

# **nxtAssets GmbH**

(a limited liability company incorporated under the laws of the Federal Republic of Germany,  
having its corporate domicile in Frankfurt am Main, Federal Republic of Germany)

(the "**Issuer**")

## **Base Prospectus**

for

## **Notes linked to and secured by Crypto Assets**

(the "**Notes**")

dated 13 February 2025

## TABLE OF CONTENTS

<b>Index of Defined Terms</b>	<b>7</b>
<b>1. General Description of the Programme</b>	<b>9</b>
1.1. Information about this Base Prospectus	9
1.2. Overview of the Issuer	10
1.3. Overview of the Notes	10
1.4. Overview of the Issue, Subscription, Offer and Trading	11
1.5. Important Information	12
<b>2. Risk Factors</b>	<b>14</b>
2.1. Risks in connection with the Issuer	14
2.1.1. Specific risks relating to the Issuer's risk of bankruptcy	14
2.1.2. Specific risks related to the Issuer's business activities	16
2.1.3. Risks related to the joint venture agreement establishing the Issuer	21
2.2. Risks in connection with the Notes	23
2.2.1. Risks resulting from the profile of the Notes	23
2.2.2. Risks in connection with the Security	28
2.2.3. Risks in connection with the investment in, the holding and selling of the Notes and in connection with specific client objective and needs	31
2.2.4. Risks in connection with the Underlying	37
<b>3. Responsibility for the Information contained in the Base Prospectus</b>	<b>44</b>
3.1. Persons responsible	44
3.2. Statements Attributed to Experts	44
3.3. Information Sourced from Third Parties	44
3.4. Information on the Website of the Issuer	44
<b>4. Important Notice</b>	<b>45</b>
<b>5. Information about nxtAssets GmbH</b>	<b>46</b>
5.1. General Information about the Issuer	46
5.1.1. Corporate Information	46
5.1.2. Recent events relevant to the evaluation of the Issuer's solvency	46
5.1.3. Expected financing of the activities of the Issuer	46
5.1.4. Material changes in the Issuer's borrowing and funding structure	47
5.2. Principal Activities	47
5.3. Organisational Structure	47
5.4. Trend Information	47
5.4.1. No Material Adverse Change in the Prospects of the Issuer	47
5.4.2. No Significant Change in the Issuer's Financial Performance	47
5.4.3. Information on any known trends, uncertainties, demands, commitments or events	47
5.5. Administrative, Management and Supervisory Bodies	47
5.5.1. Managing Director(s)	47
5.5.2. Advisory Board	48
5.5.3. Potential Conflicts of Interest	49
5.6. Major Shareholders	50

5.7.	Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses	50
5.7.1.	Fiscal year	50
5.7.2.	Financial Information and Accounting Standards	51
5.7.3.	Historical Financial Information	51
5.7.4.	Significant Changes in the Financial Position of the Issuer	51
5.8.	Statutory Auditor	51
5.9.	Legal and Arbitration Proceedings	51
5.10.	Additional Information	51
5.10.1.	Share Capital	51
5.10.2.	Articles of Association of the Issuer	51
5.11.	Material Contracts	52
5.11.1.	Middle Offices Services Agreement	52
5.11.2.	Crypto Asset Custodian Agreement	52
5.11.3.	Security Trust Agreement	53
5.11.4.	Crypto Asset Wallet Control Agreement	53
5.11.5.	Crypto Asset Security Agreement	53
5.11.6.	Issuance Account Control Agreement	54
5.11.7.	Sales Proceeds Cash Account Control Agreement	54
5.11.8.	Authorised Participant Agreement(s)	54
5.12.	Documents Available	54
<b>6.</b>	<b>General Information about the Base Prospectus</b>	<b>55</b>
6.1.	Form of the Base Prospectus	55
6.2.	Approval of the Base Prospectus	55
6.3.	Publication of the Base Prospectus	55
6.4.	Consent to the use of the Base Prospectus	56
6.5.	Note on Currency References	57
<b>7.</b>	<b>General Information about the Notes</b>	<b>58</b>
7.1.	Information about the Notes	58
7.1.1.	General Information	58
7.1.2.	Governing law and Form of the Notes	58
7.1.3.	Status of the Notes	59
7.1.4.	Transferability of the Notes	59
7.1.5.	Term of the Notes	59
7.1.6.	Redemption of the Notes upon exercise by the Noteholder	59
7.1.7.	Entitlement Ratio	62
7.1.8.	Redemption of all Notes by the Issuer in case of a Termination Event	63
7.1.9.	Crypto Asset Sale Procedure	65
7.1.10.	No interim payments under the Notes	66
7.1.11.	Event of Default	66
7.1.12.	Deliveries and Payment to the Noteholders	66
7.1.13.	Noteholder Meeting	67
7.1.14.	General Description of the Underlying	67
7.1.15.	Consequences of a Fork	68
7.2.	Authorisations for the issuance of Notes	69

7.3. Interests of other persons involved in the issue and conflicts of interest	69
7.4. Reasons for the Offer and Use of Proceeds	69
7.5. Admission to Trading, Pricing	69
7.5.1. Listing of the Notes	69
7.5.2. Market Maker	70
7.5.3. Pricing of the Notes	72
7.6. Post-Issuance Disclosure	72
<b>8. Information on Key Agents and Service Providers</b>	<b>73</b>
8.1. Overview of Key Agents and Service Providers	73
8.2. Administrator	74
8.3. Issuing Agent and Paying Agent	75
8.4. Crypto Custodian	75
8.5. Collateral Trustee	75
8.6. Crypto Asset Broker	75
8.7. Authorised Participant(s)	75
8.8. Market Maker(s)	76
<b>9. Information on the Security Arrangements for the Notes</b>	<b>77</b>
9.1. Security Trust Agreement	77
9.2. Security over Crypto Assets	78
9.3. Issuer-Held Notes	79
9.4. Sales Proceeds	79
<b>10. Information on the Offer, Subscription and the Admission to Trading</b>	<b>81</b>
10.1. Aspects relating to public offers of the Notes	81
10.2. Increase of Notes	81
10.3. Yield over the Term	81
10.4. Subscription and Purchase of the Notes	81
10.4.1. Description of the Subscription and Purchase Process by Authorised Participants	81
10.4.2. No Purchase directly from the Issuer	84
10.4.3. Purchase directly from Authorised Participants or Distributors	84
10.5. Conditions of the Offer	86
10.6. Costs and Charges	87
<b>11. Terms and Conditions</b>	<b>89</b>
11.1. Option 1: Terms and Conditions for Notes governed by German law and represented by a global note	90
§ 1 Notes, Form, Clearing System, Status, Security	90
§ 2 Certain Definitions	91
§ 3 Exercise by the Noteholder	98
§ 4 Termination by the Issuer	100
§ 5 Crypto Asset Sale Procedure	102
§ 6 Issuing Agent, Paying Agent, Crypto Custodian and Crypto Asset Broker	103
§ 7 Collateral Trustee	104
§ 8 Taxation	105
§ 9 Presentation Period, Prescription	105
§ 10 Events of Default	105

§ 11 Further Issues, Purchases and Cancellation	106
§ 12 Covenants	106
§ 13 Fork	107
§ 14 Substitution	107
§ 15 Amendments to the Terms and Conditions, Noteholders' Representative	108
§ 16 Notices	109
§ 17 Governing Law, Place of Performance and Place of Jurisdiction, Language	109
11.2. Option 2: Terms and Conditions for Notes governed by German law and issued as electronic securities	111
§ 1 Notes, Form, Clearing System, Status, Security	111
§ 2 Certain Definitions	112
§ 3 Exercise by the Noteholder	120
§ 4 Termination by the Issuer	121
§ 5 Crypto Asset Sale Procedure	123
§ 6 Issuing Agent, Paying Agent, Crypto Custodian and Crypto Asset Broker	124
§ 7 Collateral Trustee	125
§ 8 Taxation	126
§ 9 Presentation Period, Prescription	126
§ 10 Events of Default	126
§ 11 Further Issues, Purchases and Cancellation	127
§ 12 Covenants	128
§ 13 Fork	128
§ 14 Substitution	129
§ 15 Amendments to the Terms and Conditions, Noteholders' Representative	129
§ 16 Notices	130
§ 17 Governing Law, Place of Performance and Place of Jurisdiction, Language	131
<b>12. Form of Final Terms</b>	<b>132</b>
<b>13. Description of the Taxation of the Notes</b>	<b>140</b>
13.1. General Impact of Tax Legislation, Tax Warning	140
13.2. Taxation in the Federal Republic of Germany	140
13.2.1. Income Taxation	140
13.2.2. Withholding Tax ( <i>Kapitalertragsteuer/Quellensteuer</i> )	143
13.3. Taxation in Switzerland	143
13.3.1. General	143
13.3.2. Swiss Federal Withholding Tax	144
13.3.3. Swiss Federal Stamp Duty	144
13.3.4. Federal Income Tax	144
<b>14. Selling Restrictions</b>	<b>146</b>
14.1. Introduction	146
14.2. European Economic Area ("EEA")	146
14.3. Restrictions outside the EEA	147
14.4. Commonwealth of Australia	147
14.5. Hong Kong	148
14.6. Singapore	148
14.7. Switzerland	149

14.8. The Peoples Republic of China	151
14.9. United Kingdom	151
14.10. USA	152
14.11. Prohibition of sales into Sanctioned Countries and compliance with EU and Swiss Restrictive Measures	153
<b>15. Interim Financial Statement</b>	<b>154</b>
<b>16. Names and Addresses</b>	<b>165</b>

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## Index of Defined Terms

Administrator.....	75, 93, 114	EEA Passport.....	57
Advisory Board .....	50	Entitlement Ratio .....	96, 117
AML .....	23	EUR .....	59
Articles of Association.....	17, 48	Euro .....	59
Auditor .....	53	Event of Default.....	97, 107, 118, 129
Authorised Participant.....	13, 83, 93, 114	eWpG .....	113, 118
Authorised Participant(s).....	75	Exercise Date .....	97, 101, 118, 122
Authorised Participants .....	56	Exercise Form .....	97, 118
BaFin .....	11, 57	Exercise Right .....	97, 118
Base Prospectus.....	11, 57, 137	Failed Crypto Asset Sale .....	97, 118
Bearer.....	113, 114	Final Terms .....	11, 137
BGB.....	13	FINMA.....	12, 58, 136
Business Day.....	93, 114	FinSA .....	58, 137
Cash Exercise Right .....	93, 102, 114, 123	Foreign Law Jurisdictions .....	31
Central Register.....	61, 113, 114	Fork.....	97, 118
Charged Property .....	80	Fork Notification Event .....	97, 118
CHF .....	59	FSMA .....	154
CISA .....	12, 58, 136	GBP .....	59
Clearing System .....	92, 93, 113, 114	Global Note .....	92
Collateral Trustee.....	75, 93, 114	HGB .....	53
Crypto Asset .....	11, 92, 93, 113, 114	Increase .....	83
Crypto Asset Broker.....	75, 94, 115	Initial Base Prospectus .....	140
Crypto Asset Custodian Agreement.....	54, 93, 114	Initial Entitlement Ratio .....	97, 118
Crypto Asset Delivery Right.....	94, 101, 115, 122	Insurance Distribution Directive .....	14
Crypto Asset Price Determination Date .....	94, 115	Interim Financial Statement .....	53
Crypto Asset Price Start Date .....	105, 126	Issuance Account .....	81, 97, 118
Crypto Asset Sale Procedure.....	94, 115	Issuance Account Control Agreement.....	56, 81, 97, 118
Crypto Asset Sale Proceeds .....	104, 125	Issue Date .....	92, 97, 113, 118
Crypto Asset Sale Start Date.....	94, 105, 115, 126	Issuer .....	11, 48, 92, 97, 113, 118, 134
Crypto Asset Security Agreement.....	55, 81, 95, 116	Issuer Account Bank.....	97, 118
Crypto Asset Service Provider .....	94, 115	Issuer-Held Notes.....	81, 98, 119
Crypto Asset Wallet .....	94, 115	Issuing Agent.....	75, 98, 119
Crypto Asset Wallet Control Agreement.....	55, 80, 95, 116	JV Agreement.....	23, 48
Crypto Asset Wallet(s) .....	80	JV Parties.....	23, 48
Crypto Currency.....	12	JV Party.....	23, 48
Crypto Custodian .....	75, 94, 115	KWG.....	12, 54, 70
Default Termination Notice.....	96, 108, 117, 129	KYC.....	23
Deposited Crypto Asset .....	96, 109, 117, 130	Market Maker .....	72, 75
Diminishing Entitlement Rate .....	96, 117	MiCAR.....	12, 70
Distributor .....	13, 83	Middle Offices Services Agreement.....	54
EEA .....	13, 148	MiFID II.....	135
		Non-Exempt Offer.....	148
		Note Document .....	80
		Note Documents.....	98, 119
		Noteholder.....	98, 119
		Noteholders' Representative .....	98, 119
		Notes.....	11, 92, 98, 113, 119

Notice of Exclusive Control .....	55, 81	Secured Settlement Obligations ....	99, 121
Number of Days .....	98, 119	Secured Settlement Obligations Amount	100, 121
OEE .....	155	Securities Act .....	14, 154
OFAC.....	155	Security .....	55, 80, 92, 100, 113, 121
Offer Period .....	13, 59, 137	Security Assignment.....	30
Outstanding Amount .....	98, 119	Security Documents .....	79, 100, 121
Outstanding Notes .....	98, 119	Security Trust Agreement	55, 79, 100, 106, 121, 127
Paying Agent .....	75, 98, 119	Series .....	12, 60
Permitted Indebtedness .	98, 109, 119, 130	Service Agreements .....	19
PRIPS-Regulation.....	135	Share.....	52
Private Investor.....	142	Shares.....	52
Private Placement.....	13	Substitute Debtor.....	100, 110, 121, 131
Prospectus Regulation.....	11, 57, 137	Succeeding Base Prospectus.....	140
Public Offer .....	13	Summary.....	11
Redemption Date .....	98, 104, 119, 125	Supplements .....	137
Redemption Form .....	98, 120	TARGET.....	93, 114
Reference Price .....	98, 120	Termination Event .....	100, 102, 121, 124
Reserved Matters.....	50	Termination Notice .....	100, 102, 121, 124
Restrictive Measure .....	155	Terms and Conditions .....	12, 91, 100, 121
Retail-Restricted Notes .....	14	Trading Venue(s).....	100, 121
Sales Proceeds Cash Account.	81, 99, 120	Transaction Security.....	80
Sales Proceeds Cash Account Control	56, 82, 99, 120	UK Prospectus Regulation.....	153
Agreement .....	56, 82, 99, 120	Underlying .....	11
Sanctioned Country .....	155	United States.....	155
Sanctions.....	155	Upfront Exercise Fee.....	100, 121
Secured Delivery Obligations .....	99, 120	US dollars.....	59
Secured Delivery Obligations Amount..	99, 120	USD .....	59
Secured Obligation Amount .....	99, 121	Website .....	101, 122
Secured Parties .....	55, 79, 99, 121		



## 1. General Description of the Programme

### 1.1. Information about this Base Prospectus

The nextAssets GmbH (the "**Issuer**") will continuously and repeatedly issue non-equity securities (the "**Notes**") linked to and secured by Crypto Assets (each a "**Crypto Asset**", or generally the "**Underlying**") under this Base Prospectus for "Notes linked to and secured by Crypto Assets" (the "**Base Prospectus**").

