable] / [ ]
11.	**Operational Information**	
(i)	ISIN: and other securities codes:	[ ]
(iii)	Agents:	[*insert names and details of Registrar, Issuing and Paying Agent and other agents, as applicable*]
(iv)	Names and addresses of additional Paying Agent(s) and/or listing agent(s)(if any):	[ ]
(v)	Net proceeds:	[The Bonds are initially purchased from the Issuer in the primary market with [*insert relevant Cryptocurrency*]. [*insert relevant Cryptocurrency*] 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 [ ] units of Bonds are sold and based on the [*insert relevant Cryptocurrency*] value of [ ] ([in each case] as of [*insert Issue Date*][ ]), the net proceeds for each [ ] units of Bonds are [ ].] [ ]

12.	**An indication where information about the past and the future performance of the underlying Cryptocurrency and its volatility can be obtained:**	[Free of charge] / [Not free of charge] [Compass Crypto Reference Indices for Ethereum] / [CME CF Bitcoin Reference Rate (BRR)] [*specify CME reference benchmark for Bitcoin or Ethereum*] [Initially, the Reference Price for the Bonds was determined to be the Bloomberg Cryptocurrency Fixing for **[**Bitcoin**][**Ethereum**]** as displayed by Bloomberg under Bloomberg ticker **[**XBT CFIX Curncy**][**XET CFIX Curncy**]**. Following notice by the Issuer dated 25 June 2024, the Reference Price has been determined to be the Bloomberg Cryptocurrency Fixing for **[**Bitcoin**][**Ethereum**]** as displayed by Bloomberg under **[**XBTUSD BGN Curncy**][**XETUSD BGN Curncy**]**.]
13.	**Additional information related to the Bonds:**	[Not Applicable] / [*Give details*]

14. DESCRIPTION OF THE ISSUER

14.1 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 14.3. "*Principal Activities and Expected Financing of the Issuer*").

The Issuer has no employees except for the three managing directors (the "**Directors**").

The Issuer's Legal Entity Identifier (LEI) is 875500BTZPKWM4X8R658.

The website of the Issuer is https://bitwiseinvestments.eu/ and the phone number is +49 69 8088 3728. The information on the website does not form part of this Base Prospectus unless that information is incorporated by reference into the Base Prospectus.

The Issuer does not carry out crypto-Depositary-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.

14.2 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.

14.3 Principal Activities and Expected Financing of the Issuer

The main business of the Issuer is issuing Bonds under the Base Prospectus which are secured by cryptocurrencies and other digital assets.

The Issuer also issues further bonds which are secured by cryptocurrencies and which provide for a staking feature (see Section 15.2.5 "*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.

Further, under a separate base prospectus (BP2) dated 20 May 2026, which has been approved by *Bundesanstalt für Finanzdienstleistungsaufsicht* ("**Bafin**") in its capacity as German national competent authority under the EU Prospectus Regulation, the Issuer intends to issue bonds which are secured by various underlying assets, such as, *inter alia*, shares, indices, exchange traded products (such as funds and debt securities) and cryptocurrencies. In this context, subject to the respective terms and conditions, the Issuer may be permitted to utilise the underlying assets for certain business activities, such as staking and decentralised finance activities as well as covered call and leverage strategies. In connection therewith, the Issuer uses the services of services providers such as a Staking Provider and an Investment Manager.

Through the issue of any such bonds, the Issuer intends to satisfy investor demand for tradeable Bonds through which an investment in cryptocurrencies and other assets can be made.

The base prospectus under which such bonds shall be issued and the bonds themselves have not been reviewed nor approved by FCA and such bonds will not be offered or admitted to trading in the United Kingdom.

The principal markets in which the Issuer competes with such bonds are Germany, Austria, Croatia, Czechia, Cyprus, Denmark, Estonia, Finland, France, Greece, Ireland, Italy, Luxembourg, Malta, The Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and Switzerland.

The Issuer shall 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.

The assets of the Issuer will consist of the issued and paid-up capital of the Issuer and fees. The only assets of the Issuer available to meet claims of bondholders and other secured creditors are the assets comprised in the relevant collection of benefits, rights and other assets comprising the security for the relevant Bonds or other debt securities and/or bonds issued pursuant to other non-UK offering documents (as the case may be).

The Issuer will be paid a fee for agreeing to issue the relevant bonds. Other than the fees paid to the Issuer, its share capital and any income derived therefrom, there is no intention that the Issuer accumulates surpluses. The Bonds of each Series (and other bonds issued pursuant to other non-UK offering documents) are direct, limited recourse obligations of the Issuer alone and not of the shareholders of the Issuer, the Trustee, officers, members, directors, employees, or any bondholders. Furthermore, they are not obligations of, or guaranteed in any way by, any of the Authorised Participants or their respective successors or assigns.

14.4 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.

14.5 Major Shareholders

The Issuer's sole shareholder is BEM. The sole shareholder of BEM is Bitwise Europe Ltd. The sole shareholder of Bitwise Europe Ltd 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.

14.6 Organisational Structure

The Issuer is a wholly-owned subsidiary of Bitwise Europe Management Ltd ("**BEM**"). 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 BEM, the

Issuer is dependent on BEM in relation to certain accounting, management and administration tasks provided by BEM 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 BEM (see also Section 14.5 "*Major Shareholders*"). BEM, with its registered office at 60 Bishopsgate, London EC2N 4AW, 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.

Bitwise Europe Ltd, Dixcart House, Sir William Place, St Peter Port, GY1 4EZ, Guernsey is BEM's sole shareholder.

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

As at the date of this Base Prospectus, no person or entity holds 10 percent or more of the shares in the Holding Company.

14.7 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
Bradley Wayne Duke	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 14.6. "*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 honors 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.

Bradley Duke has spent most of his career in the regulated financial services industry. He worked at investment bank Jefferies at their offices in New York, Paris and London from 2000 until 2008 and at the equities broker KCG in London from 2008 until 2012 where he headed the team at Knight Direct Europe. Bradley co-founded the fintech and payments company Zapper and until recently was co-CEO of the UK branch of investment bank, BCS Global Markets. Bradley Duke holds a bachelor degree in economics from the University of Cape Town, an MBA from Vrije Universiteit Brussels and completed the Blockchain Strategy Program at the University of Oxford – Saïd Business School in 2018. He is also a founding member of the London Blockchain Foundation.

The managing directors can be contacted at BEM, 60 Bishopsgate, LondonEC2N 4AW, United Kingdom.

14.8 Conflicts of Interest

Paul "Teddy" Fusaro and Bradley Duke, directors of the Issuer, are also directors of BEM.

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 BEM owe independent fiduciary duties to act in the best interests of each of the Issuer and BEM, however not in the general interest of the Bitwise Group as such.

While these roles could potentially lead to conflicts of interest, the directors do not believe that, as at the date of the Base Prospectus, there are any actual or potential conflicts of interest between the duties which the directors and/or members of the administrative, management and supervisory bodies of the Issuer owe to the Issuer, and the private interests and/or other duties which they have.

Except as described above, none of the principal activities performed by the directors outside the Issuer are significant with respect to the Issuer and they have no interests that are material to the Programme.

14.9 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 admission to trading of the Bonds.

14.10 Material Contracts and Transactions

There are no agreements or contracts, which are entered into outside of the ordinary course of the business of the Issuer, which are material to the Issuer's ability to meet its obligations to Bondholders.

14.11 Fiscal Year

The fiscal year of the Issuer is the calendar year.

14.12 Rating

The Issuer is not rated.

14.13 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.

14.14 Borrowing and Funding

There have been no material changes in the borrowing and funding structure of the Issuer since 31 December 2025.

14.15 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.

15. GENERAL DESCRIPTION OF THE BONDS

15.1 Diagram on Subscription, Purchase, Sale and Security

Diagram 1a: Bonds' Subscription, Redemption, Purchase & Sale – PRIMARY and SECONDARY Market

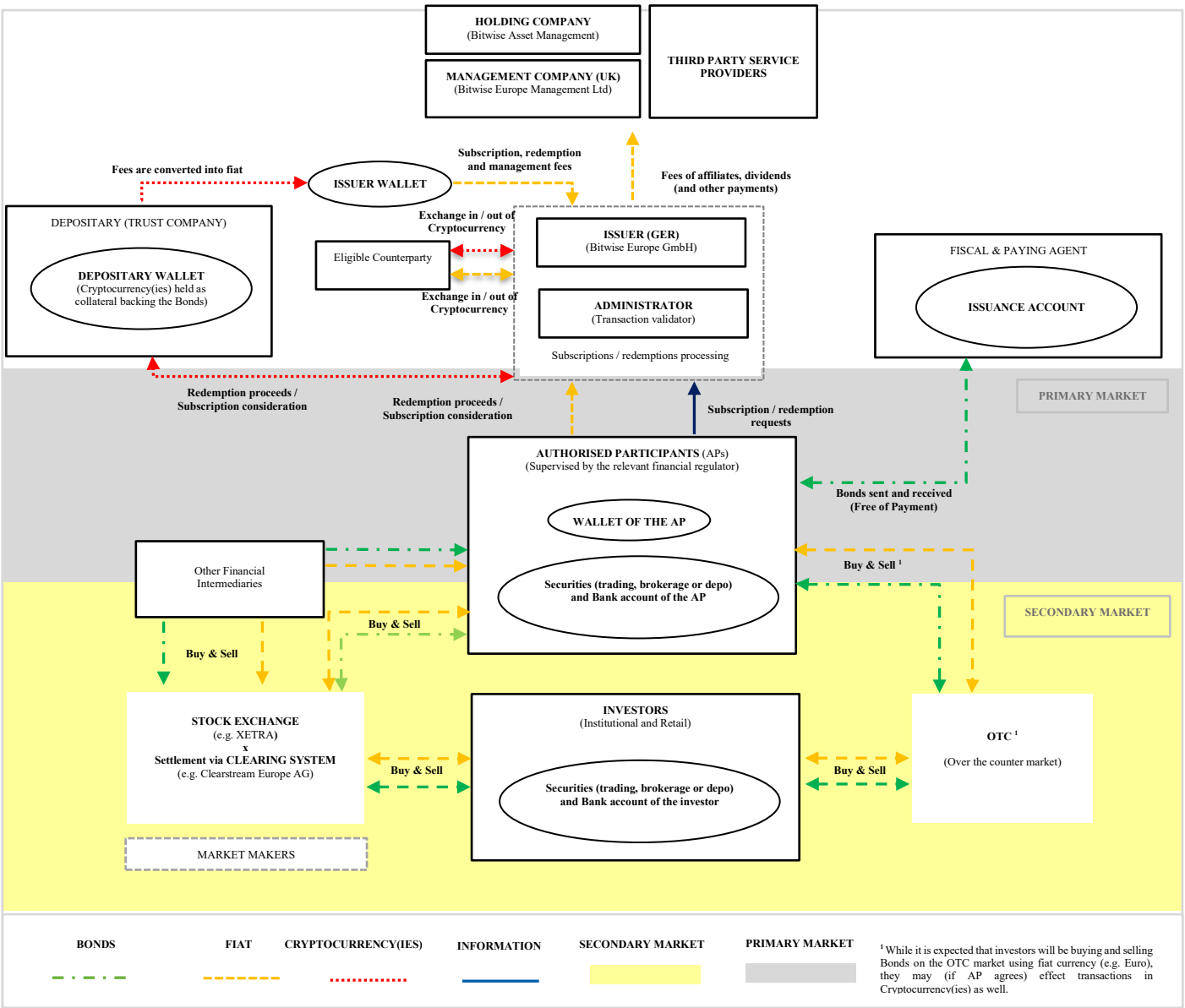
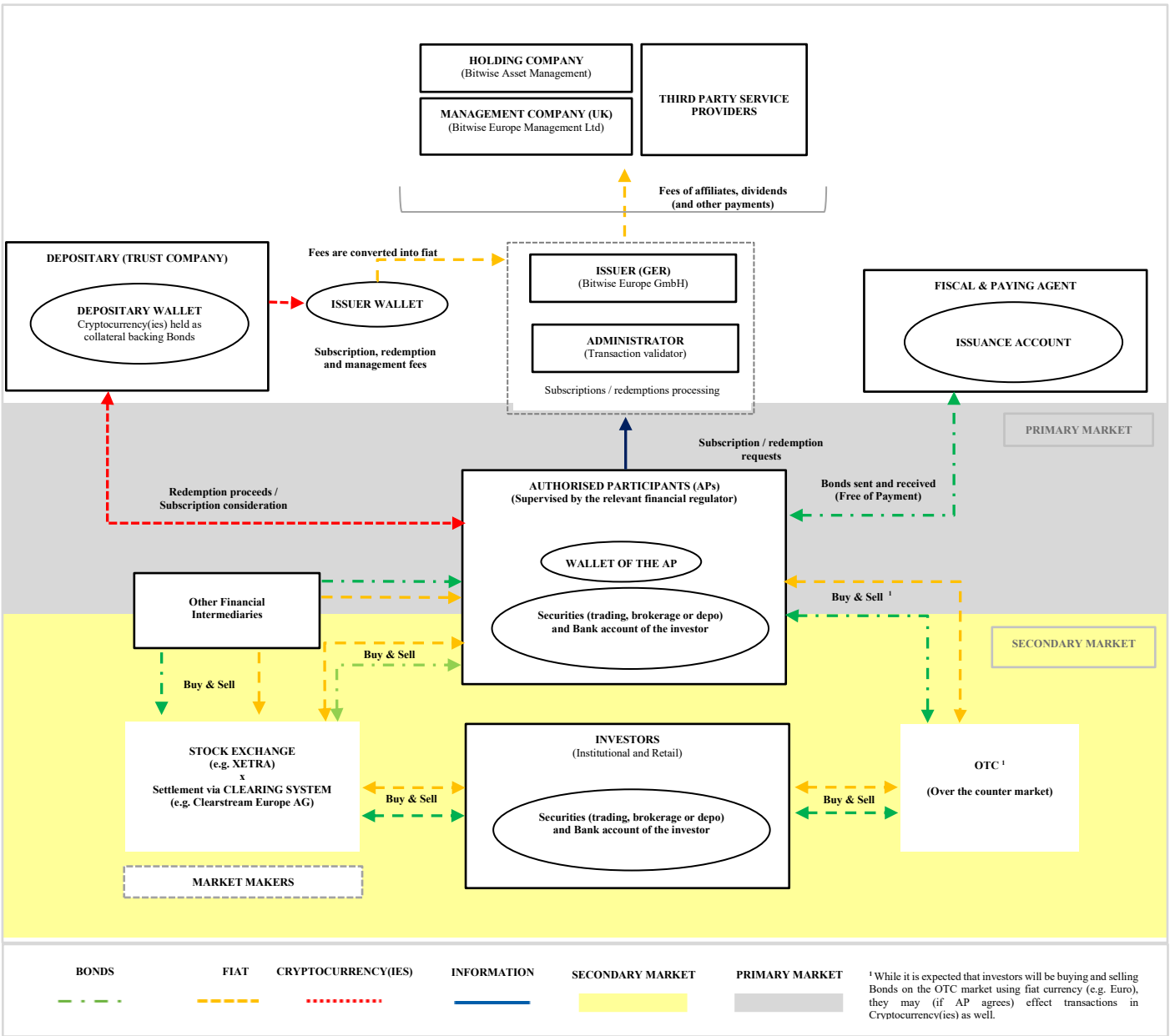


