



**Iconic Funds BTC ETN GmbH**

(having its corporate domicile in Frankfurt am Main, Federal Republic of Germany)

as Issuer

**Up to 9,000,000,000 Perpetual Bitcoin Backed Notes**

Initial Issue Price: 0.0001 BTC

Iconic Funds BTC ETN GmbH, Große Gallusstraße 16-18, 60312 Frankfurt am Main, Federal Republic of Germany (the **Issuer**) issued on April 15, 2021 (the **Issue Date**) up to 9,000,000,000 Perpetual Bitcoin Backed Notes without par value (the **Notes**). The interest-free Notes do not have a fixed maturity date. The Notes will be governed by the laws of the Federal Republic of Germany (**Germany**).

This prospectus is a succeeding prospectus. This means that this offer is continuing the previous offer of Notes made by the issuer on the basis of the prospectus approved by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) of the Federal Republic of Germany on April 15, 2021, expired on April 15, 2022.

The purpose of this prospectus is to be able to issue further Notes that are similar to the Notes issued under the initial previous prospectus. In the following using the phrase “succeeding prospectus” means this prospectus. When it is stated as of “previous prospectus” or “initial previous prospectus” the expiring prospectus is meant.

This succeeding prospectus as well as the initial previous prospectus are available for inspection and download at <https://funds.iconicholding.com/xbti-iconic-funds-physical-bitcoin-etp/>

The Notes will constitute direct, unconditional and secured and unsubordinated obligations of the Issuer, ranking *pari passu* among themselves and *pari passu* with all other secured and unsubordinated obligations of the Issuer, unless such obligations are accorded priority under mandatory provisions of statutory law.

This prospectus (the **Prospectus**) constitutes a prospectus within the meaning of Article 6 of Regulation (EU) 2017/1129 of the European Parliament and the Council of 14 June 2017 (the **Prospectus Regulation**). This Prospectus will be published in electronic form on the website of the Issuer (<https://funds.iconicholding.com/>)

This Prospectus has been approved by the *Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)* of the Federal Republic of Germany in its capacity as competent authority under the Prospectus Regulation. The BaFin only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the economic or financial soundness of the transaction or the quality and solvency of the Issuer or of the quality of the Notes that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

This Prospectus may be filed in Switzerland with a review body (Prüfstelle) approved by the Swiss Financial Market Supervisory Authority FINMA (FINMA) as a foreign prospectus that is deemed approved according to Article 54(2) of the Swiss Federal Financial Services Act (FinSA) for entry on the list of approved prospectuses according to Article 64(5) FinSA, deposited with this review body and published according to Article 64 FinSA. The Notes do not constitute a participation in a collective investment scheme in the meaning of the Swiss Federal Act on Collective Investment Schemes (CISA) and are not subject to the supervision by the FINMA, and investors will not benefit from the specific investor protection under the CISA.

Application has been made on 20 April 2021 to the Frankfurt Stock Exchange under the previous prospectus for the Notes to be admitted to trading on the regulated market (*regulierter Markt*, sub-segment *General Standard*) of the Frankfurt Stock Exchange. The regulated market (*General Standard*) of the Frankfurt Stock Exchange is a regulated market listed in the register of regulated markets and multilateral trading facilities issued by the European Securities and Markets Authority (ESMA) pursuant to Directive 2014/65/EU on markets in financial instruments, as amended (*MiFID II*). An application to the SIX Swiss Exchange Ltd, Zurich, (the SIX Swiss Exchange) for Notes of the previous prospectus to be admitted to

trading on SIX Swiss Exchange according to the regulatory standard for exchange traded products has been made on April 23, 2021.

The Notes of the previous prospectus were listed on Deutsche Börse Xetra on May 12, 2021, on SIX Swiss Exchange on May 28, 2021 and on Euronext Paris and Amsterdam on July 1st, 2021.

The Notes of this succeeding prospectus will be issued in bearer form without par value.

The Notes have been assigned the following securities codes: ISIN DE000A3GK2N1; FISN ICONICFDSBTCET/NTS UNL BTC GAR REGS; CFI Code: EYAYMX; VALOR number 110570684; Valor symbol XBTI.

The offer, sale and delivery of the Notes and the distribution of this Prospectus in certain jurisdictions is restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer to inform themselves about and to observe any such restrictions. In particular, the Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) and are subject to U.S. tax law requirements. Subject to certain limited exceptions, the Notes may not be offered, sold or delivered within the United States or to U.S. persons.

This Prospectus does not constitute, and 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 authorized or to any person to whom it is unlawful to make such offer or solicitation.

THE VALIDITY OF THE PROSPECTUS WILL EXPIRE ON MAY 11, 2023. THE OBLIGATION TO SUPPLEMENT A PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES DOES NOT APPLY WHEN A PROSPECTUS IS NO LONGER VALID AND EXPIRES AFTER ADMISSION TO TRADING OF THE NOTES IS COMPLETED.

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# 1 Summary

## 1.1 INTRODUCTION AND WARNINGS

This prospectus (the **Prospectus**) relates to the public offering in Germany, the Netherlands, Norway, Sweden, Italy, France, Estonia, Poland, Slovakia, Spain, Finland, Greece, Portugal, Slovenia, the Czech Republic, Denmark, Austria, Belgium, Cyprus, Ireland, Luxemburg, Malta and Liechtenstein of Perpetual Bitcoin Backed Notes without par value (the **Notes**). The Notes' International Securities Identification Number (**ISIN**) is DE000A3GK2N1.

The Notes are issued under German law, are debt securities (*Schuldverschreibungen*) in the meaning of § 793 of the German Civil Code (*Bürgerliches Gesetzbuch*) and are being issued in bearer form.

The legal name of the issuer is Iconic Funds BTC ETN GmbH (the **Issuer**) and the commercial name is "Iconic Funds", which is the collective brand name for Iconic Funds GmbH and all of its wholly-owned subsidiaries. The Issuer is incorporated and operates under the laws of Germany and maintains its principal place of business in Germany. The Issuer's address and registered office is at Große Gallusstraße 16-18, 60312 Frankfurt am Main, Germany and the Issuer is registered in the commercial register of the local court (Amtsgericht) of Frankfurt am Main under HRB 116980. The Issuer's website is <https://funds.iconicholding.com/> and the phone number is +49696677815088.

The Legal Entity Identifier (**LEI**) of the Issuer is 391200YI9NA1BYDBUW16.

The date of approval of the Prospectus is May 11, 2022 and it was approved by the *Bundesanstalt für Finanzdienstleistungsaufsicht* of the Federal Republic of Germany (**BaFin**), Marie-Curie-Str. 24-28, 60439 Frankfurt am Main, Germany, Telephone: +49 (0) 228 4108-0, E-Mail: [poststelle@bafin.de](mailto:poststelle@bafin.de), website: <https://www.bafin.de/>.

This summary should be read as an introduction to the Prospectus. Any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole by an investor. Investors in the Notes could lose all or part of their invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled this summary including any translation thereof, but only where this summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Notes.

## 1.2 KEY INFORMATION ON THE ISSUER

### 1.2.1 Who is the issuer of the securities?

The legal name of the Issuer is Iconic Funds BTC ETN GmbH. The Issuer is incorporated and operates under the laws of Germany and maintains its principal place of business in Germany. The Issuer's address and registered office is at Große Gallusstraße 16-18, 60312 Frankfurt am Main, Germany.

The Legal Entity Identifier (**LEI**) of the Issuer is 391200YI9NA1BYDBUW16.

#### 1.2.1.1 Principal activities of the Issuer

The Issuer's principal activity is the issuance of notes (including the Notes contemplated to be issued with this Prospectus) which are secured by the pledges to the collateral crypto currency Bitcoin (**BTC**). The Issuer intends to use the net proceeds of the issuance of the Notes in full to purchase a corresponding stock in the relevant crypto currency. In order to make profit, the Issuer will charge an annual fee accrued daily calculated according to the Issue Price formula to the holders of the Notes (the **Holders**) issued by the Issuer. The Fee will be charged by deducting a fixed portion of the crypto currency stock.

#### 1.2.1.2 Major shareholders

The Issuer is a 100 % subsidiary of Iconic Funds GmbH, which in turn is a 100 % subsidiary of Iconic Holding GmbH. The major shareholders of Iconic Holding GmbH are Max Lautenschläger Beteiligungs GmbH (approximately 25.5 per cent.), FinLab AG (approximately 20.8 per cent.), Patrick Alan Lowry (approximately 11.3 per cent.) and Cryptology Asset Group PLC (approximately 10.4 per cent.). The shares in Cryptology Asset Group PLC are especially concentrated on two shareholders, Apeiron Investment Group Ltd., which holds approximately 49.41 percent of the company shares and Grey Study Capital GmbH, which holds approximately 16.47 per cent of the company shares. The additional approximately 34 percent of the company shares are distributed between more than 30 further shareholders with shareholdings of less than 10 percent each.

#### 1.2.1.3 Key managing directors

The Issuer is managed by its managing director (*Geschäftsführer*) Patrick Alan Lowry.

#### 1.2.1.4 Statutory auditors

Baker Tilly GmbH Wirtschaftsprüfungsgesellschaft, Valentinskamp 88, 20355 Hamburg, Germany, is the statutory auditor of the Issuer. Baker Tilly GmbH Wirtschaftsprüfungsgesellschaft is a member of the WPK (Chamber of Public Accountants).

#### 1.2.1.5 What is the key financial information regarding the Issuer?

The Issuer's financial information is included in the Issuer's audited annual financial statements dated as of and for the financial year ended 31 December 2021 (the **2021 Financial Statements**) and as of and for the financial year ended 31 December 2020 (the **2020 Financial Statements** and together the **Financial Statements**). The Financial Statements have been prepared in accordance with § 317 HGB and comply, in all material respects, with the requirements of International Financial Reporting Standards ("IFRS") as adopted by the European Union.

The following selected financial information is based on and extracted from the Financial Statements.

#### Iconic Funds BTC ETN GmbH

<b>Income Statement</b>	<b>31 December 2021</b>	<b>31 December 2020</b>
Operating profit/ loss	EUR (81.871)	EUR (80.929)
<b>Balance Sheet</b>	<b>31 December 2021</b>	<b>31 December 2020</b>
Net financial debt	EUR 0	EUR 0
<b>Cash Flow Statement</b>	<b>31 December 2021</b>	<b>31 December 2020</b>
Net Cash flow from operating activities	EUR (109.420)	EUR (85.956)
Net Cash flow from financing activities	EUR 168.288	EUR 75.000
Net Cash flow from investing activities	EUR 0	EUR 0

#### 1.2.2 What are the key risks that are specific to the Issuer?

*The following risk factors are material with respect to the ability of the Issuer to fulfill its obligations under the Notes.*

*Risks related to the short business history of the Issuer.* The Issuer is a newly incorporated limited liability company (*Gesellschaft mit beschränkter Haftung*). The Issuer's articles of association were agreed upon 2 August 2019. The Issuer was incorporated on October 16, 2019. Due to such short period of existence, the Issuer still does not have a relevant track record on capital market transactions and on successfully operating the business activities described herein. There can be no assurance that the planned business activities will be successful in the future which could have an adverse impact on the Issuer's business and financial situation and could ultimately lead to the Issuer's insolvency.

*Risks related to the limited business objective of the Issuer:* The focus of the Issuer's business activities is the issuance of the Notes which participate in the performance of the cryptocurrency Bitcoin. The Issuer will not carry out any other business and therefore has no other sources of income to cover its costs. Because of this limited business objective, the Issuer is exposed to the risk that Bitcoin (**BTC**) as a cryptocurrency does not get or loses market traction and as such is not successful or becomes less successful going forward and that the Fee generated from the Notes is insufficient to maintain the Issuer's business model. In this case the Issuer might not be able to adapt to such changed circumstances and may be unsuccessful in carrying out its business, which might in turn lead to a decrease in the value of the Notes.

*Legal and regulatory risks:* The Issuer is subject to a number of legal and regulatory risks including: (i) dependence on the Frankfurt Stock Exchange's permissibility under the rules and regulations of Germany to continue listing the Notes issues under the previous prospectus, (ii) changes in and compliance with regulatory requirements with respect to the Issuer and

its business, (iii) risk of compliance failures with respect to KYC/AML (Know-Your-Customer/ Anti-Money-Laundering) (iv) risks related to the changing regulatory regime with respect to cryptocurrencies, blockchain technology and digital assets.

### 1.3 KEY INFORMATION ON THE SECURITIES

#### 1.3.1 What are the main features of the securities?

The Notes do not have a fixed maturity date. The Notes do not bear interest. The Notes are issued without par value at an Initial Issue Price of 0.0001 BTC as the previous issued Notes on April 15, 2021 (the **Issue Date**), calculated as provided in the terms and conditions of the Notes (the **Terms and Conditions**). Notes can be purchased and redeemed through designated Authorized Participants in EUR, USD or BTC if offered. The leading currency is US-Dollar (**USD**). Each Note represents the right of the Holder to demand from the Issuer (a) delivery of Bitcoin equal to the Holder's claim, as of any Business Day, against the Issuer in respect of each Note, expressed as the amount of BTC per Note minus applicable fees of the Issuer, and calculated by the Issuer acting as Calculation Agent in its sole discretion in accordance with the formula in the Terms and Conditions or (b) payment of EUR or USD determined in accordance with the relevant provisions of the Terms and Conditions. The obligations under the Notes constitute direct, unconditional, unsubordinated and secured obligations of the Issuer ranking *pari passu* among themselves and all other secured and unsubordinated obligations of the Issuer. The Notes are freely transferable.

The following rights are attached to the Notes:

#### **Security**

As continuing security for the payment and discharge of the obligations to the Holders under the Notes, the Issuer pledges in favour of the Holders to the Security Trustee (i) all of his rights, present and future, in particular claims for delivery, with respect to the BTCs deposited by the Issuer with the custodian ("**Custodian**") in his depository accounts (Wallets) and (ii) claims with respect to the Notes owned by the Issuer (the **Security**).

#### **Redemption at the option of the Issuer by termination**

The Issuer may at any time terminate the Notes (except for Notes whose redemption has already been demanded by the Holder by notice of termination) in whole, but not in part, at its discretion by notice to the Authorized Participants and directly or indirectly to the Holders and redeem the Notes at an amount of BTC equal to the Redemption Amount or converted into USD or EUR in accordance with the relevant provisions of the Terms and Conditions.

#### **Redemption at the option of the Holder by termination**

Each Holder has the right to require the Issuer to redeem the Notes upon notice of termination to an Authorized Participant, at an amount in BTC equal to the Redemption Amount or (if requested by the Holder to be paid in USD or EUR) converted into USD or EUR in accordance with the relevant provisions of the Terms and Conditions on a date fixed for redemption.

#### **Procedure for the termination and redemption of the Notes**

In the case of a termination by the Issuer or the exercise of a Holder's termination, the Redemption Amount shall be calculated by the Calculation Agent, based on the formula for the calculation of the Redemption Amount. Following the calculation of the Redemption Amount, the Calculation Agent will provide the Issuer with the calculation result at the relevant Redemption Date.

The Issuer will then provide the Authorized Participant with an amount of BTC from the BTC which was initially provided to the Issuer by the Authorized Participants upon subscription of the Notes and which has been held by the Issuer in a pledged BTC wallet (the **BTC-under-management**). The amount to be provided in BTC will be equal to the calculated Redemption Amount.

Upon reception of the Redemption Amount in BTC, the Authorized Participant, will transfer or cause to be transferred the Redemption Amount to the Holder. In the event that the Holder asked for a transfer of USD or EUR, the Redemption Amount in BTC will be converted by the Authorized Participant into USD or EUR in accordance with the relevant provisions of the Terms and Conditions and then paid out in USD or EUR.

#### **Extraordinary termination and redemption in an event of default**

The Notes provide for events of default entitling each Holder to demand immediate redemption of their principal amount in case of extraordinary termination. Such events of default include the failure of the Issuer to duly perform an obligation arising from the Notes, the announcement of the Issuer that it is unable to meet its financial obligations or that it ceases its payments generally, the institution of insolvency proceedings against the Issuer or the Issuer entering into liquidation (unless in connection with a merger or another form of combination with another company).

#### **Resolutions of Holders**

In accordance with the German Act on Debt Securities of 2009 (*Schuldverschreibungsgesetz – "SchVG"*) the Notes contain provisions pursuant to which Holders may agree by resolution to amend the Terms and Conditions (with the consent of the Issuer) and to decide upon certain other matters regarding the Notes. Resolutions of Holders properly adopted, either in a meeting of Holders or by vote taken without a meeting in accordance with the Terms and Conditions,

are binding upon all Holders. Resolutions providing for material amendments to the Terms and Conditions require a majority of not less than 75% of the votes cast. Resolutions regarding other amendments are passed by a simple majority of the votes cast.

### 1.3.2 Where will the securities be traded?

Applications have been made by the Issuer and the Listing Agent under the previous prospectus for admission to trading of Notes on the regulated market (*General Standard*) of the Frankfurt Stock Exchange. An application to the SIX Swiss Exchange for admission to trading of the Notes has been made on April 23, 2021. The Notes were listed on Deutsche Börse Xetra on May 12, 2021, on SIX Swiss Exchange on May 28, 2021 and on Euronext Paris and Amsterdam on July 1st, 2021. The applications for listing have been granted by the Exchanges.

The Issuer may decide to list the Notes on such other or further regulated markets and/or arrange for the trading of the Notes on multilateral trading facilities, organised trading facilities or through systematic internalisers, all within the meaning of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments.

### 1.3.3 What are the key risks that are specific to the securities?

The key risks that could lead to substantial losses that Holders would have to bear in case of selling their Notes or with regard to receiving repayment of principal include that:

#### **Risks resulting from the structure of the Notes**

*Risk related to the exercise of the Issuer's termination:* The Issuer may exercise the termination at any time in its reasonable discretion (*billiges Ermessen*) in consideration of the relevant capital market practice and by acting in good faith and the Issuer may resell Notes called by it at a later stage. As a result of this, Holders are exposed to the risk that the Issuer exercises the termination in the event of a low BTC price and, thus, a low Redemption Amount with a view to reselling such Notes at a later stage.

*Holders are exposed to risks resulting from a time lag after termination of the Notes:*

The yield of the Notes may be substantially reduced and Holders may even lose all capital invested because of a time lag after a termination of the Notes:

Termination by the Holder to the Authorized Participant:

1. After the Notice of Termination is sent by the Holder, there is a time lag if the Termination Date is not a Business Day, the next Business Day shall be the Termination Date, which also postpones the termination. In the meanwhile, the BTC price may have varied substantially.
2. If the Holder chose a redemption in EUR or USD, there is a time lag between the termination and the fixation of the amount in EUR or USD that the Holder will receive after conversion of the Redemption Amount into USD or EUR.

Due to the time lags described above, the value of the BTC (converted into USD or EUR) may change substantially to the detriment of the Holders during such period and Holders may lose all of the invested capital. Comparable risks can arise in the event of termination by the Issuer.

*Risk relating to the prominent position of the Authorized Participants:* The Authorized Participants have a prominent position in the purchase and redemption process for the Notes and the entire systematic of the Notes depends on the services provided by the Authorized Participants. They act as a "hub" for payment flows in USD, EUR and BTC as well as with respect to the Holders' Notes. It cannot be ruled out that disruptions, errors or intentional actions will occur at the level of the Authorized Participants within the scope of their processes and settlements, which will have an impact on the asset positions of the Issuer and/or the Holders. Furthermore, due to the nature of the purchase and redemption process for the Notes, the Holders bear the Authorized Participants' insolvency risk between the payment of the purchase price until the delivery of the Notes as well as upon redemption between the re-transfer of their Notes and the payment of the Redemption Amount to them.

#### **Risks related to BTC**

*Risks in connection with the storage of BTC:* The Issuer has incorporated a hybrid storage option involving cold storage (i.e. on a platform that is not connected to the Internet) and hot storage/wallets (i.e. on wallets connected to the Internet) for the BTC contained in the BTC-under-management. When using hot storage/wallets in relation to the BTC held by the Issuer, the Issuer splits the BTC held across exchanges that have in the opinion of the Issuer proven to be the most secure on the basis i.e. of insurance coverage and compliance to relevant legislation and regulation (as applicable) and have a high level of liquidity/volume for BTC in the market. The BTC held by the Issuer are held in these exchanges on the accounts of the Issuer, granting trading rights and transfer rights to the directors of the Issuer. These exchanges and trading solutions may be subject to hacks and breach of data or default of the service provider taking care of the safekeeping of the BTC. Additionally, the Issuer may lose the private keys to access the BTC wallets and therefore lose permanently access to the BTC contained in the BTC-under-management.



*Dependence on the performance of BTC:* The value of the Notes is affected by the price of BTC – which fluctuates widely and is influenced by a number of factors, for example, may be influenced by global and regional political, economic or financial events, regulatory events or statements by regulators, investment trading, hedging or other activities by a wide range of market participants, forks in underlying protocols (i.e. splits), disruptions to the infrastructure or means by which crypto assets are produced, distributed, stored and traded. The price of BTC may also change due to shifting investor confidence in future outlook of the asset class. Characteristics of BTC and divergence of applicable regulatory standards creates the potential for market abuse and could lead to high price volatility. The USD or EUR cash amount received by Holders upon termination and redemption of the Notes depends on the performance of the BTC price, as calculated in accordance with the Terms and Conditions. **The Notes are not capital protected e.g. through a deposit guarantee scheme at all and there is, therefore, a risk of partial or complete loss of investment. Furthermore, due to the yield reducing effect of the Fee and the costs charged by the Authorized Participants, Holders will receive a negative return not only in case of a negative performance of the underlying BTC, but also in case of a neutral performance of the underlying BTC, i.e. in case that the performance of the underlying BTC is less than the applicable Fee. Therefore, in the event that the performance of the BTC does not compensate the deduction of the Fee in the longer term, the value of the Notes will be reduced to near zero over time.**

*No obtainable liquidity:* The cryptocurrency market is not a highly liquid market. There is a risk that there is no obtainable liquidity in the market for BTC/USD (USD per Bitcoin), BTC/EUR (EUR per Bitcoin). In the event of the market for the appropriate 'currency pair' being illiquid, the price determination for that digital currency may become very volatile and even more difficult to predict. This may in turn reduce the interest from investors which will adversely affect the demand, which is calculated to decrease the market value of a specific digital currency such as BTC. As the value of the Notes is affected by the price and market value of BTC a decline in the trading volumes of BTC and other cryptocurrencies could have a material adverse effect on the value of the Notes and Holders could suffer a total loss of their investment in the Notes.

*Political risk in the market of Bitcoin:* The entire business model of the Issuer depends on possible regulations or prohibitions, especially with regard to BTC as the underlying of the Notes. It is impossible to predict how exactly politics and future regulations may affect the markets and general economic environment for the Issuer's business model. However, future regulations and changes in the legal status of BTC are political risks which may affect the price development of BTC. If the Issuer fails to comply with potential future regulations, this may lead to the Issuer incurring losses and it may also have an adverse impact on the Issuer's ability to carry out its business.

#### **Risks related to the trading of the Notes**

*Market price risk:* The development of market prices of the Notes depends on various factors, such as changes of market interest rate levels, the policies of central banks, overall economic developments, inflation rates or the lack of or excess demand for the Notes. The Holders are therefore exposed to the risk of an unfavorable development of market prices of their Notes which materialize if the Holders sell the Notes.

*Trading price risk:* The trading price of the Notes could decrease if the creditworthiness of the Issuer or associated parties worsens or is perceived to worsen irrespective of the fact that the Notes are underlaid by the actual holdings of the BTC. The risk is that third parties would only be willing to purchase Notes at a substantial discount relative to the price of BTC, which in turn may result in a Holder's loss of the investment in the Notes. Furthermore, the Frankfurt Stock Exchange could withdraw the given admission to initial issued notes to trading in the regulated market, in particular if the Issuer does not adhere to the listing requirements prior to or after listing of the Notes.

#### **Risks related to the Security of the Notes**

*Security granted to secure a Notes may be unenforceable or enforcement of the Security may be delayed:* The Issuer has pledged deposited BTC in favour of the Holders as Security for the Issuer's debt to the Holders. These security arrangements may not be sufficient to protect the Holders in the event of the Issuer's or the Custodians' bankruptcy or liquidation due to various reasons.

*Fraud risk arising from third parties.* The Issuer is interacting with a number of third parties, including, but not limited to, the Custodian, the Security Trustee, Authorized Participants, the Administrator and exchanges and trading platforms. 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 which are pledged as a Security for the Notes and also result in losses for the Holders of the Notes.

#### **1.3.4 Under which conditions and timetable can I invest in this security?**

The conditions and timetable for investing in the Notes are set out below.

The aggregate amount of Notes issued is up to 9,000,000,000 Notes, corresponding to an Initial Issue Price per Note of 0.0001 BTC.

#### **Offer to the Public**

The Notes will be offered by financial intermediaries (including Authorized Participants) to institutional and retail investors in compliance with applicable selling restrictions. As at the date of the Prospectus, Flow Traders BV, Enigma Securities Ltd., Jane Street Financial Limited, DRW Europe B.V. and Bluefin Europe LLP Limited have been appointed as Authorized Participants. Notes can in the primary market only be bought with USD and EUR and BTC if offered and only by and through Authorized Participants. The offer period is expected to commence on May 11, 2022 and will be open until May 11, 2023 (the expiration date of the Prospectus) subject to shortening the period. As of the date of the Prospectus, the Issuer has entered into agreements with five Authorized Participants. An offer to the public may be made in the country specified under "1.1. Introduction and warnings".

#### **Conditions and technical details of the Offer**

The offer is not subject to any conditions or time limits other than the time limit resulting from the validity of the Prospectus as specified under "Offer to the Public". There is no possibility to reduce subscriptions. No minimum or maximum subscription amounts have been specified, however financial intermediaries (including Authorized Participants) offering the Notes can determine minimum or maximum subscription amounts when offering the Notes in their sole and absolute discretion.

The Notes will be delivered via book-entry through the clearing system and its account holding banks.

In the secondary market Notes can be purchased exclusively in FIAT (i.e. EUR or USD). FIAT money is a national currency that is not linked to the price of a commodity such as gold or silver.

#### **Method of determination of the Issue Price**

Based on the information from an investor to purchase Notes, an Authorized Participants will subscribe for the relevant number of Notes (Subscription Amount) on the relevant Subscription Date at the relevant Issue Price per Note and subsequently deliver such Notes to the investor.

As of the Issue Date, the Initial Issue Price will be 0.0001 BTC per Note, i.e. Authorized Participants purchasing Notes from the Issuer would receive one Note for each 0.0001 BTC. Over time, the Issue Price changes pursuant to the following definitions and formula.

**Issue Price** means an amount of BTC per Note equal to the BTC Factor that an Authorized Participant as the only subscriber of the Notes is entitled to receive on the Subscription Date and that the Calculation Agent calculates as follows:

$$\text{BTC Factor} = \text{Initial Issue Price} * (1 - \text{Fee})^N$$

The **BTC Factor** represents the decrease in BTC entitlement due to the Fee of the Notes (subject to reduction by the Issuer).

The **Initial Issue Price** on the Issue Date is 0.0001 BTC.

**Fee** refers to 0.96% (96 BPS) per annum accrued daily in relation to Bitcoin's under-management and may be changed within the limits of § 4(2). The Fee initially amounts to 0.96% per annum and may then be adjusted by the Issuer in its reasonable discretion (*billiges Ermessen*) and in consideration of the relevant capital market practice and by acting in good faith by giving notice to the Holders.

**N** means the number of days since the Issue Date divided by 360 (act/360).

**Business Day** means a day (other than a Saturday or a Sunday) on which banks are open for general business in Frankfurt am Main and on which the Clearing System as well as all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 (TARGET2) are operational to effect payments.

The **Subscription Amount**, meaning the amount of Notes to be received by an Authorized Participant in exchange for BTC, will be calculated by the Calculation Agent based on the underlying Issue Price on the Subscription Date as the case may be.

Where an investor purchases a note from an Authorized Participant with USD or EUR, the USD or EUR price will be calculated as outlined in the Terms and Conditions.

#### **Expenses**

The total expenses of the initial public offer under the previous prospectus have been up to EUR 640.000,00 net. The estimated total expenses of the succeeding prospectus are expected to be up to EUR 70.000.

#### **Fees to be borne by the Holder**

The Issuer will charge an annual Fee of 0.96% (96 bps), accrued daily on the aggregate amount of Notes bought by each Holder denominated in BTC (BTC-under-Management). The Fee is included in the definition of the Issue Price and of the Redemption Price and it is not to be deducted from the BTC entitlement as calculated in the BTC Factor formula.

The Issuer may charge the Authorized Participant, in addition to any third-party fees, a subscription fee not to exceed 1.00 percent (100 basis points) of the subscription amount. For its services in connection with the redemption of the Bonds, the Issuer shall charge an additional fee of 1.00 percent (100 basis points) on the redemption amount. The fee will be charged by the Issuer to the Authorized Participant on the basis of the amount redeemed.

The Issuer has no influence on whether and to what extent a respective Authorized Participant will charge additional fees. These fees may vary depending on the Authorized Participant.

### 1.3.5 Why is this prospectus being produced?

#### 1.3.5.1 Reasons for the offer

The Issuer intends to make profit through charging an annual Fee of 0.96% (96 bps), accrued daily on the aggregate amount of Notes bought by each Holder denominated in BTC (BTC-under-management). The Fee will be earned during the respective period in BTC from the BTC-under-management.

#### 1.3.5.2 Use and estimated net amounts of the proceeds

In connection with the placement of the Notes, the Issuer uses the net proceeds to purchase BTC to add to the BTC-under-management.

#### 1.3.5.3 Underwriting Agreement

The Issuer has not entered into an underwriting agreement.

#### 1.3.5.4 Material conflicts of interest pertaining to the offer

There are no material conflicts of interest pertaining to the offer.

## 2 Zusammenfassung

### 2.1 EINLEITUNG UND WARNUNGEN

Dieser Prospekt (der **Prospekt**) bezieht sich auf das öffentliche Angebot in Deutschland, den Niederlanden, Norwegen, Schweden, Italien, Frankreich, Estland, Polen, der Slowakei, Spanien, Finnland, Griechenland, Portugal, Slovenien, der Tschechischen Republik, Dänemark, Österreich, Belgien, Zypern, Irland, Luxemburg, Malta und Liechtenstein und die Zulassung zum Handel im *regulierten Markt* (Teilbereich *General Standard*) der Frankfurter Wertpapierbörse, zur Deutschen Börse Xetra, zur SIX Swiss Exchange und zur Euronext Paris und Amsterdam von Perpetual Bitcoin Backed Notes ohne Nennbetrag (die **Schuldverschreibungen**). Die International Securities Identification Number (**ISIN**) der Schuldverschreibungen lautet DE000A3GK2N1.

Die Schuldverschreibungen werden nach deutschem Recht begeben, sind *Schuldverschreibungen* im Sinne des § 793 des deutschen *Bürgerlichen Gesetzbuchs* und werden in Form von Inhaberschuldverschreibungen ausgegeben.

Der rechtliche Name des Emittenten ist Iconic Funds BTC ETN GmbH (die **Emittentin**) und der Handelsname ist "Iconic Funds", der der gemeinsame Markenname für die Iconic Funds GmbH und alle ihre hundertprozentigen Tochtergesellschaften ist. Die Emittentin ist nach deutschem Recht gegründet und tätig und unterhält ihren Hauptgeschäftssitz in Deutschland. Die Anschrift und der Sitz der Emittentin befindet sich in der Große Gallusstraße 16-18, 60312 Frankfurt am Main, Deutschland und die Emittentin ist im Handelsregister des Amtsgerichts Frankfurt am Main unter HRB 116980 eingetragen. Die Website der Emittentin lautet <https://funds.iconicholding.com/> und die Telefonnummer lautet +49696677815088.

Der Legal Entity Identifier (**LEI**) des Emittenten lautet 391200YI9NA1BYDBUW16.