The Base Prospectus has been drawn up in accordance with Article 8 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "**Prospectus Regulation**") and has been approved by German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) (the "**BaFin**") as competent authority under the Prospectus Regulation. The BaFin only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129; such approval should not be considered as an endorsement of the Issuer or the quality of the Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

The information in the Base Prospectus will be supplemented, corrected or clarified by way of future supplements under the conditions as laid out in Article 23 of the Prospectus Regulation. Therefore, when investing in the Notes, an investor should take into account this Base Prospectus and any supplements thereto, the respective registration documents as well as the Final Terms for a particular issue, which are accessible by entry of the respective ISIN on the website <https://www.nextassets.com>. Information contained on the website does not form part of this Base Prospectus, and has not been scrutinised or approved by the competent authority, unless that information is incorporated by reference into the Base Prospectus.

This Base Prospectus will no longer be valid with the expiry of 13 February 2026. The obligation to supplement this Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when this Base Prospectus is no longer valid.

This Base Prospectus contains placeholders and optional elements which will be specified by the Issuer upon issue of the Notes. For this purpose, the Issuer will in each case prepare final terms for the Notes (the "**Final Terms**") which will contain the information that can only be specified at the time of the issue of the Notes under the Base Prospectus. The Final Terms will be prepared by completing the form of the Final Terms set out in section 12 (*Form of Final Terms*) with the information that applies specifically to the relevant Notes. In particular, this includes stating which of the optional elements with regard to the Notes apply. In addition, the relevant placeholders contained in this Base Prospectus will be filled in with specific values (e.g. dates, prices, rates). Unless an exemption according to Article 7 (1) of the Prospectus Regulation applies, the respective Final Terms will have appended a summary specific to the respective issue of such Notes (the "**Summary**").

Full information about the Issuer and the Notes will only be available on the basis of the combination of (i) this Base Prospectus, (ii) the respective Final Terms and (iii) any supplement to the Base Prospectus.

**The Notes do not constitute collective investment schemes within the meaning of the Swiss Federal Act on Collective Investment Schemes ("CISA") and are therefore not subject to the protective provisions of the CISA. Neither the Notes nor the Issuer are subject to authorization and supervision by the Swiss Financial Market Supervisory Authority (FINMA). Investors bear the issuer risk with respect to the Issuer of the Notes.**

This Base Prospectus may be filed with the reviewing body SIX Exchange Regulation AG in Switzerland pursuant to Article 54 para. 2 of the Swiss Federal Act on Financial Services ("**FinSA**"), and may be obtained in electronic or printed form, free of charge, upon request from nxtAssets GmbH, Neue Mainzer Straße 66-68, 60311 Frankfurt am Main, Federal Republic of Germany, <https://www.nxtassets.com>.

## **1.2. Overview of the Issuer**

The nxtAssets GmbH is a limited liability company (*Gesellschaft mit beschränkter Haftung*) incorporated under the laws of the Federal Republic of Germany. It has its registered seat at Neue Mainzer Straße 66-68, 60311 Frankfurt am Main, Federal Republic of Germany. The business of the Issuer, as a special purpose vehicle, is primarily the issue of Crypto Asset linked securities in Germany, Switzerland and other member states of the European Economic Area to generate profits.

## **1.3. Overview of the Notes**

The Notes issued under this Base Prospectus are secured notes which will be issued in series (the "**Series**"). Their value and redemption is linked to a certain Crypto Asset as the Underlying.

There is no common definition of Crypto Assets, including the crypto asset type of a crypto currency, for example Bitcoin or Ether (each a "**Crypto Currency**"). The legal nature of Crypto Assets varies widely from jurisdiction to jurisdiction. In many jurisdictions, the legal nature is not defined or is changing. For the purposes of this Prospectus and the Notes, Crypto Assets is defined as a digital representation of value or rights which may be created and stored electronically, using distributed ledger technology or similar technology.

Crypto Assets (including Crypto Currencies) are financial instruments pursuant to section 1 (11) sentence 1 no. 7 (unit of accounts - *Rechnungseinheiten*) or, as the case may be, no. 10 (crypto assets - *Kryptowerte*) of the German Banking Act (*Kreditwesengesetz* – "**KWG**"). They do also qualify as crypto-assets pursuant to Article 3 (1.) no. 5 of the Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets ("**MiCAR**"), which applies since 30 December 2024. Bitcoin and other Crypto Currencies are, however, not legal tender and do neither qualify as currency nor foreign note or coin.

The Notes do not have a fixed term and will be redeemed following a valid exercise by the Noteholder or a termination by the Issuer. Redemption occurs by way of delivery of a certain entitlement in the Crypto Asset or by way of a cash payment, as set forth in the terms and conditions (the "**Terms and Conditions**").

The Notes are not capital protected. This means that the value of any Crypto Asset delivered to a Noteholder corresponding to the Entitlement Ratio or, as the case may be, any amount received by a Noteholder in accordance with the Terms and Conditions may be lower than the Issue Price or purchase price of the relevant Notes. In certain cases, a total loss of the amount

paid to purchase the Notes is possible. **Important note on this point:** The amount paid to purchase the Notes (the capital invested) includes here and below all costs related to the purchase.

The Notes are issued as German law debt instruments in bearer form within the meaning of § 793 German Civil Code (*Bürgerliches Gesetzbuch*, "**BGB**") represented by either a global note or in electronic form.

A detailed description of the risk factors associated with an investment in the Notes which are specific to the Issuer and the Notes, and which the Issuer believes are material for an informed investment decision can be found in section 2 (*Risk Factors*).

#### **1.4. Overview of the Issue, Subscription, Offer and Trading**

Under the Base Prospectus, Notes are issued by way of a new issue or an increase. Such Notes will either be offered to the public pursuant to Article 3 para. 1 of the Prospectus Regulation ("**Public Offer**") or in a private placement pursuant to an exemption available under Article 1 para. 4 of the Prospectus Regulation (so called "**Private Placement**").

In case of a Public Offer, the Notes will be sold without or within a defined offer period (a "**Offer Period**"), as specified in the respective Final Terms.

In case a Public Offer shall continue or cease after the validity of the Base Prospectus, such Public Offer may be continued on the basis of one or more succeeding base prospectuses until the end of the respective Public Offer, to the extent such succeeding base prospectuses envisage a continuation of the Public Offer of the Notes. In this context, the applicable Final Terms are, in each case, to be read in conjunction with the most recent succeeding Base Prospectus.

Admission to trading the Notes on a stock exchange of a Member State of the European Economic Area ("**EEA**") and/or trading venue within the EEA (including, but not limited to, multilateral trading facilities (MTF)) or outside the EEA (e.g., on a Swiss trading venue)) may be applied for. However, the Notes may also be offered without being admitted to trading on a stock exchange or trading venue.

In the primary market each issue of a Series of Notes is initially only purchased by authorised participants in each case appointed by the Issuer pursuant to an authorised participant (each an "**Authorised Participant**") agreement against delivery of the relevant underlying Crypto Asset and may subsequently be resold by such Authorised Participants to distributors (each a "**Distributor**"), a Market Maker or investors, in compliance with applicable selling restrictions during the relevant offer period. For the purposes of offering Notes to retail clients in or from Switzerland, an Authorised Participant, Distributor or Market Maker may be appointed as so called "Authorised Offeror" by the Issuer.

Thus, investors cannot purchase the Notes directly from the Issuer in the primary market. Investors will only be able to purchase the Notes in the secondary market either on a stock exchange and/or trading venue, from an Authorised Participant or a Distributor or from any party, as specified in the respective Final Terms and in compliance with applicable selling restrictions and in certain Offering Jurisdictions (as defined in the relevant Final Terms, if applicable).

## 1.5. Important Information

**This Base Prospectus may not be used for the purposes of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation.**

No one has the right to disseminate any information or make statements that are not included in the Base Prospectus in connection with the issue, sale and offering of the Notes. The Issuer rejects any liability for information from third parties that are not contained in the Base Prospectus.

Neither the Base Prospectus nor any supplements thereto nor the respective Final Terms will constitute an offer or a solicitation to any person to buy any Notes issued under the Base Prospectus and should not be construed as a recommendation of the Issuer to purchase Notes.

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and will include Notes in bearer form that may be subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered, at any time, within the United States or its possessions or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act or under the U.S. Internal Revenue Code of 1986).

The distribution of the Base Prospectus and the offer and sale of Notes may be subject to legal restrictions in certain jurisdictions. Persons into whose possession the Base Prospectus or Notes pass are obliged to inform themselves about and comply with such restrictions, in particular restrictions in connection with the distribution of the Base Prospectus and the offer or sale of Notes in the United States of America and the offer or sale of Notes in the member states of the EEA. The Notes may only be offered or sold if all applicable securities laws and other provisions applicable in the jurisdiction in which the purchase, offer, sale or delivery of Notes is intended or in which this Base Prospectus is distributed or held are complied with, and if all consents and approvals required under this jurisdiction for the purchase, offer, sale or delivery of Notes have been obtained. The Issuer makes no representation as to the legality of the distribution of the Base Prospectus and assumes no responsibility for a potential investor's assumption that the distribution of the Base Prospectus or an offering to the public is permissible. For further information on selling restrictions, see section 14 (*Selling Restrictions*).

If the Final Terms in respect of any Series of Notes include a legend in the context of any prohibition to make an offer of Notes to retail investors in certain jurisdiction(s), such Notes (the "**Retail-Restricted Notes**") are not intended to be offered and shall not be offered to any retail investor in such jurisdiction(s). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "**Insurance Distribution Directive**"), respectively, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by the PRIIPs Regulation for offering Retail-Restricted Notes in such jurisdiction(s) has been prepared and therefore offering the Retail- Restricted Notes to any retail investor in such jurisdictions may be unlawful under the PRIIPs Regulation or other applicable provisions.

**Potential investors in the Notes are explicitly reminded that an investment in Notes entails financial risks. Holders of Notes are exposed to the risk of losing all (total loss) or part of the amount invested by them in the Notes. No one should purchase the Notes without having detailed knowledge of their method of operation, the total costs involved and the related risks. Only those who are fully aware of the risks and are financially able to bear the losses that may be associated with them should purchase these types of securities. Potential investors should therefore carefully read the whole Base Prospectus, in particular the risks, including any supplements thereto as well as the respective Final Terms, understand the Terms and Conditions in detail and assess the suitability of the relevant investment, in each case taking into account their own financial, tax and other circumstances. In cases of doubt potential investors should seek advice by a competent investment, legal or tax advisor.**

## 2. Risk Factors

The purchase of the Notes described in this Base Prospectus involves risks for the Noteholder.

The risk factors described below represent the material and specific risks associated with an investment in the Notes, which

- may affect the Issuer's ability to meet its obligations under the Notes (see section 2.1 (*Risks in connection with the Issuer*)),
- are of material importance for the assessment of the consequences of an investment in the Notes (see section 2.2 (*Risks in connection with the Notes*)).

The risk factors are divided into categories and sub-categories according to their nature, whereby usually the two most material risk factors according to the Issuer's assessment are presented first in each category and sub-category. If more than two risks in a category or sub-category are considered to be the most material risks, they are identified at the beginning of the respective category or sub-category. The Issuer does not further differentiate the risks listed after the most material risk factors according to their materiality.

The assessment of materiality was made by the Issuer on the basis of the probability of their occurrence and the expected extent of their negative effects. The extent of the negative effects on the Notes is described with reference to the amount of possible losses of the capital employed (**including a possible total loss**), the occurrence of additional costs or the limitation of income from the Notes.

**Should one or more of the risks described below materialise, this may result in a partial or even a total loss of the capital invested by Noteholders to purchase the Notes.**

### 2.1. Risks in connection with the Issuer

In this category, the risk factors in connection with the Issuer are described.

The risk factors are divided into three sub-categories depending on their nature: Section 2.1.1 (*Specific risks relating to the Issuer's Risk of bankruptcy*), section 2.1.2 (*Specific risks related to the Issuer's business activities*) and section 2.1.3 (*Risks related to the joint venture agreement establishing the Issuer*).

#### 2.1.1. Specific risks relating to the Issuer's risk of bankruptcy

In this sub-category, the material and specific risks related to the Issuer's risk of bankruptcy are described.

The most material risks are "*Risk of bankruptcy*" and "*Risk of limited liable share capital of the Issuer*". The Issuer does not further differentiate the risks listed after the most material risk factors according to their materiality.

##### *Risk of bankruptcy*

The Noteholders bear the risk of bankruptcy of the Issuer (issuer default risk). Bankruptcy risk means that the Issuer cannot meet its obligations under the Notes, on time or in full. The circumstance may occur if the Issuer is insolvent or over-indebted.

In this context, investors in the Notes should be aware that the Issuer is a newly incorporated company formed for the purpose of establishing the Programme and the issuing of one or more series of Notes which are secured by, inter alia, Crypto Assets, and entering into, and performing its obligations under, agreements related to the foregoing. As this is the sole business of the Issuer, there will be no or only limited other assets (like fee receivables) available to the Issuer than the Security (which includes the Crypto Assets) to redeem the Notes.