Diagram 1b: Bonds' Subscription, Redemption, Purchase & Sale – PRIMARY and SECONDARY Market for Continuously Offered Bonds



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) through authorised brokers or other intermediaries providing access to the ETN trading segment of the Main Market which enables trading of the Bonds by both professional and retail investors the Main Market's trading segment (in case of Bonds listed on the Main Market only) or (iii) via trading on an alternative stock exchange on which such Bonds are listed or traded or (iv) over the counter (in case of Bonds not listed and/or admitted to trading on a stock exchange). The respective means to subscribe for or purchase the Bonds (as further explained in section 15.2.1. "*Form of Bonds, Status*") are as follows:

(a) <u>No purchase directly from the Issuer</u>

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) through authorised brokers or other intermediaries providing access to the ETN trading segment of the Main Market which enables trading of the Bonds by both professional and retail investors or (ii) via trading on an alternative stock exchange on which such Bonds are listed or traded or (iii) over the counter (in case of Bonds not listed and/or admitted to trading on a stock exchange). 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) through authorised brokers or other intermediaries providing access to the ETN trading segment of the Main Market which enables trading of the Bonds by both professional and retail investors or (ii) via trading on an alternative stock exchange on which such Bonds are listed or traded or (iii) over the counter (in case of Bonds not listed and/or admitted to trading on a stock exchange). 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.

15.2 DESCRIPTION OF THE BONDS

15.2.1 Form of Bonds, Status

Bonds issued under this Base Prospectus are issued under German law, are debt securities within the meaning of Section 793 of the German Civil Code (*Bürgerliches Gesetzbuch*) and the POATRs and PRM and are being issued in bearer and/or registered 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 18.2. "*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. Additionally, if so specified in the relevant Final Terms, Bonds can be subscribed for against payment in cash or transfer of cryptocurrencies other than the underlying Cryptocurrency.

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.

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 15.3. "*Description of the Security*"). 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, and (ii) 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 15.3.1. "*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.

15.2.2 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 Section 15.2.7. "*Redemption of the Bonds*") or (b) payment of a cash amount in fulfilment of its delivery claim to the above-mentioned underlying Cryptocurrency.

(b) Collateralisation of the Issuer's obligations

These obligations of the Issuer are collateralised by the respective amount of units of the underlying Cryptocurrency: Pursuant to Condition 19.3 of the Terms and Conditions - Option III and IV, and Condition § 19(3) of the Terms and Conditions - Option I and II, the Issuer shall at any given time 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 (subject to the restrictions set out in the Terms and Conditions and as described below under section 15.3.1"*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 15.3 "*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 cash 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

If the respective Final Terms allow for the Issuer to use staking services provided by the Staking Provider (see in detail below, section 15.2.5 "*Staking*"), 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 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 15.2.5. "*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.

15.2.3 Description of the underlying Cryptocurrency and Indices

(a) Underlying Cryptocurrency

The term cryptocurrency comprises all digital assets whose origin is derived from a blockchain, including digital currencies, digital commodities provisioning raw digital resources or digital tokens provisioning finished digital goods and services.

In this context, a blockchain can be described as a special type of database, where transactions are not governed by a single entity. Instead, the entire transaction history is recorded in a decentralised, distributed ledger. The key aspect behind blockchain is that processes are not completed by one, but by many computers, simultaneously. Trust in Bitcoin, for instance, is secured through a decentralised, immutable ledger that is not run by a single company or government but by an independent community of computers all around the world. All computers are in the same network, called a peer-to-peer network. Inside the industry, this model is often called a "distributed trust model".

The present definition of cryptocurrency refers to their potential of being a digital storage or representation of value. Cryptocurrencies are usually not issued by a central bank or another public authority and may inter alia be accepted by natural or legal persons as means of payment. Cryptocurrencies can be stored, transferred, or traded electronically. Cryptocurrencies provide for a vast range of use case beyond conventional financial transactions. These use cases include, for instance, smart contracts, which have been popularised together with the ERC20 standard for tokens, on the Ethereum blockchain. They build the technological foundation of blockchain-based assets, such as utility tokens, which convey holders the right to use decentralised applications (DApps) or preferential access to the services of crypto-assets ecosystems, online games and security tokens.

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, democratises the monetary system and ensure that transactions are anonymous.

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. Ethereum was not established to create an alternative monetary system, but rather to facilitate and monetise the operation of the Ethereum smart contract and decentralised application (dapp) platform. *For the avoidance of doubt*, the term Ethereum only refers to the Cryptocurrency as the underlying asset, rather than the platform or any other services/products on the Ethereum platform.

15.2.4 Description of the Depositary

The Issuer has appointed each of Coinbase Custody Trust Company, LLC ("**Coinbase Custody**"), Komainu (Jersey) Limited ("**Komainu**"), Zodia Custody (Ireland) Limited ("**Zodia**") and BitGo Trust Company, Inc. ("**BitGo**") as Depositary under the Programme.

The Issuer may, from time to time, appoint another qualified Depositary in respect of the Series of Bonds (as specified in the Final Terms), provided that the Issuer shall not appoint any entity as Depositary in respect of a Series of Bonds unless (i) such entity is subject to anti-money laundering regulation in the United Kingdom, the European Union (or the European Economic

Area, where equivalent laws apply), Jersey, Switzerland or the United States and (ii) the Issuer has granted security over the cryptocurrencies held or to be held in custody by such Depositary, on the same or equivalent terms as the security arrangements described herein.

"**Cold Storage**" means keeping a reserve of cryptocurrencies offline (i.e. in an offline depositary wallet) as a security precaution to prevent unauthorised access, hacking, and other online vulnerabilities, and includes cold staking (as further described under section 15.2.5 "*Staking*" below). This method is considered one of the safest ways to store cryptocurrencies because it reduces the risks associated with internet-connected or Bitcoin network-connected wallets, known as "hot wallets." Cold storage solutions include hardware wallets (specialised USB devices), paper wallets (physical documents with the keys printed on them), and even engraving or writing down private keys on a physical medium stored in a safe location, such as a safe deposit box. Since these methods do not rely on internet connectivity, they are less susceptible to hacking attempts and malware but require careful physical security to prevent loss or damage.

Based on the policies of the Issuer, Coinbase Custody, Komainu, Zodia and BitGo, more than 90 percent of all Cryptocurrencies in relation to the Bonds are held in Cold Storage as described below. The policy regarding Cold Storage is subject to change, provided that for as long as a Series of Bonds is outstanding and admitted to trading on the Main Market, the Cryptocurrencies in relation to the Bonds shall continue to be wholly or principally held in Cold Storage.

If any arrangements other than Cold Storage are to be employed by the Issuer, the Issuer will comply with the requirements of the London Stock Exchange, including obtaining an audit report from a suitably qualified third party with regarding to any such arrangements that may be considered to be equivalent to Cold Storage.

Coinbase

Coinbase Custody is a fiduciary under New York State Banking Law and a qualified Depositary regulated under the Investment Company Act of 1940 and the Investment Advisers Act of 1940. Pursuant to information on its website (https://Depositary.coinbase.com/), Coinbase Custody holds all digital assets in a secure and segregated Depositary solution and they are held in trust for the benefit of the Bondholders. Coinbase Custody maintains what is 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 Depositary of over USD 20 billion in cryptocurrency assets for its retail customers over 7 years, without any incident. Coinbase Custody is subject to multiple anti-money laundering (AML) regulations. These regulations are primarily enforced under the Bank Secrecy Act (BSA), which requires financial institutions to assist government agencies in detecting and preventing money laundering.

Komainu

Komainu is a Jersey-domiciled company with its registered office at Third Floor, 2 Hill Street, St. Helier, Jersey, JE2 4UA. It provides Depositary services from time to time pursuant to the respective custodial services agreements. Komainu is a joint venture involving Japanese Depositary, Nomura Holdings, Inc. and blockchain experts, Ledger SAS. Komainu is subject to AML regulations and is regulated by the Jersey Financial Services Commission (JFSC), and Dubai Virtual Assets Regulatory Authority (VARA). Komainu also has an OAM registration in Italy, and an MLR registration with the UK Financial Conduct Authority (FCA).

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 Cold Storage custodial solutions and 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.

Komainu's Fireblocks Cold Solution is a multi-party computational (MPC)-based, air-gapped cold storage solution. MPC-CMP key shards are stored and perform signing from a secure hardware enclave, with at least one on a fully air-gapped iOS device. MPC wallets utilise cryptographic protocols to distribute private keys among multiple parties in a secure manner. These wallets aim to enhance security by striving to ensure that no single party has complete control over the wallet, thus eliminating single points of failure. The MPC signing threshold (against all expected workflows) is three out of three shards, and distribution of shard storage is such that there will always be at least one shard used for signing at any given time held in cold storage. The solution has configurable multi-factor authentication, including passcode and biometrics authorisation for cold wallet devices.