Das Datum der Billigung dies nachfolgenden Prospekts ist der 11. Mai 2022 und er wurde gebilligt von der *Bundesanstalt für Finanzdienstleistungsaufsicht* der Bundesrepublik Deutschland (**BaFin**), Marie-Curie-Str. 24-28, 60439 Frankfurt am Main, Deutschland, Telefon: +49 (0) 228 4108-0, E-Mail: [poststelle@bafin.de](mailto:poststelle@bafin.de), Website: <https://www.bafin.de/>.

Diese Zusammenfassung sollte als Einleitung zu dem Prospekt verstanden werden. Anleger sollten sich bei der Entscheidung, in die Schuldverschreibungen zu investieren, auf den Prospekt als Ganzes stützen. Anleger, die in die Schuldverschreibungen investieren, könnten das gesamte angelegte Kapital oder einen Teil davon verlieren. Für den Fall, dass vor einem Gericht Ansprüche aufgrund der in dem Prospekt enthaltenen Informationen geltend gemacht werden,

könnte der als Kläger auftretende Anleger nach nationalem Recht die Kosten für die Übersetzung des Prospekts vor Prozessbeginn zu tragen haben. Nur diejenigen Personen haften zivilrechtlich, die diese Zusammenfassung samt etwaigen Übersetzungen vorgelegt und übermittelt haben. Dies gilt jedoch nur für den Fall, dass diese Zusammenfassung, wenn sie zusammen mit den anderen Teilen des Prospekts gelesen wird, irreführend, unrichtig oder widersprüchlich ist oder dass sie, wenn sie zusammen mit den anderen Teilen des Prospekts gelesen wird, nicht die Basisinformationen vermittelt, die in Bezug auf die Investition in die Schuldverschreibungen für die Anleger eine Entscheidungshilfe darstellen würden.

## 2.2 WICHTIGE INFORMATIONEN ÜBER DEN EMITTENTEN

### 2.2.1 Wer ist der Emittent der Wertpapiere?

Die rechtliche Bezeichnung der Emittentin ist Iconic Funds BTC ETN GmbH. Die Emittentin ist nach deutschem Recht gegründet und tätig und unterhält ihren Hauptgeschäftssitz in Deutschland. Die Adresse und der eingetragene Sitz des Emittenten ist Große Gallusstraße 16-18, 60312 Frankfurt am Main, Deutschland.

Der Legal Entity Identifier (**LEI**) des Emittenten lautet 391200YI9NA1BYDBUW16.

#### 2.2.1.1 Haupttätigkeit der Emittentin

Die Haupttätigkeit der Emittentin ist die Emission von Schuldverschreibungen (einschließlich der mit diesem Prospekt zu begebenden Schuldverschreibungen), die durch die Verpfändung der Kryptowährung Bitcoin (BTC) besichert sind. Die Emittentin beabsichtigt, den Nettoerlös aus der Emission der Schuldverschreibungen vollständig für den Erwerb eines entsprechenden Anteils an der Kryptowährung zu verwenden. Um Gewinne zu erzielen, wird die Emittentin von den Inhabern der von der Emittentin begebenen Schuldverschreibungen (die "**Inhaber**") eine jährliche Gebühr (die "**Gebühr**"), die täglich anfällt und berechnet wird nach der Formel für den Ausgabepreis, erheben. Die Gebühr wird durch Abzug eines festen Anteils der mit dem Nettoerlös aus der Emission der Schuldverschreibungen erworbenen Kryptowährung erhoben.

#### 2.2.1.2 Hauptanteilseigner

Die Emittentin ist zu 100 Prozent im Besitz der Iconic Funds GmbH, welche wiederum eine 100% Tochter der Iconic Holding GmbH ist.

Die Hauptgesellschafter der Iconic Holding GmbH sind Max Lautenschläger Beteiligungs GmbH (ca. 25.5 Prozent), FinLab AG (ca. 20.8 Prozent), Patrick Alan Lowry (ca. 11.3 Prozent) und Cryptology Asset Group PLC (ca. 10,4 Prozent).

Die Anteile an der Cryptology Asset Group PLC konzentrieren sich insbesondere auf zwei Gesellschafter, die Apeiron Investment Group Ltd. mit einem Anteil von rund 49,41 Prozent der Gesellschaftsanteile und die Grey Study Capital GmbH mit einem Anteil von rund 16,47 Prozent der Gesellschaftsanteile. Die weiteren rund 34 Prozent der Gesellschaftsanteile verteilen sich auf mehr als 30 weitere Gesellschafter mit einem Anteilsbesitz von jeweils unter 10 Prozent.

#### 2.2.1.3 Geschäftsführer

Die Emittentin wird von ihrem *Geschäftsführer* Patrick Alan Lowry geleitet.

#### 2.2.1.4 Vorgeschriebene Wirtschaftsprüfer

Baker Tilly GmbH Wirtschaftsprüfungsgesellschaft, Valentinskamp 88, 20355 Hamburg, Deutschland, ist der Abschlussprüfer der Emittentin. Baker Tilly GmbH Wirtschaftsprüfungsgesellschaft ist Mitglied der WPK (Wirtschaftsprüferkammer).

#### 2.2.1.5 Wie lauten die wichtigsten Finanzinformationen über den Emittenten?

Die Finanzinformationen der Emittentin sind in den geprüften Jahresabschlüssen der Emittentin zum und für das Geschäftsjahr zum 31. Dezember 2021 (der **Jahresabschluss 2021**) und zum und für das Geschäftsjahr zum 31. Dezember 2020 (der **Jahresabschluss 2020** und zusammen die **Jahresabschlüsse**) enthalten. Die Abschlüsse wurden in Übereinstimmung mit § 317 HGB erstellt und entspricht in allen wesentlichen Punkten den Anforderungen der International Financial Reporting Standards ("IFRS"), wie sie in der Europäischen Union anzuwenden sind.

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

#### Iconic Funds BTC ETN GmbH

Gewinn- und Verlustrechnung	31. Dezember 2021	31 December 2020
Operativer Gewinn/Verlust	EUR ((81.871))	EUR (80.929)

<b>Bilanz</b>	<b>31. Dezember 2021</b>	31 December 2020
Netto-Finanzschulden	EUR 0	EUR 0
<b>Kapitalflussrechnung</b>	<b>31. Dezember 2021</b>	31 December 2020
Netto-Cashflow aus betrieblicher Tätigkeit	EUR (109.420)	EUR (85.956)
Netto-Cashflow aus Finanzierungstätigkeit	EUR 168.288	EUR 75.000
Netto-Cashflow aus Investitionstätigkeit	EUR 0	EUR 0

## 2.2.2 Was sind die Hauptrisiken, die für den Emittenten spezifisch sind?

Die folgenden Risikofaktoren sind wesentlich im Hinblick auf die Fähigkeit der Emittentin, ihre Verpflichtungen aus den Schuldverschreibungen zu erfüllen.

*Risiken im Zusammenhang mit der kurzen Geschäftsgeschichte des Emittenten.* Bei der Emittentin handelt es sich um eine neu gegründete *Gesellschaft mit beschränkter Haftung* (GmbH). Der Gesellschaftsvertrag der Emittentin wurde am 2. August 2019 beschlossen. Die Emittentin wurde am 16. Oktober 2019 gegründet. Aufgrund der weiterhin kurzen Zeit ihres Bestehens verfügt die Emittentin nicht über einen relevanten Track-Record bei Kapitalmarkttransaktionen und beim erfolgreichen Betreiben der hier beschriebenen Geschäftstätigkeit. Es kann nicht gewährleistet werden, dass die geplanten Geschäftstätigkeiten in der Zukunft erfolgreich sein werden, was sich negativ auf die Geschäfts- und Finanzlage der Emittentin auswirken und letztlich zur Insolvenz der Emittentin führen könnte.

*Risiken im Zusammenhang mit dem begrenzten Geschäftszweck der Emittentin:* Der Schwerpunkt der Geschäftstätigkeit der Emittentin liegt in der Begebung der Schuldverschreibungen, die an der Wertentwicklung der Kryptowährung BTC partizipieren. Die Emittentin wird keine weiteren Geschäfte tätigen und verfügt daher über keine weiteren Einnahmequellen zur Deckung ihrer Kosten. Aufgrund dieses eingeschränkten Geschäftszwecks ist die Emittentin dem Risiko ausgesetzt, dass BTC als Kryptowährung keine Markttrennung erlangt oder verliert und als solche nicht erfolgreich ist oder weniger erfolgreich wird und dass die aus den Schuldverschreibungen generierten Gebühren nicht ausreichen, um das Geschäftsmodell der Emittentin aufrechtzuerhalten. In diesem Fall könnte die Emittentin nicht in der Lage sein, sich an solche veränderten Umstände anzupassen und könnte bei der Ausübung ihrer Geschäftstätigkeit erfolglos sein, was wiederum zu einem Rückgang des Wertes der Schuldverschreibungen führen könnte.

*Rechtliche und regulatorische Risiken:* Die Emittentin unterliegt einer Reihe von rechtlichen und regulatorischen Risiken, darunter: (i) Abhängigkeit von der Frankfurter Wertpapierbörse und der Zulässigkeit nach dem deutschen Regelwerk, um die Notierung der Schuldverschreibungen fortzusetzen, (ii) Änderungen und Einhaltung aufsichtsrechtlicher Anforderungen in Bezug auf die Emittentin und ihre Geschäftstätigkeit, (iii) Risiko von Compliance-Versäumnissen in Bezug auf KYC/AML (sog. „Know-Your-Customer“ (Kenne Deinen Kunden)/ „Anti-Money-Laundering“ (Anti-Geldwäsche)) (iv) Risiken im Zusammenhang mit dem sich ändernden regulatorischen Regime in Bezug auf Kryptowährungen, Blockchain-Technologie und digitale Vermögenswerte.

## 2.3 WICHTIGE INFORMATIONEN ZU DEN WERTPAPIEREN

### 2.3.1 Was sind die Hauptmerkmale der Wertpapiere?

Die Schuldverschreibungen haben keinen festen Fälligkeitstermin. Die Schuldverschreibungen werden nicht verzinst. Die Schuldverschreibungen werden ohne Nennwert zu einem anfänglichen Ausgabepreis von 0,0001 BTC auf der Basis wie die vorangegangenen Schuldverschreibungen am 15. April 2021 (der **Ausgabetag**), begeben, der wie in den Bedingungen der Schuldverschreibungen (die **Anleihebedingungen**) vorgesehen berechnet wird. Die Schuldverschreibungen können über Authorized Participant in EUR, USD oder BTC gekauft und zurückgezahlt werden, sofern dieses angeboten wird. Die führende Währung ist US-Dollar (**USD**). Jede Schuldverschreibung verbrieft das Recht des Inhabers, von der Emittentin (a) die Lieferung von Bitcoin abzüglich der anfallenden Gebühren der Emittentin zu verlangen, die dem Anspruch des Inhabers gegen die Emittentin in Bezug auf jede Schuldverschreibung an einem beliebigen Geschäftstag entsprechen, ausgedrückt als Betrag in BTC pro Schuldverschreibung, der von der Emittentin als Berechnungsstelle nach ihrem alleinigen Ermessen gemäß der Formel in den Anleihebedingungen berechnet wird, oder (b) die Zahlung von EUR oder USD zu verlangen, die gemäß den einschlägigen Bestimmungen der Anleihebedingungen bestimmt werden. Die Verpflichtungen aus den Schuldverschreibungen stellen unmittelbare, unbedingte, nicht nachrangige und besicherte Verpflichtungen der Emittentin dar, die untereinander und mit allen anderen besicherten und nicht nachrangigen Verpflichtungen der Emittentin *gleichrangig* sind. Die Schuldverschreibungen sind frei übertragbar.

Die folgenden Rechte sind mit den Schuldverschreibungen verbunden:

#### **Sicherheit**

Als fortlaufende Sicherheit für die Zahlung und Erfüllung der Verpflichtungen gegenüber den Inhabern aus den Schuldverschreibungen verpfändet die Emittentin zugunsten der Inhaber an den Sicherheitstreuhänder (i) alle ihre

gegenwärtigen und zukünftigen Rechte, insbesondere Lieferansprüche, in Bezug auf die von der Emittentin bei den Verwahrern in ihren Konten hinterlegten BTCs (Wallets) und (ii) Ansprüche in Bezug auf die im Eigentum der Emittentin stehenden Schuldverschreibungen (die **Sicherheit**).

#### **Rückzahlung nach Wahl der Emittentin durch Kündigung**

Die Emittentin kann die Schuldverschreibungen (mit Ausnahme von Schuldverschreibungen, deren Rückzahlung der Inhaber bereits durch Kündigung verlangt hat) jederzeit nach ihrem Ermessen durch Mitteilung an einen sog. Authorized Participant und unmittelbar oder mittelbar an die Inhaber ganz, aber nicht teilweise kündigen und die Schuldverschreibungen zu einem Betrag in BTC zurückzahlen, der dem Rückzahlungsbetrag entspricht oder gemäß den einschlägigen Bestimmungen der Anleihebedingungen in USD oder EUR umgewandelt wird.

#### **Rücknahme nach Wahl des Inhabers durch Kündigung**

Jeder Inhaber hat das Recht, von der Emittentin zu verlangen, die Schuldverschreibungen nach Kündigung gegenüber einem sog. Authorized Participant zu einem Betrag in BTC zurückzuzahlen, der dem Rückzahlungsbetrag entspricht oder (falls vom Inhaber verlangt) in USD oder EUR gemäß den einschlägigen Bestimmungen der Anleihebedingungen an einem für die Rückzahlung festgelegten Tag umgewandelt wird.

#### **Prozess für die Beendigung und Rückzahlung der Schuldverschreibungen**

Im Falle einer Kündigung durch die Emittentin oder der Ausübung der Kündigung durch einen Inhaber wird der Rückzahlungsbetrag auf der Grundlage der Formel für die Berechnung des Rückzahlungsbetrags von der Berechnungsstelle berechnet. Im Anschluss an die Berechnung des Rückzahlungsbetrags wird die Berechnungsstelle der Emittentin das Berechnungsergebnis zum jeweiligen Rückzahlungstag mitteilen. Die Emittentin wird dann dem Authorized Participant eine Anzahl von BTC von denjenigen BTC, die ursprünglich bei der Zeichnung durch den Authorized Participant der Emittentin zur Verfügung gestellt wurde und die noch von der Emittentin in einem verpfändeten BTC Wallet zur Verfügung stehen (die BTC-under-management). Der zur Verfügung zustellende Betrag entspricht dem errechneten Rückzahlungsbetrag.

Nach Erhalt des Rückzahlungsbetrags in BTC wird der Authorized Participant den Rückzahlungsbetrag an den Inhaber transferieren oder transferieren lassen. Für den Fall, dass der Hold.er eine Überweisung in USD oder EUR verlangt, werden die BTC in Übereinstimmung mit den entsprechenden Bestimmungen der Anleihebedingungen in USD oder EUR umgewandelt.

#### **Außerordentliche Kündigung und Rücknahme bei einem Verzugsereignis**

Die Schuldverschreibungen sehen Verzugsereignisse vor, die jeden Inhaber berechtigen, im Falle einer außerordentlichen Kündigung die sofortige Rückzahlung des Nennbetrags zu verlangen. Solche Verzugsereignisse sind u. a. die nicht ordnungsgemäße Erfüllung einer Verpflichtung der Emittentin aus den Schuldverschreibungen, die Ankündigung der Emittentin, dass sie nicht in der Lage ist, ihren finanziellen Verpflichtungen nachzukommen, oder dass sie ihre Zahlungen generell einstellt, die Eröffnung eines Insolvenzverfahrens gegen die Emittentin oder der Eintritt der Emittentin in die Liquidation (es sei denn, dies geschieht im Zusammenhang mit einer Verschmelzung oder einer anderen Form des Zusammenschlusses mit einer anderen Gesellschaft).

#### **Beschlüsse der Inhaber**

Gemäß dem deutschen *Schuldverschreibungsgesetz* von 2009 (**SchVG**) enthalten die Schuldverschreibungen Bestimmungen, nach denen die Inhaber durch Beschluss zustimmen können, die Anleihebedingungen (mit Zustimmung der Emittentin) zu ändern und über bestimmte andere die Schuldverschreibungen betreffende Angelegenheiten zu entscheiden. Beschlüsse der Inhaber, die ordnungsgemäß entweder in einer Inhaberversammlung oder durch Abstimmung ohne Versammlung in Übereinstimmung mit den Anleihebedingungen gefasst werden, sind für alle Inhaber verbindlich. Beschlüsse, die wesentliche Änderungen der Anleihebedingungen vorsehen, bedürfen einer Mehrheit von nicht weniger als 75 % der abgegebenen Stimmen. Beschlüsse über andere Änderungen werden mit einer einfachen Mehrheit der abgegebenen Stimmen gefasst.

#### **2.3.2 Wo werden die Wertpapiere gehandelt?**

Anträge zur Zulassung und zum Handel der Schuldverschreibungen am regulierten Markt (*General Standard*) der Frankfurter Wertpapierbörse wurden am 20. April 2021 durch die Emittentin und den Listing Agent für Schuldverschreibungen des initialen vorangegangenen Prospekts gestellt. Ein Antrag zur Zulassung und zum Handel der Schuldverschreibungen auf der Basis des initialen vorangegangenen Prospekts an der SIX Schweizer Börse wurde am 23. April 2021 gestellt. Die Notes werden seit dem 12. Mai 2021 auf der Deutschen Börse Xetra, seit dem 28. Mai 2021 auf der SIX Swiss Exchange und seit dem 1. Juni 2021 auf der Euronext Paris und Amsterdam gehandelt. Die Anträge wurden gebilligt. Die Schuldverschreibungen werden an den Märkten gehandelt.

Die Emittentin kann beschließen, die Schuldverschreibungen an anderen oder weiteren geregelten Märkten zu notieren und/oder den Handel der Schuldverschreibungen auf multilateralen Handelssystemen, organisierten Handelssystemen oder durch systematische Internalisierer, alle im Sinne der Richtlinie 2014/65/EU des Europäischen Parlaments und des Rates vom 15. Mai 2014 über Märkte für Finanzinstrumente, zu veranlassen.

### 2.3.3 Was sind die Hauptrisiken, die für die Wertpapiere spezifisch sind?

Zu den wesentlichen Risiken, die zu erheblichen Verlusten führen könnten, die die Inhaber im Falle des Verkaufs ihrer Schuldverschreibungen oder im Hinblick auf den Erhalt der Rückzahlung des Kapitals zu tragen hätten, gehören:

#### **Risiken, die sich aus der Struktur der Schuldverschreibungen ergeben**

*Risiko im Zusammenhang mit der Ausübung der Kündigung durch die Emittentin:* Die Emittentin kann die Kündigung jederzeit nach *billigem Ermessen* unter Berücksichtigung der einschlägigen Kapitalmarktpraxis und nach Treu und Glauben ausüben und die von ihr gekündigten Schuldverschreibungen zu einem späteren Zeitpunkt wieder verkaufen. Dies hat zur Folge, dass die Inhaber dem Risiko ausgesetzt sind, dass die Emittentin die Kündigung im Falle eines niedrigen BTC-Kurses und damit eines niedrigen Rückzahlungsbetrags ausübt, um solche Schuldverschreibungen zu einem späteren Zeitpunkt wieder zu verkaufen.

*Inhaber sind Risiken ausgesetzt, die sich aus einer zeitlichen Verzögerung nach der Kündigung der Schuldverschreibungen ergeben:* Der Ertrag der Schuldverschreibungen kann erheblich reduziert werden und die Inhaber können aufgrund einer zeitlichen Verzögerung nach einer Kündigung der Schuldverschreibungen sogar ihr gesamtes investiertes Kapital verlieren.

Im Falle der Kündigung durch den Inhaber gegenüber dem Authorized Participant wie folgt:

1. Nach der Kündigung durch den Inhaber gibt es eine Zeitverzögerung, wenn das Kündigungsdatum kein Geschäftstag ist und erst der nächste Geschäftstag der Kündigungstag ist, wodurch die Kündigung später eintritt. In der Zwischenzeit kann sich der BTC-Preis erheblich verändert haben.
2. Wenn der Inhaber eine Rückzahlung in EUR oder USD gewählt hat, gibt es eine zeitliche Verzögerung zwischen der Kündigung und der Festlegung des Betrags im Rahmen von Wechselkursen in EUR oder USD, den der Inhaber nach Umrechnung des Rückzahlungsbetrags in USD oder EUR erhält.

Aufgrund der oben beschriebenen Zeitverzögerungen kann sich der Wert der BTC (umgerechnet in USD oder EUR) während dieses Zeitraums erheblich zum Nachteil der Inhaber verändern und die Inhaber können ihr gesamtes investiertes Kapital verlieren. Ein vergleichbares Risiko kann im Falle einer Kündigung durch die Emittentin entstehen.

*Risiko in Bezug auf die herausragende Stellung der Authorized Participants.* Die *Authorized Participants* haben eine herausragende Stellung im Kauf- und Rücknahmeprozess für die Schuldverschreibungen. Die gesamte prozessuale Systematik der Schuldverschreibungen hängt von den Dienstleistungen der *Authorized Participants* ab. Sie fungieren als "Drehscheibe" für Zahlungsströme in USD, EUR und BTC sowie in Bezug auf die Schuldverschreibungen der Inhaber. Es kann nicht ausgeschlossen werden, dass es auf der Ebene der *Authorized Participants* im Rahmen ihrer Prozesse und Abwicklungen zu Störungen, Fehlern oder vorsätzlichen Handlungen kommt die Auswirkungen auf die Vermögenspositionen der Emittentin und/oder der Inhaber haben. Darüber hinaus tragen die Inhaber aufgrund der Art des Kauf- und Rückzahlungsprozesses für die Schuldverschreibungen das Insolvenzrisiko der *Authorized Participants* zwischen der Zahlung des Kaufpreises bis zur Lieferung der Schuldverschreibungen sowie bei Rückzahlung zwischen der Rückübertragung ihrer Schuldverschreibungen und der Zahlung des Rückzahlungsbetrags.

#### **Risiken im Zusammenhang mit BTC**

*Risiken im Zusammenhang mit der Aufbewahrung von BTC:* Der Emittent hat eine hybride Aufbewahrungsoption mit sog. „kalter“ Aufbewahrung (d.h. auf einer Plattform, die nicht mit dem Internet verbunden ist) und sog. „heißer“ Aufbewahrung/Wallets (d.h. auf Wallets, die mit dem Internet verbunden sind) für die in den BTC-under-management enthaltenen BTC eingerichtet. Bei der Verwendung von „heißer“ Aufbewahrung/Wallets in Bezug auf die von der Emittentin gehaltenen BTC teilt die Emittentin die gehaltenen BTC auf Börsen auf, die sich nach Ansicht der Emittentin als die sichersten erwiesen haben, z.B. in Bezug auf den Versicherungsschutz und die Einhaltung einschlägiger Gesetze und Vorschriften (soweit anwendbar), und die ein hohes Maß an Liquidität/Volumen für BTC auf dem Markt aufweisen. Die von der Emittentin gehaltenen BTC werden an diesen Börsen auf den Wallets der Emittentin gehalten, wobei den Geschäftsführern der Emittentin Handels- und Übertragungsrechte eingeräumt werden. Diese Börsen und Handelslösungen können Hacks und Datenpannen oder einem Ausfall des Dienstleisters, der die Verwahrung der BTC übernimmt, ausgesetzt sein. Darüber hinaus kann die Emittentin die privaten Schlüssel für den Zugang zu den BTC-Wallets verlieren und somit dauerhaft den Zugriff auf die BTC verlieren.

*Abhängigkeit von der Wertentwicklung von BTC:* Der Wert der Schuldverschreibungen wird durch den Preis von BTC beeinflusst, der stark schwankt und von einer Reihe von Faktoren beeinflusst wird, z. B. von globalen und regionalen politischen, wirtschaftlichen oder finanziellen Ereignissen, regulatorischen Ereignissen oder Erklärungen von Aufsichtsbehörden, Anlagehandel, Absicherungsgeschäften oder anderen Aktivitäten einer Vielzahl von Marktteilnehmern, Forks (d.h. Spaltungen) in zugrundeliegenden Protokollen, Störungen der Infrastruktur oder der Mittel, mit denen Krypto-Vermögenswerte produziert, verteilt, gespeichert und gehandelt werden. Der Preis von BTC kann sich auch aufgrund eines schwankenden Anlegervertrauens in die Zukunftsaussichten der Anlageklasse ändern. Die Eigenschaften von BTC und die Divergenz der geltenden regulatorischen Standards schaffen das Potenzial für Marktmissbrauch und könnten zu einer hohen Preisvolatilität führen. Der Barbetrag in USD oder EUR, den die Inhaber bei Kündigung und Rückzahlung der Schuldverschreibungen erhalten, hängt von der Entwicklung des BTC-Kurses ab, wie er gemäß den Anleihebedingungen berechnet wird. **Die Schuldverschreibungen sind in keiner Weise kapitalgeschützt**

**z.B. durch ein Einlagensicherungssystem und es besteht daher das Risiko eines teilweisen oder vollständigen Verlusts der Anlage. Darüber hinaus erhalten die Inhaber aufgrund des ertragsmindernden Effekts der Gebühren und Kosten, die von der Emittentin und Authorized Participants erhoben werden nicht nur im Falle einer negativen Wertentwicklung der zugrunde liegenden BTC eine negative Rendite, sondern auch im Falle einer neutralen Wertentwicklung der zugrunde liegenden BTC, d.h. wenn die Wertentwicklung der zugrunde liegenden BTC geringer ist als die anwendbaren Gebühren und Kosten der Emittentin und der Authorized Participants. Für den Fall, dass die Wertentwicklung der BTC den Abzug der Gebühren und Kosten längerfristig nicht kompensiert, reduziert sich der Wert der Schuldverschreibungen daher im Laufe der Zeit auf nahezu Null.**

*Keine erhältliche Liquidität:* Der Kryptowährungsmarkt ist kein hochliquider Markt. Es besteht das Risiko, dass es auf dem Markt für BTC/USD (USD pro Bitcoin), BTC/EUR (EUR pro Bitcoin) keine erzielbare Liquidität gibt. Sollte der Markt für das entsprechende "Währungspaar" illiquide sein, kann die Preisermittlung für diese digitale Währung sehr volatil und noch schwieriger vorherzusagen werden. Dies kann wiederum das Interesse von Anlegern verringern, was sich nachteilig auf die Nachfrage auswirkt, was rechnerisch den Marktwert einer bestimmten digitalen Währung, wie z. B. BTC, verringern wird. Da der Wert der Schuldverschreibungen durch den Preis und den Marktwert von BTC beeinflusst wird, könnte ein Rückgang des Handelsvolumens von BTC und anderen Kryptowährungen erhebliche nachteilige Auswirkungen auf den Wert der Schuldverschreibungen haben und die Inhaber könnten einen Totalverlust ihrer Anlage in die Schuldverschreibungen erleiden.

*Politisches Risiko im Markt für Bitcoin:* Das gesamte Geschäftsmodell der Emittentin hängt von möglichen Regulierungen oder Verboten ab, insbesondere im Hinblick auf BTC als Basiswert der Schuldverschreibungen. Es ist unmöglich vorherzusagen, wie genau die Politik und zukünftige Regulierungen die Märkte und das allgemeine wirtschaftliche Umfeld für das Geschäftsmodell der Emittentin beeinflussen können. Zukünftige Regulierungen und Änderungen des rechtlichen Status von BTC sind jedoch politische Risiken, die die Preisentwicklung von BTC beeinflussen können. Sollte der Emittent mögliche zukünftige Regulierungen nicht einhalten, kann dies zu Verlusten für den Emittenten führen und sich auch negativ auf die Fähigkeit des Emittenten auswirken, seine Geschäftstätigkeit auszuüben.

#### **Risiken im Zusammenhang mit der Zulassung der Wertpapiere zum Handel**

*Marktpreisrisiko:* Die Entwicklung der Marktpreise der Schuldverschreibungen hängt von verschiedenen Faktoren ab, wie z. B. Änderungen des Marktzininsniveaus, der Politik der Zentralbanken, der gesamtwirtschaftlichen Entwicklung, der Inflationsraten oder der mangelnden oder übermäßigen Nachfrage nach den Schuldverschreibungen. Die Inhaber sind daher dem Risiko einer ungünstigen Entwicklung des Marktpreises ihrer Schuldverschreibungen ausgesetzt, das sich verwirklicht, wenn die Inhaber die Schuldverschreibungen verkaufen. Entscheidet sich ein Inhaber für die Ausübung seines Kündigungsrechts, werden die Schuldverschreibungen zum Rückzahlungsbetrag zurückgezahlt.

*Handelspreisrisiko:* Der Handelspreis der Schuldverschreibungen könnte sinken, wenn sich die Kreditwürdigkeit der Emittentin oder verbundener Parteien verschlechtert oder als verschlechtert wahrgenommen wird, unabhängig davon, dass die Schuldverschreibungen durch den tatsächlichen Bestand des BTC unterlegt sind. Es besteht das Risiko, dass Dritte nur bereit wären, Schuldverschreibungen mit einem erheblichen Abschlag gegenüber dem Preis des BTC zu erwerben, was wiederum dazu führen kann, dass ein Inhaber seine Anlage in die Schuldverschreibungen verliert. Darüber hinaus könnte die Frankfurter Wertpapierbörse die Zulassung zum Handel im regulierten Markt verweigern oder widerrufen, insbesondere wenn der Emittent die Zulassungsvoraussetzungen vor oder nach der Zulassung der Schuldverschreibungen nicht einhält.

#### **Risiken im Zusammenhang mit der Besicherung der Schuldverschreibungen**

*Die zur Besicherung der Schuldverschreibungen gewährten Sicherheiten können nicht durchsetzbar sein oder die Durchsetzung der Sicherheiten kann sich verzögern:* Die Emittentin hat die hinterlegten BTC zugunsten der Inhaber als Sicherheit für die Schulden der Emittentin gegenüber den Inhabern verpfändet. Diese Sicherheitsvorkehrungen sind möglicherweise nicht ausreichend, um die Inhaber im Falle eines Konkurses oder einer Liquidation der Emittentin oder des Verwahrers aus verschiedenen Gründen zu schützen.

*Von Dritten ausgehendes Betrugsrisiko:* Die Emittentin interagiert mit einer Reihe von Dritten, unter anderem mit den Verwahrern, dem Sicherheitentreuhänder, Authorized Participants, dem Administrator sowie Börsen und Handelsplattformen. Der Emittent stützt sich bei seiner Tätigkeit auch auf eigenes Personal. Infolgedessen ist die Emittentin dem Risiko von Fehlverhalten, Fahrlässigkeit oder Betrug durch diese Dritten und seine Mitarbeiter ausgesetzt. Dies könnte zu schwerwiegenden Reputations- oder finanziellen Schäden oder zu Schäden an den Vermögenswerten der Emittentin führen, die als Sicherheit für die Schuldverschreibungen verpfändet sind, und auch zu Verlusten für die Anleger der Schuldverschreibungen führen.

#### **2.3.4 Unter welchen Bedingungen und nach welchem Zeitplan kann ich in dieses Wertpapier investieren?**

Die Bedingungen und der Zeitplan für die Anlage in die Schuldverschreibungen sind nachstehend dargelegt.



Der Gesamtbetrag der ausgegebenen Schuldverschreibungen beläuft sich auf bis zu 9.000.000.000 Schuldverschreibungen, was einem anfänglichen Ausgabepreis pro Schuldverschreibung von 0,0001 BTC entspricht.