Notwithstanding the restrictions on the Issuer's activities, it cannot be excluded that the Issuer will have outstanding liabilities to third parties which it is unable to discharge. Moreover, the Security pledged in favour of the Collateral Trustee may be set aside or ranked behind certain other creditors and the assets subject to such pledges may then be transferred to another person free of such security interest. It can also not be excluded that the Crypto Assets held by the Crypto Custodian will be lost or stolen and that the Issuer will not be able factually or legally to request or obtain a replacement. In all such cases, the Issuer might be unable to fulfil its obligations under the Notes and, thus, become insolvent.

If insolvency proceedings are instituted against the Issuer, Noteholders can only assert their claims in accordance with the legal provisions of the Federal Republic of Germany pursuant to the German Insolvency Code (*Insolvenzordnung*). Noteholders will then receive a cash amount that is measured by the amount of the so-called insolvency rate. This amount will usually be less than the amount of capital invested by the Noteholders for the purchase of the Notes.

Insolvency of the Issuer may even result in the complete loss of the capital invested by Noteholders to purchase the Notes (**total loss**).

#### *Risk of limited liable share capital of the Issuer*

Investors should also take into consideration the creditworthiness of the Issuer when making their investment decisions. The Issuer is an issue special purpose vehicle, *i.e.* a company whose main purpose is to issue Crypto Asset linked securities. In accordance with section 2 of its articles of association (the "**Articles of Association**"), the purpose of the Issuer is:

- the issuance of bearer bonds related to virtual currencies or indices on virtual currencies,
- the acquisition of virtual currencies or the acquisition or conclusion of other financial instruments in order to cover and, if necessary, secure the redemption of the bearer bonds; and
- all acts, transactions and contracts in connection with these activities, in particular for the issuance, placement and marketing of the bearer bonds, their trading on a regulated or unregulated market and for the purchase of services for the performance of these activities.

Aside from that the Issuer will not carry out any other business. The Issuer's liable share capital is limited and amounts at the date of this Base Prospectus to EUR 504,000. Accordingly, the Noteholders are exposed to a higher credit risk than in the case of an issuer with a higher level of capital resources and if the credit risk materialises Noteholders could lose the capital invested in the purchase of the Notes.

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*No deposit protection scheme or similar protection system*

Save for the Security established for the relevant Notes, the Notes are not protected by enhanced credit measures or guaranteed by any third party, including the shareholders of the Issuer. In particular, Noteholders are not protected or otherwise guaranteed by a deposit protection scheme or similar protection system. If the Issuer is for any reason dissolved (including pursuant to the JV Agreement) or otherwise unable to perform its obligations under the Notes and if the Security for whatever reason would not be available for liquidation, Noteholders will not benefit from any kind of protection scheme in respect of any losses of the capital invested in their purchase of Notes.

**2.1.2. Specific risks related to the Issuer's business activities**

In this sub-category, the material and specific risks related to the Issuer's business activities are described.

The most material risks are "*Risks related to the short business history and limited business objective of the Issuer*" and "*Dependence on certain service providers*". The Issuer does not further differentiate the risks listed after the most material risk factors according to their materiality.

*Risks related to the short business history and limited business objective of the Issuer*

The Issuer was incorporated on 11 April 2024. Due to such a short period of existence, the Issuer has no track record of successfully operating the business activity described in this Base Prospectus. Hence, there is a risk that the Issuer will not be successful in its issue of the Notes.

Although the Issuer intends to take reasonable best efforts to develop its business, 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.

In particular, because the Issuer will not carry out any other business than the issue of the Notes, it is exposed to the risk that the underlying Crypto Assets do not become successful or become less successful going forward and the Issuer cannot adapt to such changed circumstances. Due to this limited business objective, the Issuer may then be unsuccessful in carrying out its business which could have an adverse impact on the Issuer's business and financial situation and its ability to meet its obligations to Noteholders in respect of the Notes, including their redemption.

Moreover, if the Issuer becomes unsuccessful in issuing of Notes, the Issuer may cease its business activities as Issuer or even ultimately become insolvent. Insolvency of the Issuer may even result in the complete loss of the capital invested by Noteholders to purchase the Notes **(total loss)**.

*Dependence on certain service providers*

The Issuer is a company which essentially has no own resources in terms of personnel and material. As a result, the Issuer is dependent on a number of agents and service providers with regard to the issuance of Notes and the Security relating to each Series of Notes. These services include, but are not limited to, the Crypto Custodian holding the relevant Crypto Asset pledged as Security for the Notes, Authorised Participants authorised to purchase the Notes in the primary market, the Issuing Agent and the Paying Agent performing issuing and paying agency



services, respectively, and the Collateral Trustee which has the function to hold and administer security interest over the Crypto Asset held by the Crypto Custodian for itself and the benefit of the Noteholders.

The Issuer has entered and / or will enter into a number of agreements and may conclude further agreements in future (the "**Service Agreements**") that are significant to its planned business and operations, and as such could become material to the Issuer's ability to meet its obligations to Noteholders in respect of the Notes. The Service Agreements include the Middle Offices Services Agreement, the Crypto Asset Custodian Agreement, the Security Trust Agreement and the Authorised Participant Agreement(s).

As a result, all essential administrative duties of the Issuer are carried out by third parties on the basis of the Service Agreements.

Any change in the counterparties' abilities to meet their respective obligations under these Service Agreements, the Issuer's inability to assert claims for damages against the counterparties or the strength of the counterparties' businesses generally could materially impede the Issuer's ability to meet its obligations to Noteholders in respect of the Notes, including their redemption.

The counterparties' financial condition may have a negative impact on the Issuer's financial condition, particularly if one or more of these counterparties becomes insolvent or otherwise unable to discharge its obligations to the Issuer. The counterparties may not be willing or able to fulfil their respective contractual obligations at all or in full or could become temporarily or permanently unable to meet their contractual obligations and the Issuer may be unable to assert claims for damages against the counterparties as a result. In particular, there is a risk that third parties who handle material tasks on behalf of the Issuer might cease their activities unexpectedly, e.g. in the event of insolvency of any such third party. The Crypto Custodian, for instance, holds a substantial part of the Issuer's assets in custody, especially the Crypto Assets subject to the Security. If the Crypto Custodian becomes insolvent and obliged to enter insolvency proceedings, the Issuer's right to recoup its assets will be subject to such insolvency proceedings, any creditor limitations arising from these proceedings and avoidance rights of other creditors. The Issuer will particularly rely upon the segregation of its assets from the insolvency estate of the Crypto Custodian. If, in accordance with the insolvency laws applicable to the Crypto Custodian, the Issuer's assets would not be fully segregated from the insolvency estate of the Crypto Custodian, the Issuer could face significant losses in relation to its assets, including the Crypto Assets subject to the Security.

Service providers used by the Issuer for trading and holding/storing the relevant Crypto Asset (i) may cease to exist, (ii) may be subject to fraud, theft and cyber-attacks or (iii) may not be usable for the Issuer due to regulatory requirements and/or the Issuer's internal compliance requirements. Moreover, the Service Agreements generally include clauses that allow any party to terminate the relationship under certain specified circumstances. Therefore, it cannot be ruled out that these relationships might not continue or be extended, and they may terminate entirely. If any Service Agreement is terminated by the respective counterparties or the Issuer, fulfilment of the obligations under the Notes will depend on the Issuer's ability to find new service providers which have agreed to carry out the contractual duties required under the Service Agreements

and to replace the former contractual partners, and to enter into comparable agreements with these service providers.

In accordance with the Terms and Conditions the Issuer may also appoint a new service provider as replacement for an existing service provider. A replacement service provider may be less competent than its predecessor which may lead to a worse performance with regard to the relevant activity carried out by the relevant new service provider.

A material adverse change in connection with any existing service provider and or a replacement of an existing service provider may potentially also result in higher costs for the Noteholders.

Even worse, should there be a material adverse change in connection with any existing service provider, the Issuer may not be able to replace a service provider or even not be able to continue its own business activities, so that the Notes provide for a right of the Issuer to initiate a termination in respect of a Series of Notes if any third-party service provider, including the Issuer's auditors, legal advisors, the Clearing System, the Issuing Agent, the Paying Agent, the Collateral Trustee, the Authorised Participants and the Crypto Custodian stops providing services to the Issuer, and the Issuer fails to find a replacement within a reasonable time, which may result in redemption of the Notes in accordance with the Terms and Conditions by the Issuer or even result in an insolvency of the Issuer. In addition, the role of service providers may give rise to conflicts of interest, which are adverse to the interests of any Noteholder.

Any such event could have a negative impact on the Issuer's ability to pay its debts and may impede the Issuer's ability to meet its obligations to Noteholders in respect of the Notes, including their redemption, which in turn could lead to the loss of the entire capital invested by the Noteholders when purchasing the Notes.

*Risks related to the Issuer's dependence on its reputation and the reputation of associated parties*

Due to the highly competitive market environment in the Issuer's core business, the issue of Notes linked to Crypto Assets, the Issuer depends on its reputation and the reputation of associated parties, including its shareholders, to maintain and grow this core business. Any material adverse event, such as (but not limited to) defaults and insolvencies of associated parties, legal proceedings involving the Issuer or any associated party or negative media reports about the Issuer or its associated parties, could impact the Issuer's reputation, which could, in turn, depress the Issuer's ability to meet its obligations to Noteholders in respect of the Notes, including their redemption. The materialisation of any of the foregoing risks could, in turn, lead to the loss of the entire capital invested by the Noteholders when purchasing the Notes.

*Risk of breach of contracts and related liability*

The Issuer has entered into a number of agreements, including the Service Agreements, in which it has given extensive representations, warranties and covenants, and will likely enter into further such agreements in the future. The breach of any of these provisions or the Issuer's inability to meet them in a fashion satisfactory to the counterparties could cause the Issuer to be obligated to pay liquidated damages or become subject to a variety of contract claims. Regardless of whether such claims against the Issuer are valid, or whether it is ultimately held liable, claims may be expensive to defend and may divert time and money away from the

Issuer's operations, and any adverse publicity resulting from these allegations may also adversely affect its reputation or prospects, which would impede the Issuer's ability to meet its obligations to Noteholders in respect of the Notes, including their redemption. The materialisation of any of the foregoing risks could, in turn, lead to the loss of the entire capital invested by the Noteholders when purchasing the Notes.

In extreme circumstances, the materialisation of the foregoing risks might lead to the Issuer not being able to fund its obligations under the Notes and even the Issuer's insolvency, which in turn could lead to the loss of the entire capital invested by the Noteholders when purchasing the Notes.

#### Market risks

The Issuer's business is affected by the overall economic development and related uncertainties, especially in the Federal Republic of Germany, Switzerland and the rest of Europe, resulting in volatile markets, which could affect the Issuer's business, as well as by the general conditions in the financial markets. In addition, the political environment also affects the business and possible regulatory changes (in particular, but not limited to, Crypto Assets) may have a negative impact on the Issuer and its financial position.

As of the date of this Base Prospectus, the impact of the above mentioned uncertainties and challenges on the Issuer's business is difficult to quantify; however, if any of these risks were to materialise it could lead to a loss of the capital invested by the Noteholders when purchasing the Notes.

#### Dependence on authorisations and continued permissibility of activities

For the issuance, respectively offering of Notes and for the Notes to be admitted to trading on the regulated market of any stock exchanges and/or trading venue, the Issuer depends on the BaFin's approval of its Base Prospectus and the permissibility of its issue activities (also in respect to the Underlyings) under the laws and regulations of the Federal Republic of Germany and the countries in which the Notes will be offered and or listed. The Issuer's activities are also dependent on the rules of the relevant stock exchanges and/or trading venues for the listing or trading of Notes. It cannot be excluded that Crypto Assets as an asset class and the Underlying of the Notes could be deemed an asset inappropriate for retail investors to invest in via an exchange traded note (ETN), like the Notes under this Base Prospectus. Regulatory authorities in other jurisdictions, as e.g. the Financial Conduct Authority (FCA) in the United Kingdom, are of the view that ETNs linked to Crypto Assets are due to their high-risk profile not an appropriate investment for retail investors and have issued a ban on firms offering or selling crypto derivatives and ETNs that reference certain types of cryptoassets to UK retail consumers.

Should the Issuer not receive (further) approvals of this (retail investor) Base Prospectus after the end of validity of this Base Prospectus, should a product intervention occur against a Series of Notes issued under this Base Prospectus or should the regulation of the Notes (and their respective Underlyings) or the listing requirements change in a way that the offering or listing of Notes became impermissible, the Issuer would need to stop or cease its offering activities or may not be able to maintain any listing of a Series of Notes issued under this Base Prospectus. Any such change could adversely impact the Issuer and the value and liquidity of a Series of Notes. If any of these risks were to materialise it could lead to a loss of the capital invested by the Noteholders when purchasing the Notes.

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### No regulation of the Issuer

The Issuer believes that it is not required to be licensed, registered or authorised under any current securities, insurance or banking laws of its jurisdiction of incorporation, the Federal Republic of Germany, and will operate without supervision by any authority in any jurisdiction. There is no assurance, however, that regulatory authorities in one or more jurisdictions would not take a contrary view regarding the applicability of that jurisdiction's laws to the Issuer. The taking of a contrary view by such regulatory authority could have an adverse impact on the Issuer as a result of additional obligations, requirements or restrictions being applied to the Issuer and/or the Notes. Any such requirement or change could require the Issuer to obtain licenses, registrations or authorisations or even make it impossible for the Issuer to undertake its business. The Issuer may not be granted such licenses, registrations or authorisations or it may face severe financial implications, which could, in turn, lead to a loss of the capital invested by the Noteholders when purchasing the Notes.

### Operational risk

Operational risks are those relating to losses that the Issuer may encounter as a result of incorrect or insufficient systems and controls, human error and legal risks. Operational complexity exists, in particular, in relation to the securitization, the creation and redemption and the concurrent management of flow of Notes. The materialisation of such operational risks may adversely affect the liquidity of the Notes, and the Issuer's ability to meet its obligations to Noteholders in respect of the Notes, including their redemption. The materialisation of this risk could, in turn, lead to the loss of the entire capital invested by the Noteholders when purchasing the Notes.