Zodia

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 Depositary Limited and an indirect subsidiary of Standard Chartered PLC. Northern Trust Corporation and SBI Holdings, Inc. are minority shareholders in Zodia Depositary Limited. The core business of Zodia is to act as a Depositary 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 registered in Ireland with company number 701983 and its registered office address is 27 Fitzwilliam Street Upper, Dublin, Ireland, D02 TP23. Zodia is registered with the Central Bank of Ireland with Firm Reference Number C453603 under the Criminal Justice Act 2010 to 2021 (as amended) in respect of its activities in cryptoassets. Virtual Asset service providers "VASP" s are "designated persons" for the purposes of the Criminal Justice Act 2010 to 2021 (as amended) and are required to comply with the Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) obligations. The Central Bank of Ireland's Deposit Guarantee Scheme and the Investor Compensation Scheme and the Financial Services and Pensions Ombudsman (FSPO) services do not apply to the cryptoasset activities carried out by Zodia.

BitGo

BitGo is a qualified custodian, regulated by the South Dakota Division of Banking and its registered office address is 6216 Pinnacle Place, Suite 101, Sioux Falls, SD 57108, United States of America. 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. BitGo is subject to multiple anti-money laundering (AML) regulations. These regulations are primarily enforced under the Bank Secrecy Act (BSA), which requires financial institutions to assist government agencies in detecting and preventing money laundering. BitGo is regularly audited by regulatory authorities and is required to meet high standards for capitalisation, anti-money laundering and confidentiality.

BitGo's custodial wallets are provided through BitGo Trust Company, Inc, BitGo New York Trust Company, LLC, BitGo Deutschland GmbH and BitGo GmbH (Switzerland) entities. BitGo holds all three keys to its custodial wallets, namely the Client Key, Backup Key, and Platform Key. These wallets aim to enhance security by ensuring that clients must initiate a transaction with the BitGo team and pass a series of security procedures and controls. The cold

storage system is backed by Class III bank vaults and reinforced by additional wallet policies such as whitelisting, velocity controls and individual user roles to create an extra layer of safety.

15.2.5 Staking

The Terms and Conditions of the Bonds issued pursuant to Annex A – Part B (applicable to Bonds linked to a single Cryptocurrency to be staked) allow for the Issuer to use staking services provided by the Staking Provider. Staking arrangements will be conducted via cold staking. "**Cold Staking**" is the form of staking where the Cryptocurrencies staked by the Issuer will continue, at all times, to be held within a custodial wallet operated by the relevant Depositary (without modifying the Issuer's proprietary rights over the staked Cryptocurrencies), which will continue to be subject to the security interest created for the benefit of investors. However, staked Cryptocurrencies will remain subject to the risks of slashing by virtue of the operation of the applicable on-chain proof of stake consensus mechanism. Slashing penalties may therefore be imposed where the Staking Provider experiences a technological failure that is attributable to its actions or omissions.

"**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 decentralised 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 section 15.3.1 "*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.

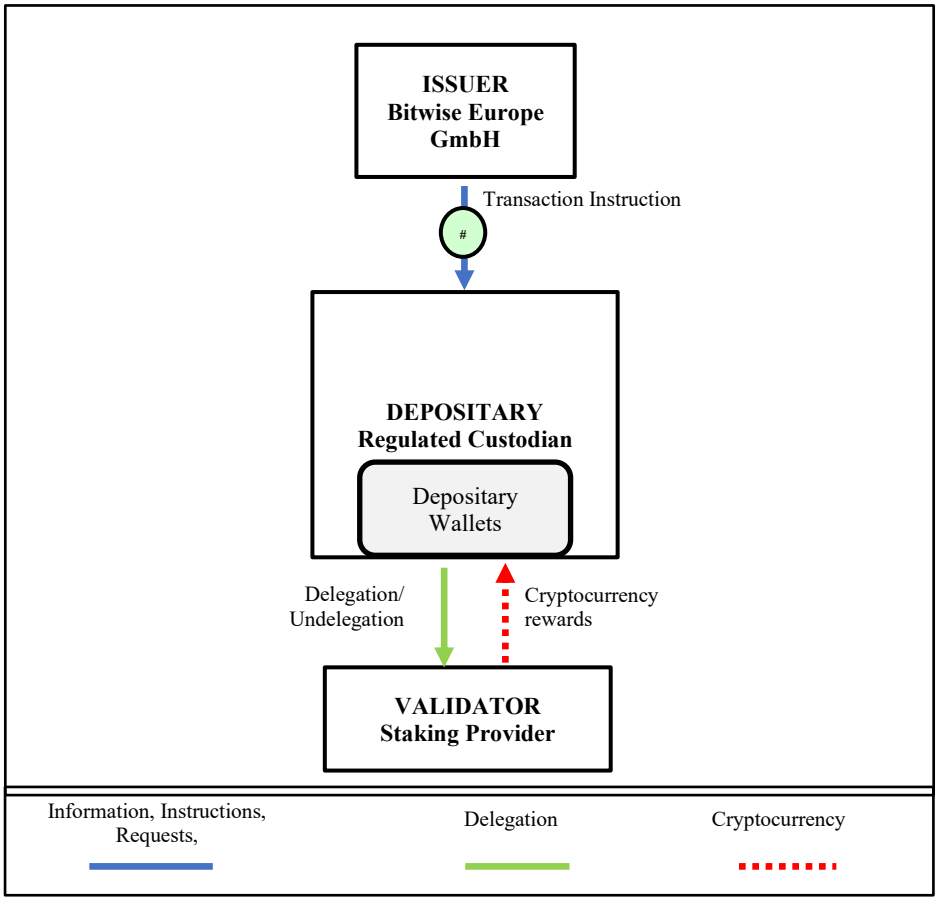
Staking Rewards received as part of the Staking process will be restaked, either automatically by the Staking Provider or manually by the Depositary on behalf of the Issuer. Staking Rewards will form part of the Cryptocurrency Entitlement, whereby the amount of Staking Rewards to be added to the Cryptocurrency Entitlement will be subject to a deduction of fees applied to the

Staking Rewards ("**Staking Fees**", also referred to as "**DSC**" and "$\boldsymbol{DSC^{i}_{(t)}}$") 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 utilise 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 utilise 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



15.2.6 Description of the Staking Provider

Attestant Limited is a London based provider of staking software and infrastructure founded in 2020 by a group of experienced finance and technology individuals who believed that Ethereum was integral to the future of decentralised finance and wanted to provide a best in class non-custodial staking solution. Attestant have created an institutional grade infrastructure of geographically distributed bare metal servers combined with its own, open source, software stack. Clients retain control of their funds at all times via their own private key. Attestant has both private and institutional clients covering exchanges, investment managers, family offices and financial institutions. Attestant's software is well respected and is used by a large proportion of the Ethereum staking community. Since inception, Attestant has expanded its offering to include several additional chains when it believes in the utility, security and management of the new protocol. Attestant was acquired by Bitwise in 2024 and continues to be a London based firm.

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, Depositarys, 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-decentralisation 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.

15.2.7 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 15.2.10. "*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 will be made available to the Bondholder.

To see worked examples of hypothetical returns where Bondholders may gain or lose some or all of their investment—including circumstances in which a Bondholder may lose their entire investment, please see section 2.1.6.2 "*Worked examples illustrating the effect of changes in underlying Cryptocurrency on a Bondholder's investment*".

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.

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 as described in the diagram below:

Diagram 3a: Bonds' redemption at investor's request (Voluntary Redemption)

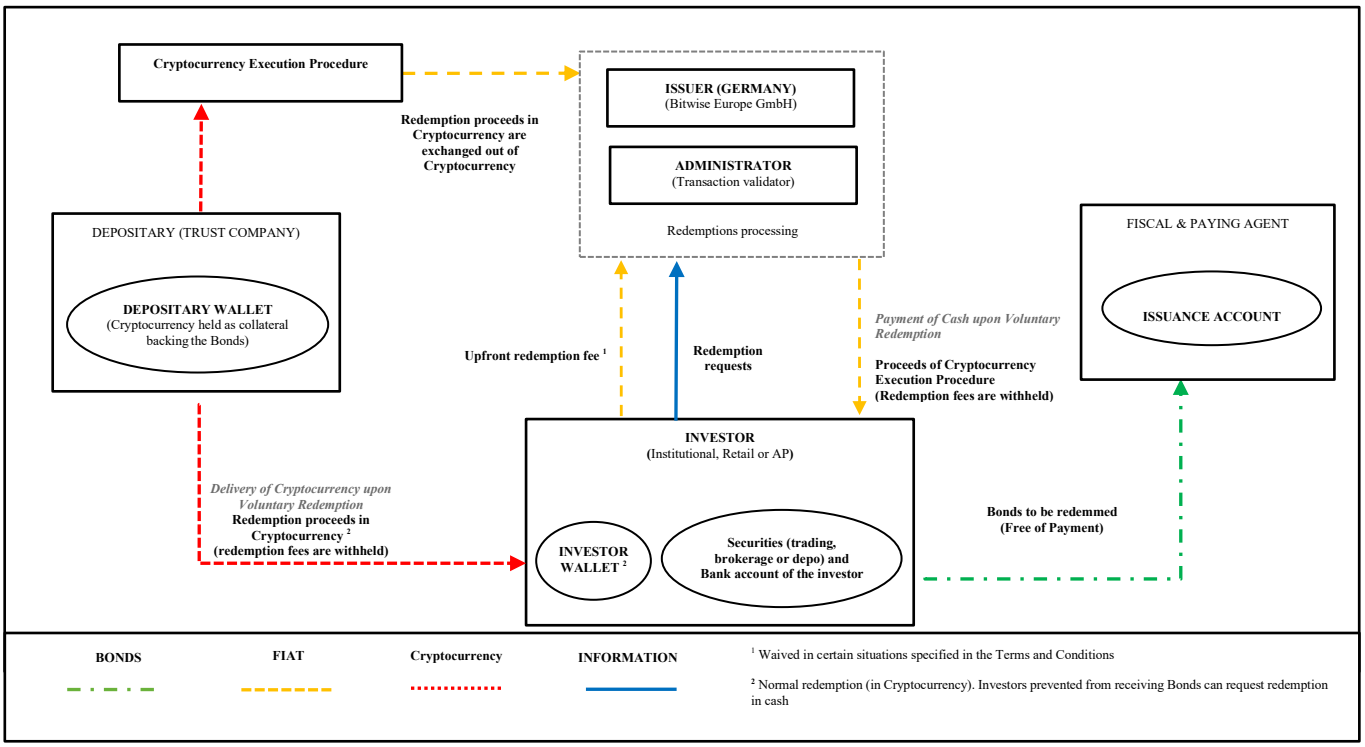


Diagram 3b: Bonds' redemption at investor's request for the Bitwise Ethereum Staking ETP (ET32) Bonds and the Bitwise Core Bitcoin ETP (BTC1) Bonds