### **Angebot an die Öffentlichkeit**

Die Schuldverschreibungen werden von Finanzintermediären (einschließlich Authorized Participants) institutionellen und privaten Anlegern unter Einhaltung der geltenden Verkaufsbeschränkungen angeboten. Zum Datum des Prospekts sind Flow Traders BV, Enigma Securities Limited, Jane Street Financial Limited, DRW Europe B.V. und Bluefin Europe LLP Limited als Authorized Participants ernannt worden. Schuldverschreibungen können im Primärmarkt nur mit USD und EUR und BTC gekauft werden, wenn es angeboten wird, und nur von und durch Authorized Participants. Der Angebotszeitraum wird voraussichtlich am 15. April 2022 beginnen und bis zum 15. April 2023 (dem Ablaufdatum des Prospekts) offen sein, vorbehaltlich einer Verkürzung des Zeitraums. Zum Datum des Prospekts hat die Emittentin Verträge mit fünf Authorized Participants abgeschlossen. Ein öffentliches Angebot kann in dem Land erfolgen, das unter "2.1. Einleitungen und Warnungen" genannten Land erfolgen.

### **Bedingungen und technische Details des Angebots**

Das Angebot unterliegt keinen anderen Bedingungen oder Fristen als der Frist, die sich aus der Gültigkeit des Prospekts ergibt, wie unter "Öffentliches Angebot" angegeben. Es besteht keine Möglichkeit, Zeichnungen zu reduzieren. Es wurden keine Mindest- oder Höchstzeichnungsbeträge festgelegt, jedoch können Finanzintermediäre (einschließlich Authorized Participants), die die Schuldverschreibungen anbieten, Mindest- oder Höchstzeichnungsbeträge beim Angebot der Schuldverschreibungen nach ihrem alleinigen und uneingeschränkten Ermessen festlegen.

Die Lieferung der Schuldverschreibungen erfolgt durch buchmäßige Erfassung über das Clearingsystem und seine kontoführenden Banken.

Auf dem Sekundärmarkt können die Schuldverschreibungen ausschließlich in FIAT erworben werden (d.h. EUR oder USD). FIAT-Geld ist eine nationale Währung, die nicht an den Preis eines Rohstoffs wie Gold oder Silber gebunden ist.

### **Verfahren zur Bestimmung des Ausgabepreises**

Auf der Basis des Zeichnungswunsches eines Anlegers, Schuldverschreibungen zu erwerben, wird ein Authorized Participant die entsprechende Anzahl von Schuldverschreibungen (**Zeichnungsbetrag**) am jeweiligen Zeichnungstag zum jeweiligen Ausgabepreis pro Schuldverschreibung zeichnen und diese anschließend an den Anleger liefern.

Ab dem Ausgabebetrag beträgt der anfängliche Ausgabepreis 0,0001 BTC pro Schuldverschreibung, d.h. Authorized Participants, die Schuldverschreibungen von der Emittentin erwerben, erhalten eine Schuldverschreibung für je 0,0001 BTC. Im Laufe der Zeit ändert sich der Ausgabepreis gemäß den folgenden Definitionen und der folgenden Formel.

Ausgabepreis bezeichnet einen Betrag von BTC pro Schuldverschreibung, der dem BTC-Faktor entspricht, den ein Authorized Participant als Zeichner der Schuldverschreibungen am Zeichnungstag zu erhalten berechtigt ist und den die Berechnungsstelle wie folgt errechnet:

$$\text{BTC-Faktor} = \text{Anfänglichem Ausgabepreis} * (1 - \text{Gebühr})^N$$

Der BTC-Faktor stellt den Rückgang des BTC-Anspruchs aufgrund der Gebühr der Schuldverschreibungen dar (vorbehaltlich einer Reduzierung der Gebühr durch die Emittentin).

Der anfängliche Ausgabepreis am Emissionstag beträgt 0,0001 BTC.

Die Gebühr beträgt 0,96% p.a., die täglich in Bezug auf den verwalteten Bitcoin-Bestand anfallen. Die Gebühr kann innerhalb der Grenzen von § 4(2) der Anleihebedingungen geändert werden. Die Gebühr beträgt zunächst 0,96% p.a. und kann dann von der Emittentin nach billigem Ermessen und unter Berücksichtigung der einschlägigen Kapitalmarktpraxis und nach Treu und Glauben durch Mitteilung an die Inhaber angepasst werden.

N bezeichnet die Anzahl der Tage seit dem Emissionstag geteilt durch 360 (act/360).

Geschäftstag bezeichnet einen Tag (außer einem Samstag oder einem Sonntag), an dem die Banken in Frankfurt am Main für den allgemeinen Geschäftsverkehr geöffnet sind und an dem das Clearing-System sowie alle relevanten Teile des Trans-European Automated Real-time Gross Settlement Express Transfer System 2 (TARGET2) betriebsbereit sind, um Zahlungen durchzuführen.

Der Zeichnungsbetrag, d. h. der Betrag der Schuldverschreibungen, den ein Authorized Participant im Austausch gegen BTC erhält, wird von der Berechnungsstelle auf der Grundlage des zugrunde liegenden Ausgabepreises am Zeichnungstag berechnet. Ab dem Ausgabebetrag wird der Erstausgabepreis 0,0001 Bitcoin pro Schuldverschreibung betragen, d.h. Authorized Participants, die Schuldverschreibungen von der Emittentin kaufen, würden eine Schuldverschreibung für je 0,0001 Bitcoin erhalten.

Wenn ein Anleger eine Schuldverschreibung von einem Authorized Participant mit USD oder EUR kauft, wird der USD- oder EUR-Preis wie in den Anleihebedingungen beschrieben berechnet.

### **Gesamtkosten**

Die Gesamtkosten des initialen öffentlichen Angebots auf Basis des vorangegangenen Prospekts lagen bei bis zu EUR 640.000 netto. Die geschätzten Gesamtkosten des fortgesetzten öffentlichen Angebots mit diesem nachfolgenden Prospekt werden voraussichtlich bis zu EUR 70.000 netto betragen.

### **Gebühren zu Lasten des Inhabers**

Die Emittentin erhebt eine jährliche Gebühr in Höhe von 0,96 % (96 Basispunkte), die täglich auf den Gesamtbetrag der von jedem Inhaber gekauften Schuldverschreibungen, die auf BTC lauten berechnet wird. Die Gebühr ist in der Definition des Ausgabepreises und des Rückzahlungspreises enthalten und ist nicht auf den in der BTC-Faktor-Formel berechneten BTC-Anspruch zu erheben.

Die Emittentin kann dem Authorized Participant zusätzlich zu den Gebühren von Dritten eine Zeichnungsgebühr in Rechnung stellen, die 1,00 Prozent (100 Basispunkte) des Zeichnungsbetrags nicht übersteigen darf. Für ihre Leistungen in Zusammenhang mit der Kündigung der Schuldverschreibungen erhebt die Emittentin eine zusätzliche Gebühr in Höhe von 1,00 Prozent (100 Basispunkte) auf den Rückzahlungsbetrag. Die Gebühr wird von der Emittentin vom Authorized Participant auf der Grundlage des vom Rückzahlungsbetrages erhoben.

Die Emittentin hat keinen Einfluss darauf, ob und in welchem Umfang ein jeweiliger Authorized Participant zusätzliche Gebühren erhebt. Diese Gebühren können je nach Authorized Participant variieren.

### **2.3.5 Warum wird dieser Prospekt erstellt?**

#### **2.3.5.1 Gründe für das Angebot**

Die Emittentin beabsichtigt, einen Gewinn zu erzielen, indem sie eine jährliche Gebühr in Höhe von 0,96 % (96 bps) auf den Gesamtbetrag der von jedem Inhaber gekauften Schuldverschreibungen, die auf BTC lauten, erhebt (BTC-under-management). Die Gebühr wird während des jeweiligen Zeitraums in BTC aus den BTC-under-management verdient.

#### **2.3.5.2 Verwendung und geschätzte Nettobeträge des Erlöses**

Im Zusammenhang mit der Platzierung der Schuldverschreibungen verwendet die Emittentin den Nettoerlös für den Kauf von BTC, um den Bestand an BTC-under-management zu erhöhen.

#### **2.3.5.3 Emissionsübernahmevertrag**

Die Emittentin hat keinen Emissionsübernahmevertrag abgeschlossen.

#### **2.3.5.4 Wesentliche Interessenkonflikte im Zusammenhang mit dem Angebot**

Es bestehen keine wesentlichen Interessenkonflikte im Zusammenhang mit dem Angebot.

## **3 RISK FACTORS**

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 ISSUER ASSESSES THE MATERIALITY OF THE RISK FACTORS BASED ON THE PROBABILITY OF THEIR OCCURRENCE AND THE EXPECTED MAGNITUDE OF THEIR NEGATIVE IMPACT.

### **3.1 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 MOST MATERIAL RISK FACTOR PRESENTED FIRST IN EACH CATEGORY SHOULD BE UNDERSTOOD AS DESCRIPTION OF RESIDUAL RISKS.

#### **3.1.1 Risks resulting from the business and limited history of the Issuer**

*Risks related to the short business history of the Issuer.*

The Issuer is a newly incorporated limited liability company (*Gesellschaft mit beschränkter Haftung*). The Issuer's articles of association were agreed upon 2 August 2019. The Issuer was incorporated on October 16, 2019. Due to still such short period of existence, the Issuer does not have a relevant track record on capital market transactions and on successfully operating the business activities described herein and only limited historical financial information. There can be no assurance that the planned business activities will be successful in the future which could have an adverse impact on the Issuer's business and financial situation and could ultimately lead to the Issuer's insolvency.

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

The focus of the Issuer's business activities is the issuance of the Notes which participate in the performance of the value and price of the cryptocurrency Bitcoin (the **BTC**). The Issuer has no material assets and will not carry out any other

business. Therefore, the Issuer so far has no other sources of income to cover its costs other than the fees to be generated under the Notes. Furthermore, the Issuer's ability to redeem the Notes when they become due depends on its ability to redeem BTC and its – if requested - conversion to USD or EUR for final payment to the Holders. Because of this limited business objective, the Issuer is exposed to the risk that the BTC does not become successful or becomes less successful going forward (see 3.2.4 – Risks Related to BTC) and that the Fee generated from the Sale of the Notes is insufficient to maintain the Issuer's business model. In this case the Issuer might not be able to adapt to such changed circumstances and may be unsuccessful in carrying out its business, which might in turn lead to a decrease in the value of the Notes.

#### *Risks related to maintaining significant amounts of data.*

The Issuer maintains significant amounts of data surrounding the issue and redemptions of the Notes. For the initial issue or every redemption of Notes, the Issuer may receive and maintain in relation to the issue or redemption 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 wallets information; (v) contact information; (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 loss of reputation, 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, which could in turn affect the desirability, liquidity and the market value of the Notes.

### 3.1.2 Risks resulting from the legal form and structure of the Issuer

#### *Capitalisation of the Issuer.*

The Issuer was founded with the legally prescribed share capital of EUR 25,000. Apart from this, there are no other assets which would be available to the holders of the Notes (each a **Holder** and, together, the **Holders**) in the case of an insolvency or bankruptcy of the Issuer. Although the Issuer will use the received proceeds – less e.g. transaction costs, listing fees and any other costs in connection with this transaction – in order to buy BTCs, there might be a risk that the volatile market price of BTCs leads to an adverse exchange rate between EUR, USD or any other currency and BTC and this could result in a smaller asset pool which could be recovered in the case of an insolvency or bankruptcy.

In addition, the Issuer needs for the expansion of its business activities and/or the maintenance of such business activities sufficient funds. The sole shareholder of the Issuer (Iconic Funds GmbH) has not entered into any contractual agreements with the Issuer and has no obligations to provide appropriate own funds. As a result, there is no guarantee that the Issuer receives sufficient capital to maintain or expand its business activities. This fact could have a negative impact on the Issuer's profitability, creditworthiness and fundraising capacity and could ultimately lead to the Issuer's insolvency.

Pursuant to the Terms and Conditions, no restrictions or limitations are foreseen for the Issuer with regard to its property and assets. As a result, the Issuer could transfer its property or assets or furnish securities in its discretion. This fact could have a negative impact on the Issuer's profitability, creditworthiness and fundraising capacity.

#### *Risk relating from a single shareholder.*

Shares in the Issuer are totally concentrated, with only one shareholder which controls 100 percent of the Issuer's voting shares. Representatives of the sole shareholder have the ability to remove any and all members of the management board of the Issuer with a majority vote. As such, these individuals have significant influence on the management and on the business of the Issuer. There can be no assurance that these individuals will exercise their voting right in a manner that benefits investors or the Issuer which could have a material adverse effect on the Issuer's business and financial situation.

### 3.1.3 Legal and regulatory risks

#### *Risks relating from low compliance requirements.*

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 its investors. In this respect, the Issuer relies on third parties to perform checks on the sources of any funds received. It should be understood that performing KYC/AML checks in respect of transactions related to cryptocurrencies such as BTC is new and challenging and even though third parties engaged by the Issuer are regulated entities, there is a risk of compliance failures with respect to KYC/AML. Any breach of the compliance processes of the Issuer or third party service providers could have a material adverse effect on the Issuer's core business, including loss of reputation and significant legal and financial impact, which in turn could have a material negative effect on the Notes, including the risk of a loss the capital invested by the Holder.

#### *No regulation of the issuer and potential changes in regulatory status of the issuer.*

The Issuer's business is focused on issuing Notes backed by BTC. Although some financial supervisory authorities across Europe consider to restrict the trading in BTC and/or the market participants which may deal with BTC and other

cryptocurrencies, the Issuer is currently not required to be licensed, registered or authorized under any current securities, commodities or banking laws of its jurisdiction of incorporation and/or will operate without supervision by any authority in any jurisdiction. There can be no assurance, however, that regulatory authorities in one or more other jurisdictions will not determine that the Issuer is required to be licensed, registered or authorized under the securities, commodities or banking laws of such jurisdiction or that legal or regulatory requirements with respect thereto will not change in the future. Any such requirement or change of this status quo could have an adverse impact on the Issuer's business and financial situation. The Issuer may not be granted such licenses, registrations or authorizations or it will have severe financial implications. This may have an adverse impact on the Issuer conducting its business and the administration of the Notes, which in turn could have a material negative effect on the Notes, including the risk of a loss of the capital invested by the Holder.

*Risks related to blockchain technologies and digital assets.*

The Notes are backed by BTC and, thus, BTC, and the regulatory regime governing BTCs is currently undeveloped and likely to rapidly evolve. Various legislative and executive bodies in Germany and in other jurisdictions may in the future, adopt laws, regulations, guidance, or other actions with regard to blockchain technology, digital assets or crypto assets. Any such action may severely impact the development and growth of the blockchain technology. Failure by the Issuer or certain investors to comply with any laws, rules and regulations, some of which may not exist yet or are subject to interpretation and may be subject to change, could result in a variety of adverse consequences, including civil penalties and fines and may negatively affect the rights of the Issuer and the investors under the Notes. This could have a material adverse effect on the Issuer's business and financial situation, which in turn could have a material negative effect on the Notes, including the risk of a loss of the capital invested by the Holder.

*Dependence on certain service providers and potential conflicts of interest.*

The Issuer is dependent on a number of service providers to maintain the issuances of Notes. These include, but are not limited to, the Paying Agent, the Authorized Participants, the Administrator or the Security Trustee. Should there be a material adverse change with any existing partner and a suitable alternative be unavailable or impracticable, it may be impossible for the Issuer to continue to list and fulfil its obligations under the Notes. As a result, this could have a negative impact on the Issuer's reputation and could depress the Issuer's profitability, creditworthiness and fundraising capacity. In addition, the role of service provider may give rise to conflicts of interest, which are adverse to the interests of Holders.

*Dependence on Authorizations*

Application have been made for the Notes to be admitted to trading on regulated markets (i.e. *regulierter Markt*, sub-segment *General Standard* of the Frankfurt Stock Exchange). Thus, the Issuer depends on the Exchanges authorization and the permissibility under the rules and regulations to continue issuing and listing the Notes. Any change to the listing requirements, the regulation of the Notes, or acceptance of cryptocurrency underlyings could adversely impact the Issuer, the value of the Notes and investors in the Notes. Furthermore, the Exchanges could withdraw the admission to trading, in particular if the Issuer does not adhere to the listing requirements prior to or after listing of the Notes. If any authorization risk materializes, this could have a material adverse effect on the Issuer's business and financial situation, which in turn could have a material negative effect on the Notes, including the risk of a loss of the capital invested by the Holder.

### 3.1.4 Internal control and IT risks

*Attacks by "hackers" and sabotage from outside the Issuer.*

The whole business of the Issuer depends on external IT infrastructure. BTC, which back the Notes, have to be mined via the decentralized blockchain technology. In addition, BTC itself is an open source project which means that various people may amend the algorithm of BTC. As a result, there is a risk of hacker attacks on the IT infrastructure and essential networks and technologies. The Issuer is exposed to the risk to be partially, temporarily or even permanently prevented from carrying out its business activities, which in turn could have a material negative effect on the Notes, including the risk of a loss of the capital invested by the Holder.

*Risks regarding the IT infrastructure as the Issuer's ultimate asset.*

The Issuer's business is focused on issuing Notes. The Issuer does not and will not own or produce any other assets. The IT infrastructure used by the Issuer is its ultimate asset used to administer the Notes during their lifetime, which includes in particular information regarding the transfer of BTC and Notes. 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.

## 3.2 RISKS RELATING TO THE NOTES

THE FOLLOWING DESCRIPTIONS OF THE RISK FACTORS RELATING TO THE NOTES AND THEIR OCCURRENCE WITHIN A RISK CATEGORY WITH THE MOST MATERIAL RISK FACTOR PRESENTED FIRST IN EACH CATEGORY SHOULD BE UNDERSTOOD AS DESCRIPTION OF RESIDUAL RISKS.

### 3.2.1 Risks resulting from the structure of the Notes

*The Issuer may exercise a termination at any time.*

The Issuer may exercise a termination in relation to any Note, except for any Note which is subject to the prior exercise of a Holder's termination, at any time in its reasonable discretion (*billiges Ermessen*) in consideration of the relevant capital market practice and by acting in good faith by way of irrevocable notice specifying the date fixed for repayment. Following the exercise of a termination by the Issuer, on the relevant Date the Holder will receive BTC or a cash amount in EUR or USD corresponding to the Redemption Amount, which is calculated based on the BTC price minus applicable fees. Holders are exposed to the risk that the BTC price reaches a low level and that, as a result of this, the Redemption Amount per Note will be significantly less than its Issue Price. This could even lead to a total loss of the investment. Furthermore, the Issuer may resell Notes called by it at a later stage. As a result of this, Holders are exposed to the risk that the Issuer exercises the termination in the event of a low BTC price level and, thus, a low Redemption Amount with a view to reselling such Notes at a later stage.

*Holdings are exposed to risks resulting from a time lag after termination of the Notes:*

The yield of the Notes may be substantially reduced and Holders may even lose all capital invested because of a time lag after a termination of the Notes:

Termination by the Holder to the Authorized Participant:

1. After the Notice of Termination is sent by the Holder, there is a time lag if the Termination Date is not a Business Day, the next Business Day shall be the Termination Date, which also postpones the termination. In the meanwhile, the BTC price may have varied substantially.
2. If the Holder chose a redemption in EUR or USD, there is a time lag between the termination and the fixation of the amount in EUR or USD that the Holder will receive after conversion of the Redemption Amount into USD or EUR.

Due to the time lags described above, the value of the BTC (converted into USD or EUR) may change substantially to the detriment of the Holders during such period and Holders may lose all of the invested capital.

Comparable risks can arise in the event of termination by the issuer.

*Risks relating to counterparties.*

The Notes are subject to various counterparty risks. For example, the Issuer may affect the sale of BTC from the BTC-under-management in the course of the deduction of the Fee or in case of a redemption of the Notes in "over-the-counter" or "interdealer" markets or through private transactions. The participants in such markets and the counterparties in such private transactions are typically not subject to credit evaluation and regulatory oversight as are members of "exchange based" markets. The Issuer is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. This may expose the Notes to the risk that a counterparty will not settle a transaction because of a credit or liquidity problem. The materialization of such counterparty risk could have a material adverse effect on the value of the Notes and Holders could suffer a loss of a part or all of their investment in the Notes.

*Custody and safekeeping arrangement risk.*

The Issuer shall incorporate a hybrid storage option involving cold and hot storage/wallets for the BTC purchased with the net proceeds of the issue of the Notes and still held by the Issuer (the *BTC-under-management*). When using hot storage/wallets in relation to the BTC held by the Issuer, the Issuer will split the BTC held across exchanges that have proven to be the most secure on the basis of insurance coverage and compliance to relevant legislation and regulation (as applicable) and have the highest level of liquidity/volume for BTC in the market. The BTC held by the Issuer will be held in these exchanges on the accounts of the Issuer, granting trading rights and transfer rights to the directors of the Issuer. These exchanges and trading solutions may be subject to hacks and breach of data or default of the service provider taking care of the safekeeping of the BTC. Additionally, the Issuer may lose the private keys to access the BTC wallets and therefore lose permanently access to the BTC contained in the BTC-under-management. As a result of the materialization of any such risk, the Issuer might not have sufficient funds to make payments under the Notes and Holders might lose part or all of their investment.

*Redemption Amount of the Notes is linked to BTC.*

The Notes are linked to the BTC price and the cash amount in EUR or USD to be paid in the case of the termination and the redemption at the option of the Issuer or an exercise of the termination right of a Holder the **Redemption Amount** is calculated based on the performance of the BTC. Holders are exposed to the risk that BTC value reaches a low level and that, as a result of this, the Redemption Amount per Note will be significantly less than its Issue Price. This could even lead to a total loss of the investment.

*The Notes do not have a fixed maturity date.*

The Notes do not have a fixed maturity date. Holders who want to exit their position may only do so by selling Notes through a stock exchange at any time or by exercising the Holder's right to terminate by way of irrevocable notice specifying the date fixed for repayment. Following the termination of a Holder the relevant Holder will receive a cash amount in EUR or USD or BTC amount corresponding to the Redemption Amount, which is calculated based on the performance of BTC. Holders are exposed to the risk that BTC reaches a low level and that, as a result of this, the Redemption Amount per Note will be significantly less than its Issue Price. This could even lead to a total loss of the investment.

*No covenants and no restriction on the amount of debt which the Issuer may incur in the future.*

There is no restriction on the amount of debt which the Issuer may incur. Such issuance of further debt may reduce the amount recoverable by the Holders upon winding-up or insolvency of the Issuer and may negatively affect the Issuer's ability to perform its obligations under the Notes.

*Notes may not be a suitable investment for all investors.*

Each potential investor in Notes must determine the suitability of that investment in light of its own circumstances and be aware of the risk that an investment in the Notes may not be suitable at all times until maturity bearing in mind the following key aspects when assessing and reassessing the suitability of the Notes which may change over time and could lead to the risk of non-suitability:

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes which could even lead to a total loss of such investment or where the currency for principal payments is different from the potential investor's currency;
- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Prospectus;
- 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, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- understand thoroughly the Terms and Conditions of the Notes; 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.

*Currency risk in relation to the denomination of the Notes*

The Notes are denominated in BTC and will be redeemed in BTC or USD or EUR if requested by the Holder. If chosen by the Holder and after conversion in EUR or USD (for the risk related to the conversion from BTC to USD or EUR refer to the risk factor "Time lag between termination and the determination of the Redemption Amount into USD or EUR"). If any of such currencies represents a foreign currency to a Holder, such Holder is particularly exposed to the risk of changes in currency exchange rates which may affect the yield of such Notes. Changes in currency exchange rates result from various factors such as macro-economic factors, speculative transactions and interventions by central banks and governments. In addition, government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable currency exchange rate. As a result, investors may receive less principal than expected, or no principal at all.

*Exchange or trading platform risk*

In order to sell BTC, the Issuer may sell BTC directly or through an exchange or trading platform. These platforms tend to be unregulated. In a number of cases, platforms have gone out of business or have failed – in some instances due to hacking by third parties. The European Banking Authority is aware of consumers permanently losing significant amounts of money held on these platforms. Platforms are not banks and do not hold BTC as deposit. If a platform loses any money or BTC, there is no specific legal protection – for example through a deposit guarantee scheme – that would cover the Issuer for losses arising from any funds investors may have held on the platform, even when the platform is registered with a national authority.

*Risk relating to the prominent position of the Authorized Participants*

The Authorized Participants have a prominent position in the purchase and redemption process for the Notes and the entire systematic of the Notes depends on the services provided by the Authorized Participants. They act as a "hub" for payment flows in USD, EUR and BTC as well as with respect to the Holders' Notes. It cannot be ruled out that disruptions, errors or intentional actions will occur at the level of the Authorized Participants within the scope of their processes and settlements, which will have an impact on the asset positions of the Issuer and/or the Holders. Furthermore, due to the nature of the purchase and redemption process for the Notes, the Holders bear the Authorized Participants' insolvency risk between the payment of the purchase price until the delivery of the Notes as well as upon redemption between the re-transfer of their Notes and the payment of the Redemption Amount to them.

*No recourse and no guarantee.*

Pursuant to the Terms and Conditions, the Notes will be obligations solely of the Issuer. In particular, the Notes will not be obligations of, or guaranteed by the Paying Agent, the Custodians, the Security Trustee, the Administrator or the Authorized Participants or any other party 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 Holder has any direct rights of enforcement against any such person. As a result, Holders bear the risk of a loss of part or all of their investment in Notes.

*The Notes are subject to fees and costs.*

When Notes 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 Notes. These incidental costs may significantly reduce or eliminate any profit from holding the Notes. 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, Holders 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 notes (direct costs), potential investors must also take into account any follow-up costs (such as custody fees). The specific risk is that such additional costs may lower the yield of the investment substantially. Therefore, potential investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes.

### 3.2.2 Risks in connection with listing and trading of the Notes

*Liquidity risk.*

Applications have been made for the Notes to be admitted to trading on regulated markets. However, there is a risk that no liquid secondary market for the Notes will develop or, if it does develop, that it will not continue. The fact that the Notes may be listed does not necessarily lead to greater liquidity as compared to unlisted notes. In an illiquid market, an investor is subject to the risk that he will not be able to sell his Notes at any time at fair market prices. Given the fact the Notes do not have a fixed maturity date, the materialization of such liquidity risk would have a significantly adverse effect on the Holders.

*Market price risk.*

The development of market prices of the Notes depends on various factors, such as changes of market interest rate levels, the policies of central banks, overall economic developments, inflation rates or the lack of or excess demand for the Notes. The Holders are therefore exposed to the risk of an unfavorable development of market prices of their Notes which materialize if the Holders sell the Notes. If a Holder decides to exercise the termination, the Notes will be redeemed at the Redemption Amount set out in the Terms and Conditions. Furthermore, the market price of the Notes might be very volatile due to a potential volatile performance of BTC.

*The market value of the Notes could decrease if the creditworthiness of the Issuer worsens.*

If, e.g., because of the materialization of any of the risks regarding the Issuer, the likelihood that the Issuer will be in a position to fully perform all obligations under the Notes when they fall due decreases, the market value of the Notes will suffer. In addition, even if the likelihood that the Issuer will be in position to fully perform all obligations under the Notes when they fall due actually has not decreased, market participants could nevertheless have a different perception. In addition, the market participants' estimation of the creditworthiness of corporate debtors in general or debtors operating in the same business as the Issuer could adversely change.

If any of these risks occurs, third parties would only be willing to purchase Notes for a lower price than before the materialization of any of the aforementioned risks regarding the Issuer. Under these circumstances, the market value of the Notes will decrease.

*Products listed on the regulated market of the Frankfurt Stock Exchange or any further stock exchange in the European Economic Area may be suspended from trading.*

The Frankfurt Stock Exchange and other stock exchanges in the European Economic Area provide for rules determining admissible securities. It cannot be excluded that during the lifetime of the Notes, the Notes are no longer admissible for reasons beyond the control of the Issuer. This may lead to the suspension or delisting of the Notes. This could significantly reduce the fungibility of the Notes and could therefore lead to a material decrease of the Notes' valuation.

### 3.2.3 Investment Risks

*Fees will reduce the yield.*

The formula used for the calculation of the Redemption Amount includes an annual fee of 0.96% (the **Fee**), accrued daily and payable monthly on the assets under management of the respective Holder denominated in BTC (**BTC-under-management**). In economic terms, such deduction of the Fee will be affected by the Issuer by selling or keeping an amount of BTC corresponding to a maximum of 0.96% per annum of the BTC-under-management. The Fee may be adjusted by the Issuer in its reasonable discretion (*billiges Ermessen*) and in consideration of the relevant capital market practice and by acting in good faith at the end of each month for the next following months until otherwise adjusted by the Issuer. The Fee will never exceed 0.96% per annum. The Fee reduces the yield for Holders and could even lead to investors having no yield at all or even suffering a loss of the invested capital. Furthermore, the Authorized Participants may charge additional fees at subscription and redemption of the Notes. The Issuer has no influence on whether and to what extent a respective Authorized Participant will charge its fees. These cost charges may vary depending on the Authorized Participant.

As the Redemption Amount is calculated *inter alia* based on the prevailing price of BTC, the reduction of BTC's price will also result in a reduced Redemption Amount, which may eventually reach near zero as well. In this case, the yield for Holders will be reduced and could even lead to investors having no yield at all and investors might lose part or all of their investment. This yield is further reduced by the costs to be paid to the Authorized Participants.

In addition, the Issuer may not be able to realize proceeds from the sale of the BTC exactly corresponding to the Fee. In such case, it is possible, that the amount and value of the BTC-under-management does not correspond to purely arithmetically calculated amount of net proceeds minus the deducted Fee but will be lower than such amount. Hence, in case of material price increases of BTC, the Issuer might not have sufficient funds to make payments under the Notes and Holders might lose part or all of their investment.

**Due to the yield reducing effect of the fees and the costs charged by the Issuer and the Authorized Participants Holders will receive a negative return not only in case of a negative performance of the underlying BTC, but also in case of a neutral performance of the underlying BTC, i.e. in case that the performance of the underlying BTC is less than the applicable fee and the costs charged by the Issuer and the Authorized Participants. Therefore, in the event that the performance of the BTC does not compensate the deduction of the Fee in the longer term, the value of the Notes will be reduced to near zero over time.**

*Changes in regulation of BTC.*

The Notes are backed by BTC. A potential investor therefore has to consider that the regulation of BTC is subject to change. It cannot be ruled out that the regulatory treatment of BTC 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 BTC, including with respect to the Notes, may be prohibited or otherwise restricted. Moreover, changes in the regulation of BTC, including with respect to the Notes, may adversely impact the Issuer and as a result of this the value of the Notes. The Issuer used the net proceeds from the issue of the Notes to purchase BTC. Should a change in the regulation keep the Issuer from selling such BTC, it might not have sufficient funds to make payments under the Notes. As a result, Holders bear the risk of a loss of part or all of their investment.

*Investing in the Notes does not correspond to a direct investment in BTC.*

Investors should be aware that the market value of the Notes may not have a direct relationship with the prevailing price of BTC and changes in the prevailing price of BTC may not necessarily result in a comparable change in the market value of the Notes. The performance of the Notes may differ significantly from direct holdings of BTC as a result of negative effects of fees and costs, in addition to the negative effect of any other risks described herein. The return on the Notes will not reflect the return if the investor had actually owned BTC and held such investment for a similar period.

*Passive Investment Risk.*

The Notes cannot be considered as an actively managed investment and may be affected by a general decline in the value of BTC. Neither the Issuer nor any other party will actively manage BTC. As a result, the Issuer will not take any action to attempt to reduce the risk of loss resulting from price decreases.