### Internal control and IT risks

The Issuer's business depends mainly on information technology (IT) systems. Also, service providers (e.g. the Administrator, the Crypto Custodian, the Issuing Agent, the Paying Agent and the Clearing System) rely on IT systems to provide certain services to the Issuer. IT systems may be hacked, infected with viruses and malware or otherwise sabotaged by criminals, disgruntled employees or third parties, which may lead to the failure of hardware and/or software systems of the Issuer and/or its service providers. The IT systems used by the Issuer and its service providers only means to administer Notes during their lifetime, which includes in particular the transfer of the securities related to a Note. Hence, the Issuer is exposed to the risk of being partially, temporarily or even permanently prevented from carrying out its business activities or it may become in breach of its covenants and even become insolvent, and any Noteholders may lose a part or all of their investments.

### Data breaches

The Issuer and its agents (including, but not limited to, the Administrator) will maintain significant amounts of data surrounding subscriptions for and redemptions of the Notes. For every subscription or redemption, the Issuer and its agents may receive and maintain in relation to each subscribing or redeeming investor the following data: (i) proof of identity and/or incorporation documents; (ii) residence or incorporation address; (iii) certain bank and securities accounts details; (iv) blockchain digital wallets information; (v) contact information; (vi) such other information requested by the Issuer from time to time. A significant data breach, i.e. the loss or theft of data e.g. by means of hijacking or phishing, may have wide reaching adverse

effects, including trading losses and reputational damage, which may adversely impact the Issuer's core business and could therefore have a negative impact on the Issuer's ability to meet its obligations to Noteholders in respect of the Notes, including their redemption. These dynamics may impact the value of an investment in the Notes and lead to a loss of the capital invested by the Noteholders when purchasing the Notes.

### Compliance

Pursuant to the regulatory framework which currently applies to the Issuer, it faces relatively low compliance requirements, as it is, for example, not directly responsible for "know your client" ("**KYC**") checks or anti-money laundering ("**AML**") checks of end investors, which are rather the obligation of the individual counterparties of the Issuer under the Service Agreements. However, the Issuer takes reasonable efforts to establish the nature of counterparty and customer activities and ascertain the legitimacy of counterparty funds. In this respect the Issuer relies on the service providers appointed by it under the Service Agreements to perform checks on the sources of funds. It should be stressed that performing KYC/AML checks in respect of transactions related to the underlying Crypto Assets is new and challenging and there is risk of compliance failures with respect to KYC/AML. Any breach of the compliance processes of the Issuer and/or its service providers under the Service Agreements could have a material adverse effect on the Issuer's ability to meet its obligations to Noteholders in respect of the Notes, including their redemption. The materialisation of this risk could, in turn, lead to the loss of the entire capital invested by the Noteholders when purchasing the Notes.

### Risks related to regulation of blockchain technologies and digital assets

The Notes are linked to Crypto Assets (including Bitcoin) and the regulatory regime governing Bitcoin and other Crypto Assets is currently still developing. Various legislative and executive bodies in the Federal Republic of Germany and in other countries may in the future adopt laws, regulations, guidance, or other actions, which may severely impact the development and growth of the Issuer's issue activities and the adoption and/or utility of the Notes. 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 Noteholders and lead to a loss of the capital they invested when purchasing the Notes.

#### **2.1.3. Risks related to the joint venture agreement establishing the Issuer**

In this sub-category, the material and specific risks related to the joint venture agreement establishing the Issuer are described.

The most material risks are "Termination risk" and "Risk of disagreement among JV Partners". The Issuer does not further differentiate the risks listed after the most material risk factors according to their materiality.

### Termination risk

The Issuer was formed as a joint venture among Bergos AG, Vontobel Beteiligungen AG, Börsenmedien Aktiengesellschaft, 360 Treasury Systems AG and IBKR Financial Services AG (each, a "**JV Party**") and collectively, the "**JV Parties**"), when the JV Parties entered into a joint venture agreement ("**JV Agreement**") governing the formation and the financing of the Issuer,

the principles of collaboration regarding the Issuer and the potential termination of this collaboration.

The Issuer may face difficulties with respect to this joint venture, including issues related to administering and operating the joint venture and liabilities stemming from the joint venture's activities. If no amicable solution is found and agreed by the JV Partners (e.g. where an amicable solution is requested in accordance with the JV Agreement by an individual JV Party, which holds, or after the implementation of a contemplated measure would hold, more than 20% of the Issuer's shares), all JV Parties shall agree to a dissolution of the Issuer and the termination of the JV Agreement. As a consequence, the Issuer may be unable to meet its obligations to Noteholders in respect of the Notes, which in turn could lead to the loss of the entire capital invested by the Noteholders when purchasing the Notes.

#### *Risk of disagreement among JV Partners*

The JV Partners may disagree amongst themselves as to, among other things, the appropriate strategies regarding the Issuer's business or the interpretation of their respective rights and obligations under the JV Agreement or the scope or enforceability of the JV Agreement.

Any disputes amongst the JV Partners bear the risk of leading into dead-lock situations, which would harm the Issuer's day-to-day operations and, in many circumstances, force the JV Partners to search for replacement joint venture partners, which could prove difficult, given that such partners need to meet a wide array of conditions. If no appropriate replacement joint venture partners can be found, this could trigger the termination of the JV Agreement, and thus ultimately the dissolution of the Issuer, rendering it unable to meet its obligations to Noteholders in respect of the Notes, which in turn could lead to the loss of the entire capital invested by the Noteholders when purchasing the Notes.

Moreover, the JV Partners may not realise the anticipated benefits of the Issuer, or may not realise them in the time frame expected. If the joint venture fails to be successful, the Issuer's growth may be impeded and its continued development may be hindered, and it could ultimately be dissolved. This would materially adversely affect the Issuer's to meet its obligations to Noteholders in respect of the Notes, which in turn could lead to a loss of the capital invested by the Noteholders when purchasing the Notes.

#### *Risk related to concentration of shareholdings in the Issuer*

The JV Parties jointly own all of the Issuer's Shares. As such, the JV Parties have material influence on the management of the Issuer, and there can be no assurance that they or their representatives will exercise their voting rights in a manner that benefits the Issuer or Noteholders.

#### *Exit risk*

Each JV Party shall in accordance with the JV Agreement be entitled to exit the Issuer upon written request to all other JV Parties and the Issuer, provided that there is an important cause (*wichtiger Grund*) for such request. In this case, the exit requesting JV Party shall be entitled to sell and transfer its Shares in the Issuer to the Issuer or have them redeemed (*Einziehung*) by the Issuer in accordance with the provisions of the Issuer's Articles of Association. Any such divestments would negatively impact the Issuer's cash flows, could adversely affect its financial condition and may force the remaining JV Partners to seek new joint venture partners, or, if no

appropriate alternative joint venture partners can be found, even cause the Issuer to be dissolved, rendering it unable to meet its obligations to Noteholders in respect of the Notes, which in turn could lead to the loss of the entire capital invested by the Noteholders when purchasing the Notes.

## **2.2. Risks in connection with the Notes**

In this section, the risk factors in connection with the Notes are described.

The risk factors are divided into four sub-categories depending on their nature (section 2.2.1 (*Risks resulting from the profile of the Notes*), section 2.2.2 (*Risks in connection with the Security*), 2.2.3 (*Risks in connection with the investment in, the holding and selling of, the Notes*) and 2.2.4 (*Risks in connection with the Underlying*)).

### **2.2.1. Risks resulting from the profile of the Notes**

In this sub-category, the material and specific risks resulting from the profile of the Notes are described.

The most material risks are "Payment profile risk", "Risk in connection with a termination by the Issuer following a Termination Event", "Risk in connection with a redemption by delivery of the Underlying" and "Risks in connection with a redemption in cash". The Issuer does not further differentiate the risks listed after the most material risk factors according to their materiality.

#### *Payment profile risk*

The Notes are linked to a certain entitlement in the Underlying and do not have a fixed term. Noteholders must therefore sell their Notes or exercise them on a specific date in order to realise their economic value. Noteholders bear the risk of missing a favourable time for the sale or exercise of their Notes.

If upon redemption the value of the entitlement in the Underlying or a cash payment based on the related sale proceeds of the Underlying is lower than the capital invested by Noteholders to purchase the Notes, Noteholders will suffer a loss. The more the value of the Underlying falls, the smaller the value of the entitlement in the Underlying or a cash payment based on the related sale proceeds of the Underlying.

The characteristic feature of Notes is that they aim to reproduce the performance of the Underlying aside from fees. Investors should note that any fee, including, but not limited to the Diminishing Entitlement Rate or an Upfront Exercise Fee, or any currency conversion will result in a divergence from the performance of the Underlying. In this context, the Noteholder bears the risk that the performance of the Notes may lag behind the performance of the Underlying.

The Issuer may fail to make deliveries of the Underlying, at all or in a timely manner, due to failure in the relevant Crypto Asset network to verify payments, operational deficiencies at the Crypto Custodian, the Administrator or the Issuer. In addition, there is a risk that Noteholders may not be able to exercise the Notes if they do not provide sufficient information to the Issuer in accordance with the Terms and Conditions. Furthermore, if a Noteholder exercises its Crypto Asset Delivery Right or, as the case may be, its Cash Exercise Right under the Notes due to a specific value of the Underlying and there is a delay in the redemption process, there is a risk that the value of the Underlying can fluctuate/decrease in that time period.

If the transmission network fees for the Underlying are higher than a Noteholder has specified as the level it is prepared to pay, the redemption could take longer to process, during which the value of the Underlying may have fluctuated/decreased.

There is a risk that the Underlying may lose considerable value and that the Noteholder may consequently suffer a substantial loss of the capital invested. Even a total loss is possible. This is the case if the value of the Underlying decreases so sharply that the Underlying becomes worthless.

With regard to the performance of the Underlying, potential investors should consider the description of the risks that have a material effect on the Underlying in section 2.2.4 (*Risks in connection with the Underlying*).

*Risk in connection with a termination by the Issuer following a Termination Event*

The Terms and Conditions provide for the possibility of termination of the Notes by the Issuer in case of a Termination Event. In exercising such right, the Issuer is not required to have any regard to the interests of the Noteholders, in particular to take the then current price of the relevant Crypto Asset as Underlying into account.

As a consequence, it cannot be excluded that the Notes are terminated by the Issuer at an economically unfavourable for the Noteholders, in particular where the price of the relevant Crypto Asset as Underlying has significantly decreased in value. The market price of the Crypto Asset may change rapidly and, in extreme cases, become zero (0) (see section 2.2.4 (*Risks in connection with the Underlying - Risks in connection with the development of the price*)). Investors in the Notes shall, hence, not assume that the relevant Crypto Asset and Notes will have any value at that time of termination by the Issuer. In particular, investors cannot assume that the price of the Notes will develop in line with their expectations up to the Redemption Date. Consequently, these Notes in particular are only suitable for investors capable of assessing the relevant risks and bearing corresponding losses. There is therefore a risk for investors with respect to the duration of their investment. Moreover, investors also bear the risk of not participating in the performance of the relevant Crypto Asset to the expected extent and during the expected period.

Accordingly, if any Notes are redeemed by the Issuer (after the occurrence of a Termination Event), Noteholders may have a lower than expected yield or may suffer a loss and are exposed to the risks connected with any reinvestment of proceeds received as a result of such redemption. Furthermore, the termination by the Issuer might result in the effective disposal of the Notes for tax purposes by some or all Noteholders on a date earlier than planned or anticipated, which can result in less beneficial tax treatment of an investment in the Notes for such Noteholders than otherwise would be available should the investment be maintained for a longer period of time.

*Risk in connection with a redemption by delivery of the Underlying*

In case of a delivery of the Underlying, the Underlying will be delivered to the relevant Noteholder's digital wallet as designated in the relevant Exercise Form. The equivalent value of the quantity of the Underlying to be delivered depends solely on the performance of the Underlying and may therefore be subject to considerable fluctuations. Under certain



circumstances, the equivalent value of the delivered quantity of the Underlying may be very low and may even be zero (0).

The risk of price losses of the Underlying does not end with its delivery but only with its sale by the Noteholder. There is no automatic sale of the delivered quantity of the Underlying. Rather, the Noteholder must independently sell the delivered quantity of the Underlying in order to obtain a cash amount for the Underlying. If the value of the Underlying continues to fall between the time of delivery and the sale by the Noteholder, the loss of the Noteholder increases accordingly. In addition, the Noteholder also bears the other risks associated with the Underlying beyond the date of redemption until the Underlying delivered is actually sold.

The holding or sale of the delivered quantity of the Underlying may result in fees or other costs which reduce the potential return or increase the loss of the Noteholder. Ongoing costs (for example, custody fees) have a higher impact the longer the delivered quantity of the Underlying is held by the Noteholder after its delivery. As a rule, if the value of the delivered Underlying (less all costs in connection with its holding and disposal) is less than the capital invested, the Noteholder suffers a loss on sale.

The Underlying must be transferred to the Noteholder's digital wallet(s) as designated in the relevant Exercise Form. Noteholder's digital wallet(s) are only eligible when operated by duly licensed Crypto Asset Service Providers. Noteholders who do not provide the information regarding their digital wallet to the Issuer during the redemption process in a timely manner, will have their Notes redeemed in cash. If this transfer occurs to an inadequate or inappropriate digital wallet (which includes a digital wallet to which the Noteholder does not have the corresponding private cryptographic key or keys, or which the Noteholder cannot operate due to any other limitation, technical or otherwise), the Noteholder will not be able to access and dispose of the Underlying. For the Noteholder, this means a total loss of its investment. The decision on choosing the correct compatible digital wallet(s) lies solely with the Noteholder. The Noteholder is also entirely responsible for the secure storage of the private key of its digital wallet(s) in order to receive and dispose of the Underlying. The loss or theft of the private key (which includes an unauthorised copy of all or a part of the key or keys) can result in a total loss of all of the assigned Underlying within the digital wallet(s).

#### *Risks in connection with a redemption in cash*

Payments under the Notes redeemed by cash payment can be less or substantially less than the equivalent value of the Underlying as the Issuer will try to sell the Underlying using the Crypto Asset Sale Procedure.