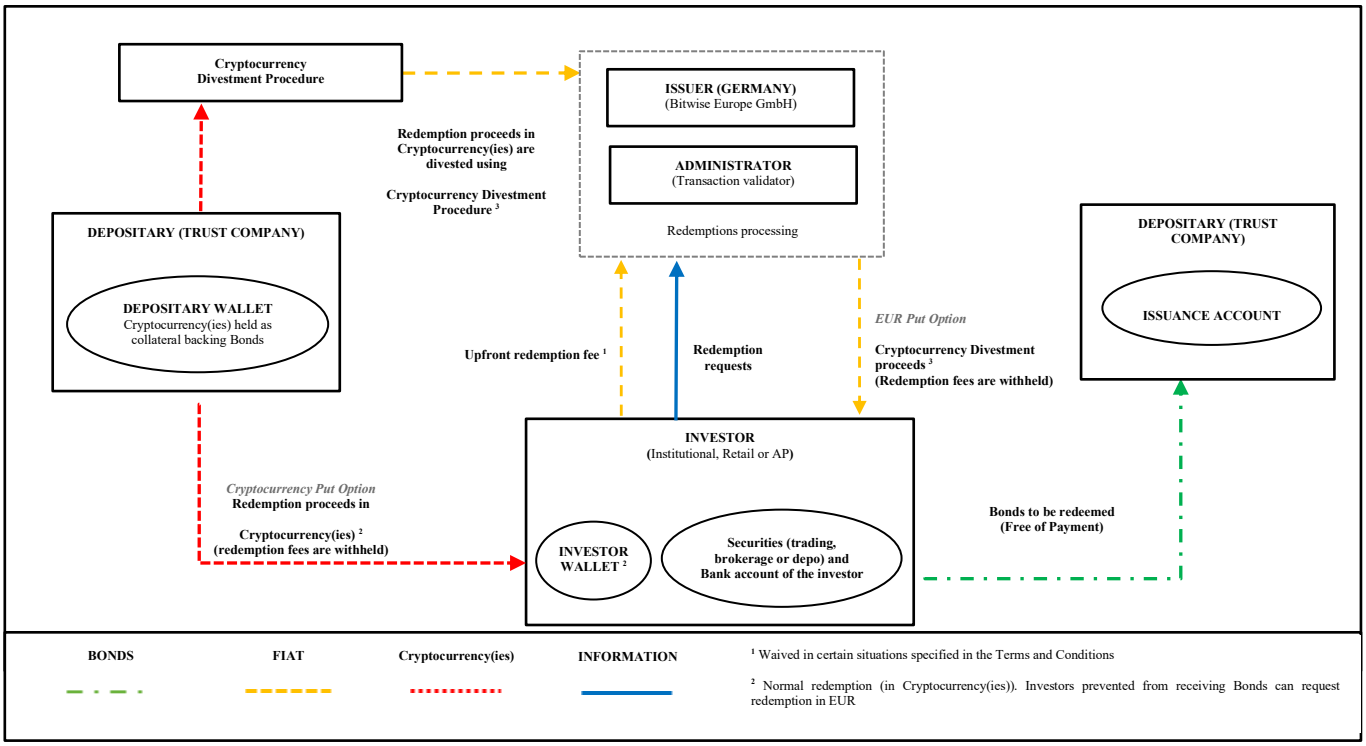
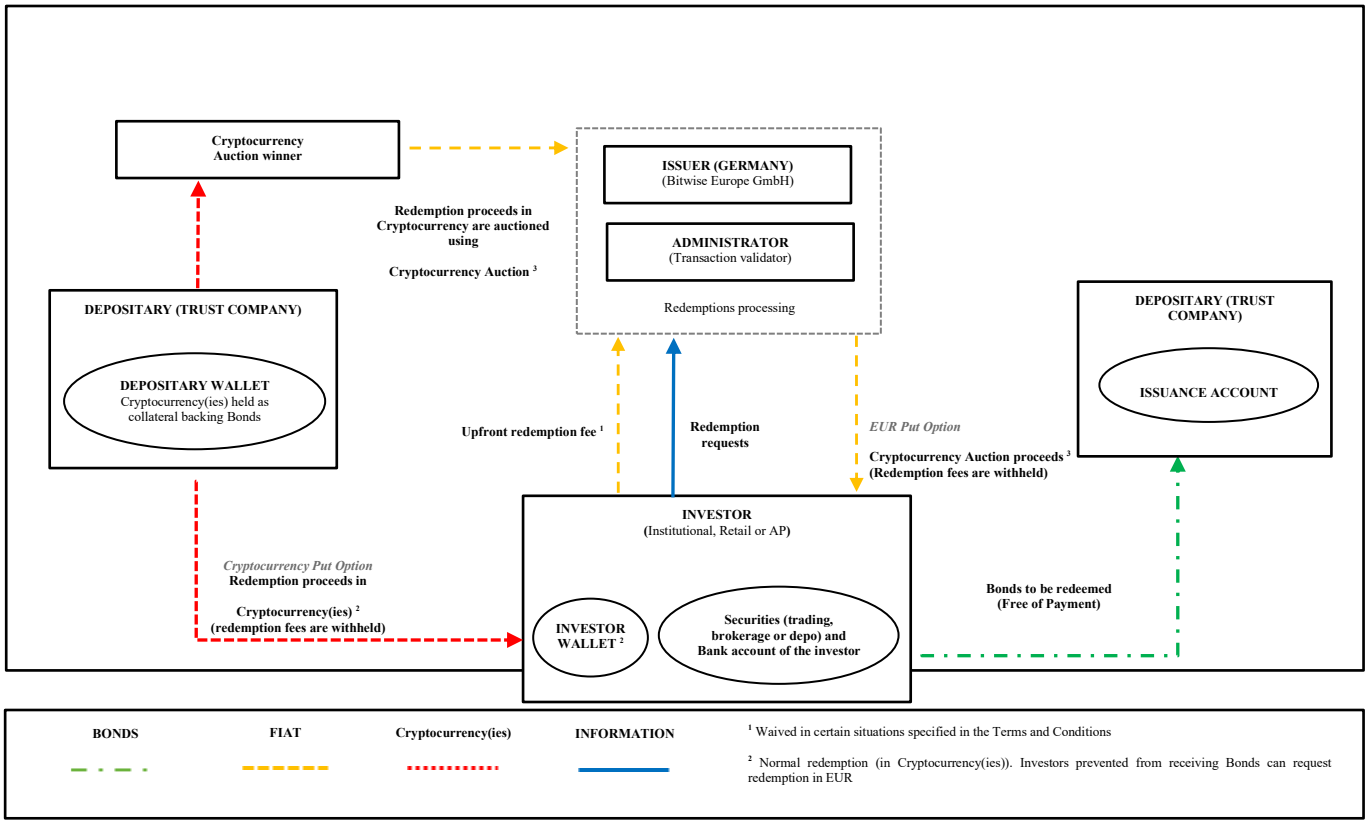


Diagram 3c: Bonds' redemption at investor's request for Bonds issued before 21 November 2022



(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 **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 the market value of the respective underlying Cryptocurrency. The respective Net Asset Value for each Series of Bonds is calculated by the NAV Calculation Agent in accordance with the following formula:

Net Asset Value = p_i * q_i

Where:

"**p_i**" means the respective data source or index reference price of the respective Cryptocurrency as stated in the Final Terms

"**q_i**" means the Cryptocurrency Entitlement of the respective Series of Bonds as specified in the Final Terms

Example:

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 USD (**p_i**) * 0.01 (**q_i**) = 200 USD per Bond.

For the avoidance of doubt: The Net Asset Value does not affect the Bonds, the Cryptocurrency Entitlement, any Single Cryptocurrency Entitlement or any other claims of the Bondholders arising from the Bonds, but is only provided for informational purposes.

2. 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.

(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) Example Calculations for the option of a single underlying Cryptocurrency without Staking:

As the Cryptocurrency Entitlement describes the number of units of the underlying Cryptocurrency per Bond that the Bondholder is entitled to on redemption of the Bonds, the monetary market value of the Cryptocurrency Entitlement corresponds to the product of (i) the market value of the underlying Cryptocurrency and (ii) the currently applicable Cryptocurrency Entitlement (which is subject to a constant decline due to the DER).

The calculations are based on the following assumptions:

Cost for one unit of the relevant Cryptocurrency at the Issue Date (100 per cent.): GBP 100

Initial Cryptocurrency Entitlement ($CE_{(0)}$) at the Issue Date: 0.1 per Bond

Diminishing Entitlement Rate (DER) of 2.00 percent *per annum* applied on a daily basis

To see worked examples of hypothetical returns where Bondholders may gain or lose some or all of their investment—including circumstances in which a Bondholder may lose their entire investment, please see section 2.1.6.2 "*Worked examples illustrating the effect of changes in underlying Cryptocurrency on a Bondholder's investment*".

Table 1:

	Cryptocurrency Entitlement at the end of Period	**Constant value of underlying Cryptocurrency (*GBP 100*)**	**20 per cent. increase in value of underlying Cryptocurrency (*GBP 120*)**	**20 per cent. decline in value of underlying Cryptocurrency (*GBP 80*)**
After 1 day	0.09999450	GBP 9.99945000	GBP 11.99934000	GBP 7.99956000
After 1 year	0.09800000	GBP 9.80000000	GBP 11.76000000	GBP 7.84000000
After 5 years	0.09039000	GBP 9.03900000	GBP 10.84680000	GBP 7.23120000

As shown in Table 1 above, any increase or decline in the value of the respective underlying Cryptocurrency will result in a corresponding increase or decline in the monetary value of the Cryptocurrency Entitlement. This is expected to result in a nearly 1:1 tracking of the performance of such underlying Cryptocurrency (subject to the deduction of the DER and other applicable fees and costs).

(e) Example Calculations for the option of a single underlying Cryptocurrency with Staking:

As described under (d) above, the monetary market value of the Cryptocurrency Entitlement corresponds to the product of (i) the market value of the underlying Cryptocurrency and (ii) the currently applicable Cryptocurrency Entitlement.

While for Bonds with a single underlying Cryptocurrency without Staking, the currently applicable Cryptocurrency Entitlement is subject to a constant decline due to the DER, in case of Bonds with a single underlying Cryptocurrency with Staking, the underlying Cryptocurrency will be staked and may generate Staking Rewards. These Staking Rewards will form part of the Cryptocurrency Entitlement, which will increase the applicable Cryptocurrency Entitlement. Depending on the amount of received Staking Rewards, the decline of the Cryptocurrency Entitlement due to the DER may therefore be reduced, compensated or even turned into an overall increase of the Cryptocurrency Entitlement.

The following calculations are based on the following assumptions:

Cost for one unit of the relevant Cryptocurrency at the Issue Date (100 per cent.): GBP 100

Initial Cryptocurrency Entitlement ($CE_{(0)}$) at the Issue Date: 0.1 per Bond

Diminishing Entitlement Rate (DER) of 2.00 percent *per annum* applied on a daily basis.

Average Staking Rewards of: (a) 1.00 per cent *per annum* applied on a daily basis for Table 2, (b) 2.00 per cent *per annum* applied on a daily basis for Table 3 and 3.00 per cent *per annum* applied on a daily basis for Table 4.

To see worked examples of hypothetical returns where Bondholders may gain or lose some or all of their investment—including circumstances in which a Bondholder may lose their entire investment, please see section 2.1.6.2 "*Worked examples illustrating the effect of changes in underlying Cryptocurrency on a Bondholder's investment*".

Table 2 (DER 2.00 per cent. & Staking Rewards 1.00 per cent):

	Cryptocurrency Entitlement at the end of Period	**Constant value of underlying Cryptocurrency (*GBP 100*)**	**20 per cent. increase in value of underlying Cryptocurrency (*GBP 120*)**	**20 per cent. decline in value of underlying Cryptocurrency (*GBP 80*)**
After 1 day	0.09999452	GBP 9.999452	GBP 11.9993424	GBP 7.9995616
After 1 year	0.09900498	GBP 9.900498	GBP 11.8805976	GBP 7.9203984
After 5 years	0,09512294	GBP 9.512294	GBP 11.4147528	GBP 7.6098352

As shown in Table 2 above, same as shown in Table 1 above, any increase or decline in the value of the respective underlying Cryptocurrency will result in a corresponding increase or decline in the monetary value of the Cryptocurrency Entitlement, resulting in a nearly 1:1 tracking of the performance of such underlying Cryptocurrency. Other than in Table 1, in this Table 2, the decline of the Cryptocurrency Entitlement due to the DER is reduced by the Staking Rewards, which amount to 1.00 percent *per annum*, ultimately reducing the decling from 2 percent *per annum* to 1 percent *per annum.*

Table 3: **(DER 2.00 per cent. & Staking Rewards 2.00 per cent)**

	Cryptocurrency Entitlement at the end of Period	**Constant value of underlying Cryptocurrency (*GBP 100*)**	**20 per cent. increase in value of underlying Cryptocurrency (*GBP 120*)**	**20 per cent. decline in value of underlying Cryptocurrency (*GBP 80*)**
After 1 day	0.1	GBP 10.00	GBP 12.00	GBP 8.00
After 1 year	0.1	GBP 10.00	GBP 12.00	GBP 8.00
After 5 years	0.1	GBP 10.00	GBP 12.00	GBP 8.00

Other than in Table 2, the decline of the Cryptocurrency Entitlement due to the DER is even further reduced by the Staking Rewards, which amount to 2.00 percent *per annum*, ultimately fully compensating the DER, thus resulting in no decline at all.