### 3.2.4 Risks related to BTC

#### *Pricing of BTC and Volatility of BTC.*

The value of the Notes is affected by the price of BTC, which fluctuates widely and is influenced by a number of factors. The amount received by Holders upon redemption of the Notes depends on the performance of BTC, as calculated in accordance with the Terms and Conditions. **The Notes are not capital protected at all and there is, therefore, a risk of partial or complete loss of investment.**

Prices for BTC fluctuate widely and, for example, may be impacted by the following factors:

- *Regulatory events or statements by the regulators* – there is lack of consensus regarding the regulation of cryptocurrencies and insecurity regarding their legal and tax status and regulations of cryptocurrencies continue to evolve across different jurisdictions worldwide. Any change in regulation in any particular jurisdiction may impact the supply and demand of 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, as the data sources span multiple jurisdictions.
- *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.
- *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 BTC.
- *Forks in underlying protocols* – BTC (as many other crypto currencies) are 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 BTC network and the properties of BTC. 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 block chain), with one prong 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 asset 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.
- *Disruptions to the infrastructure or means by which BTC is produced, distributed and stored, which are capable of causing substantial price movements in a short period of time* – Within the infrastructure of BTC, BTC are mined, whereby computers solve math problems to verify transactions in exchange for a reward for this efforts in increased BTC supply. The computers that make up the infrastructure supporting BTC are decentralised and belong to a combination of individuals and large corporations. Should a significant subset of this pool choose to discontinue operations, pricing, liquidity and the ability to transact in BTC could be limited. As BTC is designed to have a finite supply pool of approximately 21 million BTC, this finite supply pool will eventually be fully mined 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 incentivisation. 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 BTC 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 BTC. Other critical infrastructure which may be adversely affected includes storage solutions, exchanges and custodians for BTC. 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 BTC (and other crypto assets). In addition, volatility in the pricing of BTC 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 BTC at the quoted price. Any discrepancies between the quoted price and the execution price may result from the availability of assets, any relevant spreads or fees at the exchange or discrepancies in the pricing across exchanges. The Issuer will take all reasonable steps to ensure optimal execution but is limited by KYC requirements, custodianship solutions and availability of exchanges.

If any or more of these factors materialize, this could have a material adverse effect on the Redemption Amount which a Holder would receive, in the case of a redemption of the Notes.

*Valuation of BTC.*

The market value of BTC 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. This means that a significant amount of the value in BTC is speculative and could lead to increased volatility in the value of BTC. As the value of the Notes, in turn, depends on the performance of BTC, an increased volatility in BTC could ultimately lead to an increased volatility of the value of the Notes. Investors could experience significant gains, losses and/or volatility depending on the valuation of BTC through such indirect exposure to the Notes. Due to the speculative nature of an investment in BTC, the prices of BTC may fluctuate for any reason and such fluctuations may not be predictable. Momentum pricing of BTC 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 BTC may change due to shifting investor confidence in future outlook of the asset class. These dynamics may impact the price of BTC and, thus, the value of an investment in the Notes.

If any risk in connection with the valuation of the BTC materializes, this could have a material adverse effect on the value of the Notes and Holders could suffer a total loss of their investment in the Notes.

*Potential decline in the adoption of BTC.*

As new assets and technological innovations, the crypto asset industry is subject to a high degree of uncertainty. The adoption of BTC will require growth in their usage and in the blockchains, for various applications. Adoption of crypto assets such as BTC also requires an accommodating regulatory environment. The Issuer will not have any strategy relating to the development of BTC and non-financial applications for the blockchain supported by BTC. A lack of expansion in usage of BTC and blockchain supported by BTC could have negative effects on the value of BTC which could adversely affect an investment in the Notes.

In addition, there is no assurance that BTC will maintain its value over the long term. The value of BTC is subject to risk related to its usage. Even if growth in crypto assets such as BTC occurs in the near or medium-term, there is no assurance that crypto assets usage will continue to grow over the long-term. A contraction in the use of crypto assets may result in increased volatility or a reduction in the price of crypto assets, including BTC which would adversely impact the value of the Notes.

If such a split of the BTC blockchain materializes, this could have a material adverse effect on the Notes and Holders could suffer a total loss of their investment in the Notes.

*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 Prospectus.*

The Terms and Conditions are based on the laws of Germany in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to the laws of Germany or administrative practice or the official application or interpretation of German law after the date of this Prospectus.

The specific risk is that Holders may face detrimental changes in German law which negatively impact their rights under the Notes. This could even lead to situations where Holders are not allowed to enforce their rights under the Notes which in turn may result in a Holder's loss of the investment in the Notes.

*Potential for Market Abuse.*

The market for BTC is 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 BTC, could cause significant price volatilities. In addition, BTC is not backed by any central government and different regulatory standards apply across countries and in regions. The characteristics of BTC and underlying infrastructure could be used by certain market participants to exploit arbitrage opportunities such as front-running, spoofing, pump-and-dump 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.

If such a market abuse materializes, this could have a material adverse effect on BTC and on the value of the Notes, which are based on the value of BTC and Holders could suffer a total loss of their investment in the Notes.

*Political risk in the market of BTC.*

The legal status of BTC varies between different countries. The lack of consensus concerning the regulation of BTC and how BTC shall be handled tax wise causes insecurity regarding the legal status of BTC. As BTC yet is an unregulated asset in many jurisdictions, there is a risk that politics and future regulations will affect the market for BTC and companies operating in such market. Exactly how politics and future regulations may affect the market is impossible to know. However, future regulations and changes in the legal status of BTC is a political risk which may affect the price of BTC. If the Issuer fails to comply with potential future regulations, this may lead to the Issuer incurring losses and it may also have an adverse impact on the Issuer's ability to carry out its business.

*Low trading volume of BTC in comparison to established exchange traded assets.*

Compared to established exchange traded assets, such as shares, commodities or government-issued currencies, the cryptocurrency market is not a highly liquid market. There is a risk that there is no obtainable liquidity in the market for BTC/USD (USD per Bitcoin), BTC/EUR (EUR per Bitcoin). In the event of the market for the appropriate USD 'currency pair' being illiquid, the price determination for that digital currency may become very volatile and even more difficult to predict. This may in turn reduce the interest from investors which will adversely affect the demand, which is calculated to decrease the market value of a specific digital currency such as BTC. As the value of the Notes is affected by the price and market value of BTC, a decline in the trading volumes of BTC and other cryptocurrencies could have a material adverse effect on the value of the Notes and Holders could suffer a total loss of their investment in the Notes.

*Transactions in 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 pseudonymity. It is therefore possible that the cryptocurrency network 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 BTC, this may affect the value of BTC and therefore the Notes.

*Split of the BTC blockchain (Fork).*

There is a risk that source codes or protocols 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 recognized 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 to two competing incompatible networks who compete for the same brand. For example, the BTC network saw a spin-off on August 1, 2017, which resulted in BTC and Bitcoin Cash.

In such case, the Issuer may, at its reasonable discretion (*billiges Ermessen*) and in consideration of the relevant capital market practice and by acting in good faith, resolve to split the Notes into two, or more, separate Notes whereby each new Note representing a claim against the Issuer for a separate asset that each Note represented immediately following such split. As indicated, the analysis whether to support a fork is at the reasonable discretion (*billiges Ermessen*) of the Issuer and in consideration of the relevant capital market practice and by acting in good faith. These considerations include, but are not limited to, availability of a custody solution, trading support from market makers, sufficient liquidity and the availability of a price on the date of the fork. While these attributes may change over time, the Issuer will require that any forked asset have an available custody and trading solution on the fork date. There is no guarantee that both forks will have the same performance or the same technical development and this could lead to a negative impact on the Holders. 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. If such a Hard Fork materializes, this could have a material adverse effect on the value of the Notes and Holders could suffer a total loss of their investment in the Notes.

*Development of the BTC protocol.*

The BTC protocol (the **Protocol**) is publicly available and under development. Further development and acceptance of the Protocol is dependent on a number of factors. The development of BTC may be prevented or delayed, should disagreements between participants, developers and members of the network arise. New and improved versions of the source code are accepted if a majority of the members of the network carry out the changes in their nodes, meaning upgrading their nodes to the latest version of the code. Should a situation arise where it is not possible to reach a majority in the network regarding the implementation of a new version of the Protocol, this may mean that, among other things, the improvement of BTC's scalability may be restrained. Should the development of the Protocol be prevented or delayed, this may adversely affect the value of BTC, which could have a material adverse effect on the value of the Notes and Holders could suffer a total loss of their investment in the Notes.

#### *Bug in the Protocol.*

The source code of BTC is public and may be downloaded and viewed by anyone. There may be one or more bugs in the code which is yet to be found and repaired, or which occurs in the development of the Protocol, which may jeopardize the integrity and security of the BTC network. This may adversely affect the value of BTC, which could have a material adverse effect on the value of the Notes and Holders could suffer a total loss of their investment in the Notes.

#### *Internet Disruptions.*

The functionality of crypto asset networks such as the BTC network relies on the internet. A significant disruption of internet connectivity (i.e. affecting a large number of users or geographic regions) could prevent the functionality and operations of such network until the internet disruption is resolved. An internet disruption could adversely affect an investment in the Notes and the ability of the Issuer to operate.

#### *Competition between BTC and other cryptocurrencies.*

Different cryptocurrencies compete with each other. If other cryptocurrencies are innovated further to reach competitive advantages, the importance of BTC may be reduced which will decrease the value of BTC and, thus, of the Notes which may reduce the Issuer's financials and cause the value of the Notes to decrease (the **Flipping**).

The return may be less than what a hypothetical return would have been if an investment was made directly in BTC. In contrast to an investment in the Notes, a direct investment in BTC would allow an investor to receive the full benefit of any appreciation or depreciation, as the case may be, in the value of BTC.

### 3.2.5 Tax risks

#### *Tax Risk related to BTC.*

The taxation of BTC can vary significantly by jurisdiction and are subject to significant revisions. The status of BTC remains undefined. Accordingly, the way in which BTC are taxed varies from country to country. Before making a decision to invest in the Notes, investors should consult their local tax advisor on taxation.

The Issuer may become exposed to significant tax risk. Any major burden may hinder the Issuer's ability to maintain the listing and, in the event that such tax burden results in insolvency, to otherwise continue to operate as expected.

#### *No tax gross-up.*

The Issuer will make all payments under the Notes without withholding or deducting present or future taxes, duties, or charges of whatever nature unless the Issuer or any third person is required by applicable law to make any such payment with respect to the Notes. Holders face the risk that they will need to make such payments themselves which could significantly lower their yield.

### 3.2.6 Risks related to the Security of the Notes

#### *Security granted to secure the Notes may be unenforceable or enforcement of the Security may be delayed.*

The Issuer has undertaken to have an amount in the underlying BTC equal to the Secured Amount always deposited with the Custodian and has pledged such deposited underlying in favor of the Holders as Security for the Issuer's debt to the Holders. These security arrangements may not be sufficient to protect the Holders in the event of the Issuer's or the Custodians' bankruptcy or liquidation due to various reasons. There is a legal risk that the security interest in respect of the BTC 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. Moreover, investors should note that the security interests are not governed by German law, but by foreign laws. This may make the enforcement of the security interests costlier and time consuming.

#### *Fraud risk arising from third parties.*

The Issuer is interacting with a number of third parties, including, but not limited to, the Custodian, the Security Trustee, Authorized Participants, the Administrator and exchanges and trading platforms. 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 which are pledged as a Security for the Notes and also result in losses for the investors in the Notes. 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.

*Credit risk.*

The Issuer will be exposed to the credit risk of custodian institutions with whom it holds the BTC. Credit risk, in this case, is the risk that the Custodian holding the underlying BTC will fail to fulfil an obligation or commitment to the Issuer. The underlying BTC is maintained by the Custodian in segregated accounts, which are intended to be protected in the event of insolvency of the Custodian. However, any insolvency of the Custodian may result in delayed access to the underlying BTC provided as a Security. In such a situation, Holders may face a loss due to asset price fluctuation.

*Realization 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 Holders. Fees, costs and expenses for the Security Trustee will need to be paid in advance. All fees, costs and expenses related to the enforcement will be the sole responsibility of, and will be deducted from any payments made to, the relevant investors. The Security Trustee shall have no responsibility whatsoever to any other party or to any investor in the Notes 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 Holder's Representative in relation to the Notes. No initial Holders' Representative will be appointed under the Terms and Conditions. Any appointment of a Holders' Representative for the Notes after the issuance of such Notes will, therefore, require a majority resolution of the Holders of such Series of Notes. The specific risk is that no Holders' Representative will be appointed because a majority resolution by such Holders has not been passed or that the Holders' Representative might not instruct the Security Trustee in the interest of all individual Holders. In such an event it may be difficult or even impossible for such Holders to take collective action and to enforce the Security.

*Recognition of Security and choice of law in other jurisdictions.*

The laws of certain jurisdictions may affect some or all of the security interests over assets representing the Security. In the event that the laws of a jurisdiction do not recognise the security interests granted by the Security, such security may not be effective in relation to assets deemed located in that jurisdiction and/or the ranking of the claims in relation to such assets may change and unsecured claims may become first-ranking.

### 3.2.7 German Act on Debt Securities

*Resolution of Holders.*

A Holder is subject to the risk to be outvoted and to lose rights towards the Issuer against his will in the case that Holders agree pursuant to the Terms and Conditions to amendments of the Terms and Conditions by majority vote according to the German Act on Debt Securities (*Schuldverschreibungsgesetz – SchVG*). As resolutions properly adopted are binding on all Holders, certain rights of such Holder against the Issuer under the Terms and Conditions may be amended or reduced or even cancelled. As a consequence, Holders face the risk of an amendment, reduction or loss of such right without their consent due to being outvoted.

*Holdings' Representative.*

As the Notes provide for the appointment of a Holdings' Representative by a majority resolution of the Holders, it is possible that a Holder may be deprived of its individual right to pursue and enforce its rights under the Terms and Conditions against the Issuer, such right passing to the Holdings' Representative who is then exclusively responsible to claim and enforce the rights of all the Holders.

*Since no Holdings' Representative will be appointed as from the issue date of Notes, it will be more difficult for Holders to take collective action with respect to the Notes.*

Under the German Act on Issues of Debt Securities, an initial joint representative (*gemeinsamer Vertreter*) of the Holders (the **Holdings' Representative**) may be appointed by way of the Terms and Conditions. The Holdings' 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 Holdings' Representative will be appointed under the Terms and Conditions. Any appointment of a Holdings' Representative for the Notes post issuance of the Notes will, therefore, require a majority resolution of the Holders. The specific risk is that if the appointment of a Holdings' Representative is delayed, this will make it more difficult or even impossible for Holders to take collective action to enforce their rights under the Notes.

## 4 GENERAL INFORMATION

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended, (the "**Securities Act**"). The Notes are being offered outside the United States of America (the "**United States**" or "**U.S.**") in accordance with Regulation S under the Securities Act ("**Regulation S**"), and may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

**This 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 authorized or to any person to whom it is unlawful to make such offer or solicitation.**

INVESTMENT AND REDEMPTION RESTRICTIONS: Prospective investors should satisfy themselves that an investment in the Notes 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 Notes by way of delivery of BTC. If a Holder is unable to receive BTC 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 Notes will not be redeemed by delivery of BTC. Instead, the BTC will be converted into USD or EUR in accordance with Section 5 (4) of the Terms and Conditions (for a detailed description, see Chapter 11.1, p. 38). If any prospective investor is in any doubt with regard to its ability to invest in the Notes or to receive BTC, it should consult a professional advisor prior to making an investment."

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

In this Prospectus all references to "**USD**" are to the currency of the United States of America, all references to "**EUR**" are to the currency of the European Union and 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/>.

## 5 RESPONSIBILITY STATEMENT

Iconic Funds BTC ETN GmbH, Große Gallusstraße 16-18, 60312 Frankfurt am Main, Germany accepts responsibility for the information contained in this Prospectus and declares to the best of its knowledge that the information contained in the Prospectus is in accordance with the facts and that the Prospectus makes no omission likely to affect its import.

This Prospectus has been approved by the Bundesanstalt für Finanzdienstleistungsaufsicht (the "**BaFin**") of the Federal Republic of Germany in its capacity as competent authority under the Prospectus Regulation (EU) 2017/1129. The BaFin only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the economic or financial soundness of the transaction or the quality and solvency of the Issuer or of the quality of the Notes that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

No other person mentioned in this Prospectus, other than Iconic Funds BTC ETN GmbH with its respective registered offices in Frankfurt am Main, Germany, is responsible for the information given in this Prospectus, and any supplement thereto.

The information contained in the Prospectus will not be updated subsequent to the date hereof except for any significant new factor or material mistake or inaccuracy relating to the information contained in the Prospectus that may affect an assessment of the securities and which arises or is noted following the approval of the Prospectus but before the admission of the securities to trading. These updates must be disclosed in a prospectus supplement in accordance with Art. 23 of the Prospectus Regulation.

## 6 DISCLOSURE REGARDING FORWARD LOOKING STATEMENTS

This 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", "estimate", "expect", "intend", "plan", "potential", "predict", "project" or "will", or the negatives of those words or phrases, 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 Prospectus speak only as of the date of this 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 Prospectus which could cause actual results to differ before making an investment decision. All of the forward-looking statements made in this Prospectus are qualified by these cautionary statements.

## 7 CONSENT TO THE USE OF THE PROSPECTUS

Each financial intermediary (including Authorized Participants) subsequently reselling or finally placing the Notes is entitled to use the Prospectus (i) in Germany for the subsequent resale or final placement of the Notes during the period commencing on (and including) May 11, 2022 and ending on (and including) May 11, 2023 during which a subsequent resale or final placement of the Notes can be made, (ii) in the Netherlands, Norway, Sweden, Italy, France, Estonia, Poland, Slovakia, Spain, Finland, Greece, Portugal, Slovenia, the Czech Republic, Denmark, Austria, Belgium, Cyprus, Ireland, Luxemburg and Malta for the subsequent resale or final placement of the Notes during the period commencing on (and including) May 11, 2022 and ending on (and including) May 11, 2023 during which a subsequent resale or final placement of the Notes can be made, and (iii) in Liechtenstein for the subsequent resale or final placement of the Notes during the period commencing on (and including) May 11, 2022 and ending on (and including) May 11, 2023 during which a subsequent resale or final placement of the Notes can be made, provided however, that the Prospectus is still valid in accordance with the Prospectus Regulation. The Issuer accepts responsibility for the information given in this Prospectus also with respect to such subsequent resale or final placement of the Notes.

The Prospectus may only be delivered to potential investors together with all supplements published before such delivery. Any supplement to the Prospectus will be available for viewing in electronic form on the website of the Issuer (<https://iconicholding.com/iconic-funds/>) and on the website of the European Securities and Markets Authority (<https://www.esma.europa.eu>).

When using the Prospectus, each financial intermediary must make certain that it complies with all applicable laws and regulations in force in the respective jurisdictions.

**In the event of an offer being made by a financial intermediary, such financial intermediary shall provide information to investors on the terms and conditions of the Notes at the time of that offer.**

**Any financial intermediary using the Prospectus shall state on its website that it uses the Prospectus in accordance with this consent and the conditions attached to this consent.**

## 8 REASON FOR THE OFFER AND USE OF PROCEEDS

In connection with the issue of the Notes, the Issuer will receive proceeds with which the Issuer will solely purchase BTC.

The emission-related costs for the succeeding prospectus and offer are expected to amount to a total of up to EUR 70.000 (excluding VAT) and are composed as follows:

EUR 50.000 fees for advisors like legal, accounting

EUR 20.000 miscellaneous

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EUR 70.000 TOTAL

The emission-related costs are charged to the Issuer or Iconic Funds GmbH or will be reimbursed by Iconic Funds GmbH.



## **9 INFORMATION ABOUT THE ISSUER**

### **9.1 INCORPORATION AND SEAT**

The legal name of the Issuer is Iconic Funds BTC ETN GmbH (the **Issuer**). The commercial name is Iconic Funds.

The Issuer is a special purpose vehicle that has been established for the issuance of the Notes.

The Issuer is a German limited liability company (*Gesellschaft mit beschränkter Haftung*) and incorporated under the laws of Germany. The Issuer maintains its principal place of business in Germany and operates under the laws of Germany. The Issuer has its corporate seat in Frankfurt am Main, Germany, and is registered with the commercial register of the local court (*Amtsgericht*) of Frankfurt am Main under HRB 116980. The Issuer's registered office and principal place of business is at Große Gallusstraße 16-18, 60312, 60329 Frankfurt am Main, Germany. The telephone number of its registered office is +49 69 348723554.

The Issuer's articles of association were agreed upon 2 August 2019. The Issuer was incorporated on October 16, 2019.

Legal Entity Identifier (LEI) of the Issuer is 391200YI9NA1BYDBUW16.

The website of the Issuer is <https://iconicholding.com/iconic-funds/> This website and any other websites referenced in this Prospectus are for information purposes only and do not form part of the Prospectus.

### **9.2 SHARE CAPITAL**

#### **9.3 THE REGISTERED SHARE CAPITAL (*STAMMKAPITAL*) OF THE ISSUER AMOUNTS TO EUR 25,000 AND IS DIVIDED INTO 25,000 REGISTERED SHARES WHICH ARE FULLY PAID UP.FISCAL YEAR**

The fiscal year of the Issuer starts on 1 January and ends on 31 December.

### **9.4 ISSUER'S PRINCIPAL ACTIVITY**

The object of the Issuer is the issuance of notes (including the Notes contemplated to be issued with this Prospectus), the performance of which is backed by the performance of an underlying crypto currency. The Issuer intends to use the net proceeds of the issuance of the Notes in full to purchase a corresponding stock in the relevant crypto currency. In order to make profit, the Issuer will charge an annual fee to the holders of the notes issued by the Issuer. The fees will be charged by deducting a portion of the crypto currency stock purchased with the net proceeds of the issuance of the Notes.

### **9.5 BUSINESS OVERVIEW**

The Issuer's primary purpose is to issue the Notes. Through the issue of the Notes, the Issuer intends to satisfy investor demand for tradeable securities through which an investment in BTC is made. With the trading on a regulated market, the Issuer wishes to give investors the opportunity not only to buy and redeem Notes through an Authorized Participant vis-à-vis the Issuer but also to trade on a secondary market.

### **9.6 ADMINISTRATIVE AND MANAGEMENT BODIES**

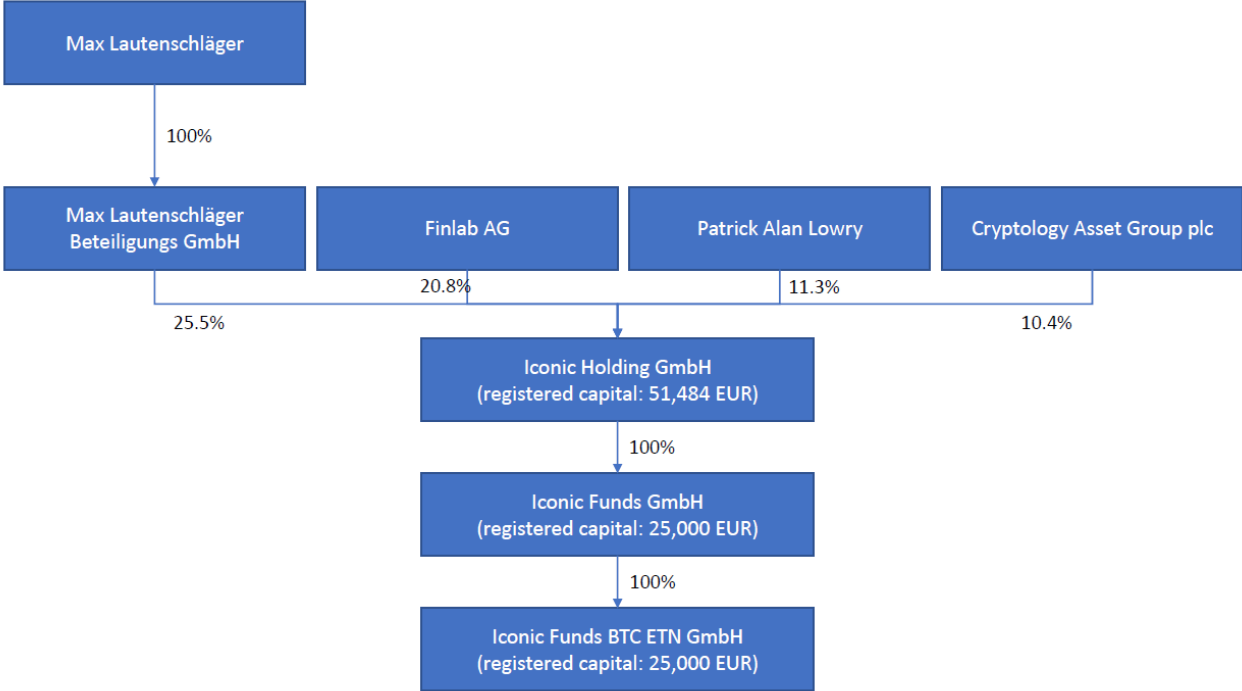
The Issuer is managed by its managing director (*Geschäftsführer*) Patrick Alan Lowry.

There are no foreseen potential conflicts of interest between any duties to the Issuer of its managing directors and their private interests and other duties. It should be noted that Patrick Alan Lowry is also CEO of Cryptology Asset Group PLC.

The business address of the managing directors is the same as that of the Issuer.

**9.7 MAJOR SHAREHOLDERS AND ORGANISATIONAL STRUCTURE**

The Issuer is a wholly owned subsidiary of Iconic Funds GmbH. The graph below shows the major shareholders of Iconic Holding GmbH and Cryptology Asset Group PLC with a stake of more than 10 percent. in the relevant company as of the date of the Prospectus and the organizational structure:



The Issuer’s sole shareholder is Iconic Funds GmbH.

The tables below show the major shareholders of Iconic Holding GmbH as at the date of the Prospectus:

<b>Iconic Holding GmbH</b>	
<b>Shareholder</b>	<b>Shares held (in per Cent)</b>
Max Lautenschläger Beteiligungs GmbH	25.5
FinLab AG	20.8
Patrick Alan Lowry	11.3
Cryptology Asset Group PLC	10.4
Alan Howard	5.4
MAPA Mundi Holding GmbH	5.4
Iconic Holding GmbH (own shares)	2.6

## 9.8 AUDITORS

Baker Tilly GmbH Wirtschaftsprüfungsgesellschaft audited the annual financial statements of the Issuer, which comprise the balance sheet as at 31 December 2021, and the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the financial year from 1 January 2021 to 31 December 2021, and notes to the financial statements, including the recognition and measurement policies presented therein on 31 March 2022.

Baker Tilly GmbH Wirtschaftsprüfungsgesellschaft also audited the historical annual financial statements of the Issuer for 2020, which comprise the balance sheet as of 31 December 2020, and the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the financial year 2020, and notes to the financial statements, including the recognition and measurement policies presented therein on 5 March 2021.

The independent auditors (*Wirtschaftsprüfer*) of the Issuer are Baker Tilly GmbH Wirtschaftsprüfungsgesellschaft, Valentinskamp 88, 20355 Hamburg, Germany. Baker Tilly GmbH Wirtschaftsprüfungsgesellschaft is a member of the WPK (Wirtschaftsprüferkammer).

## 9.9 MATERIAL CONFLICTS OF INTEREST

There are no material interests, in particular no material conflicts of interest in relation to the public offering..

## 9.10 MATERIAL CONTRACTS

The Issuer has entered or will enter into the following agreements which are material to the Issuer's ability to meet its obligations vis-à-vis the Holders:

- German Security and Security Trust Agreement entered into between the Issuer and Bankhaus von der Heydt in its function as the Security Trustee dated on 14.04.2021. The German Security and Security Trust Agreement provides a security interest in favour of the Security Trustee for the benefit of the Holders and other secured parties. The German Security and Security Trust Agreement is governed by the laws of the Federal Republic of Germany.
- BTC Security Agreement entered into between the Issuer and Bankhaus von der Heydt. in its function as the Security Trustee dated on 14.04.2021. Pursuant to the BTC Security Agreement, the Issuer grants a security in the Deposited BTC and any other assets held in the Depository Wallet and the associated account of the Issuer maintained by the Depository for the benefit of the Holders and other secured parties.

- Custodial Services Agreement between the Issuer and Coinbase Custody International Limited in its function as the Depositary dated on 19<sup>th</sup> May 2020 and a Custodial Services Agreement between the Issuer and Fidelity Digital Assets, Ltd in its function as the Depositary dated on 19<sup>th</sup> October 2020 relating to the custody of BTC which are held on the Depositary Wallet for repayment to the Holders.
- Agreements with Authorized Participants relating to the initial purchase of Notes and the marketing of the same with Flow Traders BV, Enigma Securities Ltd, Jane Street Financial Limited and DRW Europe B.V. on 30.10.2021 and with Bluefin Europe LLP Limited dated July 21, 2021.
- Administration Agreement entered into between the Issuer and the Administrator dated on 06.04.2021 relating to the calculation of the Net Asset Value of the Notes based on the holdings of the BTC deposited at and reported by the Depositary appointed by the Issuer based on the benchmark price as determined by the Issuer, and
- Management and Marketing Agreement between the Issuer and Iconic Funds GmbH dated 11<sup>th</sup> March, 2021 related to accounting, the general management and administration of the Issuer by Iconic Funds GmbH, marketing of the Notes, administrative assistance in processing subscriptions to and redemptions of the Notes, and, in certain situations, IT support of the Issuer (which includes the support of the website of the Issuer).

## **9.11 MATERIAL ADVERSE CHANGE IN THE ISSUER'S FINANCIAL POSITION**

There has been no significant change in the financial position of the Issuer since the date of its last published audited financial statement (December 31, 2021).

## **9.12 LEGAL AND ARBITRATION PROCEEDINGS**

The Issuer is not involved in any legal, arbitration or governmental proceedings that would affect the Issuer's ability to fully perform its obligations under the Notes since October 16, 2019, the date on which the Issuer was incorporated until the date of the Prospectus, nor does he have any knowledge of any such proceedings that could be initiated in the future.

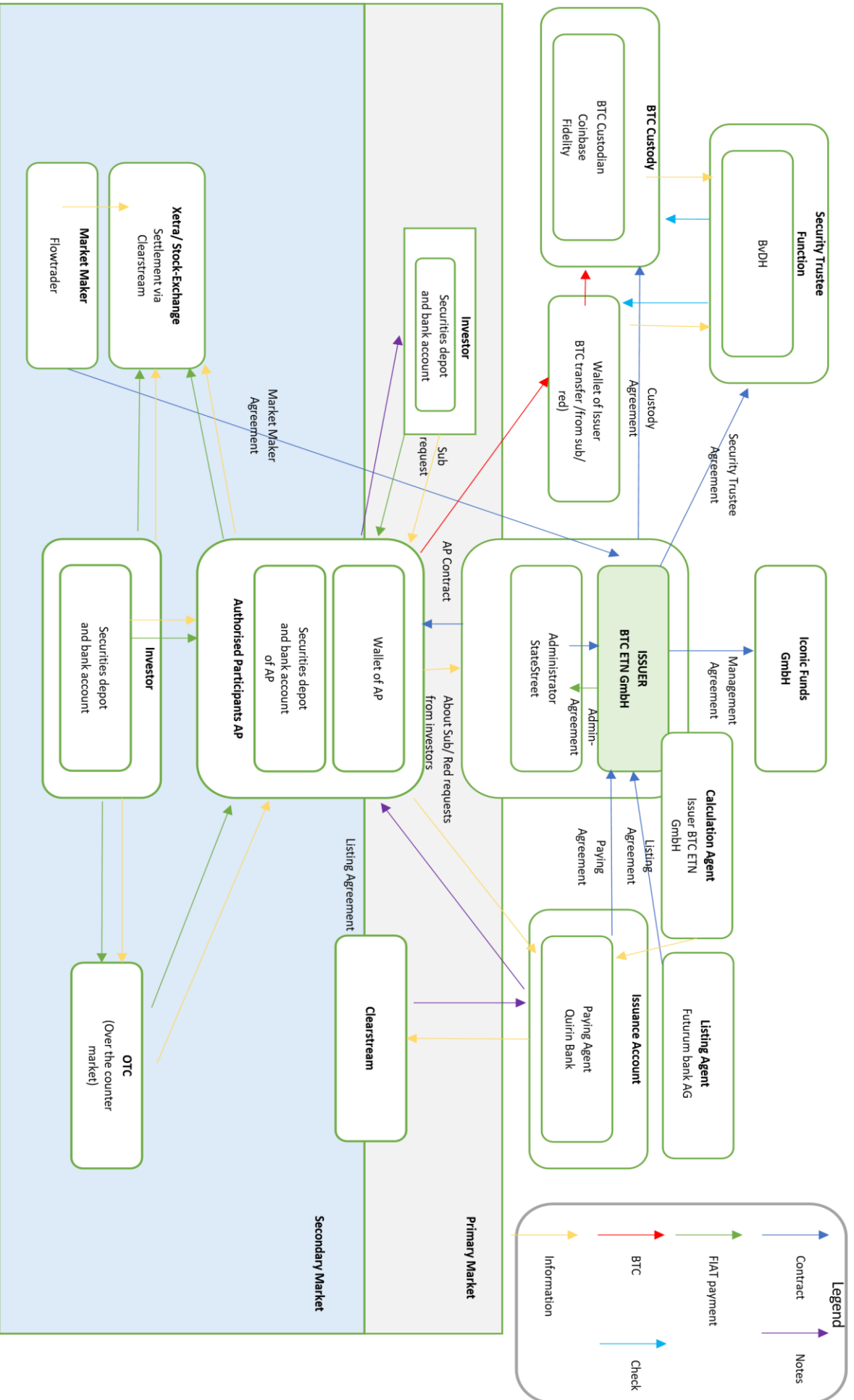
## **10 FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION, AND PROFITS AND LOSSES**

The audited annual Financial Statements of the Issuer (prepared in accordance with the German Commercial Code, **HGB**) and the respective auditor's report for 2021 and 2020 are on display at <https://funds.iconicholding.com/xbti-iconic-funds-physical-bitcoin-etp>. Details and references are shown in a table in Section 15.7.