Additionally, should the Issuer in case of a termination following a Termination Event fail to realise the Underlying using the Crypto Asset Sale Procedure, it is entitled to use any other reasonable procedure to sell the holdings in the Underlying and there is a risk that such procedures would result in the sale of the Underlying at a price less or substantially less than the minimum stipulated by the Crypto Asset Sale Procedure.

Claims of a Noteholder for payments in cash will only be settled after the relevant Noteholder has delivered its Notes to the Issuer and during the period from delivery of the Notes until actual payment in cash, the relevant Noteholder will no longer be the owner of the Note, nor have a secured claim against the Issuer. Accordingly, the Noteholder might receive payments later than anticipated or, given the claims are no longer secured, may not receive payments at all.

### Risks in connection with a Failed Crypto Asset Sale

If the Notes are to be redeemed vis-à-vis a specific Noteholder in cash, the Issuer has to arrange for a procedure for the sale of the Underlying in order to redeem the Notes. Pursuant to the Terms and Conditions, a Crypto Asset Sale Procedure shall be deemed unsuccessful, if the relevant reference price of the Underlying as of the relevant determination date is not available, or it is expected not to be available on the dates when it is required for the purposes of the procedure (which is further described in the Terms and Conditions) or if no purchase offers for the Underlying were submitted or all purchase offers were rejected, inter alia in case of purchase offers, which are submitted for less than 80 percent of the Reference Price (under non-exceptional market conditions), or for any other reason (Failed Crypto Asset Sale). In case of such a Failed Crypto Asset Sale, Noteholders face the risk that the Notes cannot be redeemed in cash and Noteholders do not have any mechanism to monetise the Notes except for selling the Notes for fiat currency (e.g. EUR or USD) in the secondary market, if a liquid market exists. Additionally, the Issuer reserves the right to charge certain exercise fees even in case of a (Failed Crypto Asset Sale).

Due to the fees that may be incurred in this way, as well as due to unfavourable exchange rates on trading venues and over the counter markets, the Noteholder's investments could be adversely affected. In case of an illiquid secondary market, Noteholders might even be prevented from monetising their investment at all, which could ultimately result in a total loss.

### Risks in connection with the Diminishing Entitlement Rate

The Terms and Conditions provide for an adjustment of the Entitlement Ratio by applying the Diminishing Entitlement Rate which represents the rate at which the Entitlement Ratio decays over time.

The Diminishing Entitlement Rate is a fee charged by the Issuer enabling it to bear its costs in relation to the Notes. As of the Issue Date, the Diminishing Entitlement Rate will be specified in the Final Terms. The Diminishing Entitlement Rate may be lowered by the Issuer at any time (unconditionally) and the Issuer will notify the Noteholders thereof in accordance with the Terms and Conditions. Investors should note that the Entitlement Ratio adjustment will constantly lead to a reduction of the capital value and the value of the Notes. If the Underlying should not increase in value in such a way that the increase is at least covering the Diminishing Entitlement Rate, Noteholders will make a loss when exiting the product.

### Risk in connection with the occurrence of Events of Default.

The Issuer is required to comply with the Terms and Conditions. Events beyond the Issuer's control, including changes in the economic and business conditions in which it operates, may affect the Issuer's ability to comply with the undertakings set out in the Terms and Conditions. There is a risk that a breach of the Terms and Conditions will result in certain events of default, entitling Noteholders to declare all but not some of its Notes due and payable.

If such claims are declared due and payable, the Issuer is required to perform its delivery and payment requirements under the Notes in respect of the Underlying. The value of the Underlying can fluctuate during the time when such delivery or payment performance is being processed to be executed. In order for the delivery of the Underlying to be made, Noteholders need to have their own eligible digital wallet(s) and report such digital wallet(s) to the Issuer and a failure of

doing so will result in the respective Noteholder not receiving the Entitlement Ratio in the Underlying. Additionally, the Issuer may receive more redemption requests in an Event of Default than it can operationally process. This may result in delays for the Noteholders receiving their Entitlement Ratio in the Underlying. Moreover, Noteholders requesting an immediate performance of the Issuer following an Event of Default could cause a material adverse effect on the Issuer's financial position and could even result in the Issuer being required to file for insolvency with related consequences of the Noteholders being subject to the consequences of an insolvency.

#### Risks resulting from Noteholder resolutions

The Terms and Conditions of a particular Series of Notes, including the terms of payment of principal, can be amended (with the consent of the Issuer) by a Noteholders' resolution and any such resolution will be binding for all Noteholders of such Series of Notes. Any such resolution may effectively be passed with the consent of less than a majority of Bondholders holding the aggregate principal amount of the Notes of such Series of Notes outstanding.

The specific risk is that Noteholders of a particular Series of Notes are being outvoted and losing rights towards the Issuer against its will in the event that Noteholders holding a sufficient aggregate principal amount of the Notes participate in the vote and agree to amend the Terms and Conditions of a particular Series of Notes by majority vote in accordance with the Terms and Conditions and the SchVG which, in turn, may result in a Noteholder's loss of the investment in the Notes.

#### Risks relating to a Noteholders' Representative

Under the SchVG, a joint representative (*gemeinsamer Vertreter*) of the Noteholders (Noteholders' Representative) may be appointed on the basis of the terms and conditions of debt securities. The Noteholders' 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 Noteholders' Representative will be appointed under the Terms and Conditions. Any appointment of a Noteholders' Representative for the Notes of a particular Series of Notes post issuance of such Series of Notes will, therefore, require a majority resolution of the Noteholders of such Series of Notes.

The specific risk is that if the appointment of a Noteholders' Representative is delayed, this will make it more difficult or even impossible for Noteholders of a Series of Notes to take collective action to enforce their rights under the Notes.

If a Noteholders' Representative will be appointed by majority decision of the Noteholders of a Series of Notes it is possible that a Noteholder may be deprived of its individual right to pursue and enforce its rights under the Notes against the Issuer, if such right was passed to the Noteholders' Representative by majority vote who is then exclusively responsible to claim and enforce the rights of all the Noteholders.

The specific risk is that Noteholders of such Series of Notes may not be able to enforce their rights under the Notes individually but with consent and depending on the action of a Noteholders' Representative only which, in turn, may result in a Noteholder's loss of the investment in the Notes.

## 2.2.2. Risks in connection with the Security

In this sub-category the material and specific risks in connection with the Security are described.

The most material risks are "Validity and Enforcement risk" and the "Credit risk in connection with the Crypto Custodian". The Issuer does not further differentiate the risks listed after the most material risk factors according to their materiality.

### Validity and Enforcement risk

The Issuer has undertaken to have an amount in the Crypto Asset equal to or higher than the Secured Obligations Amount (i.e. the sum of Secured Settlement Obligations Amount, Outstanding Amount and Secured Delivery Obligations Amount) always deposited with the Crypto Custodian, and has assigned its rights and claims relating to such deposited Crypto Asset to the Collateral Trustee as security for the Issuer's obligations under the Notes and towards the Secured Parties (the "**Security Assignment**").

These security arrangements may not be sufficient to protect the Noteholders in the event of the Issuer's or the Crypto Custodian's bankruptcy or liquidation due to various reasons. Security granted to secure a Series of Notes may be void, unenforceable or enforcement of the Security may be delayed. The legal assessment of cryptocurrencies is still evolving, and many legal aspects remain uncertain. It is, for example, uncertain what the legal nature of cryptocurrencies is, if any proprietary rights exist in any particular units of cryptocurrency, and if and how security can be created over (proprietary rights in) any units of cryptocurrency. There is therefore a legal risk that the Security Assignment is void or not enforceable to the extent it seeks to create a security interest in the deposited Crypto Asset and/or any respective proprietary rights of the Issuer. In this case, the Security Assignment would only create a security interest in contractual rights which the Issuer has against the Crypto Custodian in relation to the deposited Crypto Asset.

In addition, there are also uncertainties on how to enforce the Security Assignment, resulting from the relative novelty of cryptocurrencies as an asset class, potential changes in legislation, lack of practice or potential technical or operational impediments disrupting the enforcement of the Security Assignment. In addition, the enforcement of the Security Assignment may be delayed.

If any of these factors were to occur, this could result in a Noteholder's (total) loss of the investment in the Notes.

### Credit risk in connection with the Crypto Custodian

The Issuer will be exposed to the credit risk of the Crypto Custodian holding the Crypto Assets. Credit risk, in this case, is the risk that the Crypto Custodian holding the Crypto Asset will fail to fulfil an obligation or commitment to the Issuer. There is no deposit guarantee or protection for the Crypto Asset when held with a Crypto Custodian. The Crypto Assets are maintained by the Crypto Custodian segregated from the assets of any other customers of the Crypto Custodian and from any other assets of the Issuer; and such segregation is, despite the lack of related court decisions in the Federal Republic of Germany, intended to be recognised under German law in the event of insolvency of the Crypto Custodian. However, any insolvency of the Crypto Custodian may result in delayed access to the Crypto Asset based on the rights and claims provided as a Security. In such a period, Noteholders may face a loss due to price fluctuations

in the relevant Crypto Asset (see section 2.1.1 (Specific risks relating to the Issuer's risk of bankruptcy - Risk of bankruptcy) and section 2.2.4 (*Risks in connection with the Underlying - Risks in connection with the development of the price*)). In addition, should the laws of certain Foreign Law Jurisdictions become predominantly applicable, e.g. due to the fact that the Crypto Asset is not stored in the Federal Republic of Germany or the Crypto Custodian is part of a group, which is regulated by foreign regulatory authorities and subject to the laws of jurisdictions other than the Federal Republic of Germany ("**Foreign Law Jurisdictions**") (e.g. due to a registered office in Switzerland), the Crypto Asset, as custodially held crypto assets, may become subject to any sort of regulatory bail-in or considered to be the property of a bankruptcy estate in the event of a bankruptcy or restructuring. As a consequence, the Crypto Asset held in custody in an account on behalf of customers could be subject to restructuring and/or bankruptcy proceedings and customers with an account could be treated as general unsecured creditors, which, could lead to the Security being of low, or, in the worst case, even no value, and in turn, may result in a Noteholder's loss of the entire capital invested when purchasing the Notes.

*Risk in relation to the Crypto Asset Sale Proceeds as security*

There is no pledge of the Sales Proceeds Cash Account where any Crypto Asset Sale Proceeds are credited. While in accordance with the Sales Proceeds Cash Account Control Agreement, (a) withdrawals from the Sales Proceeds Cash Account, or other dispositions over the amounts standing to the credit thereof, by the Issuer may only take place; and (b) the Issuer Account Bank shall act upon instructions originated by the Issuer concerning the Sales Proceeds Cash Account only upon receipt by the Issuer Account Bank of an approval of such transaction or instruction from the Administrator, such Sales Proceeds Cash Account Control Agreement does not have the same effect as a pledge of the Sales Proceeds Cash Account and there is no right to separate satisfaction (*Absonderungsrecht*) in relation to the Crypto Asset Sale Proceeds if insolvency proceedings should be instituted against the Issuer. Investors entitled to cash payments in accordance with the Terms and Conditions face the risk that there will not be cash equal to the Noteholders' payment claims available to be distributed among Noteholders. This may even result in a Noteholder's loss of the entire capital invested when purchasing the Notes.

*Risk in relation to the Issuer-Held Notes as security*

The Issuance Account where Notes beneficially owned by the Issuer are held or registered is not pledged. In accordance with the Issuance Account Control Agreement, (a) any disposal over the Issuer-Held Notes (in particular any transfer of Issuer-Held Notes out of the Issuance Account) may only take place; and (b) the Issuing Agent shall act upon instructions originated by the Issuer concerning the Issuer-Held Notes only, upon receipt by the Issuing Agent of an approval of such transaction or instruction from the Administrator. Nevertheless, such Issuance Account Control Agreement does not have the same effect as a pledge of the Issuance Account and there is no right to separate satisfaction (*Absonderungsrecht*) in relation to the Issuer-Held Notes if insolvency proceedings should be instituted against the Issuer. Investors claiming title to or proceeds of the enforcement of such Issuer-Held Notes may be unsuccessful. This may even result in a Noteholder's loss of the entire capital invested when purchasing the Notes.

*Risk of fraud arising from third parties and service providers*

The Issuer is interacting with a number of third parties and service providers, including, but not limited to, the Crypto Custodian, the Collateral Trustee, Authorised Participants and stock exchanges. The Issuer is also relying on its own personnel for its operations. As a result, the Issuer is exposed to the risk of misconduct, negligence or fraud by these third parties / and service providers 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 Noteholders in the Notes. It is not possible for the Issuer to completely exclude any misconduct by third parties and service providers and the internal control systems set up by the Issuer or the relevant third parties may not always be fully effective. Also, these risks may not be fully covered by any insurance arrangements by the Issuer.

The materialisation of any of the foregoing risks could, in turn, lead to the loss of the entire capital invested by the Noteholders when purchasing the Notes.

*Risks in connection with the realisation of the Security and the role of the Collateral Trustee*

The Collateral 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 Noteholders. Fees, costs and expenses for the Collateral 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 Noteholders.

The Collateral Trustee shall have no responsibility whatsoever to any other party or to any Noteholder of a particular Series of Notes as regards any deficiency which might arise because the Collateral Trustee is subject to any tax in respect of the Security or any part thereof or any income therefrom or any proceeds thereof.

The Collateral Trustee shall only act upon instruction of the Noteholders' Representative in relation to a particular Series of Notes. No initial Noteholders' Representative will be appointed under the Terms and Conditions. Any appointment of a Noteholders' Representative for the Notes of a particular Series of Notes after the issuance of such Notes will, therefore, require a majority resolution of the Noteholders of such Series of Notes. The specific risk is that no Noteholders' Representative will be appointed because a majority resolution by such Noteholders has not been passed or that the Noteholders' Representative might not instruct the Collateral Trustee in the interest of all individual Noteholders of such Series of Notes. In such an event it may be difficult or even impossible for such Noteholders to take collective action and to enforce the Security.

*Risk in connection with the preferential satisfaction of the Collateral Trustee*

The Issuer will also need to pay to the Collateral Trustee, by way of remuneration for its services as Collateral Trustee, such amount as shall be agreed from time to time in a fee letter between the Issuer and the Collateral Trustee. Subject to the resignation of the Collateral Trustee, such remuneration shall accrue from day to day from the date of the Security Trust Agreement and be payable (in priority to payments to Noteholders) up to and including the date when, all the Secured Obligations have been irrevocably satisfied and discharged in full. This means that any and all amounts due and payable to the Collateral Trustee and any appointee of the Collateral

Trustee will rank at the top of the post enforcement waterfall. This means that these amounts will be deducted from any enforcement proceeds and will not be available to be distributed among Noteholders.