Table 4: **(DER 2.00 per cent. & Staking Rewards 3.00 per cent)**

	Cryptocurrency Entitlement at the end of Period	**Constant value of underlying Cryptocurrency (*GBP 100*)**	**20 per cent. increase in value of underlying Cryptocurrency (*GBP 120*)**	**20 per cent. decline in value of underlying Cryptocurrency (*GBP 80*)**
After 1 day	0.10000274	GBP 10.000274	GBP 12.0003288	GBP 8.0002192
After 1 year	0.101005	12,1206	GBP 12.1206	GBP 8.0804
After 5 years	0.105127	GBP 10.5127	GBP 12.615240	GBP 8.41016

Other than in Tables 2 and 3, the Staking Rewards do now exceed the DER. Accordingly, the decline of the Cryptocurrency Entitlement due to the DER is fully compensated by the Staking Rewards and even turned into an increasing rate of 1.00 percent *per annum*.

15.2.8 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 fulfilment 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 below (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 Participants has been appointed by the Issuer but the Bondholder does not qualify in accordance with client acceptance policies of such Authorised Participant.

15.2.9 Reference Price and Index

For each Cryptocurrency, there may be multiple available reference prices in the market. The Issuer uses the CME Group ("**CME**") price as a reference price by which to provide, on each day an indicative monetary value for the Cryptocurrency Entitlement for Bitcoin and Ethereum.

Description of the CME reference price

CME (www.cmegroup.com) and Crypto Facilities Ltd, a Cryptocurrency Exchange and Indices provider (that is authorised and regulated by the Financial Conduct Authority in the United Kingdom) have partnered to develop standardised cryptocurrency reference rates and real-time indices. Each reference rate and real-time index represent transparent indicators with independent governance and oversight and in partnership, they build on this experience to accelerate the professionalisation of cryptocurrency trading.

CME CF Cryptocurrency Reference Rates are calculated based on the transactions of all constituent exchanges included in the index (the "**CME Relevant Transactions**"). The calculation steps are described as follows:

- All CME Relevant Transactions are added to a joint list, recording the trade price and size for each transaction.
- The list is partitioned into a number of equally-sized time intervals.
- For each partition separately, the volume-weighted median trade price is calculated from the trade prices and sizes of all CME Relevant Transactions. A volume-weighted median differs from a standard median in that a weighting factor, in this case trade size, is factored into the calculation.
- The CME CF Cryptocurrency Reference Rate is then given by the equally-weighted average of the volume-weighted medians of all partitions.

Methodology behind the CME CF Benchmark is available at https://docs.cfbenchmarks.com/CME%20CF%20Reference%20Rates%20Methodology.pdf

Pricing sources of the CME CF Benchmark are Bitstamp, Coinbase, Kraken, Gemini, LMAX, itBit

Each of the CME CF Bitcoin Reference Rate and the CME CF Ethereum Reference rate is a benchmark subject to Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the "**Benchmark Regulation**").

Potential investors should note that the Cryptocurrency Entitlement for a Series of Bonds is not a benchmark subject to the Benchmark Regulation. The Issuer is not an administrator included in the register referred to in Article 36 of the Benchmark Regulation. Nor is any administrator registered in said register participating in the calculation of the Cryptocurrency Entitlement or any other value or amount made pursuant to the terms and conditions of the relevant Series of Bonds.

CME GROUP MARKET DATA IS USED UNDER LICENSE AS A SOURCE OF INFORMATION FOR CERTAIN BONDS ISSUED BY THE ISSUER. CME GROUP HAS NO OTHER CONNECTION TO THE ISSUER'S PRODUCTS OR SERVICES AND DOES NOT SPONSOR, ENDORSE, RECOMMEND OR PROMOTE ANY OF THE ISSUER'S PRODUCTS OR SERVICES. CME GROUP HAS NO OBLIGATION OR LIABILITY IN CONNECTION WITH THE ISSUER'S PRODUCTS AND SERVICES. CME GROUP DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF ANY MARKET DATA LICENSED TO THE ISSUER AND SHALL NOT HAVE ANY LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. THERE ARE NO THIRD-PARTY BENEFICIARIES OF ANY AGREEMENTS OR ARRANGEMENTS BETWEEN CME GROUP AND THE ISSUER.

The CME reference price is used for an indicative value only and is not used by the Issuer for the preparation of its official financial statements.

Description of the Index

The Index used by the Issuer is either a composite price return index or a staking return index. Each of these are described in detail below and the relevant Index will be specified in the Final Terms.

Description of the Compass Ethereum Total Return Index (ET32)

The purpose of the Compass Ethereum Total Return Index is to provide a fair and transparent benchmark for Ethereum total return products comprising both the Ethereum price return and Ethereum staking rewards. The components of the index are the Compass Ethereum Reference Index which provides a transparent benchmark for Ethereum price return from a sufficiently diverse range of pricing sources and the Compass Ethereum Staking Yield Reference Index to reflect the return linked to staking. The Compass Ethereum Staking Yield Reference Index measures the annualised staking yield obtained when staking on the Ethereum blockchain.

Methodology behind the Compass Ethereum Total Return Benchmark (ET32): https://www.compassft.com/wp-content/uploads/CCTR_Methodology.pdf

Pricing sources of the Compass Ethereum Total Return Benchmark (ET32): Bitstamp, Bitfinex, Coinbase, Gemini, Kraken, LMAX

Description of the CCData Bitcoin / Ethereum (BTCE & ZETH - NAV)

The CCData-ETC group TWAP Index for Bitcoin and Ethereum refers to the end-of-day index calculation methodology, the purpose of which is to show the best price estimation for traders and investors to value their portfolios using a reliable and market-representative price. CCData-ETC group Bitcoin TWAP Index and CCData-ETC group Ethereum TWAP Indices are calculated as a 15-minute time-weighted-average price (TWAP) of CCData's CCIX reference prices, making the indices representative, highly difficult to manipulate, and easy to replicate.

Methodology behind the CCData Bitcoin (BTCE & ZETH - NAV): https://ccdata.io/methodology-docs/ccdata-etc-group-twap-indices-methodology

BTC Pricing Sources: Bitfinex, Bitstamp, Bullish, Cexio, Coinbase, Crypto.com, erisx, ItBit, Kraken, LMAX, okcoin

ETH Pricing Sources: Bitfinex, Bitstamp, Cexio, Coinbase, Crypto.com, erisx, ItBit, Kraken, LMAX, okcoin

Description of the Bloomberg CFIX (BTCE & ZETH – Direct & mandatory redemptions only)

The Bloomberg Galaxy Bitcoin Index and The Bloomberg Galaxy Ethereum Index are designed to measure the performance of a Bitcoin and Ethereum in USD. The index is owned and administered by Bloomberg Index Services Limited ("BISL" or "Administrator"). A diverse range of pricing Sources are selected for liquidity and reliability and approved for use following risk and suitability assessments.

Methodology behind the Bloomberg CFIX (BTCE & ZETH – Direct & mandatory redemptions only):

- https://assets.bbhub.io/professional/sites/10/Bloomberg-Galaxy-Bitcoin-Index-Methodology.pdf
- https://assets.bbhub.io/professional/sites/10/BloombergGalaxyEthereumIndexMethodology-2021-Jan.pdf

Pricing sources of the Bloomberg CFIX (BTCE & ZETH – Direct & mandatory redemptions only) are undisclosed.

No web pages, websites or content of any websites or web pages referred to in this Section 15.2.9 of this Base Prospectus forms part of this Base Prospectus or is deemed incorporated in this Base Prospectus.

15.2.10 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.

15.2.11 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.

15.2.12 Ratings

The Bonds have not been rated.

15.2.13 Clearing and Settlement

Payments and transfers of any Series of Bonds may be settled through Clearstream Europe AG, Frankfurt am Main, Mergenthalerallee 61, 65760 Eschborn, Germany or the clearing system specified in the applicable Final Terms.

After their initial issuance, Bonds traded on the Main Market will settle in CREST. Interests in the Bonds may also be held through CREST through CDIs, representing the interests in the relevant Bonds underlying the CDIs. The current address of CREST is Euroclear UK & International Limited, 33 Cannon Street, London EC4M 5SB. You should note that the CDIs are the result of the CREST settlement mechanics and are not the subject of this Base Prospectus.

Such Bonds shall be cleared through the clearing system operated by LCH.

The securities codes assigned to each Series of Bonds will be specified in the relevant Final Terms.

15.2.14 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 Bonds Code;
- Underlying Cryptocurrency;
- 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, and its 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*).

The Issuer confirms that the Underlying Cryptocurrency backing the Bonds will have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Bonds.

15.3 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):

15.3.1 Security over Depositary Wallet

Pursuant to Condition 19.3 of the Terms and Conditions - Option III and IV, and Condition § 19(3) of the Terms and Conditions - Option I and II 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. 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 Agreement entered into 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 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 connection therewith, it is possible that temporary shortfalls of the Deposited Cryptocurrency may occur. Accordingly, Condition 19.3 of the Terms and Conditions - Option III and IV, and Condition § 19(3) of the Terms and Conditions - Option I and II allow to take into account possible temporary shortfalls of the Deposited Cryptocurrency in limited circumstances, as further specified in

Condition 2.10of Annex B of Terms and Conditions – Option III, by not considering such temporary shortfall as breach of the Covenant.

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 Depositary Wallet and the associated account of the Issuer maintained by the Depositary (the "**Depositary 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 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 18.1 - Option III and IV, and Condition § 18(1)(a) of the Terms and Conditions – Option I and II.

The Depositary Account (Wallet) Control Agreement grants to the Security Trustee the right to take exclusive control of the Depositary Account in relation to each Series of Bonds upon an Event of Default, as defined in the Cryptocurrency Security Agreement, by delivering to the Depositary a "Notice of Exclusive Control". Following delivery of a Notice of Exclusive Control by the Security Trustee to the Depositary, the Issuer no longer has a right to withdraw assets from the Depositary 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 Depositary Wallet and the Depositary 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 19.3 of the Terms and Conditions - Option III and IV, and Condition § 19(3) of the Terms and Conditions - Option I and II and (ii) the obligation of the Issuer to transfer Bonds to a subscribing party once the appropriate subscription price was paid into the Depositary Wallet. The terms of the Depositary Account (Wallet) Control Agreement prevent the Issuer from transferring or disposing of any assets from the Depositary Account and / or the Depositary Wallet without consent of the Administrator, even absent an Event of Default.

15.3.2 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 Depositary Wallet by the party subscribing to the Bonds and the Issuer is in continuous compliance with the covenant set out in Condition 19.3 of the Terms and Conditions - Option III and IV, and Condition § 19(3) of the Terms and Conditions - Option I and II.

15.3.3 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. HISTORICAL FINANCIAL INFORMATION

The Issuer was incorporated on 27 August 2019.

The Issuer's annual financial statements as of 31 December 2024 and 31 December 2025 (together, the "**Annual Financial Statements**") as well as the Issuer's interim financial statements as of 30 June 2026 (together with the Annual Financial Statements, the "**Financial Statements**") are incorporated into this Base Prospectus by reference (see Section 5 "*Documents Incorporated by Reference*").

The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and applicable law.

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 2026 have neither been audited nor been reviewed by the auditors of the Issuer.

The financial period of the Issuer commences on 1 January and ends on 31 December. The next audited financial statements of the Issuer will be prepared as of and for the year ended 31 December 2026.

17. TAXATION

The tax legislation of the investor's home member stated and of the Issuer's country of incorporation may have an impact on the income received from the Bonds. Prospective investors should be aware that the acquisition, holding, transfer or disposal of the Bonds, and/or receipt of payments under Bonds may result in tax consequences to any investor, which may arise in, but are not limited to, the jurisdiction of the Issuer or the jurisdiction of residence, domicile, citizenship or incorporation of the relevant investor. Prospective investors should consult their own professional advisers concerning such possible tax consequences.

The summaries below are not intended to constitute a complete analysis of all tax consequences relating to the ownership of Bonds and the Issuer has only investigated the tax position in the jurisdictions set out below, and such summaries reflect the law current as of the date of this Base Prospectus. Prospective security holders should consult their own tax advisers concerning the consequences of their own particular situation.

17.1 CERTAIN UNITED KINGDOM TAX CONSIDERATIONS

17.1.1 General

This section summarises certain limited aspects of the UK tax treatment of holding the Bonds. They are based on current United Kingdom law and published HM Revenue & Customs ("**HMRC**") practice relating only to certain United Kingdom tax consequences in respect of the Bonds, both of which are subject to change, possibly with retrospective effect. Unless otherwise stated, this summary relates solely to Bondholders (i) who are individuals acting in a private capacity and domiciled and resident in the UK for tax purposes, (ii) which are within the charge to UK corporation tax and holding the Bonds as an investment or (iii) which are UK open-ended investment companies or authorised unit trust schemes. The following is not exhaustive and does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of the Bonds. The United Kingdom tax treatment depends on individual circumstances and may be subject to change in the future. Prospective holders of the Bonds who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom should seek their own professional advice.