## **11 GENERAL DESCRIPTION OF THE NOTES AND THE UNDERLYING ASSETS – REDEMPTION OF THE NOTES AND SECURITY**

### **11.1 VISUALIZATION OF PURCHASE AND REDEMPTION AND DESCRIPTION OF THE NOTES**

The following chart visualizes the contractual relations as well as the process and interaction of the involved parties. The chart is not exhaustive and is only intended to give an overview.



As shown in the visualization above, each prospective investor, who is not an Authorized Participant, has two means to invest in the Notes:

#### **Purchase directly from Authorized Participant**

An investor cannot purchase the Notes directly from the Issuer in the primary market. An investor may buy the Notes directly from an Authorized Participant. For this, prospective investors interested in purchasing Notes may contact the Authorized Participants for the Notes and request for a subscription of the Notes. Authorized Participants may also directly contact their clients and other potential investors to offer such subscription of the Notes. The Notes may be purchased directly from Authorized Participants in both BTC and FIAT, depending on which kind of currency is accepted by the relevant Authorized Participant, whereby each Authorized Participant may charge a subscription fee from the investor who it is selling the Notes at its own discretion.

#### **Purchase via Stock Exchange or from any other party in the secondary market**

Instead of purchasing the Notes via an Authorized Participant, an investor may also purchase the Notes in the secondary market from any person via the relevant Stock Exchange or over the counter. Notes can be purchased by prospective investors with any accepted currency.

#### **Description of the Notes in Detail**

The Notes are issued under German law, are debt securities (*Schuldverschreibungen*) in the meaning of § 793 of the German Civil Code (*Bürgerliches Gesetzbuch*) and are being issued in bearer form. The Issuer will issue up to 9,000,000,000 Notes without par value. Even though it is technically possible, it is highly unlikely that the maximum number of Notes to be issued will be reached. The Notes do not provide for periodic interest payments and do not have a fixed maturity date. The Notes are quoted in USD. USD is the leading currency.

The obligations under the Notes constitute direct, unsubordinated, unconditional and secured obligations of the Issuer ranking *pari passu* among themselves and all other secured and unsubordinated obligations of the Issuer. The Notes are freely transferable.

The Issuer has the right to terminate and redeem the Notes at any time in whole but not in part. To exercise the termination, the Issuer has to give an irrevocable notice not less than 20 nor more than 40 business days prior to the date fixed for redemption to an Authorized Participant.

The Authorized Participants have a prominent position in the process of the purchase and redemption of Notes. All payment flows in USD, EUR or BTC go through them. The Issuer itself only receives or transfers BTC from or to the Authorized Participants. Conversions are calculated by the Issuer as Calculation Agent, however, at the level of the Authorized Participants.

Based on the information from an investor to purchase Notes, an Authorized Participant will subscribe the relevant number of Notes (Subscription Amount) on the relevant Subscription Date at the relevant Issue Price per Note and subsequently deliver such Notes to the investor.

As of the Issue Date, the Initial Issue Price will be 0.0001 BTC per Note, i.e. Authorized Participants purchasing Notes from the Issuer would receive one Note for each 0.0001 BTC. Over time, the Issue Price changes pursuant to the following definitions and formula.

**Subscription Amount** means an amount of Notes to be received by the Authorized Participant in exchange for BTC that the Calculation Agent calculates with the following Issue Price formula:

**Issue Price** means an amount of BTC per Note equal to the BTC Factor that an Authorized Participant as the only subscriber of the Notes is entitled to receive and that the Calculation Agent calculates as follows:

$$\text{BTC Factor} = \text{Initial Issue Price} * (1 - \text{Fee})^N$$

The **BTC Factor** represents the decrease in BTC entitlement per Note due to the Fee of the Notes (subject to reduction by the Issuer).

The **Initial Issue Price** on the Issue Date is 0.0001 BTC.

**Fee** refers to a maximum of 0.96% per annum accrued daily in relation to BTC-under-management and may be changed within the limits of § 4(2) of the Terms & Conditions. The Fee initially amounts to 0.96% per annum and may then be adjusted by the Issuer in its reasonable discretion (*billiges Ermessen*) and in consideration of the relevant capital market practice and by acting in good faith by giving notice to the Holders.

**N** means the number of days since the Issue Date divided by 360 (act/360).

**Business Day** means a day (other than a Saturday or a Sunday) on which banks are open for general business in Frankfurt am Main and on which the Clearing System as well as all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 (TARGET2) are operational to effect payments.

Where an investor purchases a note from an Authorized Participant with USD or EUR, the USD or EUR price will be calculated as outlined in the Terms and Conditions.

Pursuant to the Terms and Conditions, each Holder has the right to require the Issuer to redeem Notes held by it (the **Holder's Termination**) on each business day (commencing on **April 12, 2022**) by submitting a notice to the Authorized Participant (**Notice of Termination**) specifying the date for redemption (**Redemption Date**).

If a termination and redemption is exercised by the respective party, the Notes will be redeemed at their Redemption Amount which is calculated by the **Calculation Agent** and made payable by the **Authorized Participant** in accordance with the following formula:

**Redemption Amount** means an amount in BTC equal to the BTC-Factor to be received in exchange for Notes that the Calculation Agent calculates with the following redemption price formula:

$$\text{BTC Factor} = \text{Initial Issue Price} * (1 - \text{Fee})^N$$

The **BTC Factor** represents the decrease in BTC entitlement per Note due to the Fee of the Notes (subject to reduction by the Issuer).

The **Initial Issue Price** on the Issue Date is 0.0001 BTC.

**Fee** refers to 0.96% per annum accrued daily in relation to BTC-under-management and may be changed within the limits of § 4(2) of the Terms & Conditions. The Fee initially amounts to 0.96% per annum and may then be adjusted by the Issuer in its reasonable discretion (*billiges Ermessen*) and in consideration of the relevant capital market practice and by acting in good faith by giving notice to the Holders.

**N** means the number of days since the Issue Date divided by 360 (act/360).

**Business Day** means a day (other than a Saturday or a Sunday) on which banks are open for general business in Frankfurt am Main and on which the Clearing System as well as all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 (TARGET2) are operational to effect payments. The Redemption Amount will be calculated based on the underlying BTC on the Redemption Date or Exercise Redemption Date, as the case may be.

In case of a payment of the Redemption Amount in EUR or USD, the Issuer will transfer BTC, less the applicable Fees, from the BTC held by the Issuer (the **BTC-under-management**) corresponding to the Redemption Amount to an Authorized Participant. The transferred BTC will be converted to USD or EUR. This conversion may be effected through exchanges or through "over-the-counter" or "interdealer" markets as well as through private transactions. The proceeds of this transactions will be used to pay or cause to be paid the Redemption Amount to the Holder in accordance with the conversion clauses in the Terms and Conditions.

In case of a payment of the Redemption Amount in BTC the Issuer will transfer BTC, less the applicable Fees, calculated from the BTC corresponding to the Redemption Amount. The Issuer will then transfer the Redemption Amount to the Authorized Participant, which will on the relevant redemption date transfer or cause to be transferred the Redemption Amount to the Holder.

The Notes are subject to an annual Fee accrued daily, payable monthly, of a maximum of 0.96 per cent p.a. (96 basis points) on the BTC-under-management of the respective Holder. The Fee initially amounts to 0.96 percent and will be deducted monthly from the BTC-under-management for the first time at the end of the month preceeding the issuance of the Notes. The Fee may thereafter be adjusted by the Issuer in its reasonable discretion (*billiges Ermessen*) and in consideration of the relevant capital market practice and by acting in good faith at the end of each quarter for the next following quarters until otherwise adjusted by the Issuer, but will never exceed 0.96 percent per annum. In economic terms,

the deduction of the Fee will be effected by the Issuer by selling or deducting an amount of BTC at a market value corresponding to a maximum of 0.96 per cent of the BTC-under-management. As a result of this deduction, the BTC Factor and the BTC-under-management will therefore be reduced as the term of the Notes increases and may both eventually reach near zero.

If an event of default occurs and is continuing, as specified in the Terms and Conditions, each Holder shall be entitled to declare the Notes due and payable and demand immediate redemption at their principal amount. The following events of default are stipulated in the Terms and Conditions: the Issuer fails to perform other material obligations under the Notes, the Issuer announces its financial obligations or ceases its payment generally, insolvency proceedings are instituted against the Issuer or the Issuer enters into liquidation.

## 11.2 DESCRIPTION OF THE MECHANICS OF THE NOTES/ REDEMPTION

The Notes do not provide for interest payments.

The Notes do not have a fixed term, i.e. the Notes are open ended. Therefore, any redemption depends on the exercise of a Holder's termination right or a termination by the Issuer. In such case, the Notes will be redeemed at their Redemption Amount.

The Redemption Amount depends on the performance of the BTC and BTC Factor at the time when the Notes are redeemed.

The BTC Factor has initially been determined by the Issuer to be 0.0001 BTC as of the date of the Prospectus.

The BTC Factor will then be adjusted daily by deduction of the Fee. In economic terms, such deduction of the Fee will be effected by the Issuer by selling or deducting daily an amount of BTC corresponding to a maximum of 0.96 per cent per annum of the BTC-under-management. This means, that the Issuer will sell 0.96 per cent of the BTC held. In case of the first quarterly deduction of the Fee, the Fee will amount to .0000024 BTC per Note.

During the term of the Notes, there is no correlation between the backed BTC and the BTC Factor. Regardless of the performance of the BTC, the BTC Factor will always be calculated based on the Fee currently applicable. The development of the BTC Factor and the Fee shall be illustrated by the example calculations in the table below with an assumed BTC Factor as of the Issue Date of 0.0001 BTC and an assumed initial BTC-under-management as of the Issue Date of 10000:

	BTC Factor	Fee (in per cent. of the BTC Factor)	Fee (in per cent of the BTC Factor as of the Issue Date)	Fee (in BTC)	BTC-under-management
<b>Issue Date</b>	1,0000	0,24	0,0000	0,0000	10000,0000
<b>1<sup>st</sup> Quarter</b>	0,9976	0,24	0,2400	0,2400	9976,000
<b>2<sup>nd</sup> Quarter</b>	0,9952	0,24	0,2382	0,2382	9952,058
<b>3<sup>rd</sup> Quarter</b>	0,9928	0,24	0,2364	0,2364	9928,173
<b>4<sup>th</sup> Quarter</b>	0,9904	0,24	0,2346	0,2346	9904,345
<b>5<sup>th</sup> Quarter</b>	0,9881	0,24	0,2328	0,2328	9880575
<b>6<sup>th</sup> Quarter</b>	0,9857	0,24	0,2310	0,2310	9856,861
<b>7<sup>th</sup> Quarter</b>	0,9833	0,24	0,2293	0,2293	9833,205
<b>8<sup>th</sup> Quarter</b>	0,9810	0,24	0,2275	0,2275	9809,605
<b>9<sup>th</sup> Quarter</b>	0,9786	0,24	0,2258	0,2258	9786,062
<b>10<sup>th</sup> Quarter</b>	0,9763	0,24	0,2241	0,2241	9762,575
<b>11<sup>th</sup> Quarter</b>	0,9739	0,24	0,2224	0,2224	9739,145
<b>12<sup>th</sup> Quarter</b>	0,9716	0,24	0,2207	0,2207	9715,771
<b>13<sup>th</sup> Quarter</b>	0,9692	0,24	0,2190	0,2190	9692,453
<b>14<sup>th</sup> Quarter</b>	0,9669	0,24	0,2173	0,2173	9669,192



15 <sup>th</sup> Quarter	0,9646	0,24	0,2157	0,2157	9645,986
16 <sup>th</sup> Quarter	0,9623	0,24	0,2140	0,2140	9622,835
17 <sup>th</sup> Quarter	0,9600	0,24	0,2124	0,2124	9599,740
18 <sup>th</sup> Quarter	0,9577	0,24	0,2108	0,2108	9576,701
19 <sup>th</sup> Quarter	0,9554	0,24	0,2092	0,2092	9553,717
20 <sup>th</sup> Quarter	0,9531	0,24	0,2076	0,2076	9530,788
21 <sup>st</sup> Quarter	0,9508	0,24	0,2060	0,2060	9507,914
22 <sup>nd</sup> Quarter	0,9485	0,24	0,2045	0,2045	9485,095
23 <sup>rd</sup> Quarter	0,9462	0,24	0,2029	0,2029	9462,331
24 <sup>th</sup> Quarter	0,9440	0,24	0,2014	0,2014	9439,621
25 <sup>th</sup> Quarter	0,9417	0,24	0,1998	0,1998	9416,966
26 <sup>th</sup> Quarter	0,9394	0,24	0,1983	0,1983	9394,365
27 <sup>th</sup> Quarter	0,9372	0,24	0,1968	0,1968	9371,819
28 <sup>th</sup> Quarter	0,9349	0,24	0,1953	0,1953	9349,327
29 <sup>th</sup> Quarter	0,9327	0,24	0,1938	0,1938	9326,888
30 <sup>th</sup> Quarter	0,9305	0,24	0,1924	0,1924	9304,504
31 <sup>th</sup> Quarter	0,9282	0,24	0,1909	0,1909	9282,173
32 <sup>th</sup> Quarter	0,9260	0,24	0,1895	0,1895	9259,896
33 <sup>rd</sup> Quarter	0,9238	0,24	0,1880	0,1880	9237,672
34 <sup>th</sup> Quarter	0,9216	0,24	0,1866	0,1866	9215,502
35 <sup>th</sup> Quarter	0,9193	0,24	0,1852	0,1852	9193,384
36 <sup>th</sup> Quarter	0,9171	0,24	0,1838	0,1838	9171,320
37 <sup>th</sup> Quarter	0,9149	0,24	0,1824	0,1824	9149,309
38 <sup>th</sup> Quarter	0,9127	0,24	0,1810	0,1810	9127,351
39 <sup>th</sup> Quarter	0,9105	0,24	0,1796	0,1796	9105,445
40 <sup>th</sup> Quarter	0,9084	0,24	0,1782	0,1782	9083,592
41 <sup>st</sup> Quarter	0,9062	0,24	0,1769	0,1769	9061,791
42 <sup>nd</sup> Quarter	0,9040	0,24	0,1755	0,1755	9040,043
43 <sup>rd</sup> Quarter	0,9018	0,24	0,1742	0,1742	9018,347
44 <sup>th</sup> Quarter	0,8997	0,24	0,1729	0,1729	8996,703
45 <sup>th</sup> Quarter	0,8975	0,24	0,1716	0,1716	8975,111
46 <sup>th</sup> Quarter	0,8954	0,24	0,1703	0,1703	8953,571
47 <sup>th</sup> Quarter	0,8932	0,24	0,1690	0,1690	8932,082
48 <sup>th</sup> Quarter	0,8911	0,24	0,1677	0,1677	8910,645
49 <sup>th</sup> Quarter	0,8889	0,24	0,1664	0,1664	8889,259
50 <sup>th</sup> Quarter	0,8868	0,24	0,1651	0,1651	8867,925
51 <sup>st</sup> Quarter	0,8847	0,24	0,1639	0,1639	8846,642
52 <sup>nd</sup> Quarter	0,8825	0,24	0,1626	0,1626	8825,410
53 <sup>rd</sup> Quarter	0,8804	0,24	0,1614	0,1614	8804,229
54 <sup>th</sup> Quarter	0,8783	0,24	0,1602	0,1602	8783,099

55 <sup>th</sup> Quarter	0,8762	0,24	0,1590	0,1590	8762,020
56 <sup>th</sup> Quarter	0,8741	0,24	0,1578	0,1578	8740,991
57 <sup>th</sup> Quarter	0,8720	0,24	0,1566	0,1566	8720,012
58 <sup>th</sup> Quarter	0,8699	0,24	0,1554	0,1554	8699,084
59 <sup>th</sup> Quarter	0,8678	0,24	0,1542	0,1542	8678,207
60 <sup>th</sup> Quarter	0,8657	0,24	0,1530	0,1530	8657,379
61 <sup>st</sup> Quarter	0,8637	0,24	0,1519	0,1519	8636,601
62 <sup>nd</sup> Quarter	0,8616	0,24	0,1507	0,1507	8615,873
63 <sup>rd</sup> Quarter	0,8595	0,24	0,1496	0,1496	8595,195
64 <sup>th</sup> Quarter	0,8575	0,24	0,1484	0,1484	8574,567
65 <sup>th</sup> Quarter	0,8554	0,24	0,1473	0,1473	8553,988
66 <sup>th</sup> Quarter	0,8533	0,24	0,1462	0,1462	8533,458
67 <sup>th</sup> Quarter	0,8513	0,24	0,1451	0,1451	8512,978
68 <sup>th</sup> Quarter	0,8493	0,24	0,1440	0,1440	8492,547
69 <sup>th</sup> Quarter	0,8472	0,24	0,1429	0,1429	8472,165
70 <sup>th</sup> Quarter	0,8452	0,24	0,1418	0,1418	8451,832
71 <sup>st</sup> Quarter	0,8432	0,24	0,1407	0,1407	8431,547
72 <sup>nd</sup> Quarter	0,8411	0,24	0,1396	0,1396	8411,311
73 <sup>rd</sup> Quarter	0,8391	0,24	0,1386	0,1386	8391,124
74 <sup>th</sup> Quarter	0,8371	0,24	0,1375	0,1375	8370,986
75 <sup>th</sup> Quarter	0,8351	0,24	0,1365	0,1365	8350,895
76 <sup>th</sup> Quarter	0,8331	0,24	0,1354	0,1354	8330,853
77 <sup>th</sup> Quarter	0,8311	0,24	0,1344	0,1344	8310,859
78 <sup>th</sup> Quarter	0,8291	0,24	0,1334	0,1334	8290,913
79 <sup>th</sup> Quarter	0,8271	0,24	0,1324	0,1324	8271,015
80 <sup>th</sup> Quarter	0,8251	0,24	0,1314	0,1314	8251,164
81 <sup>st</sup> Quarter	0,8231	0,24	0,1304	0,1304	8231,362
82 <sup>nd</sup> Quarter	0,8212	0,24	0,1294	0,1294	8211,606
83 <sup>rd</sup> Quarter	0,8192	0,24	0,1284	0,1284	8191,898
84 <sup>th</sup> Quarter	0,8172	0,24	0,1274	0,1274	8172,238
85 <sup>th</sup> Quarter	0,8153	0,24	0,1264	0,1264	8152,625
86 <sup>th</sup> Quarter	0,8133	0,24	0,1255	0,1255	8133,058
87 <sup>th</sup> Quarter	0,8114	0,24	0,1245	0,1245	8113,539
88 <sup>th</sup> Quarter	0,8094	0,24	0,1236	0,1236	8094,066
89 <sup>th</sup> Quarter	0,8075	0,24	0,1226	0,1226	8074,641
90 <sup>th</sup> Quarter	0,8055	0,24	0,1217	0,1217	8055,261
91 <sup>st</sup> Quarter	0,8036	0,24	0,1208	0,1208	8035,929
92 <sup>nd</sup> Quarter	0,8017	0,24	0,1199	0,1199	8016,643
93 <sup>rd</sup> Quarter	0,7997	0,24	0,1190	0,1190	7997,403
94 <sup>th</sup> Quarter	0,7978	0,24	0,1181	0,1181	7978,209

<b>95<sup>th</sup> Quarter</b>	0,7959	0,24	0,1172	0,1172	7959,061
<b>96<sup>th</sup> Quarter</b>	0,7940	0,24	0,1163	0,1163	7939,959
<b>97<sup>th</sup> Quarter</b>	0,7921	0,24	0,1154	0,1154	7920,904
<b>98<sup>th</sup> Quarter</b>	0,7902	0,24	0,1145	0,1145	7901,893
<b>99<sup>th</sup> Quarter</b>	0,7883	0,24	0,1136	0,1136	7882,929
<b>100<sup>th</sup> Quarter</b>	0,7864	0,24	0,1128	0,1128	7864,010

The Fee is applied daily and is not subject to the performance of the underlying BTC. This results in a constant yield-reducing effect. Such yield-reducing effect shall be illustrated by the table below, based on an exemplary initial investment of EUR 1,000.

*The information contained in the following table is only provided as an example to illustrate the impact of the Fee on the Redemption Amount and is not suitable to draw conclusions on the current or historical value of the underlying BTC and should not be taken as an indication of its future performance.*

	Redemption Amount with BTC conversion price 100 per cent. <sup>1</sup>	Redemption Amount with BTC conversion price 90 per cent. <sup>1</sup>	Redemption Amount with BTC conversion price 110 per cent. <sup>1</sup>
Issue Date	EUR 1.000,00	EUR 900,00	EUR 1.100,00
Redemption after 1 quarter	EUR 997,60	EUR 897,84	EUR 1.097,36
Redemption after 2 quarters	EUR 995,21	EUR 895,69	EUR 1.094,73
Redemption after 3 quarters	EUR 992,82	EUR 893,54	EUR 1.092,10
Redemption after 4 quarters	EUR 990,43	EUR 891,39	EUR 1.089,48
Redemption after 5 quarters	EUR 988,06	EUR 889,25	EUR 1.086,86
Redemption after 6 quarters	EUR 985,69	EUR 887,12	EUR 1.084,25
Redemption after 7 quarters	EUR 983,32	EUR 884,99	EUR 1.081,65
Redemption after 8 quarters	EUR 980,96	EUR 882,86	EUR 1.079,06
Redemption after 9 quarters	EUR 978,61	EUR 880,75	EUR 1.076,47
Redemption after 10 quarters	EUR 976,26	EUR 878,63	EUR 1.073,88
Redemption after 11 quarters	EUR 973,91	EUR 876,52	EUR 1.071,31
Redemption after 12 quarters	EUR 971,58	EUR 874,42	EUR 1.068,73
Redemption after 13 quarters	EUR 969,25	EUR 872,32	EUR 1.066,17
Redemption after 14 quarters	EUR 966,92	EUR 870,23	EUR 1.063,61
Redemption after 15 quarters	EUR 964,60	EUR 868,14	EUR 1.061,06
Redemption after 16 quarters	EUR 962,28	EUR 866,06	EUR 1.058,51
Redemption after 17 quarters	EUR 959,97	EUR 863,98	EUR 1.055,97
Redemption after 18 quarters	EUR 957,67	EUR 861,90	EUR 1.053,44
Redemption after 19 quarters	EUR 955,37	EUR 859,83	EUR 1.050,91
Redemption after 20 quarters	EUR 953,08	EUR 857,77	EUR 1.048,39
Redemption after 21 quarters	EUR 950,79	EUR 855,71	EUR 1.045,87
Redemption after 22 quarters	EUR 948,51	EUR 853,66	EUR 1.043,36
Redemption after 23 quarters	EUR 946,23	EUR 851,61	EUR 1.040,86
Redemption after 24 quarters	EUR 943,96	EUR 849,57	EUR 1.038,36

Redemption after 25 quarters	EUR 941,70	EUR 847,53	EUR 1.035,87
Redemption after 26 quarters	EUR 939,44	EUR 845,49	EUR 1.033,38
Redemption after 27 quarters	EUR 937,18	EUR 843,46	EUR 1.030,90
Redemption after 28 quarters	EUR 934,93	EUR 841,44	EUR 1.028,43
Redemption after 29 quarters	EUR 932,69	EUR 839,42	EUR 1.025,96
Redemption after 30 quarters	EUR 930,45	EUR 837,41	EUR 1.023,50
Redemption after 31 quarters	EUR 928,22	EUR 835,40	EUR 1.021,04
Redemption after 32 quarters	EUR 925,99	EUR 833,39	EUR 1.018,59
Redemption after 33 quarters	EUR 923,77	EUR 831,39	EUR 1.016,14
Redemption after 34 quarters	EUR 921,55	EUR 829,40	EUR 1.013,71
Redemption after 35 quarters	EUR 919,34	EUR 827,40	EUR 1.011,27
Redemption after 36 quarters	EUR 917,13	EUR 825,42	EUR 1.008,85
Redemption after 37 quarters	EUR 914,93	EUR 823,44	EUR 1.006,42
Redemption after 38 quarters	EUR 912,74	EUR 821,46	EUR 1.004,01
Redemption after 39 quarters	EUR 910,54	EUR 819,49	EUR 1.001,60
Redemption after 40 quarters	EUR 908,36	EUR 817,52	EUR 999,20
Redemption after 41 quarters	EUR 906,18	EUR 815,56	EUR 996,80
Redemption after 42 quarters	EUR 904,00	EUR 813,60	EUR 994,40
Redemption after 43 quarters	EUR 901,83	EUR 811,65	EUR 992,02
Redemption after 44 quarters	EUR 899,67	EUR 809,70	EUR 989,64
Redemption after 45 quarters	EUR 897,51	EUR 807,76	EUR 987,26
Redemption after 46 quarters	EUR 895,36	EUR 805,82	EUR 984,89
Redemption after 47 quarters	EUR 893,21	EUR 803,89	EUR 982,53
Redemption after 48 quarters	EUR 891,06	EUR 801,96	EUR 980,17
Redemption after 49 quarters	EUR 888,93	EUR 800,03	EUR 977,82
Redemption after 50 quarters	EUR 886,79	EUR 798,11	EUR 975,47
Redemption after 51 quarters	EUR 884,66	EUR 796,20	EUR 973,13
Redemption after 52 quarters	EUR 882,54	EUR 794,29	EUR 970,80
Redemption after 53 quarters	EUR 880,42	EUR 792,38	EUR 968,47

Redemption after 54 quarters	EUR 878,31	EUR 790,48	EUR 966,14
Redemption after 55 quarters	EUR 876,20	EUR 788,58	EUR 963,82
Redemption after 56 quarters	EUR 874,10	EUR 786,69	EUR 961,51
Redemption after 57 quarters	EUR 872,00	EUR 784,80	EUR 959,20
Redemption after 58 quarters	EUR 869,91	EUR 782,92	EUR 956,90
Redemption after 59 quarters	EUR 867,82	EUR 781,04	EUR 954,60
Redemption after 60 quarters	EUR 865,74	EUR 779,16	EUR 952,31
Redemption after 61 quarters	EUR 863,66	EUR 777,29	EUR 950,03
Redemption after 62 quarters	EUR 861,59	EUR 775,43	EUR 947,75
Redemption after 63 quarters	EUR 859,52	EUR 773,57	EUR 945,47
Redemption after 64 quarters	EUR 857,46	EUR 771,71	EUR 943,20
Redemption after 65 quarters	EUR 855,40	EUR 769,86	EUR 940,94
Redemption after 66 quarters	EUR 853,35	EUR 768,01	EUR 938,68
Redemption after 67 quarters	EUR 851,30	EUR 766,17	EUR 936,43
Redemption after 68 quarters	EUR 849,25	EUR 764,33	EUR 934,18
Redemption after 69 quarters	EUR 847,22	EUR 762,49	EUR 931,94
Redemption after 70 quarters	EUR 845,18	EUR 760,66	EUR 929,70
Redemption after 71 quarters	EUR 843,15	EUR 758,84	EUR 927,47
Redemption after 72 quarters	EUR 841,13	EUR 757,02	EUR 925,24
Redemption after 73 quarters	EUR 839,11	EUR 755,20	EUR 923,02
Redemption after 74 quarters	EUR 837,10	EUR 753,39	EUR 920,81
Redemption after 75 quarters	EUR 835,09	EUR 751,58	EUR 918,60
Redemption after 76 quarters	EUR 833,09	EUR 749,78	EUR 916,39
Redemption after 77 quarters	EUR 831,09	EUR 747,98	EUR 914,19
Redemption after 78 quarters	EUR 829,09	EUR 746,18	EUR 912,00
Redemption after 79 quarters	EUR 827,10	EUR 744,39	EUR 909,81
Redemption after 80 quarters	EUR 825,12	EUR 742,60	EUR 907,63
Redemption after 81 quarters	EUR 823,14	EUR 740,82	EUR 905,45
Redemption after 82 quarters	EUR 821,16	EUR 739,04	EUR 903,28

Redemption after 83 quarters	EUR 819,19	EUR 737,27	EUR 901,11
Redemption after 84 quarters	EUR 817,22	EUR 735,50	EUR 898,95
Redemption after 85 quarters	EUR 815,26	EUR 733,74	EUR 896,79
Redemption after 86 quarters	EUR 813,31	EUR 731,98	EUR 894,64
Redemption after 87 quarters	EUR 811,35	EUR 730,22	EUR 892,49
Redemption after 88 quarters	EUR 809,41	EUR 728,47	EUR 890,35
Redemption after 89 quarters	EUR 807,46	EUR 726,72	EUR 888,21
Redemption after 90 quarters	EUR 805,53	EUR 724,97	EUR 886,08
Redemption after 91 quarters	EUR 803,59	EUR 723,23	EUR 883,95
Redemption after 92 quarters	EUR 801,66	EUR 721,50	EUR 881,83
Redemption after 93 quarters	EUR 799,74	EUR 719,77	EUR 879,71
Redemption after 94 quarters	EUR 797,82	EUR 718,04	EUR 877,60
Redemption after 95 quarters	EUR 795,91	EUR 716,32	EUR 875,50
Redemption after 96 quarters	EUR 794,00	EUR 714,60	EUR 873,40
Redemption after 97 quarters	EUR 792,09	EUR 712,88	EUR 871,30
Redemption after 98 quarters	EUR 790,19	EUR 711,17	EUR 869,21
Redemption after 99 quarters	EUR 788,29	EUR 709,46	EUR 867,12
Redemption after 100 quarters	EUR 786,40	EUR 707,76	EUR 865,04

<sup>1</sup> of the BTC Level as of the Issue Date

As displayed in the table above, the performance of the Notes deviates negatively from the performance of the BTC, because of the deduction of the Fee. This means that a direct investment in the underlying BTC will likely provide for a better performance than an indirect investment through the Notes. Accordingly, compared to the performance of the underlying BTC, the performance of the Notes will always deviate to the detriment of the Redemption Amount under the Notes.