*Risk on connection with the recognition of the Security and choice of law in other jurisdictions.*

The laws of Foreign Law Jurisdictions may affect some or all of the security interests over assets representing the Security granted under the respective Security Documents. 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.

As a consequence, any claims of the Secured Parties against the issuer under a Series of Notes would be factually unsecured and Noteholder bear the full credit risk of the Issuer (see section 2.1.1. (*Specific risks relating to the Issuer's risk of bankruptcy*)).

*Units of the Crypto Asset held as Security may be declared void.*

If units of the Crypto Asset were used for transactions associated with criminal activities (as further described below under section 2.2.4 Risks in connection with the Underlying, *Risks as a result of criminal activity or loss of data*), (regulatory) authorities or courts may declare void units of the Crypto Asset to which the rights and claims held as Security relate. In such an event it may be impossible to realise the units of the Crypto Asset held as Security, which may even lead to the loss of the entire capital invested by the Noteholders when purchasing the Notes.

**2.2.3. Risks in connection with the investment in, the holding and selling of the Notes and in connection with specific client objective and needs**

In this sub-category the material and specific risks in connection with the investment in, the holding and selling of the Notes and in connection with specific client objective and needs are described.

The most material risks are the "Market price risk" and the "Risks in connection with trading in the Notes, liquidity risk". The Issuer does not further differentiate the risks listed after the most material risk factors according to their materiality.

*Market price risk*

Investors should be aware that the price of the Notes during their term and consequently, when Notes have been exercised, the deliveries or payments under the Notes may be significantly lower than the purchase price.

The price of a Note depends primarily on the price of the Underlying to which it is linked, but does not normally mirror changes in the price of the Underlying exactly. All of the positive and negative factors affecting an Underlying are therefore also reflected in principle in the price of the Note.

The following circumstances in particular may have an effect on the market price of the Notes, and individual market factors may be mutually reinforcing or may cancel each other out, *i.e.* may demonstrate a certain correlation to each other:

- Change in the intensity of fluctuations in price of the Underlying (volatility)

- Exchange rate movements
- Remaining term of the Notes
- General changes in interest rates
- Changes in the creditworthiness or perceived creditworthiness of the Issuer.

Therefore, Investors are subject to the risk that the market value of the Notes does not exclusively depend on the prevailing price of the relevant Crypto Asset (including Crypto Currencies) as Underlying and changes in the prevailing price of the Underlying 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 the relevant Crypto Asset (including Crypto Currencies) as Underlying as a result of negative effects of fees and charges, in addition to the negative effect of any other risks described in this section (*Risk Factors*). The return following a sale of the Notes may not reflect the return if the investor had actually owned the Underlying and held such investment for a similar period.

*Risks in connection with trading in the Notes, liquidity risk*

Where indicated in the Final Terms, applications will be made to include the Notes or admit them to trading on a stock exchange or other trading venue. Even after the Notes have been included or admitted, their continued permanent admission cannot be guaranteed. If such inclusion or admission cannot be permanently maintained, it is possible that it will be significantly more difficult to purchase and sell the relevant Notes. Even if the Notes are included or admitted, investors should note that this will not necessarily result in a high turnover of the Notes.

Trading on the stock exchanges and market segments specified or other trading venue is subject to numerous statutory requirements and stock exchange rules and regulations. Investors should acquaint themselves with the regulations applicable on those exchanges and markets (such as the rules for cancelling trading transactions not executed at correct market prices, known as mistrades) prior to making a purchase of the Notes. As an example, a mistrade can be considered in the case of an error in the technical system of the stock exchange or trading venue, the market maker or online broker, in the case of an obvious error made while inputting a price or a limit for an order or in the case of a buy or sell price (so-called quote) provided by the responsible party that was obviously not determined at a price justified by the market, though the price formed the basis for the transaction. The application is ruled by the responsible department in accordance with the applicable rules. In this context possible investors might risk that any trades will be void as a result of an application filed by another market participant.

A market maker specified in the relevant Final Terms will act as Market Maker for the Notes and will undertake to provide bid and offer prices for the Notes pertaining to an issue subject to regular market conditions. However, the Market Maker is neither obliged towards the Noteholders to take over this function nor to maintain the function as market maker once assumed.

The Market Maker might undertake towards certain exchanges, in accordance with the relevant rules of the exchange, to provide bid and offer prices with regard to a specific order or securities volumes (whereby such obligation (so called Market Making) will not apply in exceptional situations, such as technical breakdowns, special market situations, or the (temporary) sell-out of the issue). That obligation, however, will be only towards the relevant exchange. The Market



Maker has no obligations to third parties, including the Noteholders in this regard. This means that the Noteholders cannot rely on their ability to sell the Notes at a certain time or price. In particular, the Market Maker is not obliged to repurchase the Notes during their term.

The Issuer may be required by the applicable rules of an exchange to have a minimum number of market makers. If a replacement cannot be found for a market maker who ceases to act as such, and the Issuer is unable to meet the minimum requirement as a result, the relevant exchange may require the Notes to cease trading, which may make it harder for Noteholders to dispose of Notes at a time of their choosing and lead to a loss for the Noteholders if, when they are subsequently able to sell the Notes, their value has dropped below the value when the Noteholder initially sought to sell them.

Even if Market Making takes place at the beginning or during the term of the Notes, this does not mean that there will be Market Making for the full duration of the term of the Notes.

For the aforesaid reasons, it cannot be guaranteed that a secondary market will develop with regard to the Notes that would provide the Noteholders with an opportunity to sell their Notes. The more restricted the secondary market, the more difficult it will be for the Noteholders to sell their Notes in the secondary market. Even if a secondary market develops, no prediction can be made about the price at which the Notes will be traded in the secondary market.

The inclusion and/or admission of the Notes will not necessarily increase their liquidity. Pricing on the stock exchanges normally only takes place within the spreads of the bid and offer prices quoted by the Market Maker and the relevant stock exchange order will generally be executed directly or indirectly against the Market Maker.

Noteholders bear the risk that there is no liquid market for trading in the Notes. This means that Noteholders cannot sell the Notes at a specific time or at a specific price.

Potential investors must not assume that it will be possible to sell the Notes during their term and must be prepared to exercise its Notes in accordance with the Terms and Conditions (by submitting an exercise notice) on a specific date (see section 2.2.1 (*Risks resulting from the profile of the Notes – Payment profile risk*)).

A Noteholder must not assume, in the case of either on-market or off-market trading, that market participants other than the Market Maker will quote bid and offer prices for the Notes. Investors must expect bigger spreads between bid and offer prices determined by the Market Maker in the case of the Notes in comparison to shares. When purchasing or selling the Notes in the secondary market the spread has to be considered in exchange and off-exchange trading.

Delays in determining prices or wider spreads may occur, in particular, in the case of market disruptions and system problems. System problems may include telephone problems, technical faults with the trading systems or power failures. Market disruptions occur in unusual market circumstances (e.g. exceptional market movements of the Underlying or special situations in the home market) or due to serious disturbances of the economic and political environment (such as terrorist attacks or a crash, *i.e.* a sharp fall in stock exchange prices within a short time frame).

The issue size specified in the Final Terms corresponds to the maximum number of Notes being offered, but does not permit any conclusions to be drawn about the respective volume of Notes actually issued and deposited with the relevant central securities depository in accordance with the rules applicable in each case. This volume depends on the market conditions and may

change during the term of the Notes. It should be noted that it is also not possible to draw any conclusions about the liquidity of the Notes in the secondary market on the basis of the issue size specified.

*Risks in connection with the price determination for the Notes*

Investors should note that the Issue Price and the bid and offer price for the Notes quoted in the secondary market may include a premium over the original mathematical value of the Notes (so-called *fair value*) that is not apparent to the investor. This so-called *margin* and the fair value of the Notes are determined by the Issuer and/or Market Maker at its own discretion on the basis of internal pricing models and a number of other factors. This margin may differ from premiums charged by other issuers or market makers for comparable debt securities. For the purpose of calculating the margin the following parameters are considered besides return: mathematical value of the Notes, price and volatility of the Underlying, supply and demand with regard to the Notes, costs for risk hedging and premium for risk assumption, costs for structuring and distribution of the Notes, commissions, if any, as well as license fees, if any.

Some of these factors may not have a consistent effect on the price of the Notes based on the relevant pricing models for the duration of the term, but may be taken into account at the Market Maker's discretion at an earlier time in a pricing context. This might include inter alia the margin included in the Issue Price.

For the aforesaid reasons, the prices provided by the Market Maker may deviate from the mathematical value of the Notes and/or the price to be expected from a commercial perspective, which would have formed in a liquid market at the relevant time in which several market makers acting independently of each other provide prices. In addition, the Market Maker may change the method based on which it determines the prices provided by it at any time, e.g. by changing its pricing models or using other calculation models and/or increasing or reducing the bid/offer spread.

If, during the opening hours of secondary trading in the Notes by the Market Maker and/or the opening hours of the relevant exchanges on which the Notes are included and/or admitted, the Underlying is also traded on its home market, the price of such Underlying will be taken into account in the calculation of the Underlying and thus indirectly in the price calculation of the Notes. If, however, the home market of the Underlying is closed while the Notes are traded, the price of the Underlying must be estimated. If the price of any Underlying is estimated because its home market is closed, such an estimate may turn out to be accurate or too high or too low within hours in the event that the home market starts trading in the Underlying. Accordingly, the prices provided by the Market Maker prior to the opening of the relevant home market in respect of the Notes will then turn out to be too high or too low.

*Risks in connection with potential conflicts of interest*

The Administrator, an Authorised Participant, the Crypto Custodian, the Issuing Agent, the Paying Agent and Collateral Trustee, and their respective affiliates, may pursue interests that conflict with or do not take into account the interests of the Noteholders. This may be in connection with the exercise of other functions or in carrying out further transactions. Potential conflicts of interest may adversely affect the value of the Notes.

Moreover, the shareholders of the Issuer, Authorised Participants or other service providers and each of their affiliates may, in course of their normal business activities (e.g. as issuer or fund manager) also issue products (such as notes or investment funds) linked to the performance of Crypto Assets and enter into (hedging) transactions in relation to the Crypto Assets used for the purposes of the Notes. Potential investors in the Notes should be aware that the shareholders of the Issuer, Authorised Participants or other service providers and each of their affiliates are not obligated, when dealing in Crypto Assets, will not take into account the interests of the Noteholders. As a consequence, conflicts of interest may arise, in particular where such shareholders of the Issuer, Authorised Participants or other service providers and each of their affiliates will, in course of their normal business activities (e.g. as issuer or fund manager), sell a Crypto Asset, whilst such sale may adversely affect the price of the relevant Crypto Asset and, consequently, the value of the Notes.

Similar conflicts of interest may arise, where the shareholders of the Issuer, Authorised Participants or other service providers and each of their affiliates offer, in course of their normal business activities (e.g. as distributor or investment advisor) offer to investors competing products linked to the performance of Crypto Assets.

Additional conflicts of interest may arise from shareholders or entities the Advisory Board Members are affiliated with being active in the issuance business itself or distributing or providing services in relation to products similar to the Notes for other parties.

#### Pricing of the Notes, Market Making

A market maker specified in the relevant Final Terms will act as Market Maker and will undertake to provide bid and offer prices for the Notes pertaining to an issue subject to regular market conditions. The prices set by the Market Maker will not always correspond to the prices that would have formed in a liquid exchange trading. The bid and offer prices quoted by the Market Maker in the secondary market are determined on the basis of the fair value of the Notes. The fair value depends amongst other things on the value of the Underlying. In addition, an initial charge, which may be levied on the Notes, is taken into account. In addition, fees and costs may be included that are due when the Notes mature and are deducted from the cash amounts. These may be, for example, administrative, transaction or similar fees.

The Market Maker sets the spread between bid and ask prices. Bid price is the price at which the market maker buys the Notes. Ask price is the price at which the Market Maker sells the Notes. The spread depends on supply and demand for the Notes as well as on certain yield aspects. Some costs are deducted when the Notes are priced over the term of the Notes. However, this does not always happen evenly over the term. Costs may be deducted in full from the fair value of the Notes at an early stage as determined by the Market Maker. This also applies to a margin included in the Issue Price of the Notes. The prices quoted by the Market Maker may therefore differ materially from the fair or the economically expectable value of the Notes. In addition, the Market Maker can change the method by which rates are set at any time. For example, the Market Maker can increase or decrease the spread between bid and ask prices.

When calculating the price of the Notes, the Market Maker considers the price of the Underlying as follows:

- If both the Note and the Underlying are traded, the following applies: The Market Maker considers the secondary market price of the Underlying when pricing the Notes.
- If the Note is traded even though the Underlying is not traded, the following applies: The Market Maker estimates the price of the Underlying when pricing the Notes. Such a situation can occur, for example, if the trading venue on which the Underlying is traded is closed due to a public holiday.

#### Exercise of other functions

The Issuing Agent, the Paying Agent, the Collateral Trustee and the Crypto Asset Broker and their respective affiliates may also have a different role in relation to the Issuer and the Notes. These roles may give rise to conflicts of interest. When exercising any other role in relation to the Issuer and the Notes, the Issuing Agent, the Paying Agent, the Collateral Trustee and the Crypto Asset Broker and their affiliates may not take into account the interests of the Noteholders. Such potential conflicts of interest may adversely affect the value of the Notes.

#### Further transactions

The Issuing Agent, the Paying Agent, the Collateral Trustee and the Crypto Asset Broker and their respective affiliates may enter into transactions with respect to the Underlying. Such transactions may adversely affect the performance of the Underlying. It may also adversely affect the value and / or tradability of the Notes.

#### Information related to the Underlying

The Issuing Agent, the Paying Agent, the Collateral Trustee and the Crypto Asset Broker and their respective affiliates may own or obtain material, non-public information about the Underlying and may, for example, issue research reports relating to the Underlying. The Issuing Agent, the Paying Agent, the Collateral Trustee and the Crypto Asset Broker and their affiliates are not obliged to pass on such information to potential investors or Noteholders, unless there are legal obligations.