References to "interest" refer to interest as that term is understood for United Kingdom tax purposes. The United Kingdom tax treatment of prospective Bondholders depends on their individual circumstances and may be subject to change in the future. Prospective Bondholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.

17.1.2 The Issuer

The Directors intend that the affairs of the Issuer should be managed and conducted so that it should not become resident in the UK for UK tax purposes. Accordingly, and provided that the Issuer does not carry on a trade in the UK through a permanent establishment situated therein for UK corporation tax purposes or through a branch or agency situated in the UK which would bring the Issuer within the charge to UK income tax, the Issuer will not be subject to UK corporation tax or income tax on income and capital gains arising to it. The Directors intend that the affairs of the Issuer are conducted so that no such permanent establishment, branch or agency will arise insofar as this is within their control, but it cannot be guaranteed that the conditions necessary to prevent any such permanent establishment, branch or agency coming into being will at all times be satisfied.

17.1.3 Withholding tax

All Bonds issued under this Programme are issued pursuant to German law and are debt securities (*Schuldverschreibungen*) within the meaning of § 793 of the German Civil Code (Bürgerliches Gesetzbuch - "BGB"), which are being issued in bearer form. Bonds issued under this Programme do not provide for any interest payments. Accordingly, payments made by the Issuer to Bondholders will not be subject to United Kingdom withholding tax on interest.

Corporation tax

In general, a Bondholder which is within the charge to United Kingdom corporation tax may be charged to United Kingdom corporation tax as income on all returns, profits or gains on, and fluctuations in value of, the Bonds broadly in accordance with their statutory accounting treatment. These profits, gains or losses (which will include any profits, gains or losses on a disposal or redemption of the Bonds and which may include fluctuations in value relating to foreign exchange gains and losses) will be treated as income profits or losses for the purposes of a Bondholder's corporation tax computation.

17.1.4 UK open-ended investment companies and authorised unit trust schemes

Although UK open-ended investment companies and authorised unit trust schemes are generally subject to UK corporation tax (currently at the basic income tax rate of 20 per cent.), they are exempt from tax on capital gains. Part 2 of The Authorised Investment Funds (Tax) Regulations 2006 (S.I. No. 2006/964) provides an exemption for capital profits, gains or losses accruing to UK open-ended investment companies and authorised unit trust schemes (other than qualified investor schemes which do not meet the genuine diversity of ownership condition) on creditor loan relationships and derivative contracts. In this respect, capital profits, gains or losses are those which, in accordance with UK generally accepted accounting practice, fall to be dealt with in the statement of total return (under the heading of "net capital gains/losses") in accordance with the relevant Statement of Recommended Practice. In addition, Part 2B of those Regulations treats all capital profits, gains and losses (determined in accordance with UK generally accepted accounting practice, as described above) arising to a UK open-ended investment company or authorised unit trust, which meets the genuine diversity of ownership condition, from an "investment transaction" (which includes loan relationships and derivative contracts) as a non-trading transaction and thus not taxable as income. These Parts of the Regulations will determine whether any profits, gains or losses arising to a Bondholder which is a UK open-ended investment company or authorised unit trust scheme (other than a qualified investor scheme which does not meet the genuine diversity of ownership condition) in respect of the Bonds will be exempt from tax.

17.1.5 Stamp duty and stamp duty reserve tax (SDRT)

Provided that the Register is not kept by or on behalf of the Issuer in the UK, neither stamp duty nor SDRT will be payable on the issue or the subsequent transfer of, or agreement to transfer, the Bonds in Uncertificated Form.

In the case of the Bonds held in Certificated Form, provided that (i) the Register is not kept by or on behalf of the Issuer in the UK; (ii) any instrument of transfer is not executed in the UK; and (iii) any instrument of transfer does not relate to any property situated or to any matter or thing done or to be done in the UK, neither stamp duty nor SDRT will be payable on the issue or subsequent transfer of the Bonds.

No stamp duty or SDRT will be payable on the issue or subsequent transfer of any Bonds issued in bearer form, provided that those Bonds are not issued in the UK.

The Redemption of the Bonds will not give rise to stamp duty or SDRT.

17.1.6 Organisation for Economic Co-operation and Development ("OECD") Common Reporting Standard

Drawing extensively on the intergovernmental approach to implementing the United States Foreign Account Tax Compliance Act, the OECD developed the Common Reporting Standard ("**CRS**") to address the issue of offshore tax evasion on a global basis. Aimed at maximising efficiency and reducing cost for financial institutions, the CRS provides a common standard for due diligence, reporting and exchange of financial account information, Pursuant to the CRS, tax authorities in participating jurisdictions will obtain from reporting financial institutions, and automatically exchange on an annual basis with tax authorities in other participating jurisdictions in which the investors of the reporting financial institutions are tax resident, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures.

The UK has implemented the CRS. As a result, the Issuer is required to comply with the CRS due diligence and reporting requirements, as adopted by the UK. Bondholders may be required to provide additional information to the Issuer to enable the Issuer to satisfy its obligations under the CRS. Failure to provide requested information may subject the Issuer to penalties and/or other sanctions under the implementing regulations in the UK and/or a Bondholder to liability for any resulting penalties or other charges and/or mandatory redemption of the Bonds.

17.2 TAXATION IN GERMANY

The following is a brief summary of some important principles of German tax law that may be of relevance for Bondholders acquiring, redeeming, holding or selling Bonds. The summary does not fully cover all aspects of German tax law that may be of relevance to Bonds. The summary is based on German tax law as of the date of this Base Prospectus. It should also be noted that the taxation of Bondholders may change at any time as a result of new legislation, court practice or decrees issued by the relevant tax authorities, potentially with retroactive effect.

German Bondholders interested in acquiring the Bonds should consult their tax advisors with regard to any tax consequences that may be involved in acquiring, redeeming, holding, selling or otherwise transferring the Bonds. Only a tax advisor is able to adequately assess the individual tax situation of a specific investor.

In this respect, it must be noted that the German Ministry of Finance has drafted a proposal to abolish the one-year holding period 2027 onwards and to tax private crypto gains at a rate of 26.375% regardless of the holding period. The proposal would reclassify privately held crypto assets as income from capital assets. Disposal gains would then be taxable regardless of the previous one-year period. The tax rate of 26.375% combines the 25% capital gains tax plus the 5.5% solidarity surcharge levied on top of it (and church tax for those being liable to such tax). The reform would bring crypto assets systematically close to the flat withholding tax (*Abgeltungsteuer*) which already applies in Germany to shares, bonds and fund units.

The proposed rules would apply only to crypto assets acquired after 31 December 2026. For crypto assets purchased prior to that date, the current tax regime is expected to remain in place. The bill calls for the new rules to take effect on 1 January 2027. However, automatic tax withholding by German crypto assets service providers is planned to be introduced only as of 1 January 2028, to give platforms time to restructure their accounting systems. The corresponding draft bill is in the early stages of approval within the federal government. However, a final decision has not yet been made. The Ministry of Finance's draft is subject to interagency review, after which the document must undergo further consideration by the government, the German parliament (*Bundestag*), and the German Federal Council (*Bundesrat*).

Tax residents

Natural and legal persons who are resident, have their habitual abode, have their statutory seat or principal place of management in Germany are subject to resident taxation in Germany (*unbeschränkte Steuerpflicht*).

Bonds with cryptocurrencies, commodities and other non-capital assets (e.g. currencies) as underlying assets

No current income

There will be no current income in the form of interest or similar payments under the Bonds.

Taxation of capital gains derived from the disposition of Bonds or from the redemption of Bonds held as personal assets

Private individuals who are tax-resident in Germany and who hold the Bonds as personal assets (*Privatvermögen*) are subject to German personal income tax (*Einkommensteuer*) with regard to income derived from the Bonds as follows:

There is currently no case law or administrative guidance on the tax treatment of capital gains on the disposition or redemption of Bonds so that the tax consequences are unclear. However, the German Federal Fiscal Court (*Bundesfinanzhof*, "BFH") rendered a number of decisions on the tax treatment of certificates representing the right to acquire a certain amount of gold. Basically the court stipulated that in case of these instruments the holder should be treated as if he had acquired the gold directly and that he should not be taxed on capital investment income (*Einkünfte aus Kapitalvermögen*) but rather on private capital gains which are generally tax-exempt if the asset is held more than 12 months. There are some arguments to analogously apply the case law on gold certificates to Bonds. The relevant provision sec. 23 para. 1 sent. 1 no. 2 sent. 1 EStG which is applicable to gold certificates according to the court's case law does not differentiate between tangible and intangible assets so that it should not be harmful that asset entitlement is – in contrast to gold – an intangible or digital asset. Furthermore, private individuals can opt for delivery as payment in kind which typically should not fall under definition of income from capital investment.

On 12 May 2015 the BFH rendered decisions (VIII R 35/14, Federal Tax Gazette (*Bundessteuerblatt*) II 2015, p. 834; VIII R 4/15, Federal Tax Gazette II 2015, p. 835; VIII R 19/14, BFH/NV 2015, p. 1559) stating that the disposition or redemption of gold Bonds is not subject to the German flat tax regime for investment income (*Abgeltungsteuer*). These decisions of the 8. Chamber (*Senat*) of the BFH were confirmed by a subsequent decision of the 9. Chamber on 6 February 2018 (IX R 33/17, BFH / NV 2018, p. 574). Furthermore, on 16 June 2020 the same Chamber of the BFH ruled that its former decisions shall continue to be applicable even if the private individuals were entitled to demand payment of the proceeds from the sale of the gold instead of delivery in order to fulfil the delivery claim (VIII R 7/17).

The BFH has expressly stipulated that this qualification is not jeopardised if in particular situations – e.g. in case of regulatory restrictions for the acquisition of gold – only a claim for repayment of money is available.

The BFH also mentions that it is not relevant whether or not the gold Bonds are traded on a regulated stock exchange or whether they are privately traded.

The tax administration has endorsed this position in the general decree on the application of the flat tax on investment income (decree of the Federal Ministry of Finance (*Bundesfinanzministerium*, "**BMF**") of 18 January 2016, IV C 1 – S 2252/08/100004:017), Federal Tax Gazette I 2016, p. 85 ss, as amended by decree of 10 May 2019, IV C 1 – S 2252/08/100004:21, Federal Tax Gazette I 2019. p. 464, the "**Decree**"). According to the Decree the gold entitlement would only qualify as a regular claim for repayment of a certain amount of money (*Kapitalforderung*), which would be subject to the flat tax on investment income, provided that these claims are not covered by gold or if the terms and conditions of such gold (or other raw material) Bonds provide that the Issuer can either settle the claim by delivery of gold or by payment of a certain amount of money. The German tax administration has also confirmed that it will apply the case law on physical gold certificates to certificates representing an entitlement to a certain amount of crypto values provided that the holder has a claim for delivery of the underlying assets, BMF of 6 March 2025, IV C 1-S 2256/00042/064/043 v. 6.3.2025, Federal Tax Gazette I 2025, P. 658, marginal number 84/5 ss. In marginal number 85, the BMF states that payments made on such certificates constitute other income within the meaning of sec. 22 no. 3 German Income Tax Act (*Einkommensteuergesetz, EStG*). The BMF letter has been published in the Federal Tax Gazette Part I. Pursuant to sec. 44 para. 1 sent. 3 EStG, this published legal opinion of the tax authorities is binding for the German Depositary banks with regard to the German withholding tax. With respect to Bonds secured by cryptocurrency or other assets it should, however, be noted that the German tax authorities or courts could regard such Bonds as a capital claim if the cash settlement, instead of the delivery of the virtual currency etc., should become the regular repayment method.

On the basis of the above described arguments we expect Bonds to be treated the same as gold Bonds.