***Due to the yield reducing effect of the Fee, Holders will receive a negative return not only in case of a negative performance of the underlying BTC, but also in case of a neutral performance of the underlying BTC, i.e. in case that the performance of the underlying BTC is less than the applicable Fee. Therefore, in the event that the performance of BTC does not compensate the deduction of the Fee in the longer term, the value of the Notes will be reduced to near zero over time.***

### 11.3 FEES RELATED TO THE REDEMPTION AND SUBSCRIPTION OF THE NOTES

#### *Redemption via an Authorized Participant*

A Holder can only exercise its termination right through an Authorized Participant, if he qualifies in accordance with client acceptance policies of the respective Authorized Participant (which the Issuer has no influence over). The termination can be exercised through any Authorized Participant whether or not the Notes were acquired through the Authorized

Participant receiving the notice or acquired through a secondary market In such case, the Notes will be redeemed in BTC to the Digital Wallet of the Holder, unless a Holder is prevented from receiving BTC for legal or regulatory reasons. In such cases the Holder, acting through an Authorized Participant, may demand redemption in USD and EUR in which case the BTC will be converted into USD or EUR in accordance with the relevant provisions of the Terms and Conditions on a date fixed for redemption.

For every redemption through an Authorized Participant and irrespective of whether the repayment is made in BTC or USD or EUR, the Issuer will charge a separate Redemption Fee which shall not exceed an amount equal to 1.00 per cent (100 base points) of the Redemption Amount for each Note to the Authorized Participant.

*Further fees on i.e. on Subscription by Authorized Participant*

The Issuer has no influence on whether and to what extent the respective Authorized Participant will charge additional fees i.e. on Redemptions or Subscriptions. These fees may vary depending on the Authorized Participant.

Additionally, the Issuer has no influence over client acceptance policies of the respective Authorized Participants, prospective investors in the Notes shall be aware that it might be not possible for them to redeem the Notes through an Authorized Participant at all and the only way to realize the value of their investment in the Notes will be to redeem directly with the Issuer or sell the Notes on the secondary market and/or the stock exchange (provided that a liquid market exists).

*Redemption if no Authorized Participant has been appointed by the Issuer*

Where no Authorized Participant has been appointed by the Issuer or where a Holder does not qualify in accordance with client acceptance policies of any Authorized Participant, such Holder can only sell its Notes at the secondary market.

#### **11.4 SALE AT SECONDARY MARKET**

A Holder may sell its Notes on the stock exchange at any time (provided that a liquid market exists). The Issuer will not charge any fees. However, broker fees may be incurred.

#### **11.5 DESCRIPTION OF THE UNDERLYING**

The underlying of the Notes is Bitcoin, commonly known by the ticker symbol BTC. BTC was the first decentralised cryptocurrency. It was released as open-source software in 2009. BTC was developed to secure payment transactions over a peer-to-peer network (blockchain). The intention of the creation of BTC is to bridge the need for a trusted third party, to democratize the monetary system and ensure the anonymity of transactions made through the blockchain. Besides BTC there are other cryptocurrencies as, *inter alia*, Bitcoin Cash, Bitcoin Gold, Ether, Litecoin, Ripple, EOS, Stellar (XLM) and NEO. All these cryptocurrencies differ in their specific technical settings. Therefore, each of these cryptocurrencies needs different software and hardware and an investor in BTC, for example, cannot simply exchange for another cryptocurrency.

According to the European Banking Authority's opinion on "virtual currencies" dated as of 4 July 2014, virtual currencies or cryptocurrencies like BTC "*are a digital representation of value that is neither issued by a central bank or public authority nor necessarily attached to a fiat currency but is accepted by natural or legal persons as a means of exchange and can be transferred, stored or traded electronically*". In addition, all cryptocurrencies are based on the idea of a limited money supply. Unlike the money that central banks can spend indefinitely and the book money that commercial banks create new value units are created through a predetermined mathematical process within a computer network. This process is called "mining". German regulator *Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)* has qualified BTC as units of account (*Rechnungseinheiten*) within the meaning of § 1 para. 11 sent. 1 of the German Banking Act (*Kreditwesengesetz – "KWG"*). BTC are, thus, financial instruments within the meaning of the KWG. However, BTC are not legal tender and so neither qualify as currency nor as foreign note or coin.

Information regarding the price development of the underlying Bitcoins can be retrieved i.a. through <https://bisonapp.com/kurswerte/bitcoin/>. The information is free of charge.

#### **11.6 DESCRIPTION OF THE DEPOSITORY**

*Fidelity Digital Assets Custody*

Fidelity Investments is one of the world's largest and most diversified financial services providers. Fidelity Digital Assets is the first step towards a long-term vision to create a full-service enterprise-grade platform for storing, trading, and supporting eligible digital assets. This platform is built to the same exacting standard as exists in other Fidelity businesses,



while incorporating the unique capabilities of blockchain technology to deliver a completely new offering for institutional investors.

#### *Coinbase Custody*

Coinbase Custody operates as a standalone, independently capitalized business to Coinbase, Inc. Coinbase Custody is a fiduciary under NY State Banking Law. Coinbase insurance policy is provided by a global syndicate of A XV/A+ rated insurers, including Lloyd's of London and coordinated by AON Risk Solutions, carries a \$255m limit (per-incident and overall), with Coinbase Global as the named insured.

### 11.7 DESCRIPTION OF THE SECURITY

The Issuer will grant the following security (the "**Security**") for the benefit of the Holders and other secured parties:

#### 11.7.1 Security over Depositary Wallet

Pursuant to § 2 paragraph 2 of the Terms and Conditions, the Issuer pledges in favour of the Holders to the Security Trustee all of his rights, present and future, in particular claims for delivery, with respect to the BTCs deposited by the Issuer with the Custodians in his depositary accounts (Wallets) and claims with respect to the Notes owned by the Issuer (the **Security/ "BTC Security Agreement"**).

Pursuant to the BTC Security Agreement, the Issuer grants a security in the deposited BTC and any other assets 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**". The security granted in the Collateral secures the Secured Obligations, as defined in the German Security and Security Trust Agreement.

The BTC Security Agreement grants to the Security Trustee the right to repossess and foreclose upon the Collateral upon a certain Event of Default for the purpose of paying the Secured Obligations. Event of Default is defined in the BTC Security Agreement to mean that any one or more of the Issuer or the Holders' Representative shall deliver written notice to the Security Trustee of the occurrence of an Event of Default listed in § 9 paragraph 1 of the Terms and Conditions.

The Depositary Account (Wallet) Control Agreement grants to the Security Trustee the right to take exclusive control of the Depositary Account upon a certain Event of Default, as defined in the BTC 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 Holder s' Representative, the Security Trustee has the right to withdraw and dispose of the Deposited BTC and any other assets held in the Depositary Wallet and the Depositary Account for the purpose of paying the Secured Obligations.

The Security Trustee, which is appointed (and replaced, if applicable) by the Issuer, is legally required to verify compliance of the Issuer with (i) the Terms and Conditions of the Notes (in particular if there has occurred an Event of Default as set out in § 9 para. 1 of the Terms and Conditions and (ii) the obligation of the Issuer to transfer Notes to a subscribing party once the appropriate subscription price was paid into the Depositary Wallet in case of BTC or on the banking account of the Issuer. The terms of the Depositary 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 Security Trustee, in the Event of Default.

#### 11.7.2 Security over Issuer-owned Notes

Pursuant to the German Security and Security Trust Agreement described below, the Issuer has granted a pledge over the unsold or repurchased Notes held now or in the future in the name of the Issuer on the Issuance Account, 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.

### 11.7.3 German Security and Security Trust Agreement

The Issuer and the Security Trustee have entered into the 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 Holders and other secured parties in connection with the administration and the handling of the rights of the Holders 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 assignment (*Sicherungsabtretung*) 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 Holders; (ii) administer and enforce such Security which has been created by way of security assignment (*Sicherungsabtretung*) 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.

## 12 TERMS & CONDITIONS

*These terms and conditions of the Notes (the **Terms and Conditions**) are written in the English language and provided with a German language translation. **The English text shall be the legally binding version.** The German language translation is provided for convenience only.*

In addition the Terms & Conditions of the previous offer are on display at <https://funds.iconicholding.com/xbti-iconic-funds-physical-bitcoin-etp>. They are incorporated by reference (see Section 15.7).

TERMS AND CONDITIONS OF THE NOTES	ANLEIHEBEDINGUNGEN
<p style="text-align: center;"><b>§ 1</b></p> <p style="text-align: center;"><b>Denomination, purchase price, form</b></p> <p>(1) <i>Denomination; Purchase Price.</i> This issue of bearer notes (the <b>Notes</b>) of Iconic Funds BTC ETN GmbH (the <b>Issuer</b>) is succeeding the issuing from April 15, 2021 (the <b>Issue Date</b>) in a number of up to 9,000,000,000 (in words: nine billion) denominations without par value at an initial issue price of 0.0001 Bitcoin (<b>BTC</b>) (the <b>Initial Issue Price</b>) per denomination. The Notes will be acquired in BTC or in USD or EUR after conversion of BTC into USD or EUR. The conversion shall be made in accordance with § 5 para. 4. US-Dollar (<b>USD</b>) is the leading currency. The commercial name is Iconic Funds Physical Bitcoin ETP. The ISIN is DE000A3GK2N1. The Issuer has listed the Notes on the regulated Market at the Frankfurt Stock Exchange. Further listing applications at other exchanges have been made. The current securities prospectus as well as further information, in particular supplements, are available at <a href="https://funds.iconicholding.com/xbti-iconic-funds-physical-bitcoin-etp/">https://funds.iconicholding.com/xbti-iconic-funds-physical-bitcoin-etp/</a></p> <p>(2) <i>Securitisation.</i> The Notes are represented by a global bearer certificate (the <b>Global Note</b>). Individual certificates will not be issued. There is no right of the noteholders (each a <b>Holder</b> and together the <b>Holder</b>s) to the issue and delivery of individual Notes.</p> <p>(3) <i>Clearing System.</i> The Global Note representing the Notes will be deposited with Clearstream Banking AG, Frankfurt am Main (<b>CBF</b> or the <b>Clearing System</b>) until all obligations of the Issuer under the Notes have been fulfilled.</p> <p>(4) <i>Transferability.</i> The Holders are entitled to co-ownership interests in the Global Note, which may be transferred in accordance with the applicable law and the rules and regulations of the clearing system in force from time to time.</p> <p>(5) <i>United States.</i> For the purposes of these Terms and Conditions, <b>United States</b> means the <b>United States</b> of America (including its states and the District of Columbia) and its territories (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands).</p> <p>(6) <b>Subscription Amount</b> means an amount of Notes to be received by an Authorized Participant in exchange for BTC that the Calculation Agent calculates with the following Issue Price formula:</p> <p style="text-align: center;">BTC Factor = Initial Issue Price *(1 – Fee)^N</p>	<p style="text-align: center;"><b>§ 1</b></p> <p style="text-align: center;"><b>Stückelung, Erwerbspreis, Form</b></p> <p>(1) <i>Stückelung; Erwerbspreis.</i> Diese Emission von Inhaberschuldverschreibungen (die <b>Schuldverschreibungen</b>) der Iconic Funds BTC ETN GmbH (die <b>Emittentin</b>) folgt der vom 15. April 2021 (der <b>Begebungstag</b>) in einer Anzahl von bis zu 9,000,000,000 (in Worten: neun Milliarden) Stücken ohne Nennbetrag begeben zu einem Begebungspreis von 0.0001 Bitcoin (<b>BTC</b>) (der <b>anfängliche Ausgabepreis</b>) je Stück. Die Schuldverschreibungen können in BTC oder in USD oder EUR nach Umrechnung von BTC in USD oder EUR erworben werden. Die Umrechnung erfolgt gemäß § 5 Abs. 4. Die führende Währung ist US-Dollar (<b>USD</b>). Der Handelsname ist Iconic Funds Physical Bitcoin ETP. Die ISIN lautet DE000A3GK2N1. Die Emittentin hat die Zulassung zum Handel im regulierten Markt der Frankfurter Wertpapierbörse. Es wurden weitere Zulassungsanträge gestellt an anderen Märkten. Der aktuelle Wertpapierprospekt sowie weitere Informationen, insbesondere Nachträge, sind unter <a href="https://funds.iconicholding.com/xbti-iconic-funds-physical-bitcoin-etp/">https://funds.iconicholding.com/xbti-iconic-funds-physical-bitcoin-etp/</a> verfügbar.</p> <p>(2) <i>Verbriefung.</i> Die Schuldverschreibungen sind durch eine Globalurkunde verbrieft (die <b>Globalurkunde</b>). Einzelurkunden werden nicht ausgegeben. Ein Recht der Inhaber der Schuldverschreibungen (jeweils ein <b>Inhaber</b> und zusammen die <b>Inhaber</b>) auf Ausgabe und Lieferung von Einzelurkunden besteht nicht.</p> <p>(3) <i>Clearing System.</i> Die Globalurkunde, welche die Schuldverschreibungen verbrieft, wird bei Clearstream Banking AG, Frankfurt am Main (<b>CBF</b> oder <b>Clearingsystem</b>) hinterlegt, bis sämtliche Verpflichtungen der Emittentin aus den Schuldverschreibungen erfüllt sind.</p> <p>(4) <i>Übertragbarkeit.</i> Den Inhabern stehen Miteigentumsanteile an der Globalurkunde zu, die nach Maßgabe des anwendbaren Rechts und der jeweils geltenden Regelwerke des Clearingsystems übertragen werden können.</p> <p>(5) <i>Vereinigte Staaten.</i> Für die Zwecke dieser Anleihebedingungen bezeichnet <b>Vereinigte Staaten</b> die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des District of <i>Columbia</i>) sowie deren Territorien (einschließlich Puerto Rico, der U.S. Virgin Islands, Guam, American Samoa, Wake Island und den Northern Mariana Islands).</p> <p>(6) Der <b>Zeichnungsbetrag</b>, d. h. der Betrag der Schuldverschreibungen, den ein Authorized Participant im Austausch gegen BTC erhält, wird von der Berechnungsstelle wie folgt berechnet:</p> <p style="text-align: center;">BTC Faktor = Anfänglicher Ausgabepreis * (1-Gebühr)^N</p>

The **BTC Factor** represents the decrease in BTC entitlement per Note due to the Fee of the Notes (subject to reduction by the Issuer).

The **Initial Issue Price** on the Issue Date is 0.0001 BTC.

**Fee** refers to 0.96% per annum accrued daily in relation to Bitcoin's under-management and may be changed within the limits of § 4(2). The Fee initially amounts to 0.96% per annum and may then be adjusted by the Issuer in its reasonable discretion (*billiges Ermessen*) and in consideration of the relevant capital market practice and by acting in good faith by giving notice to the Holders.

**N** means the number of days since the Issue Date divided by 360 (act/360).

**Business Day** means a day (other than a Saturday or a Sunday) on which banks are open for general business in Frankfurt am Main and on which the Clearing System as well as all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 (TARGET2) are operational to effect payments.

## § 2 Status, collateralization

- (1) *Status*. The Notes constitute direct, unconditional, secured and unsubordinated obligations to the Issuer for repayment (§ 5) which rank pari passu among themselves and with all other unsubordinated obligations of the Issuer, unless such obligations are given priority by mandatory statutory provisions.
- (2) Each Note represents the right of the Holder to demand from the Issuer (a) delivery of BTC equal to the Holder's claim, as of any Business Day, against the Issuer in respect of each Note, expressed as the amount of BTC per Note, and calculated by the Calculation Agent in accordance with the formula in § 4 (5) or (b) payment of USD or EUR determined in accordance with § 5 (4).
- (3) *Security*. The Issuer is obliged to invest at least 100% of the capital raised from the Notes in BTC at any time. As continuing security for the payment and performance of the obligations to the Holders under the Notes, the Issuer assigns to the Security Trustee by way of assignment for the benefit of the Holders all its present and future claims, in particular claims for surrender, (i) in respect of the BTC deposited by the Issuer with the Depository or Depositories in their Wallets and (ii) in respect of the Notes owned by the Issuer (the **Security**).

Der **BTC-Faktor** stellt den Rückgang des BTC-Anspruchs aufgrund der Gebühr der Schuldverschreibungen dar (vorbehaltlich einer Reduzierung der Gebühr durch die Emittentin).

Der **Initiale Ausgabepreis** am Emissionstag beträgt 0,0001 BTC.

Die **Gebühr** beträgt 0,96% p.a., die täglich in Bezug auf den verwalteten Bitcoin-Bestand anfallen und die innerhalb der Grenzen von § 4(2) der Anleihebedingungen geändert werden kann. Die Gebühr beträgt zunächst 0,96% p.a. und kann dann von der Emittentin nach billigem Ermessen und unter Berücksichtigung der einschlägigen Kapitalmarktpraxis und nach Treu und Glauben durch Mitteilung an die Inhaber angepasst werden.

**N** bezeichnet die Anzahl der Tage seit dem Emissionstag geteilt durch 360 (act/360).

**Geschäftstag** bezeichnet einen Tag (außer einem Samstag oder einem Sonntag), an dem die Banken in Frankfurt am Main für den allgemeinen Geschäftsverkehr geöffnet sind und an dem das Clearing-System sowie alle relevanten Teile des Trans-European Automated Real-time Gross Settlement Express Transfer System 2 (TARGET2) betriebsbereit sind, um Zahlungen durchzuführen.

## § 2 Status, Besicherung

- (1) *Status*. Die Schuldverschreibungen begründen unmittelbare, unbedingte, besicherte und nicht nachrangige Verbindlichkeiten gegenüber der Emittentin auf Rückzahlung (§ 5), die untereinander und mit allen anderen nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, soweit solchen Verbindlichkeiten nicht durch zwingende gesetzliche Bestimmungen ein Vorrang eingeräumt wird.
- (2) Jede Schuldverschreibung verbrieft das Recht des Inhabers, von der Emittentin (a) die Lieferung von BTC in Höhe der Forderung des Inhabers gegen die Emittentin, an jedem Geschäftstag, in Bezug auf jede Schuldverschreibung ausgedrückt als Betrag von BTC pro Schuldverschreibung und berechnet von der Berechnungsstelle gemäß der Formel in § 4 (5) oder (b) die Zahlung von USD oder EUR, gemäß der Formel in § 4 (5), zu verlangen.
- (3) *Besicherung*. Die Emittentin ist verpflichtet, zu jedem Zeitpunkt mindestens 100% des eingeworbenen Kapitals aus den Schuldverschreibungen in BTC zu investieren. Als fortdauernde Sicherheit für die Zahlung und die Erfüllung der Verpflichtungen gegenüber den Inhabern aus den Schuldverschreibungen tritt die Emittentin im Wege der Abtretung zugunsten der Inhaber an den Sicherheitentreuhänder alle ihre gegenwärtigen und zukünftigen Ansprüche, insbesondere Herausgabeansprüche, (i) mit Bezug auf die von der Emittentin bei der oder den Verwahrstellen in ihren Wallets hinterlegten BTC und (ii) mit Bezug auf

- (4) *Security Release and Proceeds.* The Security will be released in accordance with the terms of the Security Trust Agreement.
- (5) *Appointment.* Any Security hereunder shall be held, managed and enforced by the Security Trustee on behalf of all present and future Holders in accordance with the Security Trust Agreement. The Security Trustee shall, in relation to third parties, act as the holder of the Security and manage the same on behalf of the Holders. The detailed duties of the Security Trustee shall solely be governed by the Security Trust Agreement. Details of the terms and conditions of the Security shall be stipulated in the assignment for security agreement between the Security Trustee and the Issuer (the **Assignment Agreement**) as well as in a control agreement relating to the Wallet (the **Depository Account (Wallet) Control Agreement**). The Issuer shall make copies of the Security Trust Agreement, the Assignment Agreement and the Depository Account (Wallet) Control Agreement available for inspection by the Holders at the Issuer's principal place of business.
- (6) *Authorization.* Each Holder instructs and authorizes 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 Holder. 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  
No interest**

*No Interest Payments.* No interest payments will be made on the Notes.

**§ 4  
No maturity, Fees, Repayment**

- (1) *No final maturity.* The Notes do not have a Final Maturity Date. The Notes will be redeemed only upon notice by the Issuer or upon notice by the Holder (as each case is defined below).
- (2) *Fees:* The Issuer charges each Holder an annual fee of 0.96% (96 basis points) (the **Fee**) on the assets under management denominated in BTC (**BTC-under-**

die im Eigentum der Emittentin stehenden Schuldverschreibungen, ab (**Sicherheit**).

- (4) *Sicherheitsfreigabe und -Erlös.* Die Sicherheit wird in Übereinstimmung mit den Bestimmungen der Treuhandvereinbarung freigegeben.
- (5) *Bestellung.* Jede Sicherheit unter diesen Anleihebedingungen wird im Namen aller gegenwärtigen und zukünftigen Inhaber und in Übereinstimmung mit der Treuhandvereinbarung vom Sicherheitentreuhänder gehalten, verwaltet und durchgesetzt. Der Sicherheitentreuhänder tritt im Verhältnis zu Dritten als Inhaber der Sicherheit auf und verwaltet diese im Namen der Inhaber. Die detaillierten Aufgaben des Sicherheitentreuhänders werden ausschließlich durch die Treuhandvereinbarung geregelt. Einzelheiten zu den Bedingungen der Sicherheit werden in der Treuhandvereinbarung zwischen dem Sicherheitentreuhänder und der Emittentin (der **Abtretungsvertrag**) sowie in einem Beherrschungsvertrag in Bezug auf die Wallet (der **Depotbeherrschungsvertrag (Wallet)**) geregelt. Die Emittentin wird Kopien der Treuhandvereinbarung, des Abtretungsvertrags und des Depotbeherrschungsvertrags (Wallet) zur Einsichtnahme durch die Inhaber am Sitz der Emittentin bereithalten.
- (6) *Bevollmächtigung.* Jeder Inhaber beauftragt und bevollmächtigt den Sicherheitentreuhänder (mit dem Recht der Unterdelegation), als sein Sicherheitentreuhänder zu handeln und insbesondere (ohne Einschränkung) im Namen dieses Inhabers alle Dokumente zum Nachweis der Sicherheit abzuschließen und zu ändern und alle Erklärungen abzugeben und anzunehmen und alle Handlungen vorzunehmen, die er im Zusammenhang mit einer Sicherheit für notwendig oder nützlich hält. Der Sicherheitentreuhänder ist ferner berechtigt, jede Sicherheit durchzusetzen oder freizugeben, alle Rechte und Pflichten aus Dokumenten zum Nachweis der Sicherheit zu erfüllen und neue und andere Dokumente zum Nachweis oder mit Bezug zu der Sicherheit zu erstellen.

**§ 3  
Keine Verzinsung**

*Keine Zinszahlungen.* Es werden keine Zinszahlungen auf die Schuldverschreibungen vorgenommen.

**§ 4  
Keine Endfälligkeit, Gebühren, Rückzahlung**

- (1) *Keine Endfälligkeit.* Die Schuldverschreibungen haben keine Endfälligkeit. Die Schuldverschreibungen werden nur aufgrund einer Kündigung durch die Emittentin oder aufgrund einer Kündigung durch den Inhaber (wie jeweils nachstehend definiert) zurückgezahlt.
- (2) *Gebühren:* Die Emittentin erhebt von jedem Inhaber eine jährliche Gebühr von 0,96% (96 Basispunkte) auf das verwaltete Vermögen, das auf BTC lautet (**BTC-**

**Management**) of the respective Holder. The Fee will be accrued daily starting from the Issue Date. The Issuer is entitled to charge the Fee in monthly installments. During the year, the Fee is only payable on a monthly basis to the extent and for as long as a holding of BTC is held for the Holder by the Issuer. The Fee may be adjusted by the Issuer in its reasonable discretion by notice to the Holders pursuant to § 12, taking into account the respective customary capital market regulations and in consideration of the principle of good faith on each Adjustment Date (§ 4 para. 5) and shall apply from such Adjustment Date (inclusive) until the next following adjustment by the Issuer. The Issuer may in addition to third party fees charge a subscription fee to the Authorized participant which shall not exceed 1.00 Percent (100 basis points) of the Subscription Amount. The Issuer has no influence on whether and in what amount a respective Authorized Participant will charge additional fees.

(3) *Repayment after termination by the Issuer*

a. The Issuer may redeem the Notes (other than Notes for which the Holder has already requested redemption by giving notice in accordance with paragraph 4) at any time, in whole but not in part, at its option by giving notice to the Authorized Participant and in accordance with § 12 to the Holders (the **Notice of Redemption**) and at an amount in BTC equal to the Redemption Amount (as defined below) and converted into USD or EUR pursuant to § 5 para. 4.

b. The Issuer must redeem the Notes (other than Notes for which the Holder has already requested redemption by notice pursuant to paragraph 3) in whole but not in part by Notice of Redemption to the Authorized Participant and in accordance with § 12 to the Holders and at an amount in BTC equal to the Redemption Amount (as defined below) and converted into USD or EUR pursuant to § 5 para. 4, if at least one of the following applies:

i. A new or existing law or regulation or the interpretation of an existing law or regulation requires the Issuer to obtain a license, permit or authorization or to be regulated or supervised in any way in Germany or elsewhere in order to continue to comply with its obligations under these Terms and Conditions, but

**under-Management**). Die Gebühr entseht täglich ab dem Ausgabebetrag. Die Emittentin ist berechtigt die Gebühr in monatlichen Raten zu berechnen. Während des Jahres ist die Gebühr nur in dem Umfang und so lange monatlich zu zahlen, wie ein Bestand an BTC für den Inhaber von der Emittentin gehalten wird. Die Gebühr kann von der Emittentin durch Mitteilung an die Inhaber gemäß § 12 nach ihrem billigen Ermessen und unter Berücksichtigung der jeweiligen üblichen Kapitalmarktregelungen und unter Berücksichtigung des Grundsatzes von Treu und Glauben an jedem Anpassungstag (§ 4 Abs. 5) angepasst werden und gilt von diesem Anpassungstag (einschließlich) bis zur nächstfolgenden Anpassung durch die Emittentin. Die Emittentin kann dem Authorized Participant zusätzlich zu den Gebühren von Dritten eine Zeichnungsgebühr in Rechnung stellen, die 1,00 Prozent (100 Basispunkte) des Zeichnungsbetrags nicht übersteigen darf. Die Emittentin hat keinen Einfluss darauf, ob und in welcher Höhe ein jeweiliger Authorized Participant zusätzliche Gebühren erhebt.

(3) *Rückzahlung nach Kündigung durch die Emittentin*

a. Die Emittentin kann die Schuldverschreibungen (ausgenommen Schuldverschreibungen, deren Rückzahlung der Inhaber bereits durch Kündigung nach Abs. 4 verlangt hat) jederzeit insgesamt, aber nicht teilweise, nach ihrer Wahl durch Erklärung gegenüber dem Authorized Participant und gemäß § 12 gegenüber den Inhabern (die **Rückzahlungsmittteilung**) zurückzahlen und zu einem Betrag in BTC, welcher dem Rückzahlungsbetrag (wie nachstehend definiert) entspricht und gemäß § 5 Abs. 4 in USD oder EUR umgerechnet wurde, zurückzahlen.

b. Die Emittentin muss die Schuldverschreibungen (ausgenommen Schuldverschreibungen, deren Rückzahlung der Inhaber bereits durch Kündigung nach Abs. 4 verlangt hat) insgesamt, aber nicht teilweise, durch Kündigungsmittteilung gegenüber dem Authorized Participant und gemäß § 12 gegenüber den Inhabern und zu einem Betrag in BTC, welcher dem Rückzahlungsbetrag (wie nachstehend definiert) entspricht und gemäß § 5 Abs. 4 in USD oder EUR umgerechnet wurde, zurückzahlen, wenn mindestens einer der folgenden Fälle vorliegt:

i. Ein neues oder bestehendes Gesetz oder eine neue oder bestehende Vorschrift oder die Auslegung eines bestehenden Gesetzes oder einer bestehenden Vorschrift die Emittentin verpflichtet, eine Lizenz, Erlaubnis oder Genehmigung einzuholen oder in irgendeiner Weise in

<p>excluding the requirements to publish an approved prospectus in respect of the Notes; or</p> <p>ii. a third party service provider, including the auditors, legal advisers, clearing system, Paying Agent, Administrator and custodian of the Issuer ceases to provide services to the Issuer and the Issuer fails to find a replacement within a reasonable time; or</p> <p>iii. if the Issuer has been ordered by the competent court or otherwise required by law to make a compulsory redemption.</p> <p>c. Any Notice of Redemption given by the Issuer pursuant to a. or b. above shall be irrevocable and shall specify the date fixed for redemption, which shall be not less than 20 nor more than 40 Business Days after the date on which the Issuer gives the Notice of Redemption to the Holders (the <b>Redemption Date</b>).</p> <p>(4) <i>Repayment after termination by the Holder</i></p> <p>a. Each Holder shall be entitled to require the Issuer to redeem Notes at an amount in BTC equal to the Redemption Amount (as defined below) or (if requested to be paid by the Holder in USD or EUR) converted into USD or EUR pursuant to § 5 para. 4 on a date fixed for redemption (the <b>Redemption Date</b>) by delivering a notice of termination in accordance with § 12 of the Terms and Conditions to an Authorized Participant (<b>Notice of Termination</b>).</p> <p>b. For its services in connection with the termination of the Notes, the Issuer may charge an additional Redemption Fee of up to 1.00 per cent (100 basis points) on the</p>	<p>Deutschland oder anderswo reguliert oder beaufsichtigt zu werden, um weiterhin ihren Verpflichtungen gemäß diesen Anleihebedingungen nachzukommen, jedoch unter Ausschluss der Anforderungen zur Veröffentlichung eines genehmigten Prospekts in Bezug auf die Schuldverschreibungen; oder</p> <p>ii. ein Drittdienstleister, einschließlich der Wirtschaftsprüfer, Rechtsberater, des Clearingsystems, der Zahlstelle, des Verwalters und des Verwahrers der Emittentin keine Dienstleistungen mehr für die Emittentin erbringt und die Emittentin nicht innerhalb angemessener Zeit einen Ersatz findet; oder</p> <p>iii. wenn die Emittentin vom zuständigen Gericht angeordnet oder anderweitig gesetzlich verpflichtet wurde, eine Zwangsrückzahlung zu veranlassen.</p> <p>c. Eine solche Rückzahlungsmittelteilung durch die Emittentin nach a. oder b. ist unwiderruflich und muss den für die Rückzahlung festgesetzten Tag benennen, der nicht weniger als 20 und nicht mehr als 40 Geschäftstage nach dem Tag, an dem die Emittentin gegenüber den Inhabern die Kündigungsmittelteilung abgibt, liegen darf (<b>Rückzahlungstag</b>).</p> <p>(4) <i>Rückzahlung nach Kündigung der Inhaber</i></p> <p>a. Jeder Inhaber ist berechtigt, von der Emittentin durch Übermittlung einer Erklärung an den Authorized Partner (<b>Kündigungsmittelteilung</b>) gemäß § 12 der Anleihebedingungen zu verlangen, die Schuldverschreibungen zu einem Betrag in BTC, welcher dem Rückzahlungsbetrag (wie nachstehend definiert) entspricht oder (sofern vom Inhaber eine Zahlung in USD oder EUR verlangt wird) gemäß § 5 Abs. 4 in USD oder EUR getauscht, an einem für die Rückzahlung festgelegten Tag (<b>Rückzahlungstag</b>) zurückgezahlt zu bekommen.</p> <p>b. Für ihre Leistungen in Zusammenhang mit der Kündigung der Schuldverschreibungen erhebt die Emittentin eine zusätzliche Gebühr in Höhe von 1,00 Prozent (100 Basispunkte)</p>
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Redemption Amount as defined in paragraph 5 below. The Redemption Fee is levied by the Issuer from the Authorized Participant based on the Redemption Amount.

- c. The Issuer has no influence on whether and in what amount a respective Authorized Participant will charge additional fees.

(5) *Redemption amount*

**Redemption Amount** means an amount in BTC equal to the BTC Factor to be received in exchange for Notes that the Calculation Agent calculates with the following redemption price formula:

$$\text{BTC Factor} = \text{Initial Issue Price} \cdot (1 - \text{Fee})^N$$

The **BTC Factor** represents the decrease in BTC entitlement per Note due to the Fee of the Notes (subject to reduction by the Issuer).