#### *Risk in connection with the taxation of the Notes*

The payment of taxes, levies, fees, deductions or other amounts incurred in connection with the Notes is the responsibility of the individual Noteholder and not of the Issuer. All payments made by the Issuer may be subject to taxes, levies, fees, deductions or other payments required to be made, paid, withheld or deducted.

Tax laws and practice are subject to change (including during the Subscription Period or term of the Notes), possibly with retrospective effect. This could have a negative effect on the Noteholder's return from the Notes. Any such change may mean that the tax treatment of the relevant Notes may be different from the treatment that the Noteholder thought was applicable at the date of purchase of the Notes. Noteholders therefore bear the risk that their understanding of the manner in which income arising from the Notes is taxed may be wrong, or that the manner in which income arising from the Notes is taxed may change to their disadvantage. This may have a material adverse effect on the return of the Notes for Noteholders.

The taxation of the Underlying and associated companies can vary significantly by jurisdiction and is subject to significant revisions. The status of the Underlying remains undefined. Accordingly, the way in which the Underlying are taxed varies from country to country.

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

#### **2.2.4. Risks in connection with the Underlying**

In this sub-category the material and specific risks in connection with the Underlying are described.

The most material risks are the "Risks in connection with the development of the price" and "Risks relating to the technology and its development". The Issuer does not further differentiate the risks listed after the most material risk factors according to their materiality.

Past experience shows that the Underlying-specific risks described below will lead to a falling price of the Underlying in the majority of cases or in extreme cases to the Underlying expiring worthless.

##### *Risks in connection with the development of the price*

The Notes in this Programme are linked to a pre-selected Crypto Asset as Underlying. The Issuer will specify the Underlying to which the relevant issued Note relates in the Final Terms. The performance of the Note is affected by the performance of the Crypto Asset.

Crypto Asset is a general term under which, *inter alia*, cryptographic currencies such as Bitcoin or Ether are subsumed. The concept of a Crypto Asset denotes a certain type of unregulated virtual money that is not issued or backed by a central bank. The rates of exchange between a currency and a Crypto Asset are generally determined by supply and demand on particular trading platforms on which those Crypto Assets are traded. Those rates of exchange may be affected by a variety of factors such as speculative activity, general macro-economic factors, interventions by central banks and government agencies or other political factors (including restrictions on buying and selling). It should be borne in mind that the value of a Crypto Asset is highly volatile and can rise or fall rapidly.

The market value of a Crypto Asset does not generally depend on a claim or a reference value; it depends in principle on the investors' expectation of price appreciation of the Crypto Asset or its underlying technology or the possibility to use the Crypto Asset in the future for transactions and/or as a means of payment and/or store of value. The close relationship between the expectations held and the market value is generally reflected in higher volatility in the market value of a Crypto Asset. The degree of acceptance of a Crypto Asset may decline, among other reasons, if the Crypto Asset is not accepted or no longer accepted as a means of payment and/or store of value.

Certain Crypto Assets may also be or become illiquid during the term of the Notes which, depending on the extent of the illiquidity, may negatively impact the ability of the Market Maker to provide a secondary market for the Notes, increase the bid-ask spread for the Notes and/or substantially delay the date for redemption of the Notes by way of a cash payment or the date for delivery of the Underlying or even make such redemption or delivery impossible.

A fall in the Underlying may be economically unfavourable for an investor. The market price of the Crypto Asset could fall and, in extreme cases, become zero (0). There is no guarantee that

the Underlying will move in a direction that is economically favourable for the investor and corresponds to the investor's expectations.

*Risks relating to the technology and its development*

There is a risk that the source code or DLT on which a Crypto Asset is based may contain errors. Any such error could threaten the integrity and security of the relevant Crypto Asset and the corresponding network/DLT. In many instances, the source code is publicly available and can be downloaded and inspected by any interested party. Nevertheless, there could be an error in the source code that has not yet been discovered and rectified by the associated developer teams, or such an error could be exploited for as long as it has not been removed. There is the additional risk of an error that cannot be rectified. It should be borne in mind that the rectification of technical errors in the governing protocol(s) is outside the sphere of influence of the Issuer or its partners. These risks could materially weaken the reputation of a Crypto Currency, which could have an adverse effect on its market price.

The source codes or protocols on which the Crypto Assets are based are constantly being developed. The further development and acceptance of the protocol depends on a range of factors. The development of Crypto Assets could be hindered or delayed if disagreements were to arise among the participants, developers and members of the network.

New and improved versions of the source code must, depending on the governing consensus mechanism of the underlying protocol, be confirmed by either a majority of the members of the computing power of the network (Proof-of-Work consensus mechanism) or based on the number of staked units of the respective Crypto Assets (Proof-of-Stake consensus mechanism) in order to update the source code version. In the event that a consensus among the network participants cannot be reached for the purpose of updating the source code, this could mean that urgent updates or improvements in the source code are implemented only partially or not at all. If the development of the source code is hindered or delayed, this may have an adverse effect on the value of the Crypto Asset.

Furthermore, there is a risk that one or more members of the network could control a majority of the network. In this case, the majority could impose changes in the source code that have an adverse effect on the market value of the Crypto Asset concerned. For example, such changes could affect the verification procedure, the generation of private keys (which are necessary for executing transactions) or the subsequent deletion of transactions. Such so-called "51% attacks" could result in a general loss of confidence in the Crypto Asset and the possible total cessation of trading. It may be difficult to keep track of these scenarios in some cases and they could permanently upset the equal status of the participants in the network. This would cause a loss of reputation and material adverse effects on the market value of the Crypto Asset concerned. But even if such adverse scenarios are not realised, control of the majority of a network could have the same adverse effects for the market value of the Crypto Asset.

The risk of 51% attacks is not limited to enforcing changes to the source code, but represents a general risk. Thus, a person or group of persons who make up the majority of the computing power of the network may manipulate transactions within the network (without changing the source code). The risk theoretically already exists below the 50% threshold, but is becoming increasingly unlikely. Specifically for protocols that are governed by a Proof-of-Work consensus

mechanism, the risk of such attacks increases with the observed pooling of persons into so-called mining pools.

Some Crypto Assets that are based on Proof-of-Work networks are generated by solving mathematical problems to verify transactions (mining) and miners are commonly rewarded by receiving a certain quantity of the Crypto Asset (block reward). In the specific example of Bitcoin, there is a finite quantity of the Crypto Asset (e.g. 21 million in the case of Bitcoin) which could be fully mined at some point in the future. The block rewards decrease at a predetermined rate as mining approaches the final supply level. As a result of this, the incentive for miners decreases over time which in turn may at some point in the future slow down or even stop validation of blocks which could slow down and eventually halt transactions on the blockchain. This would have a significant effect on the price of the Crypto Asset.

There is a further risk that in the case of a publicly accessible protocol, developers will not have the incentive of being remunerated for the further development of the source code. This could mean that the ongoing qualitative development of the source code is hindered or delayed. If the source code is not developed further, however, this could have an adverse effect on the value of the Crypto Asset concerned.

The market in Crypto Assets relies on the availability and functioning of the internet. Should there be a major disruption in the availability of the internet in, for example, a specific geographical region, this may have an adverse impact on the price of the Crypto Asset.

A set transaction fee may not be one of the features of a Crypto Asset (e.g. it is not the case for Bitcoin). Rather the transferring participants can determine the transaction fee themselves, thus incentivising the miners to pick their transaction before other transactions with lower transactions fees. This means that the processing for transactions may be slower than anticipated and in an extreme scenario, a transaction may be indefinitely delayed. In addition, security measures put in place, especially with respect to large transactions, may further delay the settlement of transactions in Crypto Assets.

As a consequence of the distributed ledger concept of blockchains, transactions are usually irreversible and there is also no governmental or private authority which could intervene to correct erroneous transactions. The result of which is that there is no recourse in cases where erroneous transactions have occurred which may have an adverse effect on the price of the Crypto Asset and/or the redemption of the Notes.

#### Risks in connection with forks

There is a risk that source codes or protocols could be developed further and for various reasons this could result in the Crypto Asset splitting into more than one protocol (known as a "hard forks").

A hard fork is a change in the consensus rules such that computers running the old code no longer produce transactions recognised as valid by computers running the new code. A hard fork may be uncontentious, contentious, or a spin-off. An uncontentious hard fork can be viewed as a software upgrade that all (or nearly all) users agree is beneficial, such that only one network and one set of rules result from the change. In a contentious hard fork, disagreement amongst users may result in two competing incompatible networks that vie for the same brand. For example, on 1 August 2017, the Bitcoin network underwent a spin-off hard fork that resulted in

Bitcoin (BTC) and Bitcoin Cash (BCH). Similarly, the Ethereum network underwent a spin-off hard fork that resulted in ETH and ETHPoW in September 2022.

There is also a risk that either a hard fork may occur as a result of an unintended malfunctioning of the source code. The result of any fork is difficult to anticipate and therefore the impact of a fork on the price of a Crypto Asset is difficult to predict but may be significant.

In the context of a hard fork, or other processes that result in a division or split of a Crypto Asset into multiple, possibly non-fungible, assets, trading platforms on which the relevant Crypto Assets are traded could temporarily suspend the ability to deposit or withdraw, or buy and sell, the Crypto Asset until the risks and consequences that may result from the process (such as replay attacks or network instability) have been definitively assessed. This could take several days in some circumstances, but the timeframe is generally not predictable. During any such temporary suspension, there is a risk that the Market Maker will not quote any bid and offer prices for the Notes.

If as a result of a hard fork the Issuer determines that such fork has led to the creation of two or more crypto assets being tradable through the Crypto Asset Broker and depositable with the Crypto Custodian, each Note shall thereafter represent a claim on a group of post-Fork crypto assets that corresponds to such Entitlement Ratio as each Note represented before the fork. Following a fork, the Issuer may also resolve to split the Notes into separate Series of Notes, each such new Series of Notes representing a claim on the Issuer for a separate post-Fork crypto asset in the group of crypto assets that each Note represented immediately following the fork. Moreover, the Issuer may suspend the Exercise Right, sales and/or issuances of Notes for a reasonable period of time, not exceeding 90 (ninety) days, in order to allow for the required arrangements following a fork. Any such measures will be applied by the Issuer at its [discretion]. The Issuer's considerations with respect to its actions may 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 or around the date of the fork. While these attributes may change over time, the Issuer may require that any forked assets have an available custody and trading solution on the fork date. There is no guarantee that all Crypto Currencies will have the same performance or the same technical development. 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. Any such measures could therefore – not only temporarily – have a negative effect on the value and tradability of the Notes.

#### *Risks in connection with the acceptance and reputation of Crypto Assets*

The price of a Crypto Asset depends on a number of factors outside the control of the Issuer. An important point to note is that the value of a Crypto Asset is very closely linked to investor confidence in that Crypto Asset as well as general macro-economic factors. If investors lose confidence in the Crypto Currency, the value of that Crypto Asset will also fall.

The performance of the Crypto Asset is in principle based on supply and demand. Crypto Assets are only used to a limited extent as a means of payment. This is due in particular to the low acceptance as a means of payment. Compared to cashless transactions in currencies such as USD, EUR or GBP, transactions in Crypto Assets are at present still very low. Certain Crypto Assets may also be subject to a smaller trading volume than other Crypto Assets. In addition,



the equivalent value of transactions in Crypto Assets in a currency such as USD is difficult to measure due to the sometimes very strong exchange rate fluctuations.

Although some Crypto Assets, such as Bitcoin, currently have significant status among Crypto Assets and in the perception of the public, there is a danger that other Crypto Assets may have or acquire competitive advantages, and that the significance of currently successful Crypto Assets will decline and that they may even be crowded out of the market.

Crypto Assets can be purchased directly from an owner or via a trading platform. The regulatory requirements and the subsequent licensing status of the trading platforms are not harmonised and in some cases unclear, which necessitates a comprehensive due diligence prior to trading Crypto Assets. A number of trading platforms have, for example, already had to cease their business operations due to a lack of regulation/local licensing and/or have been closed for other reasons – e.g., due to attacks by hackers.

Investors in Crypto Assets (and therefore indirectly investors in products using Crypto Assets as the Underlying as well, such as the Notes) face higher risks of fraud and loss. This may have an adverse effect on the reputation of the currency or of the market place in question, and so negatively impact the market price of the relevant Crypto Asset.

Transactions in Crypto Asset are generally public, but the owners and recipients of the transactions are not. The transactions are very difficult to trace and provide users of Crypto Assets with varying degrees of anonymity. The Crypto Currency's network can therefore be used in transactions for criminal purposes such as money laundering. Abuses of this kind can result in trading platforms being shut down by law enforcement agencies, denying access to credit balances on the platform as a result.

The Issuer depends on a supply of Crypto Assets from reputable and verifiable exchanges and OTC platforms. These exchanges are impacted by global and local economic conditions, market sentiment and regulatory changes related to the underlying Crypto Assets. Should this supply be constrained or a disruption to exchanges occur, the Issuer may be unable to issue additional Notes, which may, in turn, adversely impact its financial performance and creditworthiness.

Ownership of certain Crypto Assets, e.g. of Bitcoins, are determined by knowledge of a "private key" which can be thought of as similar to a password that grants the ability to transfer such Crypto Asset held in an individual address. Such Crypto Assets are transferred by cryptographically signing a message with this private key that tells the network that the owner wishes to move the Bitcoins from one public address to another specific public address. Public-private key cryptography ensures that all network participants can cryptographically verify that a transaction is valid. There exists the risk that private keys may be cracked, *i.e.* decoded, by an unauthorised person and used to verify that a transaction is valid. Today, the encryption of transactions is ensured by the difficulty of cracking its code using existing computers. However, private keys might be cracked and therefore unsecure when the calculation power of computers advances, such as through the development of quantum computers. The insecurity of private keys could have an adverse effect on the market price and reputation of the related Crypto Asset.

In addition, trading platforms are not banks, managing a Crypto Asset as a deposit. If a trading platform loses units of a Crypto Asset or has to cease its business operations, there is generally no specific legal protection (e.g., as provided by a local deposit protection scheme) covering

losses of units of a Crypto Asset held on the trading platform. This is the case even if the trading platform's activities are officially authorised.