Income

If the above-mentioned case law of the BFH on gold Bonds can be applied accordingly on Bonds their sale in general qualifies as a taxable event for the investor in case such sale of the Bonds occurs within 12 months after their purchase, sec. 23 para. 1 sent. 1 no. 2 sent. 1 EStG (so-called *privates*

Veräußerungsgeschäft). If a Bondholder has purchased more than one Security at different dates, the Security first purchased will be deemed to be first sold. A sale after the end of the 12-month holding period will not be a taxable transaction and profits therefore will be tax-free, but losses are not tax-deductible against other sources of income.

According to the case law of the BFH, the delivery of gold in case of redemption of the gold Bonds does not qualify as a taxable disposition of the gold Bonds (dec. of 6 February 2018, IX R 33/17, BFH/NV 2018, p. 578). The BFH takes the view that a disposition within the meaning of sec. 23 EStG requires the transfer of an asset for consideration. In case of the redemption, according to the view of the BFH, there is no such transfer for consideration because the investor only receives gold already attributed to him under the terms and conditions of the gold Bonds. Commercially, the Bondholder is in the same position as before the redemption. A taxation of any appreciation of the gold would thus not be justified. If this case law of the BFH is applied accordingly to Bonds, the delivery of cryptocurrencies etc. should not qualify as a taxable disposition of the Bonds since the Bondholder is still in the same position as before the redemption. It is important to note that the German tax administration has not yet endorsed this particular decision and that it is arguable whether it will follow the BFH in this respect. Hence, there is a risk that the tax administration might treat the redemption as a taxable event if it occurs within the 12-month holding period after the acquisition of the Bonds. It is also not entirely clear whether a rebalancing with respect to an index of cryptocurrencies etc., if any, could represent a disposal. Although there are good arguments that this should not be the case (as there is no change of or realisation of the cryptocurrencies delivery claim, see ruling of the BFH dated 24 January 2012 (IX R 62/10, Federal Tax Gazette II 2012, 564), marginal number 28), there is a risk that the German tax authorities could take a different view.

Should the sale of the Bonds qualify as a taxable event because it occurs within the 12-month holding period, the taxable income (profit or loss) corresponds to the difference between the sales proceeds and acquisition cost. Should the tax administration not follow the BFH decision of 6 February 2018, then in the case of a redemption during the holding period the taxable income would be determined as the difference between the cash value of the cryptocurrency etc. at the time of redemption and the acquisition cost.

A profit arising during the holding period will not be taxed if – after offsetting with profits or losses from other transactions falling under sec. 23 EStG – it does not exceed EUR 1,000. Losses from transactions falling under sec. 23 EStG can only be offset against profits resulting from other transactions falling under this provision in the same calendar year. Under certain conditions a carry back of losses exceeding that threshold to previous years can be achieved.

Sale of cryptocurrencies etc. after delivery

In case of delivery of cryptocurrencies etc. the profit derived from a subsequent sale of cryptocurrencies etc. is generally subject to personal income tax at ordinary rates (currently up to 45% plus solidarity surcharge of 5.5% thereon and church tax if applicable) provided the cryptocurrency etc. is sold within twelve months after the purchase of the Bonds. Taking into account the case law of the BFH (in particular dec. of 6 February 2018), the cryptocurrencies may be considered to be acquired at the time the Bondholder acquired the Bonds rather than on the subsequent date of the actual delivery of the cryptocurrencies etc. However, it needs to be noted that there is currently no published guidance of the tax administration or case law on this particular point. The decision of 6 February 2018 does not make an explicit statement about this specific issue. The sale of cryptocurrencies etc. on a date after the twelve months holding period expired is not a taxable transaction.

A profit arising during the holding period will not be taxed if – after offsetting with profits or losses from other transactions falling under sec. 23 EStG – it does not exceed EUR 1,000. Losses from transactions falling under sec. 23 EStG can only be offset against profits resulting from other transactions falling under this provision in the same calendar year. Under certain conditions a carry back of excess losses that threshold to previous years can be achieved.

Taxation according to the German Ministry of Finance crypto tax 2027 reform plans

The German Ministry of Finance has drafted a proposal to abolish the one-year crypto assets holding period 2027 onwards and to tax private crypto gains at a rate of 26.375% regardless of the holding period.

The proposed rules would apply only to crypto assets acquired after 31 December 2026. For crypto assets purchased prior to that date, the current tax regime is expected to remain in place. The bill calls for the new rules to take effect on 1 January 2027. However, automatic tax withholding by German crypto assets service providers is planned to be introduced only as of 1 January 2028, to give platforms time to restructure their accounting systems. The corresponding draft bill is in the early stages of approval within the federal government. However, a final decision has not yet been made. The Ministry of Finance's draft is subject to interagency review, after which the document must undergo further consideration by the government, the German parliament (*Bundestag*), and the German Federal Council (*Bundesrat*).

The German Ministry of Finance's draft bill would reclassify privately held crypto assets as income from capital assets. Disposal gains would then be taxable with respect to crypto assets acquired after 31 December 2026, regardless of the previous one-year period. Specifically, the bill sets a tax rate of 26.375%. It combines the 25% capital gains tax plus the 5.5% solidarity surcharge levied on top of it and church tax for those being liable to such tax. The reform would integrate crypto assets (and correspondingly the Bonds) into the flat withholding tax (*Abgeltungsteuer*) which already applies in Germany to shares, bonds and fund units.

Withholding tax

Proceeds resulting from transactions falling under sec. 23 EStG are not subject to withholding tax.

Tax assessment

Taxable profits resulting from transactions falling under sec. 23 EStG need to be reported by the investor in his personal tax return. The applicable tax rate is determined according to the progressive income tax schedule which currently reaches 45% in the highest bracket (plus 5.5% solidarity surcharge thereon and, if applicable, church tax).

Risk of non-applicability of case law of BFH

Should the case law of the BFH on gold Bonds not be applicable on Bonds the capital gains from the sale and redemption of Bonds would be expected to be taxed as investment income (sec. 20 para. 2 no. 7 EStG) at a 25% flat tax plus 5.5% solidarity surcharge thereon and, if applicable to the individual investor, church tax at a rate of 8% or 9% (for further details with respect to the taxation of investment income see below "*Bonds with equity and ETP (capital assets) as underlying assets*").

Taxation of capital gains derived from the sale of Bonds or from the redemption of Bonds held as business assets

In case of tax-resident Bondholders (private individuals and legal persons) which hold the Bonds as business assets (*Betriebsvermögen*) any capital gain will be subject to personal income tax (currently up to 45% plus solidarity surcharge of 5.5% thereon and, church tax if applicable) or corporate income tax at a rate of 15% (plus solidarity surcharge of 5.5% thereon) irrespective of any holding period. In addition, trade tax (*Gewerbesteuer*) might be levied. The trade tax rate depends on a local multiplier which is assessed by the competent municipality.

The same applies in case of delivery of cryptocurrencies etc. upon redemption of the Bonds.

Bonds with equity and ETP (capital assets) as underlying assets

There are some arguments that the above described taxation principles for cryptocurrency etc. backed assets (see above "*Bonds with cryptocurrencies, commodities and other non-capital assets (e.g. currencies) as underlying assets*") should also apply to capital assets, in particular as Bondholders can opt for a delivery as a payment in kind claim which, in turn, should typically not fall under definition

of income from capital investment. However, the German tax authorities may claim that the Bondholders should be treated as if they had acquired the capital asset directly and that they are the beneficial owners of the underlying capital assets (as the Bondholders economically bear the risk and chances arising from the Bonds) which are capital assets/investments.

In this case, the capital gains from the sale and redemption of Bonds held by a private investor would be expected to be taxed as investment income (sec. 20 para. 2 no. 7 EStG) at a 25% flat tax plus 5.5% solidarity surcharge thereon and, if applicable to the individual investor, church tax at a rate of 8% or 9%. Further particularities have to be considered, if an investment fund backed ETP should be qualified as a fund investment and in case of a delivery of capital assets other than shares.

The flat tax is generally collected by way of withholding and the tax withheld shall generally satisfy the individual investor's tax liability with respect to the Bonds. If, however, no or insufficient tax was withheld, the investor will have to include the income received with respect to the Bonds in its annual income tax return. The flat tax will then be collected by way of tax assessment. The investor may also opt for inclusion of investment income in its income tax return if the aggregated amount of tax withheld on investment income during the year exceeded the investor's aggregated flat tax liability on investment income (e.g. because of available losses carried forward or foreign tax credits). If the investor's individual progressive income tax rate, which is applicable on all taxable income including the investment income, is lower than 25%, the investor may opt to be taxed at individual progressive rates with respect to its investment income.

Capital losses from the sale or redemption of the Bonds held as private assets should generally be tax-recognised irrespective of the holding period of the Bonds. However, if the losses result from the full or partial non recoverability of the repayment claim, such losses together with other losses of such kind of the same year and loss carry forwards of previous years can only be offset up to an amount of EUR 20,000. Any exceeding loss amount can be carried forward and offset against future capital investment income, but again subject to the EUR 20,000 limitation. This loss deduction will not be applied by the respective domestic paying agent, but has to be declared in the investor's income tax return. Further, any tax-recognised capital losses may not be used to offset other income like employment or business income but may only be offset against investment income. Capital losses not utilised in one annual assessment period may be carried forward into subsequent assessment periods but may not be carried back into preceding assessment periods.

Individual investors are entitled to a saver's lump sum tax allowance for investment income of up to EUR 1,000 per year (EUR 2,000 jointly assessed investors). The saver's lump sum tax allowance is also taken into account for purposes of withholding tax if the investor has filed a withholding tax exemption request (*Freistellungsauftrag*) with the respective domestic paying agent. The deduction of related expenses for tax purposes is not permitted.

Corporate and business investors (subject to certain formal requirements as the case may be) should in general not be subject to the withholding tax on gains from the disposition or redemption of the Bonds. However, any capital gain in the hands of such investors will be subject to personal income tax (currently up to 45% plus solidarity surcharge of 5.5% thereon and, church tax if applicable) or corporate income tax at a rate of 15% (plus solidarity surcharge of 5.5% thereon). In addition, trade tax (*Gewerbesteuer*) might be levied.

Non-resident Taxation

Profits derived by a non-resident Bondholder from the disposition of the Bonds, from the redemption of the Bonds or from the disposition of non-capital assets will not be taxed in Germany unless (i) the Bonds or non-capital assets belong to the assets of a permanent establishment (including a permanent representative) or another fixed place of business maintained by the non-resident Bondholder in Germany or (ii) the income can be attributed to other German-sourced income (e.g. rent income derived from domestic property). Particularities could apply with respect to the disposition of certain underlying assets (e.g. equity).

Should a non-resident Bondholder be subject to German taxation, the same principles applicable to tax-resident Bondholders would apply.

Gift or inheritance tax

A transfer of the Bonds by way of gift or on death will be subject to German inheritance or gift tax if the Bondholder, or its heir, donee or other beneficiary, is a German resident for German gift or inheritance tax purposes according to the specific rules of the German Gift and Inheritance Tax Act (*Erbschaftsteuergesetz*). This may in particular be the case if the Bondholder, heir, donee or other beneficiary is:

(A) an individual having at the time of the donation or death his or her residence or habitual abode in Germany or if the individual is a German citizen who has not been living abroad for more than five years without having a residence in Germany; or

(B) a corporation having its seat or central place of management in Germany; or

(C) the Bonds constitute business assets attributable to a permanent establishment or a permanent representative in Germany.

Other taxes

No stamp, issue, registration or similar direct or indirect taxes or duties will be payable in Germany in connection with the issue, delivery or execution of the Bonds or any interest therein. Under certain circumstances, however, entrepreneurs may opt for value added tax with regard to the sale of the Bonds to other entrepreneurs. With respect to VAT, further particularities could apply with respect to the sale or redemption of certain underlying assets (e.g. commodities). No net asset tax is currently levied in Germany.

OECD Common Reporting Standard

Drawing extensively on the intergovernmental approach to implementing the United States Foreign Account Tax Compliance Act, the OECD developed the Common Reporting Standard ("CRS") to address the issue of offshore tax evasion on a global basis. Aimed at maximising efficiency and reducing cost for financial institutions, the CRS provides a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS, participating jurisdictions will obtain from reporting financial institutions and automatically exchange with exchange partners on an annual basis financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures. The first information exchanges are expected to begin in 2017.

Germany has enacted a law implementing the CRS, which has entered into force on 1 January 2016 and provides for the exchange of information in relation to the calendar year 2016 and later.