The **Initial Issue Price** on the Issue Date is 0.0001 BTC.

**Fee** refers to 0.96% per annum accrued daily in relation to BTC-under-management and may be changed within the limits of § 4(2). The Fee initially amounts to 0.96% per annum and may then be adjusted by the Issuer in its reasonable discretion (*billiges Ermessen*) and in consideration of the relevant capital market practice and by acting in good faith by giving notice to the Holders.

**N** means the number of days since the Issue Date divided by 360 ( $\text{act}/360$ ).

**Business Day** means a day (other than a Saturday or a Sunday) on which banks are open for general business in Frankfurt am Main and on which the Clearing System as well as all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 (TARGET2) are operational to effect payments.

**§ 5  
Currency and payments**

- (1) *Currency*. Subject to applicable tax and other legal rules and regulations, payments due on the Notes will be made in EUR, USD or BTC depending on the request of the Holder.
- (2) *Payments on Capital in EUR or USD*. All payments by the Issuer shall be made through the Authorized Participants in EUR or USD for onward transmission to the Clearing System or its order

auf den Rückzahlungsbetrag wie nachstehend in Abs. 5 definiert. Die Gebühr wird von der Emittentin vom Authorized Participant auf der Grundlage des vom Rückzahlungsbetrages erhoben.

- c. Die Emittentin hat keinen Einfluss darauf, ob und in welcher Höhe ein jeweiliger Authorized Participant zusätzliche Gebühren erhebt.

(5) *Rückzahlungsbetrag*

**Rückzahlungsbetrag** bezeichnet einen Betrag in BTC, der dem BTC-Faktor entspricht, der im Austausch gegen die Schuldverschreibungen erhalten wird und den die Berechnungsstelle wie folgt berechnet:

$$\text{BTC Faktor} = \text{Anfänglicher Ausgabepreis} \cdot (1 - \text{Gebühr})^N$$

Der **BTC-Faktor** stellt den Rückgang des BTC-Anspruchs aufgrund der Gebühr der Schuldverschreibungen dar (vorbehaltlich einer Reduzierung der Gebühr durch die Emittentin).

Der **anfängliche Ausgabepreis** am Emissionstag beträgt 0,0001 BTC.

Die **Gebühr** beträgt 0,96% p.a., die täglich in Bezug auf den verwalteten Bitcoin-Bestand anfallen. Die Gebühr kann innerhalb der Grenzen von § 4(2) der Anleihebedingungen geändert werden. Die Gebühr beträgt zunächst 0,96% p.a. und kann dann von der Emittentin nach billigem Ermessen und unter Berücksichtigung der einschlägigen Kapitalmarktpraxis und nach Treu und Glauben durch Mitteilung an die Inhaber angepasst werden.

**N** bezeichnet die Anzahl der Tage seit dem Emissionstag geteilt durch 360 ( $\text{act}/360$ ).

**Geschäftstag** bezeichnet einen Tag (außer einem Samstag oder einem Sonntag), an dem die Banken in Frankfurt am Main für den allgemeinen Geschäftsverkehr geöffnet sind und an dem das Clearing-System sowie alle relevanten Teile des Trans-European Automated Real-time Gross Settlement Express Transfer System 2 (TARGET2) betriebsbereit sind, um Zahlungen durchzuführen.

**§ 5  
Währungen und Zahlungen**

- (1) *Währung*. Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften werden auf die Schuldverschreibungen fällige Zahlungen je nach Wunsch des Inhabers in EUR, USD oder BTC geleistet.
- (2) *Zahlungen auf Kapital in EUR oder USD*. Alle Zahlungen der Emittentin erfolgen durch die Authorized Participants in EUR oder USD zur Weiterleitung an das



<p>for credit to the accounts of the relevant account holders of the Clearing System provided that payments shall only be made to an account denominated in EUR or USD at a custodian bank affiliated with Clearstream.</p> <p>(3) <i>Payments on Capital in BTC and USD Reference Price.</i> All payments by the Issuer in BTC shall be made to the Authorized Participants for onward transmission to the Holder's Wallet. The USD Reference Price for the Note is, as of the relevant determination date, the USD price per Bitcoin according to the NYSE Bitcoin Index (NYXBT), published each business day at 4.00 p.m. UK time.</p> <p>(4) <i>Conversion by the Issuer.</i> Insofar as payments are made in EUR and a conversion has to be done by the Issuer, the conversion shall take place on the Business Day of the conversion (the <b>Conversion Day</b>) as follows: The Calculation Agent will determine the EUR amount by converting the Redemption Amount from BTC into USD on each Conversion Day at 5.00 p.m. CET on the basis of the USD Reference Price on the Conversion Day. The BTC rate in USD will subsequently be converted from USD to EUR on the same Conversion Day on the basis of the rate published on the Conversion Day at 16.00 UK time via Bloomberg FX Fixings (BFIX). The payment shall be made exclusively to an IBAN account allocated to the Holder. Authorized Participants can carry out the conversion at their own discretion.</p> <p>(5) <i>Fulfillment.</i> The Issuer shall be released from its payment obligation by payment of EUR or USD by the Authorized Participant or the clearing system or its order or by transfer of BTC to the Authorized Participant.</p> <p>(6) <i>Business Day.</i> If the day for any payment in respect of any Note is a day which is not a Business Day, the Holder shall not be entitled to payment prior to the next Business Day in the relevant place and shall not be entitled to claim interest or other payment by reason of such delay. For these purposes, <b>Business Day</b> means a day (other than a Saturday or Sunday) on which banks are open for general business in Frankfurt am Main and on which the Clearing System and all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 (TARGET2) are operational for the purpose of making payments.</p> <p>(7) <i>References to principal.</i> References in these Terms and Conditions to principal of the Notes include, to the extent applicable, the following amounts: redemption amount, fees and any premium or other amount payable on or in respect of the Notes, if any.</p>	<p>Clearing System oder dessen Order zur Gutschrift auf die Konten der betreffenden Kontoinhaber des Clearing Systems, vorausgesetzt, die Zahlungen erfolgen nur auf ein auf EUR oder USD lautendes Konto bei einer mit Clearstream verbundenen Depotbank.</p> <p>(3) <i>Zahlungen auf Kapital in BTC und USD Referenzpreis</i> Alle Zahlungen der Emittentin in BTC erfolgen an die Authorized Participants zur Weiterleitung an die Wallet des Inhabers. Der USD-Referenzpreis für die Schuldverschreibung ist zum jeweiligen Feststellungstag der USD-Preis pro Bitcoin gemäß dem NYSE Bitcoin Index (NYXBT), der an jedem Geschäftstag um 16.00 Uhr britischer Zeit veröffentlicht wird.</p> <p>(4) <i>Umrechnung durch die Emittentin.</i> Soweit Zahlungen in EUR erfolgen und eine Umrechnung durch die Emittentin stattfinden soll, findet die Umrechnung am Geschäftstag der Umrechnung (der <b>Umrechnungstag</b>) wie folgt statt: Die Berechnungsstelle ermittelt den EUR-Betrag durch Umrechnung des Rückzahlungsbetrags von BTC in USD an jedem Umrechnungstag um 17.00 Uhr MEZ auf der Grundlage des USD-Referenzkurses am Umrechnungstag. Die BTC-Rate in USD wird anschließend von USD in EUR am selben Umrechnungstag auf der Grundlage der von Bloomberg FX Fixings (BFIX) am Umwandlungstag um 16.00 britischer Zeit veröffentlichten Rate umgewandelt. Die Zahlung erfolgt ausschließlich auf ein dem Inhaber zugeordnetes IBAN-Konto. Authorized Participants können die Umrechnung nach eigenem Ermessen vornehmen,</p> <p>(5) <i>Erfüllung.</i> Die Emittentin wird durch Zahlung von EUR oder USD an das Clearing System oder dessen Order oder durch Zahlung von BTC an den Authorized Participant von ihrer Zahlungspflicht befreit.</p> <p>(6) <i>Geschäftstag.</i> Ist der Tag für eine Zahlung in Bezug auf eine Schuldverschreibung ein Tag, der kein Geschäftstag ist, so hat der Inhaber keinen Anspruch auf Zahlung vor dem nächsten Geschäftstag am jeweiligen Ort und ist nicht berechtigt, Zinsen oder sonstige Zahlungen aufgrund dieser Verzögerung zu verlangen. Für diese Zwecke bezeichnet <b>Geschäftstag</b> einen Tag (außer einem Samstag oder Sonntag), an dem Banken in Frankfurt am Main für den allgemeinen Geschäftsverkehr geöffnet sind und an dem das Clearingsystem sowie alle maßgeblichen Bereiche des Trans-European Automated Real-time Gross Settlement Express Transfer System 2 (TARGET2) betriebsbereit.</p> <p>(7) <i>Bezugnahmen auf Kapital.</i> Bezugnahmen in diesen Anleihebedingungen auf Kapital der Schuldverschreibungen schließen, soweit anwendbar, die folgenden Beträge ein: Rückzahlungsbetrag, Gebühren und alle Aufschläge oder sonstigen auf die Schuldverschreibungen oder im Zusammenhang damit gegebenenfalls zahlbaren Beträge.</p> <p>(8) <i>Zahlungsverzug.</i> Wenn die Emittentin aus irgendeinem Grund die Schuldverschreibungen bei Fälligkeit nicht</p>
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- (8) *Default.* If for any reason the Issuer fails to redeem the Notes when due, the outstanding amount shall bear interest from the date of maturity (inclusive) until the date of actual redemption of the Notes (exclusive) at the statutory default interest rate pursuant to Sections 288(1), 247(1) BGB. The assertion of further damages in the event of a delay in payment is not excluded.
- (9) *Deposit.* The Issuer is entitled to deposit with the Local Court (*Amtsgericht*) of Frankfurt am Main any capital which has not been claimed by the Holders within twelve months after the relevant Maturity Date, even if the Holders are not in default of acceptance. If and to the extent that such deposit is made and the right of redemption is waived, the Holder's claims against the Issuer in this respect shall lapse.
- (10) *Delivery and payments only outside the United States.* Notwithstanding any other provision in these Terms and Conditions, delivery or repayment of principal in respect of the Notes, whether in cash or otherwise, shall be made only outside the United States.

#### § 6

#### **Paying Agent, Calculation Agent, Depository, Security Trustee, Authorized Participants**

- (1) *Paying Agent.* The initially appointed paying agent and its initially designated office is:
- Quirin Privatbank AG  
Kurfürstendamm 119  
10711 Berlin  
Germany
- The Paying Agent reserves the right at any time to replace its designated offices with another office in the same country.
- (2) *Calculation Agent.* The initially appointed Calculation Agent and its initially designated office is:
- Iconic Funds BTC ETN GmbH  
Grosse Gallusstr. 16 - 18  
60312 Frankfurt am Main  
Germany
- The Calculation Agent reserves the right at any time to replace its designated offices with another office in the same country.
- (3) *Depository.* The initially appointed Depositories and their initially designated offices are:

- zurückzahlt, wird der ausstehende Betrag vom Tag der Fälligkeit (einschließlich) bis zum Tag der tatsächlichen Rückzahlung der Schuldverschreibungen (ausschließlich) mit dem gesetzlichen Verzugszins gemäß §§ 288 Abs. 1, 247 Abs. 1 BGB verzinst. Die Geltendmachung eines weitergehenden Schadens im Falle eines Zahlungsverzugs ist nicht ausgeschlossen.
- (9) *Hinterlegung.* Die Emittentin ist berechtigt, beim Amtsgericht Frankfurt am Main Kapital zu hinterlegen, das von den Inhabern nicht innerhalb von zwölf Monaten nach dem jeweiligen Fälligkeitstag beansprucht worden ist, auch wenn die Inhaber sich nicht in Annahmeverzug befinden. Wenn und soweit eine solche Hinterlegung erfolgt und auf das Recht der Rücknahme verzichtet wird, erlöschen die diesbezüglichen Ansprüche der Inhaber gegen die Emittentin.
- (10) *Lieferung und Zahlungen nur außerhalb der Vereinigten Staaten.* Unbeschadet der übrigen Bestimmungen in diesen Anleihebedingungen erfolgen die Lieferung oder Kapitalrückzahlungen bezüglich der Schuldverschreibungen, sei es in bar oder in anderer Form, ausschließlich außerhalb der Vereinigten Staaten.

#### § 6

#### **Zahlstelle, Berechnungsstelle, Verwahrstelle, Sicherheitentreuhänder, Authorized Participants**

- (1) *Zahlstelle.* Die anfänglich bestellte Zahlstelle und deren anfänglich bezeichnete Geschäftsstelle ist:
- Quirin Privatbank AG  
Kurfürstendamm 119  
10711 Berlin  
Deutschland
- Die Zahlstelle behält sich das Recht vor, jederzeit ihre bezeichnete Geschäftsstelle durch eine andere Geschäftsstelle im selben Land zu ersetzen.
- (2) *Berechnungsstelle.* Die anfänglich bestellte Berechnungsstelle und deren anfänglich bezeichnete Geschäftsstelle ist:
- Iconic Funds BTC ETN GmbH  
Grosse Gallusstr. 16 - 18  
60312 Frankfurt am Main  
Deutschland
- Die Berechnungsstelle behält sich das Recht vor, jederzeit ihre bezeichnete Geschäftsstelle durch eine andere Geschäftsstelle im selben Land zu ersetzen.
- (3) *Verwahrstellen.* Die anfänglich bestellten Verwahrstellen und deren anfänglich bezeichnete Geschäftsstellen sind:

<p>Fidelity Digital Assets, Ltd 1 St Martins Le Grand, London, EC1A 4AS, United Kingdom</p> <p>Coinbase Custody International Limited 70 Sir John Rogerson's Quay, Dublin 2, DO2 R296, Ireland</p> <p>The Depositories reserve the right at any time to replace their designated offices with another office in the same country.</p> <p>(4) <i>Security Trustee.</i> The initially appointed Security Trustee and its initially designated office is:</p> <p>Bankhaus von der Heydt Gmbh &amp; Co. KG Widenmayerstr. 83, 80538 Munich Germany</p> <p>The Security Trustee reserves the right at any time to replace its designated office with another office in the same country.</p> <p>(5) <i>Authorized Participants.</i> The initially appointed Authorized Participants and their initially designated offices are:</p> <p>Flow Traders BV Jacob Bontiusplaats 9 1018 LL Amsterdam Netherlands</p> <p>Jane Street Financial Limited 2 &amp; A Half, Devonshire Square London, England, EC2M 4UJ United Kingdom</p> <p>Enigma Securities Limited 7/8 Saville Row, London, England, W1S 3PE United Kingdom</p> <p>DRW Europe B.V. Gustav Mahlerlaan 1212 Unit 3.30 1081 LA Amsterdam Netherlands</p> <p>Bluefin Europe LLP Limited 110 Bishopsgate London, England, EC2N 4AY United Kingdom</p>	<p>Fidelity Digital Assets, Ltd 1 St Martins Le Grand, London, EC1A 4AS, United Kingdom</p> <p>Coinbase Custody International Limited 70 Sir John Rogerson's Quay, Dublin 2, DO2 R296, Ireland</p> <p>Die Verwahrstellen behalten sich das Recht vor, jederzeit ihre bezeichneten Geschäftsstellen durch eine andere Geschäftsstelle im selben Land zu ersetzen.</p> <p>(4) <i>Sicherheitentreuhänder.</i> Der anfänglich bestellte Sicherheitentreuhänder und dessen anfänglich bezeichnete Geschäftsstelle ist:</p> <p>Bankhaus von der Heydt Gmbh &amp; Co. KG Widenmayerstr. 83, 80538 München Deutschland</p> <p>Der Sicherheitentreuhänder behält sich das Recht vor, jederzeit seine bezeichnete Geschäftsstelle durch eine andere Geschäftsstelle im selben Land zu ersetzen.</p> <p>(5) <i>Authorized Participants.</i> Die anfänglich bestellten Authorized Participants und deren anfänglich bezeichnete Geschäftsstellen sind:</p> <p>Flow Traders BV Jacob Bontiusplaats 9 1018 LL Amsterdam Netherlands</p> <p>Jane Street Financial Limited 2 &amp; A Half, Devonshire Square London, England, EC2M 4UJ United Kingdom</p> <p>Enigma Securities Limited 7/8 Saville Row, London, England, W1S 3PE United Kingdom</p> <p>DRW Europe B.V. Gustav Mahlerlaan 1212 Unit 3.30 1081 LA Amsterdam Netherlands</p> <p>Bluefin Europe LLP Limited 110 Bishopsgate London, England, EC2N 4AY United Kingdom</p> <p>(6) <i>Verwalter:</i> Der anfänglich bestellte Verwalter und dessen anfänglich bezeichnete Geschäftsstelle ist:</p>
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- (6) Administrator: The initially appointed Administrator and its initially designated office is:

State Street Bank International GmbH  
Solmsstraße 83  
60486 Frankfurt am Main  
Germany

- (7) *Change or Termination of Appointment.* The Issuer reserves the right at any time to change or terminate the appointment of the agents and parties named under § 6 para. 1 - 6 and to appoint additional ones. The Issuer shall at all times have appointed a Paying Agent, an Authorized Participant, a Calculation Agent, a Depository and a Security Trustee and Administrator. Any change, termination, appointment or replacement shall only become effective (except in the event of insolvency, in which case such change shall become effective immediately) if the Holders have been notified thereof in advance in accordance with § 12, giving not less than 30 and not more than 45 Business Days' notice.

*Agents of the Issuer.* The Paying Agent, the Calculation Agent (to the extent that the Issuer is not itself the appointed Calculation Agent) and any other officer appointed pursuant to § 6 para. 1 – 3, 5 - 6 shall act solely as agents of the Issuer and shall not assume any obligations to the Holders and no agency or fiduciary relationship shall be created between them and the Holders.

*Binding nature of the calculations.* All calculations made by the Calculation Agent shall be effective for all parties named under § 6 para. 1, 3 - 6 (unless there is an obvious error).

## **§ 7 Taxes**

All payments in respect of the Notes shall be made without withholding or deduction for or on account of any present or future taxes, duties or governmental charges of whatever nature unless the Issuer or any third person (including, without limitation, the Paying Agent) is required by law to deduct or withhold such present or future taxes, duties or governmental charges of whatever nature from payments in respect of the Notes. In such case, the Issuer shall make the relevant payments after such withholding or deduction and shall pay the amounts withheld or deducted to the relevant authorities. To the extent that payments are made in BTC and taxes are to be deducted or withheld, the conversion of the deduction or withholding shall be made in accordance with § 5(4). The Issuer shall not be obliged to pay any

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Solmsstraße 83  
60486 Frankfurt am Main  
Deutschland

- (7) *Änderung oder Beendigung der Bestellung.* Die Emittentin behält sich das Recht vor, jederzeit die Bestellung der unter § 6 Abs. 1 – 6 benannten Stellen und Funktionsträger zu ändern oder zu beenden und zusätzliche zu bestellen. Die Emittentin wird zu jedem Zeitpunkt eine Zahlstelle, einen Authorized Participant, eine Berechnungsstelle, eine Verwahrstelle sowie einen Sicherheitentreuhänder und einen Verwalter bestellt haben. Eine Änderung, Beendigung, Bestellung oder ein Wechsel wird nur wirksam (außer im Insolvenzfall, in dem eine solche Änderung sofort wirksam wird), sofern die Inhaber hierüber gemäß § 12 vorab unter Einhaltung einer Frist von mindestens 30 und höchstens 45 Geschäftstagen informiert wurden.

*Erfüllungsgehilfen der Emittentin.* Die Zahlstelle, die Berechnungsstelle (soweit die Emittentin nicht selbst bestellte Berechnungsstelle ist) und jede andere nach § 6 Absatz 1 – 3, 5 - 6 bestellter Funktionsträger handeln ausschließlich als Erfüllungsgehilfen der Emittentin und übernehmen keinerlei Verpflichtungen gegenüber den Inhabern, und es wird kein Auftrags- oder Treuhandverhältnis zwischen ihnen und den Inhabern begründet.

*Verbindlichkeit der Berechnungen.* Alle von der Berechnungsstelle vorgenommenen Berechnungen sind für alle unter § 6 Abs. 1, 3 - 5 benannten Beteiligten wirksam (sofern nicht ein offensichtlicher Fehler vorliegt).

## **§ 7 Steuern**

Alle Zahlungen in Bezug auf die Schuldverschreibungen erfolgen ohne Einbehalt oder Abzug für oder wegen gegenwärtiger oder zukünftiger Steuern, Abgaben oder behördlichen Gebühren gleich welcher Art, es sei denn, die Emittentin oder eine dritte Person (insbesondere die Zahlstelle) ist kraft Gesetzes verpflichtet, solche gegenwärtigen oder zukünftigen Steuern, Abgaben oder behördlichen Gebühren gleich welcher Art von den Zahlungen in Bezug auf die Schuldverschreibungen abzuziehen oder einzubehalten. In diesem Fall leistet die Emittentin die entsprechenden Zahlungen nach einem solchen Einbehalt oder Abzug und zahlt die einbehaltenen oder abgezogenen Beträge an die zuständigen Behörden. Soweit Zahlungen in BTC erfolgen und Steuern abzuziehen oder einzubehalten sind, erfolgt die Umrechnung des Abzugs oder Einhalts gemäß § 5 Abs. 4. Die Emittentin ist nicht verpflichtet, wegen eines solchen Einhalts oder Abzugs an die Inhaber irgendwelche zusätzlichen Beträge zu zahlen.

additional amounts to the Holders on account of any such deduction or withholding.

### § 8

#### Preparation period, limitation period

The presentation period pursuant to § 801 para. 1 sentence 1 BGB for the Notes shall be reduced to ten years. The limitation period for claims under the Notes presented for payment within the presentation period shall be three years from the end of the relevant presentation period.

### § 9

#### Extraordinary termination

(1) *Events of Default.* If an Event of Default occurs and is continuing, each Holder shall be entitled to call all of its claims under the Notes by giving an Extraordinary Termination Notice in accordance with paragraph 2 to any of the Authorized Participants and to demand immediate repayment thereof at the Redemption Amount. Each of the following events shall constitute an **Event of Default**:

- a. the Issuer fails to perform an obligation under the Notes and the failure continues, to the extent that it can be cured, for more than 60 Business Days in each case after the Paying Agent has received a written request in the manner provided in subsection (2) from a Holder to perform the obligation; or
- b. the Issuer announces its insolvency or generally discontinues its payments; or
- c. insolvency proceedings are commenced against the Issuer and are not lifted or stayed within 60 Business Days, or the Issuer applies for or commences such proceedings, or
- d. the Issuer goes into liquidation unless this occurs in connection with a merger or other form of amalgamation with another company and the other company assumes all obligations incurred by the Issuer in connection with the Notes.

(2) *Extraordinary Termination Notice.* A declaration by a Holder to terminate its Notes pursuant to this § 9 (**Extraordinary Termination Notice**) shall be made in such manner that the Holder sends to the

### § 8

#### Vorlegungsfrist, Verjährung

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

### § 9

#### Außerordentliche Kündigung

(1) *Außerordentliche Kündigungsgründe.* Tritt ein außerordentlicher Kündigungsgrund ein und dauert dieser an, so ist jeder Inhaber berechtigt, seine sämtlichen Forderungen aus den Schuldverschreibungen durch Abgabe einer Außerordentlichen Kündigungsmittelung gemäß Abs. 2 gegenüber einem Authorized Participant fällig zu stellen und deren unverzügliche Rückzahlung zum Rückzahlungsbetrag zu verlangen. Jedes der folgenden Ereignisse stellt einen **außerordentlichen Kündigungsgrund** dar:

- a. die Emittentin erfüllt eine wesentliche Verpflichtung aus den Schuldverschreibungen nicht und die Nichterfüllung dauert – sofern sie geheilt werden kann – jeweils länger als 60 Geschäftstage fort, nachdem die Zahlstelle eine schriftliche Aufforderung in der in Abs. 2 vorgesehenen Art und Weise von einem Inhaber erhalten hat, die Verpflichtung zu erfüllen; oder
- b. die Emittentin gibt ihre Zahlungsunfähigkeit bekannt oder stellt ihre Zahlungen generell ein; oder
- c. gegen die Emittentin wird ein Insolvenzverfahren eingeleitet und nicht innerhalb von 60 Geschäftstagen aufgehoben oder ausgesetzt, oder die Emittentin beantragt oder leitet ein solches Verfahren ein, oder
- d. die Emittentin geht in Liquidation, es sei denn, dies geschieht im Zusammenhang mit einer Verschmelzung oder einer anderen Form des Zusammenschlusses mit einer anderen Gesellschaft und die andere Gesellschaft übernimmt alle Verpflichtungen, die die Emittentin im Zusammenhang mit den Schuldverschreibungen eingegangen ist.

(2) *Außerordentliche Kündigungsmittelung.* Eine Erklärung eines Inhabers zur Kündigung seiner Schuldverschreibungen gemäß diesem § 9 (**außerordentliche Kündigungsmittelung**) hat in der Weise zu erfolgen, dass der Inhaber dem Authorized Participant eine entsprechende Erklärung in Textform in deutscher oder englischer Sprache übermittelt und dabei durch eine Bescheinigung seiner Depotbank (wie

Authorized Participant a declaration to that effect in text form in German or English, proving by a certificate of its Custodian (as defined in § 13(4)) that it holds the relevant Notes at the time of the Extraordinary Termination Notice.

- (3) *Cure*. For the avoidance of doubt, the right of extraordinary termination of the Notes pursuant to this § 9 shall expire if the reason for termination has been cured prior to the exercise of the right.

### § 10

#### Issuance of further Notes, Purchase and Cancellation

- (1) *Issue of further Notes*. The Issuer may at any time, without the consent of the Holders, issue further Notes with the same features in all respects (except, if applicable, for the relevant Issue Date and/or the Issue Price) in such a way that they form a single series with the Notes.
- (2) *Purchase*. The Issuer may at any time purchase Notes in the market or otherwise at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held by it, resold or surrendered to the Paying Agent for cancellation.
- (3) *Resale and cancellation*. All fully redeemed Notes which have been the subject of a purchase pursuant to § 10 para. 2, a termination by the Issuer pursuant to § 4 para. 4 or by the Holder pursuant to § 4 para. 5 may be resold or cancelled by the Issuer.

### § 11

#### Modification of the Notes Conditions by Resolutions of the Holders, Joint Representative

- (1) *Amendment of the Terms and Conditions of the Notes*. The Terms and Conditions of the Notes may be amended with the consent of the Issuer by a majority resolution of the Holders in accordance with §§ 5 et seq. of the German Act on Bonds from Total Issues (*Gesetz über Schuldverschreibungen aus Gesamtemissionen - SchVG*), as amended from time to time. In particular, the Holders may approve an amendment of material contents of the terms and conditions of the Notes, including the measures provided for in § 5 para. 3 SchVG, by resolutions with the majorities specified in para. 2 below. A duly adopted majority resolution shall be equally binding on all Holders.
- (2) *Majority*. Subject to the following sentence and the achievement of the required quorum, the Holders shall adopt resolutions with a simple majority of

in § 13 Abs. 4 definiert) nachweist, dass er die betreffenden Schuldverschreibungen zum Zeitpunkt der Außerordentlichen Kündigungsmittelteilung hält.

- (3) *Heilung*. Zur Klarstellung wird festgehalten, dass das Recht zur außerordentlichen Kündigung der Schuldverschreibungen gemäß diesem § 9 erlischt, falls der Kündigungsgrund vor Ausübung des Rechts geheilt worden ist.

### § 10

#### Begebung weiterer Schuldverschreibungen, Ankauf und Entwertung

- (1) *Begebung weiterer Schuldverschreibungen*. Die Emittentin ist berechtigt, jederzeit ohne Zustimmung der Inhaber weitere Schuldverschreibungen mit in jeder Hinsicht gleicher Ausstattung (gegebenenfalls mit Ausnahme des jeweiligen Begebungstags und/oder des anfänglichen Ausgabepreises) in der Weise zu begeben, dass sie mit diesen Schuldverschreibungen eine einheitliche Serie bilden.
- (2) *Ankauf*. Die Emittentin ist berechtigt, jederzeit Schuldverschreibungen im Markt oder anderweitig zu jedem beliebigen Preis zu kaufen. Die von der Emittentin erworbenen Schuldverschreibungen können nach Wahl der Emittentin von ihr gehalten, weiterverkauft oder bei der Zahlstelle zwecks Entwertung eingereicht werden
- (3) *Wiederverkauf und Entwertung*. Sämtliche vollständig zurückgezahlten Schuldverschreibungen, die Gegenstand eines Ankaufs nach § 10 Abs. 2, einer Kündigung der Emittentin nach § 4 Abs. 4 oder des Inhabers nach § 4 Abs. 5 waren, können von der Emittentin wiederverkauft oder entwertet werden.

### § 11

#### Änderung der Anleihebedingungen durch Beschlüsse der Inhaber, Gemeinsamer Vertreter

- (1) *Änderung der Anleihebedingungen*. Die Anleihebedingungen können mit Zustimmung der Emittentin durch Mehrheitsbeschluss der Inhaber nach Maßgabe der §§ 5 ff. des Gesetzes über Schuldverschreibungen aus Gesamtemissionen (**SchVG**) in seiner jeweils geltenden Fassung geändert werden. Die Inhaber können insbesondere einer Änderung wesentlicher Inhalte der Anleihebedingungen, einschließlich der in § 5 Abs. 3 SchVG vorgesehenen Maßnahmen, durch Beschlüsse mit den in dem nachstehenden Abs. 2 genannten Mehrheiten zustimmen. Ein ordnungsgemäß gefasster Mehrheitsbeschluss ist für alle Inhaber gleichermaßen verbindlich.
- (2) *Mehrheit*. Vorbehaltlich des nachstehenden Satzes und der Erreichung der erforderlichen Beschlussfähigkeit, beschließen die Inhaber mit der einfachen Mehrheit der an der Abstimmung teilnehmenden Stimmrechte. Beschlüsse, durch welche der wesentliche Inhalt der Anleihebedingungen geändert wird, insbesondere in den Fällen des

the voting rights participating in the vote. Resolutions by which the material content of the Terms and Conditions of the Notes is amended, in particular in the cases of § 5 para. 3 nos. 1 to 9 SchVG, require a majority of at least 75% of the voting rights participating in the vote (the **Qualified Majority**) in order to become effective.

- (3) *Voting without a meeting.* Subject to paragraph (4), resolutions of the Holders shall be passed exclusively by a vote without a meeting pursuant to § 18 SchVG. The invitation to vote shall contain more detailed information on the resolutions and the voting modalities. The items and proposals for resolutions shall be made known to the Holders with the invitation to vote. Holders must prove their entitlement to participate in the voting by means of a special certificate issued in text form by the custodian bank pursuant to § 13 para. 4 i) a) and b) and by submitting a blocking notice issued by the custodian bank stating that the relevant Notes are not transferable from the day of the blocking notice (inclusive) until the day on which the voting period ends (inclusive).
- (4) *Second Holders' meeting.* If the lack of a quorum is established for voting without a meeting in accordance with subsection 3, the voting officer may convene a Holders' meeting which is to be regarded as a second meeting within the meaning of section 15 para. 3 sentence 3 SchVG. Participation in the second Holders' meeting and the exercise of voting rights are dependent on registration by the Holders. The registration must be received at the address specified in the notice of convocation no later than on the third day before the second Holders' meeting. With the registration, the Holders must prove their entitlement to participate in the voting by means of a special certificate issued in text form by the custodian bank pursuant to § 13 para. 4 i) a) and b) and by submitting a blocking notice issued by the custodian bank stating that the relevant Notes are not transferable from the day the registration is sent (inclusive) until the specified end of the Holders' meeting (inclusive).
- (5) *Joint representative.* The Holders may by majority resolution determine the appointment or removal of a common representative (the  **Holders' Representative**), the duties and powers of the Holders' Representative, the assignment of Holders' rights to the Holders' Representative and a limitation of the liability of the Holders' Representative. The appointment of a Holders' Representative shall require a Qualified Majority if it is to be authorized to approve amendments to the material content of the Terms and Conditions of the Notes pursuant to paragraph 2).