In the event that Bondholders hold the Bonds through a German financial institution (as meant in the German implementation of the CRS), Bondholders may be required to provide additional information to such financial institution to enable it to satisfy its obligations under the German implementation of the CRS.

18. SUBSCRIPTION AND SALE OF THE BONDS

18.1 SECONDARY OFFERING

18.1.1 Offer to the investors

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 professional and retail investors or to professional 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). *For the avoidance of doubt,* the Bonds shall not be offered to retail investors.

As further set out in section 18.1.2 "*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 contact professional clients and eligible counterparties and/or retail 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 five Authorised Participants.

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

Name (regulatory status)	**Address**	**Description**
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 clients and eligible counterparties and/or retail 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 clients and eligible counterparties and/or retail investors to subscribe for and redeem the Bonds.
GTX UK LLP (formerly GHCO and Goldenberg Hehmeyer)	11th Floor Tower 42 25 Old Broad Street London EC2N 1HQ United Kingdom	GTX UK LLP will face professional clients and eligible counterparties and/or retail 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 clients to subscribe for and redeem the Bonds.
Virtu Financial Ireland Limited	North Dock One, Fifth Floor 91/92 North Wall Quay Dublin 1 D01 H7V7 Ireland	Virtu Financial Ireland Limited will face professional clients and eligible counterparties and/or retail investors to subscribe for and redeem the Bonds.

*Any changes to the list of Authorised Participants will be detailed at **https://bitwiseinvestments.eu/**

As of the date of this Base Prospectus, the designated market makers are Flow Traders B.V., GTX UK LLP and Virtu Financial Ireland Limited.

Other market participants, including the Authorised Participants set out above, may make a market for the product on a stock exchange. However, market makers except designated market makers have no obligation to make a market in all market conditions.

18.1.2 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 and the relevant offer period as specified above under "*Offer to the investors*". 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) through authorised brokers or other intermediaries providing access to the ETN trading segment of the Main Market which enables trading of the Bonds by both professional and retail investors (in case of Bonds listed on the Main Market only) or (ii) via trading on an alternative stock exchange on which such Bonds are listed or traded) or (iii) over the counter (in case of Bonds not listed and/or admitted to trading on a stock exchange). 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.

18.1.3 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.

18.1.4 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).

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 (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 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 14 October 2026, based on a value of the underlying Cryptocurrency of Euro 78,481.40[9] would be Euro 78.48. 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 78.48.

For a determination of the issue price see also section 15.2. "*Description of the Bonds*".

18.2 SELLING RESTRICTIONS

18.2.1 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.

18.2.2 European Economic Area

Unless the Final Terms in respect of any Bonds specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Authorised Participant and/or any person subsequently offering, selling, distributing, delivering or recommending the Bonds has to represent and agree that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds to any retail investors in the European Economic Area.

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, as amended (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, as amended (the "**EU 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.

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

[9] Value of Bitcoin as of 14 October 2026.

to purchase or subscribe for the Bonds and the expression "**EU Prospectus Regulation**" means Regulation (EU) 2017/1129, as amended.

18.2.3 United Kingdom

Unless the Final Terms in respect of any Bonds specifies "Prohibition of Sales to UK Retail Investors", as "Not Applicable", each Authorised Participant and/or any person subsequently offering, selling, distributing, delivering or recommending the Bonds has to represent and agree that it has not offered, sold, distributed or otherwise made available and will not offer, sell, distribute or otherwise make available any Bonds to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is either one (or both) of the following:

(i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended or supplemented from time to time (the "**EUWA**"); or

(ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024 (the "**POATRs**"); and

(b) the expression "**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 buy or subscribe for the Bonds.

If the Final Terms in respect of any Bonds do not include a legend entitled "Prohibition of Sales to UK Retail Investors" in relation to the United Kingdom, each Authorised Participant and/or any person subsequently offering, selling, distributing, delivering or recommending the Bonds has to represent and agree, that it has not made and will not make an offer of Bonds which are the subject of 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:

(A) at any time where the offer is conditional on the admission of the Bonds to trading on the London Stock Exchange's Main Market (in reliance on the exception in paragraph 6(a) of Schedule 1 to the POATRs);

(B) at any time to any legal entity which is a qualified investor as defined in paragraph 15 of Schedule 1 to the POATRs;

(C) at any time to fewer than 150 persons (other than qualified investors as defined in paragraph 15 of Schedule 1 to the POATRs) in the United Kingdom subject to obtaining the prior consent of the relevant Authorised Participant or Authorised Participants nominated by the Issuer for any such offer; or

(D) at any time in any other circumstances falling within Part 1 of Schedule 1 to the POATRs.

For the purposes of this provision, the expression "**an offer of Bonds to the public**" in relation to any Bonds 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 buy or subscribe for the Bonds; and the expression "**POATRs**" means the Public Offers and Admission to Trading Regulations 2024.

18.2.4 United Kingdom - Other regulatory restrictions

Each Authorised Participant and/or any person subsequently offering, selling, distributing, delivering or recommending the Bonds has to represent and agree 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.

18.2.5 United States

The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered, sold, transferred or delivered in or into the United States of America (the "**United States**") or to or for the account or benefit of, U.S. persons except pursuant to a valid exemption from, or in a transaction not subject to, the requirements of the Securities Act. The Issuer has not registered, and does not intend to register, as an investment company under the United States Investment Company Act of 1940, as amended (the "**Investment Company Act**"). Accordingly, the Bonds may not be offered, sold, pledged or otherwise transferred or delivered within the United States or to, or for the account or benefit, of any US Person unless done so in a manner such that the Issuer would not be subject to registration under the Investment Company Act. The Bond may be offered and sold outside of the United States in offshore transactions (as such term is defined in Regulation S) to persons who are not US Persons in reliance upon Regulation S under the Securities Act. Any person acting as a distributor of the Bonds and/or Authorised Participant 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 and/or Authorised Participant has represented and agreed that neither it, its affiliates nor any persons acting on its or their behalf shall offer or sell the Bonds within the United States or to any US Persons, nor have they engaged or will engage in any "directed selling efforts" with respect to the Bonds. Terms used in this subparagraph have the meaning given to them by Regulation S.

19. GENERAL INFORMATION

19.1 AUTHORISATION

The initial establishment of the programme and issuance of any bonds secured by Cryptocurrencies under the programme were authorised by a resolution of the Issuer dated 15 December 2020. On 29 September 2025, the Issuer passed a resolution to approve the admission of the Bonds issued under the Programme to trading on the Main Market. On 15 September 2026, the Issuer passed a resolution to approve the annual update and publication of this Base Prospectus, and the future issuance of specific series of Bonds under any such Base Prospectus.

The issuance of any Bonds under this Base Prospectus must be separately approved by separate resolutions.

19.2 LISTING AND ADMISSION TO TRADING

Application has been made to the London Stock Exchange for the period of twelve (12) months from the date of this Base Prospectus for Bonds issued under the Programme to be admitted to trading on the ETN segment of the Main Market of the London Stock Exchange and to be listed on the Official List of FCA.

This Base Prospectus is valid for twelve (12) months from its date in relation to Bonds which are to be admitted to trading on a regulated market in accordance with PRM 11.1.1R of the FCA's Admission to Trading on a Regulated Market sourcebook (PRM). The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy in accordance with PRM 10 does not apply when this Base Prospectus is no longer valid.

In addition to the London Stock Exchange, the Issuer may apply to other stock exchanges to list the Bonds using a separate listing and/or offering document.

19.3 MATERIAL ADVERSE CHANGE

There has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2025, the date of its last published audited financial information.

19.4 SIGNIFICANT CHANGE

There has been no significant change in the financial performance or financial position of the group of which the Issuer forms part since 30 June 2026, i.e. the end of the last financial period for which (unaudited) financial information has been published, to the date of this Base Prospectus.

19.5 LITIGATION

There are no governmental, legal or arbitration proceedings pending or threatened against the Issuer during the twelve (12) months prior to the date hereof which may have, or have had in such period, a significant effect on the financial position or profitability of the Issuer.

19.6 CLEARING

The Bonds have been accepted for clearance through Clearstream Europe (which is the entity in charge of keeping the records). Bonds will be cleared through Clearstream Europe in whole numbers of Bonds only (for these purposes a Bond may be referred to as a unit by Clearstream Europe). The Bonds are also accepted for clearing through the clearing system operated by London Clearing House Limited. Any additional or alternative clearing systems shall be specified in the Final Terms.

The Common Code and the International Bonds Identification Number (ISIN) for each Series of Bonds or (where applicable) the identification number for any other relevant clearing system for each Series of Bonds will be set out in the applicable Final Terms.

Interests in the Bonds may also be held through CREST through the issuance of CDIs representing Underlying Bonds.

The address of CREST is Euroclear UK & Ireland Limited, 33 Cannon Street, London, EC4M 5SB.

You should note that the CDIs are the result of the CREST settlement mechanics and are not the subject of this Base Prospectus.

The address of Clearstream Europe is Frankfurt am Main, Mergenthalerallee 61, 65760 Eschborn, Germany.

19.7 DOCUMENTS AVAILABLE FOR INSPECTION

For the duration of this Base Prospectus or so long as any Bonds remain outstanding, copies of the following documents listed at (a) – (i) below are available free of charge during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Issuer at Thurn- und Taxis-Platz 6, 60313 Frankfurt am Main, Germany:

(a) the Base Prospectus and any supplement thereto;

(b) the constitutional documents of the Issuer;

(c) the Agency Agreement;

(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 Depositary 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 future annual audited financial statements and half-yearly unaudited financial statements of the Issuer (once published).

Copies of the documents listed at (a) – (i) above will be available for inspection by holders of Bonds in electronic format at https://bitwiseinvestments.eu/de/resources/ (in each case, once and to the extent available). The Issuer reserves the right to redact certain provisions related to sensitive commercial matters and certain procedures for security reasons.

In addition, copies of this Base Prospectus, supplements to this Base Prospectus, and, in respect of Bonds listed on the London Stock Exchange, the applicable Final Terms, as well as all documents incorporated by reference herein, shall also be available for viewing on the website of the Regulatory News Service operated by the London Stock Exchange (https://www.londonstockexchange.com/news?tab=news-explorer&period=daily&headlinestypes=1,2).

19.8 THIRD-PARTY INFORMATION

Where information in this Base Prospectus has been sourced from third parties, this information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third-party information is identified where used.

19.9 DETERMINATION OF ISSUE PRICE AND ISSUE SIZE

The issue price and the amount of the relevant Bonds will be determined before filing of the applicable Final Terms of each Series based on then prevailing market conditions. The Issuer does not intend to provide any post-issuance information in relation to any of the Series of Bonds.

19.10 AUDITORS

For the financial year ended 31 December 2024 and the financial year ended 31 December 2025, 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*).

NAMES AND ADDRESSES

ISSUER

Bitwise Europe GmbH
Thurn- und Taxis-Platz 6
60313 Frankfurt am Main
Germany

SECURITY TRUSTEE

The Law Debenture Trust Corporation p.l.c.
8th Floor, 100 Bishopsgate
London EC2N 4AG
United Kingdom

DEPOSITARIES

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
3rd Floor, 2 Hill Street
St. Helier
Jersey JE2 4UA

Zodia Custody (Ireland) Limited
3rd Floor, Kilmore House
Park Lane, Spencer Dock
Dublin
Ireland, D01 XN99

FISCAL AGENT AND PAYING AGENTS

Quirin Privatbank AG
Kurfürstendamm 119
10711 Berlin
Germany

EXECUTION AGENT

Wintermute Trading Ltd.
3rd Floor, 1 Ashley Road
Altrincham, Cheshire
United Kingdom, WA14 2DT

AUDITORS

Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft
Cecilienallee 6-7
40474 Düsseldorf
Germany

ADMINISTRATOR

Apex Corporate & Advisory Services Ltd
Central North Business Centre, Level 1
Sqaq il-Fawwara
Sliema SLM1670
Malta

LEGAL ADVISORS AS TO ENGLISH LAW

To the Issuer

White & Case LLP
5 Old Broad Street
London EC2N 1DW
United Kingdom

LEGAL ADVISERS AS TO GERMAN LAW

White & Case LLP
Bockenheimer Landstraße 20
60323 Frankfurt am Main
Germany