§ 5 Abs. 3 Nr. 1 bis 9 SchVG, bedürfen zu ihrer Wirksamkeit einer Mehrheit von mindestens 75 % der an der Abstimmung teilnehmenden Stimmrechte (die **Qualifizierte Mehrheit**).

- (3) *Abstimmung ohne Versammlung.* Vorbehaltlich Abs. 4 sollen Beschlüsse der Inhaber ausschließlich durch eine Abstimmung ohne Versammlung nach § 18 SchVG gefasst werden. Die Aufforderung zur Stimmabgabe enthält nähere Angaben zu den Beschlüssen und den Abstimmungsmodalitäten. Die Gegenstände und Vorschläge zur Beschlussfassung werden den Inhabern mit der Aufforderung zur Stimmabgabe bekannt gemacht. Inhaber müssen ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten besonderen Nachweis der Depotbank gemäß § 13 Abs. 4 i) a) und b) und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag des Sperrvermerks (einschließlich) bis zum Tag, an dem der Abstimmungszeitraum endet (einschließlich), nicht übertragbar sind, nachweisen.
- (4) *Zweite Inhaberversammlung.* Wird für die Abstimmung ohne Versammlung gemäß Abs. 3 die mangelnde Beschlussfähigkeit festgestellt, kann der Abstimmungsleiter eine Inhaberversammlung einberufen, die als zweite Versammlung im Sinne des § 15 Abs. 3 Satz 3 SchVG anzusehen ist. Die Teilnahme an der zweiten Inhaberversammlung und die Ausübung der Stimmrechte sind von einer Anmeldung der Inhaber abhängig. Die Anmeldung muss unter der in der Bekanntmachung der Einberufung mitgeteilten Adresse spätestens am dritten Tag vor der zweiten Inhaberversammlung zugehen. Mit der Anmeldung müssen die Inhaber ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten besonderen Nachweis der Depotbank gemäß § 13 Abs. 4 i) a) und b) und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag der Absendung der Anmeldung (einschließlich) bis zum angegebenen Ende der Inhaberversammlung (einschließlich) nicht übertragbar sind, nachweisen.
- (5) *Gemeinsamer Vertreter.* Die Inhaber können durch Mehrheitsbeschluss die Bestellung oder Abberufung eines gemeinsamen Vertreters (der **Gemeinsame Vertreter**), die Aufgaben und Befugnisse des Gemeinsamen Vertreters, die Übertragung von Rechten der Inhaber auf den Gemeinsamen Vertreter und eine Beschränkung der Haftung des Gemeinsamen Vertreters bestimmen. Die Bestellung eines Gemeinsamen Vertreters bedarf einer Qualifizierten Mehrheit, wenn er ermächtigt werden soll, Änderungen des wesentlichen Inhalts der Anleihebedingungen gemäß Abs. 2 zuzustimmen.
- (6) *Veröffentlichung.* Bekanntmachungen betreffend diesen § 11 erfolgen ausschließlich gemäß den Bestimmungen des SchVG.

- (6) *Publication.* Announcements concerning this § 11 shall be made exclusively in accordance with the provisions of the SchVG.

### § 12 Notices

- (1) *Notices to the Holders.* All notices concerning the Notes, except for the notices provided for in § 11 para. 6, which shall be made exclusively in accordance with the provisions of the SchVG, shall be published in the Federal Gazette (*Bundesanzeiger*) and on the websites of the trading venues on which the Notes are traded. The date and legal effect of all announcements shall be determined by the first publication.
- (2) *Notices to the Issuer.* Notices by a Holder to the Issuer shall be given in such manner that the Holder sends a corresponding declaration in text form to the Issuer.

### § 13 Applicable Law, Place of Performance and Jurisdiction, Judicial Enforcement

- (1) *Applicable Law.* The form and content of the Notes and the rights and obligations of the Holders and the Issuer shall be governed in all respects by German law.
- (2) *Place of performance.* The place of performance is Frankfurt am Main, Germany.
- (3) *Place of Jurisdiction.* The place of jurisdiction for all actions or other proceedings arising in connection with the Notes is, to the extent legally permissible, Frankfurt am Main, Germany. Pursuant to § 9 para. 2, § 13 para. 3 and § 18 para. 2 of the German Bond Act (SchVG), the Frankfurt am Main Local Court (*Amtsgericht Frankfurt am Main*) shall have jurisdiction for decisions pursuant to § 9 para. 3 of the German Bond Act (SchVG). The Frankfurt am Main Regional Court shall have jurisdiction for decisions on the contestation of resolutions of the Holders pursuant to § 20 para. 3 SchVG.
- (4) *Judicial Enforcement.* Each Holder shall be entitled in any litigation against the Issuer or in any litigation to which the Holder and the Issuer are parties to secure and enforce its rights under such Notes in its own name on the following basis: (i) a certificate of the Custodian with which it maintains a Securities Account in respect of the Notes which (a) contains the full name and address of the Holder, (b) specifies the aggregate number of Notes on deposit in the Securities Account as at the date of the certificate and (c) confirms that the Custodian has made a written representation to the Clearing System containing the information specified in (a) and (b) above. For the purposes of the foregoing, *Custodian means* any bank or other

### § 12 Mitteilungen

- (1) *Mitteilungen an die Inhaber.* Alle Bekanntmachungen, die die Schuldverschreibungen betreffen, außer den in § 11 Abs. 6 vorgesehenen Bekanntmachungen, die ausschließlich gemäß den Bestimmungen des SchVG erfolgen, werden im Bundesanzeiger veröffentlicht und auf den Webseiten der Handelsplätze, auf denen die Schuldverschreibungen gehandelt werden. Für das Datum und die Rechtswirksamkeit sämtlicher Bekanntmachungen ist die erste Veröffentlichung maßgeblich.
- (2) *Mitteilungen an die Emittentin.* Mitteilungen eines Inhabers an die Emittentin haben in der Weise zu erfolgen, dass der Inhaber eine übereinstimmende Erklärung in Textform an die Emittentin sendet.

### § 13 Anwendbares Recht, Erfüllungsort und Gerichtsstand, Gerichtliche Geltendmachung

- (1) *Anwendbares Recht.* Form und Inhalt der Schuldverschreibungen sowie die Rechte und Pflichten der Inhaber und der Emittentin bestimmen sich in jeder Hinsicht nach deutschem Recht.
- (2) *Erfüllungsort.* Erfüllungsort ist Frankfurt am Main, Deutschland.
- (3) *Gerichtsstand.* Gerichtsstand für sämtliche im Zusammenhang mit den Schuldverschreibungen entstehenden Klagen oder sonstigen Verfahren ist, soweit rechtlich zulässig, Frankfurt am Main, Deutschland. Für Entscheidungen gemäß § 9 Abs. 2, § 13 Abs. 3 und § 18 Abs. 2 SchVG ist gemäß § 9 Abs. 3 SchVG das Amtsgericht Frankfurt am Main zuständig. Für Entscheidungen über die Anfechtung von Beschlüssen der Anleiheinhaber ist gemäß § 20 Abs. 3 SchVG das Landgericht Frankfurt am Main zuständig.
- (4) *Gerichtliche Geltendmachung.* Jeder Inhaber von Schuldverschreibungen ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Inhaber und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen auf der folgenden Grundlage zu sichern und geltend zu machen: (i) einer Bescheinigung der Depotbank, bei der er für die Schuldverschreibungen ein Wertpapierdepot unterhält, welche (a) den vollständigen Namen und die vollständige Adresse des Inhabers enthält, (b) die Gesamtzahl der Schuldverschreibungen bezeichnet, die unter dem Datum der Bestätigung auf dem Wertpapierdepot verbucht sind und (c) bestätigt, dass die Depotbank gegenüber dem Clearingsystem eine schriftliche Erklärung abgegeben hat, die die vorstehend unter (a) und (b) bezeichneten Informationen enthält. Für die Zwecke des Vorstehenden bezeichnet **Depotbank**



<p>recognized financial institution authorized to conduct custody business and with which the Holder maintains a securities account in respect of the Notes, including the Clearing System. Notwithstanding the foregoing, each Holder shall also be entitled to enforce its rights under these Notes in any other manner permitted in the country of the proceedings.</p> <p style="text-align: center;"><b>§ 14 Language</b></p> <p>These Terms and Conditions are drawn up in English. Only the English version is legally binding. A provided German translation is not binding and for convenience use only.</p>	<p>jede Bank oder ein sonstiges anerkanntes Finanzinstitut, das berechtigt ist, das Depotgeschäft zu betreiben und bei der/dem der Inhaber ein Wertpapierdepot für die Schuldverschreibungen unterhält, einschließlich dem Clearingsystem. Unbeschadet der vorstehenden Bestimmungen ist jeder Inhaber berechtigt, seine Rechte aus diesen Schuldverschreibungen auch auf jede andere im Land des Verfahrens zulässige Weise geltend zu machen.</p> <p style="text-align: center;"><b>§ 14 Sprache</b></p> <p>Diese Anleihebedingungen sind in englischer Sprache abgefasst. Nur die englische Fassung ist rechtlich bindend. Die deutsche Übersetzung ist unverbindlich und dient nur der Zweckmäßigkeit.</p>
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### 13 TAXATION WARNING

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

#### Taxation in the Federal Republic of Germany

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

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

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

#### Income Taxation

The sale and redemption of the notes should qualify as private sales transactions (also known as "short-term capital gains") pursuant to Sections 22 no. 2, 23 para. 1 sentence 1 no. 2 sentence 1 German Income Tax Act (Einkommensteuergesetz, "EStG"). This means that the acquisition and sale of Notes by a Private Investor should only be taxable in Germany if the period between acquisition and sale does not exceed one year (for the calculation of the one year period, the conclusion of the purchase and sale transaction under the law of obligations is decisive in each case). If a Private Investor sells his Notes more than one year after he has acquired them, such sale should not be subject to tax. Moreover, the redemption of the Notes should not constitute a sale under the private sales transaction rules.

The reason for the above analysis is that the Notes have Terms and Conditions substantially identical in content or even stricter compared to certain gold linked notes ("Xetra-Gold Notes") so that the tax treatment of the Notes should be consistent with the taxation of such Xetra-Gold Notes. Xetra-Gold Notes are qualified as claims to a benefit in kind by the

German Federal Fiscal Court (Bundesfinanzhof, "BFH"; BFH rulings of May 12, 2015, VIII R 4/15 and VIII R 35/14 as well as of June 16, 2020, VIII R 7/17) and the German Federal Ministry of Finance (Bundesministerium der Finanzen, "BMF"; BMF circular letter of February 19, 2021, IV C 1 - S 2252/19/10003 :007, DOK 2021/0191828). Thus, the sale and redemption of such Notes do not constitute income from capital assets being subject to the flat tax regime (*Abgeltungssteuer*), but rather the provisions on private sales transactions apply. A legislative initiative, which also wanted to subject Xetra-Gold Notes to taxation as investment income pursuant to Section 20 EStG, ultimately did not become law.

In case of a taxability of the sale of the Notes under the private sales transaction rules, the taxable income (gains or losses) corresponds to the difference between the price for the sale of the Notes - the value of the underlying BTC - on the one hand and the initial costs of the Notes and the tax allowable expenses on the other. The gain from a sale will not be taxable if it amounts to less than EUR 600, set off against losses, if any, and together with gains from other private sale transactions in the same calendar year. Losses from private sale transactions can only be set off against gains from private sale transactions effected in the same calendar year. If there are no such gains, the losses may, under certain circumstances, be set off against gains from private sales transactions effected in the preceding year or in subsequent years.

The Issuer is, however, not aware of any court rulings or formal guidance from the tax authorities as to whether the case law on Xetra-Gold Notes is applicable to Notes linked to cryptocurrencies. It can therefore not be ruled out that the tax authorities might qualify the Notes as other capital claims within the meaning of Section 20 para. 1 no. 7 EStG. In this case, the sale and redemption of the Notes would lead to taxable capital income pursuant to Section 20 para. 2 no. 7 EStG, which is subject to a flat tax regime (*Abgeltungssteuer*) (25% plus 5.5% solidarity surcharge and church taxes as the case may be) irrespective of any holding period.

#### **Withholding Tax (Kapitalertragsteuer/Quellensteuer)**

Gains from private sales transactions are not subject to German withholding tax (*Kapitalertragsteuer*) so that German custody banks should not deduct withholding tax on any sale of or delivery under the Notes.

However, if a German custody bank should take a different legal view and qualify the Notes as other capital claims within the meaning of Section 20 para. 1 no. 7 EStG, withholding tax might be deducted on sales of or deliveries under the Notes. In this case, the question of the correct tax treatment of the Notes would be clarified in the process of the annual income tax assessment for German tax residents which could result in a potential refund or tax credit for the deducted withholding taxes.

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

#### **Tax assessment**

Taxable gains from private sales transactions must be included by the investor in their tax returns. In cases where the holding period of one year has not been complied with, they are subject to the standard rate of income tax (up to 45% plus 5.5% solidarity surcharge and any church taxes as the case may be).

#### **Taxation in other countries**

Every investor must be aware that investing in the notes with the underlying BTC will have tax implications, such as income tax, capital gains tax and/or other taxes. The taxation depends on the individual taxation characteristics of the investor and the tax rules in his respective tax resident country, so that no statements can be made about the individual taxation of the investors. Every investor must investigate individually which tax consequences may occur to him in his respective country. Prospective purchasers of the Notes are advised to consult their own tax advisors as to the tax consequences of the purchase, holding and disposal of the Notes.

#### **Disposal of units of the underlying BTC delivered**

In case of a redemption, the gains from the subsequent sale of the units of the underlying BTC are, in principle, subject to the standard rate of income tax (up to 45%, plus solidarity surcharge at 5.5% and church tax as the case may be) if the units of the underlying BTC are disposed of within a period of one year as of the acquisition. Due to the rulings of the BFH referred to above, it seems acceptable to assume that the point in time at which the units of the underlying BTC are acquired corresponds to the point in time at which the Notes were acquired and not only the point in time at which the units of the underlying BTC are delivered. However, no comments of the tax authorities and no BFH rulings are available on this issue so that the tax authorities could take a different view on this matter. In its ruling of February 6, 2018 – IX R 33/17 re. Xetra-Gold Notes the BFH does not express a view on this aspect. Transactions by which units of the underlying

BTC are sold and where the period between delivery and sale is more than one year, are not taxable on the basis of an argumentum e contrario from Section 23 para. 1 sentence 1 no. 2 EStG.

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

Taxable gains from private sales transactions must be included by the investor in their tax returns.

## 14 ISSUE AND PLACEMENT

### 14.1 OFFER OF THE NOTES

#### Offer to the public

The Notes will be offered by financial intermediaries (including Authorized Participants) to investors in compliance with applicable selling restrictions (the **Public Offering**). The offer period for the Public Offering is expected to commence on April 30, 2022 and will be open until April 29, 2023 (the expiration date of the Prospectus) subject to shortening the offer period. The Public Offering will be limited to Germany, the Netherlands, Norway, Sweden, Italy, France, Estonia, Poland, Slovakia, Spain, Finland, Greece, Portugal, Slovenia, the Czech Republic, Denmark, Austria, Belgium, Cyprus, Ireland, Luxemburg, Malta and Liechtenstein.

As of the date of the Prospectus the Issuer has entered into agreements with five Authorized Participants:

1. Flow Traders B.V. Registered address: Jacob Bontiusplaats 9, 1018 LL Amsterdam, Netherlands
2. Jane Street Financial Limited. Registered address: 2 & A Half, Devonshire Square, London, England, EC2M 4UJ
3. Enigma Securities Limited. Registered address: 7/8 Saville Row, London, England, W1S 3PE - United Kingdom
4. DRW Europe B.V. Registered address: Gustav Mahlerlaan 1212. Unit 3.30, 1081, LA Amsterdam, Netherlands
5. Bluefin Europe LLP Limited. Registered address: 110 Bishopsgate, London. England, EC2N 4AY United Kingdom

In case of a further admission of additional Authorized Participants the information will be available on <https://iconicholding.com/iconic-funds>.

#### Conditions and technical details of the offer

The Public Offering is not subject to any conditions or time limits other than the time limit resulting from the validity of the Prospectus as specified under "Offer to the Public". There is no possibility to reduce subscriptions. No minimum or maximum subscription amounts have been specified.

The Issuer will sell Notes only through Authorized Participants and such Notes may be purchased with EUR or USD or BTC. Any investors who are not Authorized Participants can purchase the Notes either from an Authorized Participant or purchase them on the secondary market through their broker for FIAT currency (e.g. Euro). Where Notes are purchased from an Authorized Participant, such Notes can be purchased either with Bitcoin or with USD or EUR or any other FIAT currency or cryptocurrency as will be determined jointly by each Authorized Participant offering the Notes and the Issuer.

The Issuer may in addition to third party fees charge a subscription fee to the Authorized participant which shall not exceed 1.00 Percent (100 basis points) of the Subscription Amount.

The Notes will be delivered via book-entry through the Clearing System and its account holding banks.

#### Charges and costs relating to the offer

The estimated total expenses of the succeeding prospectus and offer are estimated up to EUR 70000,00 net.

#### Method of determination of the Issue Price

The Issue Price for Authorized Participants is equal to the purchase price.

The Notes are issued at no-par value units at an Initial Issue Price of 0.0001 BTC per unit. The Notes may be purchased in BTC or in USD or EUR after conversion from BTC into USD or EUR. The conversion will be made in accordance with § 5(4) of the Terms and Conditions.

#### Interest of natural and legal persons involved in the issue/offer of the Notes

There are no interests of natural and legal persons other than the Issuer involved in the placement of the Notes, including conflicting ones that are material to the issue or listing of the Notes.

#### Trading of the Notes

Notes can be traded at the Frankfurt Stock Exchange on the regulated market (*General Standard*) and other market places. Notes from the previous public offering have been listed on Deutsche Börse Xetra on May 12, 2021, on SIX Swiss Exchange on May 28, 2021 and on Euronext Paris and Amsterdam on July 1st, 2021. The total expenses in connection

with the admission to trading of the previous issued Notes amounted up to EUR 180.000.

## 14.2 SELLING RESTRICTIONS

### **General**

Any person will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in or from which it purchases, offers, sells or delivers the Notes or possesses or distributes the Prospectus and that it will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any other person shall have any responsibility therefor.

### **United States of America and its Territories**

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**), and may not be offered, sold or delivered within the United States to or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Any person has represented and agreed that neither it nor any persons acting on its behalf has offered, sold or delivered and will offer, sell or deliver any Notes within the United States except in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, each person has represented and agreed that neither it, its affiliates nor any persons acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Notes. Terms used in this subparagraph have the meaning given to them by Regulation S.

### **European Economic Area**

If the Terms and Conditions include a legend in the context of any prohibition to make an offer of Notes to retail investors in certain jurisdictions in the European Economic Area, the Notes are not intended to be offered and shall not be offered to any retail investor in such jurisdiction(s). For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "Prospectus Regulation"); and

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Terms and Conditions do not include a legend in the context of any prohibition to make an offer of Notes to retail investors in certain jurisdictions in the European Economic Area (each a "Member State"), any relevant person has represented that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the Terms and Conditions to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

(i) if the Terms and Conditions specify that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Member State (a "Non-exempt Offer"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by the Terms and Conditions contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or Terms and Conditions, as applicable, and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(iii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant dealer or dealers nominated by the Issuer for any such offer; or

(iv) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation, provided that no such offer of Notes referred to in (ii) to (iv) above shall require the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision the expression an "offer of Notes to the public" in relation to any Notes 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 Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

### **Switzerland**

Any person subsequently offering, selling or recommending the Notes will be required to confirm, represent and agree that:

(a) it has only made and will only make an offer of the Notes to the public in Switzerland, other than pursuant to an exemption under Article 36(1) FinSA or where such offer does not qualify as a public offer in Switzerland, if and as from the date on which this Prospectus has been filed in Switzerland with a review body (Prüfstelle) approved by the FINMA as a foreign prospectus that is deemed approved according to Article 54(2) FinSA, entered on the list of approved prospectuses according to Article 64(5) FinSA, deposited with this review body and published according to Article 64 FinSA, and consent has been granted to it to use this Prospectus for a public offer in Switzerland in accordance with Article 36(4) FinSA; or

(b) it has not offered and will not offer, directly or indirectly, Notes to the public in Switzerland, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in Switzerland, this Prospectus or any other offering material relating to the Notes, other than pursuant to an exemption under Article 36(1) FinSA or where such offer or distribution does not qualify as a public offer in Switzerland.

For these purposes "public offer" refers to the respective definitions in Article 3(g) and (h) FinSA and as further detailed in the implementing Financial Services Ordinance. The Notes qualify as debt instruments with a "derivative character" (as such expression is understood under FinSA). Accordingly, if Notes are offered to private clients within the meaning of FinSA in Switzerland a key information document under Article 58 FinSA (Basisinformationsblatt für Finanzinstrumente) or Article 59(2) FinSA in respect of the Notes must be prepared and published. According to Article 58(2) FinSA, no key information document is required if Notes are acquired for private clients under an asset management agreement. For this purpose, a private client means a person who is not one (or more) of the following: (i) a professional client as defined in Article 4(3) FinSA (not having opted-in on the basis of Article 5(5) FinSA) or Article 5(1) FinSA; or (ii) an institutional client as defined in Article 4(4) FinSA; or (iii) a private client with an asset management agreement according to Article 58(2) FinSA. For these purposes "offer" refers to the interpretation of such term in Article 58 FinSA.

## 15 GENERAL INFORMATION

### 15.1 LISTING AND ADMISSION TO TRADING OF PREVIOUS ISSUED NOTES AND SUCCEEDING THE TRADING

This Prospectus relates to the public offering in Germany, the Netherlands, Norway, Sweden, Italy, France, Estonia, Poland, Slovakia, Spain, Finland, Greece, Portugal, Slovenia, the Czech Republic, Denmark, Austria, Belgium, Cyprus, Ireland, Luxemburg, Malta and Liechtenstein of Perpetual Bitcoin Backed Notes without par value (the Notes). The Notes' International Securities Identification Number (ISIN) is DE000A3GK2N1.

The Notes are issued under German law, are debt securities (*Schuldverschreibungen*) in the meaning of § 793 of the German Civil Code (*Bürgerliches Gesetzbuch*) and are being issued in bearer form.

Application have been made under the previous prospectus to the Frankfurt Stock Exchange for previous publicly offered Notes to be admitted to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange. An application to the SIX Swiss Exchange for admission to trading of the Notes has been made on April 23, 2021. The Notes were listed on Deutsche Börse Xetra on May 12, 2021, on SIX Swiss Exchange on May 28, 2021 and on Euronext Paris and Amsterdam on July 1st, 2021. The total expenses in connection with admission to trading of the Notes totaled to amount of EUR 180.000.

The now newly publicly offered Notes can also be traded on the mentioned markets.

### 15.2 NOTIFICATION

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

### 15.3 AUTHORISATION AND ISSUE DATE

The creation and issue of the Notes was authorized by a resolution of the management board of the Issuer dated October 1, 2020.

Notes that are initially deposited with the Central Depository may also be credited to the accounts of investors with other clearing systems through direct or indirect accounts with Euroclear and Clearstream Banking Frankfurt held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream Banking Frankfurt or other clearing systems.

### 15.4 CLEARING AND SETTLEMENT

The Notes have been accepted for clearance by Clearstream Banking AG, Neue Börsenstraße 1, 60487 Frankfurt am Main, Germany.

The Notes have been assigned the following securities codes: ISIN DE000A3GK2N1, FISN ICONICFDSBTCET/NTS UNL BTC GAR REGS; CFI Code: EYAYMX; VALOR number 110570684; Valor symbol XBTI.

### 15.5 SIGNIFICANT CHANGE IN THE FINANCIAL OR TRADING POSITION THERE HAS BEEN NO SIGNIFICANT CHANGE IN THE FINANCIAL OR TRADING POSITION OF THE ISSUER SINCE 31 DECEMBER 2020

There has been no significant change in the financial or trading position of the Issuer since 31 December 2021 the date of its latest Annual Financial Statement.

### 15.6 TREND INFORMATION

There has been no material adverse change in the prospects of the Issuer since 31 December 2021, the date of its latest Annual Financial Statement.

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.

## 15.7 INCORPORATION BY REFERENCE

The following documents are incorporated by reference into this Prospectus:

The audited annual Financial Statements of the Issuer ("Jahresabschluss") dated 31 December 2020 together with a qualified auditor's report.

The audited annual Financial Statements of the Issuer ("Jahresabschluss") dated 31 December 2021 together with an unqualified auditor's report.

In detail:

Part of the document	Report date	Reference to document	Reference to this prospectus
Auditor's report	2021	Page 1 of "Auditor's report"	Page(s) 35, 36
	2020	Page 5 of "Long-form report on the audit of the annual financial statements"	Page(s) 35, 36
Balance sheet	2021	Page 15 of "Erstellungsbericht"	Page(s) 6, 35, 36
	2020	Annex 1 / page 14 of "Long-form report on the audit of the annual financial statements"	Page(s) 6, 35, 36
Statement of comprehensive income	2021	Page 17 of "Erstellungsbericht"	Page(s) 6, 35
	2020	Annex 2 / page 15 of "Long-form report on the audit of the annual financial statements"	Page(s) 6, 35
Statement of cash flow	2021	Page 19 of "Erstellungsbericht"	Page(s) 6, 35
	2020	Annex 3 / page 16 of "Long-form report on the audit of the annual financial statements"	Page(s) 6, 35
Statement of changes in equity	2021	Page 21 of "Erstellungsbericht"	Page 35
	2020	Annex 4 / page 17 of "Long-form report on the audit of the annual financial statements"	Page 35

The annual Financial Statements can be found on the following website:

<https://funds.iconicholding.com/xbti-iconic-funds-physical-bitcoin-etp/>

Furthermore the following documents are incorporated by reference into this Prospectus:

- Terms & Conditions of the previous offer of Notes made by the issuer on the basis of the prospectus approved by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) of the Federal Republic of Germany on April 15, 2021, expired on April 15, 2022.



Part of the document	Date	Reference to document	Reference to this prospectus
Terms & Conditions	Previous prospectus as of April 15, 2021	Terms & Conditions, page 49	Page 50

All of these pages shall be deemed to be incorporated in by reference, and to form part of, this Prospectus. The non-incorporated parts of such documents, i.e. the pages not listed in the table above, are either not relevant for the investor or covered elsewhere in the Prospectus. The documents containing the information incorporated by reference have been filed with BaFin. They are available free of charge by the Issuer and are published in electronic form on the Issuer's website.

## 15.8 DOCUMENTS ON DISPLAY

For so long as any Note is outstanding, copies of the following documents may be inspected during normal business hours at the specified office of the Calculation Agent and as long as the Notes are listed on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange and further exchanges the documents set out under (a) to (d) below will be available on the website of the Issuer <https://funds.iconicholding.com/xbti-iconic-funds-physical-bitcoin-etp/>:

- (a) The summary of the prospectus;
- (b) the initial previous prospectus and any supplement thereto and this succeeding prospectus and any supplement thereto;
- (c) the constitutional documents of the Issuer;
- (d) the Terms and Conditions in English and non-binding German language;
- (e) the Security Trustee Agreement
- (f) the documents incorporated by reference.

The Issuer does not intend to provide post issuance information.

## 15.9 RATING

Neither the Issuer nor the Notes are rated.

## 15.10 PAYING AGENT AND SETTLEMENT AGENT

The Paying Agent and Settlement Agent is Quirin Privatbank AG, Germany. Quirin Privatbank in its role as Paying Agent and Settlement Agent has not subscribed for the Notes and did not and will not enter into an underwriting agreement with the Issuer.

## 15.11 EXPENSES

The total expenses of the succeeding prospectus and offer of the Notes are expected to range up to EUR 70.000 net.

## 16 NAMES AND ADDRESSES

### 16.1 ISSUER

Iconic Funds BTC ETN GmbH  
Große Gallusstraße 16-18  
60312 Frankfurt am Main  
Germany

## **16.2 AUTHORIZED PARTICIPANTS**

Flow Traders BV  
Jacob Bontiusplaats 9  
1018 LL Amsterdam  
Netherlands

Jane Street Financial Limited  
2 & A Half, Devonshire Square  
London, England, EC2M 4UJ  
United Kingdom

Enigma Securities Limited  
7/8 Saville Row, London, England, W1S 3PE  
United Kingdom

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

Bluefin Europe LLP Limited  
110 Bishopsgate  
London, England, EC2N 4AY  
United Kingdom

## **16.3 SECURITY TRUSTEE**

Bankhaus von der Heydt Gmbh & Co. KG  
Widenmayerstr. 83,  
80538 München  
Germany

## **16.4 DEPOSITARY**

Fidelity Digital Assets, Ltd  
1 St Martins Le Grand, London, EC1A 4AS, United Kingdom

Coinbase Custody International Limited  
70 Sir John Rogerson's Quay, Dublin 2, DO2 R296, Ireland

## **16.5 PAYING AGENT**

Quirin Privatbank AG  
Kurfürstendamm 119  
10711 Berlin  
Germany

## **16.6 AUDITORS**

Baker Tilly GmbH Wirtschaftsprüfungsgesellschaft  
Valentinskamp 88  
20355 Hamburg  
Germany

## **16.7 ADMINISTRATOR**

State Street Bank International GmbH  
Solmsstraße 83

## 17. GLOSSARY

BaFin	Bundesanstalt für Finanzdienstleistungsaufsicht
BTC	Bitcoin
BTC Factor	The decrease in BTC entitlement due to the Fee of the Notes (subject to reduction by the Issuer).
BTC Security Agreement	The Issuer's pledge in favour of the Holders to the Security Trustee of all of his rights, present and future, in particular claims for delivery, with respect to the BTCs deposited by the Issuer with the Custodians in his depositary accounts (Wallets) and claims with respect to the Notes owned by the Issuer
BTC-under-management	The aggregate amount of Notes bought by each Holder denominated in BTC.
Business Day	A day (other than a Saturday or a Sunday) on which banks are open for general business in Frankfurt am Main and on which the Clearing System as well as all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 (TARGET2) are operational to effect payments
CBF/ Clearing System	Clearstream Banking AG, Frankfurt am Main
Conversion Day	The Business Day of the conversion
Custodian	Institute that is taking care with regard of safekeeping the BTC, also the Depositary.
Depositary Account	The Depositary Wallet and the associated account of the Issuer maintained by the Depositary
Distributor	Any person subsequently offering, selling or recommending the Notes
ESMA	European Securities and Markets Authority
Extraordinary Termination Notice	A declaration by a Holder to call all of its claims under the Notes
Flipping	The possibility that other cryptocurrencies are innovated further to reach competitive advantages, the importance of BTC may be reduced which will decrease the value of BTC
Global Note	The global bearer certificate representing the Notes.
EUR	Euro
Hard Fork	A split of the virtual currency into several protocols.
HGB	German Commercial Code (Handelsgesetzbuch)
ISIN	International Securities Identification Number
KWG	German Banking Act (Kreditwesengesetz)
KYC/AML	Know your client/ Anti-money laundering

LEI	Legal Entity Identifier
MiFID II	Directive 2014/65/EU on markets in financial instruments, as amended
Private investor	A German tax resident individual person acquiring and holding the Notes as private assets
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and the Council of 14 June 2017
Protocol	BTC protocol
SchVG	Schuldverschreibungsgesetz
Securities Act	United States Securities Act of 1933, as amended
Security	All of the Issuer's rights, present and future, in particular claims for delivery, with respect to the BTCs deposited by the Issuer with the Custodians in his depository accounts (Wallets) and (ii) claims with respect to the Notes owned by the Issuer
United States	United States of America (including its states and the District of Columbia) and its territories (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands).
USD	US-Dollar