Specific risks may arise for some trading platforms as a result of their particular features. For example, a trading platform may have limited transparency with respect both to pricing and its ownership or corporate structure. Trading platforms with limited transparency may nevertheless record high levels of turnover in a Crypto Asset. If confidence in the trading platform declines as a result of its limited transparency, this may have adverse effects on trading in the Crypto Assets concerned and on the turnover in those currencies. This may in turn have an adverse effect on the market price of those Crypto Assets.

Some Crypto Assets are frequently associated with a high consumption of energy in general and in particular with respect to mining. Against the background of current global and local efforts to reduce the carbon footprint of the economy in general and that of the finance industry in particular, Crypto Assets may become the subject of legal restrictions or rejection by investors due to the negative environmental impact that may be associated with Crypto Assets. This may have an adverse effect on the price of Crypto Assets.

#### Regulatory, legal and tax risks

Against the background of the relative novelty and the political discussion about Crypto Assets in various countries, regulatory, legal and tax risks exist that may have a negative impact on the Crypto Asset and/or the Notes.

The legal status of Crypto Assets in different jurisdictions varies. The absence of a uniform regulatory, legal and tax framework makes it difficult to assess the relevant risks. Since Crypto Assets frequently represent unregulated assets, there is a risk that future political, regulatory and legal (including tax) changes may have an adverse effect on the market for Crypto Assets and companies operating in that market. This could result in the value of the Crypto Asset concerned being adversely affected.

Crypto Assets and trading in Crypto Assets could be subject to taxation, for example VAT or investment income withholding tax. Investors should seek information on whether the use of Crypto Assets gives rise to tax obligations in their particular countries.

#### Volatility risk

Volatility denotes the degree of fluctuation or extent of the movement in price of an Underlying or a Note within a defined period. Volatility is calculated on the basis of historical data and particular statistical procedures. The higher the volatility is, the greater are the movements in price both upwards and downwards. An investment in Notes or Underlyings with a high volatility (as is the case with respect to Crypto Assets) is therefore fundamentally more risky than an investment in Notes or Underlyings with low volatility since it entails greater potential for incurring losses.

The volatility of the Underlying may increase due to developments and events in the market for the Underlying itself as well as with respect to connected and ancillary processes. In particular, a decrease in liquidity due to, for example, (partial) suspensions or a reduction of activity in the Underlying or other Crypto Assets as a result of market turmoil or solvency concerns with respect to key market participants (such as exchanges or lending platforms), may result in increased volatility. Due to the volatility of an Underlying, high losses may occur.

Market abuse risk

Markets for Crypto Assets are growing rapidly. These markets are local, national and international and include a broadening range of products and participants. Significant trading may occur on systems and platforms and with minimum predictability. Any sudden, rapid change in demand and supply of the Crypto Assets could cause significant price volatility. In addition, none of the Crypto Assets are backed by any central government and different regulatory standards apply across countries and in regions. The characteristics of the Crypto Assets and the underlying infrastructure could be used by certain market participants to exploit market abuse opportunities such as front-running (a form of insider dealing, whereby inside information of a future transaction is exploited to buy or sell financial assets for own account), spoofing (a form of fraud, whereby the communication with the target is disguised to gain access to its personal information and/or network for further attacks), pump-and-dump (a form of fraud, whereby the price of a financial asset is artificially inflated through false and misleading information) and fraud across different systems, platforms or geographical locations. As a result of reduced oversight, these schemes may be more prevalent in the crypto asset market than in the general market for financial products. Potential for market abuse in the form of such schemes may impact market conditions of the Crypto Assets, thereby impacting the value of the Crypto Assets and thereafter the value of an investment in the Notes.

Risks as a result of criminal activity or loss of data

The value of the Crypto Assets and/or the Notes may be negatively affected by criminal activity in connection with the Crypto Assets. Noteholders receiving units of the Crypto Assets as a result of a redemption of the Notes should be aware of the risk of losing such units when they hold or deposit such units in a digital wallet. Units of the Crypto Assets are usually stored in a "digital wallet" on a computer, laptop or smart phone. Digital wallets typically have a public key, and a private key or password that allows their owners to access them. However, digital wallets are not impervious to hacking. Similar to conventional wallets, money may therefore be stolen from digital wallets. Cases have been reported of consumers losing cryptocurrency in excess of USD 1,000,000, with little prospect of having it returned. In addition, loss of the key or password to a digital wallet (which includes unauthorised copy of the key or the password or a part of it), may result in cryptocurrency stored on the digital wallet to be lost forever. There are no central agencies that record passwords or issue replacement ones. Noteholders may lose all, or part, of their units of the Crypto Assets as a result of these factors.

### **3. Responsibility for the Information contained in the Base Prospectus**

#### **3.1. Persons responsible**

The nxtAssets GmbH, Frankfurt am Main, Federal Republic of Germany, as Issuer accepts responsibility in accordance with Article 11 para. 1 sentence 2 of the Prospectus Regulation and declares that, to the best of its knowledge, the information contained in the Base Prospectus is in accordance with the facts and that the Base Prospectus makes no omission likely to affect its import.

In connection with an issue of any Series of Notes and with regard to such issue only, if so specified under the item "Listing Agent's Responsibility" in the relevant Final Terms, Quirin Privatbank AG, with its registered office at Kurfürstendamm 119, 10711 Berlin, Federal Republic of Germany Germany, Legal Entity Identifier (LEI) 5299004IU009FT2HTS78 or such other Listing Agent as specified will be the person asking for the admission to trading on a regulated market, the relevant Listing Agent will accept responsibility for the Base Prospectus, including the Final Terms, and declare that to the best of its knowledge, the information contained in this Base Prospectus is in accordance with the facts and that the Base Prospectus makes no omission likely to affect its import.

#### **3.2. Statements Attributed to Experts**

The Base Prospectus contains no statements or reports attributed to persons acting as experts.

#### **3.3. Information Sourced from Third Parties**

To the extent that information from third parties has been included in the Base Prospectus, that information has been reproduced correctly. As far as the Issuer is aware or can deduce from the information published by third parties, no facts have been omitted that would render the information reproduced incorrect or misleading. The source of the information is named directly after the disclosure of the information.

#### **3.4. Information on the Website of the Issuer**

Information contained on the website of the Issuer <https://www.nxtassets.com> does not form part of this Base Prospectus, and has not been scrutinised or approved by the competent authority, unless that information is incorporated by reference into the Base Prospectus.

## 4. Important Notice

In connection with the issue, sale and offer of the Notes issued under the Base Prospectus, no person is authorised to circulate any information or make any declarations that are not contained in the Base Prospectus. The Issuer accepts no responsibility of any kind for information from third parties that is not included in the Base Prospectus. The information contained in the Base Prospectus relates to the date of the Base Prospectus and may now be incorrect and/or incomplete as a result of changes that have occurred subsequently. The Issuer will publish significant new factors, material mistakes or material inaccuracies relating to the information included in the Base Prospectus in a supplement to the Base Prospectus in accordance with Article 23 of the Prospectus Regulation.

The distribution of this Base Prospectus and the offer of the Notes may be subject to legal restrictions in certain countries. This may, in particular, concern the offer, sale, holding and/or delivery of Notes as well as the distribution, publication and holding of the Base Prospectus. Persons who gain access to the Notes and/or the Base Prospectus are requested to inform themselves about and to observe any such restrictions. **For further information see section 14 (*Selling Restrictions*) of the Base Prospectus.**

Except for the publication and filing of this Base Prospectus, any supplements thereto and/or the respective Final Terms in the Federal Republic of Germany and in the countries to which the Base Prospectus has been notified, the Issuer has not taken and will not take any action to make the public offer of the Notes or the holding or distribution of offer documents relating to the Notes permissible in any jurisdiction where special measures would be required for this purpose.

The Notes and the Base Prospectus may only be distributed within a jurisdiction provided that this is done in accordance with the laws in force in that jurisdiction and that no obligations arise for the Issuer in this respect. In particular, the Base Prospectus may not be used by anyone for the purpose of an offer or advertisement (a) in a country where the offer or advertisement is not authorised, but where it is necessary and/or (b) to or towards a person to whom such an offer or advertisement may not lawfully be made.

**The Base Prospectus, any supplement thereto and the relevant Final Terms do not constitute an offer or invitation to any person to purchase Notes, or any solicitation of such an offer, and should not be construed as a recommendation by the Issuer to purchase Notes.**

## 5. Information about nxtAssets GmbH

### 5.1. General Information about the Issuer

#### 5.1.1. Corporate Information

The legal and commercial name of the company is nxtAssets GmbH (the "**Issuer**"). The Issuer has been established as a special purpose vehicle for the purpose of issuing Crypto Asset linked securities.

The Issuer is a limited liability company (*Gesellschaft mit beschränkter Haftung*) organised and existing under the laws of the Federal Republic of Germany, registered with the Commercial Register of the Local Court (*Amtsgericht*) of Frankfurt am Main, Federal Republic of Germany, under the registration number HRB 134562. The Issuer's registered office is located at Neue Mainzer Straße 66-68, 60311 Frankfurt am Main, Federal Republic of Germany.

The Issuer was incorporated on 11 April 2024 for an indefinite period as a shelf company (*Vorratsgesellschaft*) with the name optus 988. GmbH and registered in the Commercial Register of the Local Court (*Amtsgericht*) of Frankfurt am Main, Federal Republic of Germany, under the registration number HRB 134562.

On 3 June 2024, Bergos AG, Vontobel Beteiligungen AG, Börsenmedien Aktiengesellschaft, 360 Treasury Systems AG and IBKR Financial Services AG (each, a "**JV Party**") and collectively, the "**JV Parties**") entered into a joint venture agreement ("**JV Agreement**") in relation to the establishment of and the principles of collaboration in respect of the Issuer and, by notarial deed of 3 June 2024 established the Issuer by way of acquiring optus 988. GmbH and amending its articles of association (the "**Articles of Association**") (in particular by changing its name to nxtAssets GmbH and reflecting the new intended corporate purpose).

The Issuer has no employees except for the Managing Director(s) (please see 3.4.1 (*Managing Director(s)*)).

The Issuer's Legal Entity Identifier (LEI) is 391200PDSA4ENJC56817.

The website of the Issuer is <https://www.nxtassets.com>.

Unless specifically incorporated by reference into this Base Prospectus, information contained on the website does not form part of this Base Prospectus.

The Issuer's telephone number is +49 69 46 00 3412.

#### 5.1.2. Recent events relevant to the evaluation of the Issuer's solvency

No recent events particular to Issuer have occurred, which are to a material extent relevant to the evaluation of the Issuer's solvency.

#### 5.1.3. Expected financing of the activities of the Issuer

The activities of the Issuer are expected to be financed by the issuance of the Notes (by income generated through fees, such as in particular the Diminishing Entitlement Rate, related to the Notes) and, where necessary, in particular with regard to initial set up costs, by the share capital committed by the shareholders, as set out under sections 5.6 (Major Shareholders) and 5.10.1 (Share Capital) below.

#### **5.1.4. Material changes in the Issuer's borrowing and funding structure**

Since its incorporation on 11 April 2024, there have been no material changes in the Issuer's borrowing and funding structure.

#### **5.2. Principal Activities**

The business of the Issuer, as a special purpose vehicle, is primarily the issue of Notes in the Federal Republic of Germany, Switzerland and other member states of the European Economic Area.

The Issuer commenced its business activities on 3 June 2024.

#### **5.3. Organisational Structure**

The Issuer has no subsidiaries and is not part of a group.

#### **5.4. Trend Information**

The Issuer makes the following statements;

##### **5.4.1. No Material Adverse Change in the Prospects of the Issuer**

Since 30 September 2024, there has been no material adverse change in the prospects of the Issuer.

##### **5.4.2. No Significant Change in the Issuer's Financial Performance**

Since 30 September 2024, there has been no significant change in the Issuer's financial performance.

##### **5.4.3. Information on any known trends, uncertainties, demands, commitments or events**

There is no information available on any 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.

#### **5.5. Administrative, Management and Supervisory Bodies**

##### **5.5.1. Managing Director(s)**

The management of the Issuer is conducted by two Managing Directors (*Geschäftsführer*), Vera Claas and Dirk Heß. The Managing Directors may not take any of the actions, measures or matters and shall not cause or permit the Issuer to take, any action, measure or matter beyond the ordinary course of business or constituting Reserved Matters (as defined below) regardless if within or beyond the ordinary course of business without the prior approval of the Advisory Board. This applies in particular, but not exclusively, to the Reserved Matters (as defined below).

Name	Title	Current principal activities outside the Issuer
Vera Claas	Managing Director	<ul style="list-style-type: none"> <li>• Managing Director (<i>Geschäftsführer</i>) of MentalStark GmbH</li> <li>• Managing Director (<i>Geschäftsführer</i>) of Kümmerei UG (haftungsbeschränkt)</li> </ul>
Dirk Heß	Managing Director	<ul style="list-style-type: none"> <li>• Supervisory Board Member (<i>Aufsichtsratsmitglied</i>) of Whisky Bunker AG</li> </ul>

The business address of the Managing Director(s) is Neue Mainzer Straße 66-68, 60311 Frankfurt am Main, Federal Republic of Germany.

### 5.5.2. Advisory Board

The Issuer's advisory board (*Beirat*) (the "**Advisory Board**") consists of five members, nominated by each of the JV Partners. The Advisory Board advises and monitors the Issuer's management; provides approval to the Reserved Matters; gives instructions to the Managing Director(s); adopts of rules of procedure for the management; and approves of the budget and business plan and any related changes.

Members of the Advisory Board shall only be individual persons. They are exclusively obliged to act in the interests of the Issuer, i.e., in making their decisions they may neither pursue personal interests nor exploit business opportunities to which the Issuer is entitled for themselves or third parties. They perform their duties independently, at their own discretion and on their own responsibility and are not bound by instructions from the shareholders' meeting.

"**Reserved Matters**" are for example:

- (a) entering into, amendment and termination of any joint venture or partnership or any profit sharing agreement;
- (b) any investment, capital expenditure, significant expenses, sale of assets, incurrence of debt or any contract obligation by the Issuer in excess of EUR 20,000;
- (c) the execution, amendment or termination of any agreement providing for obligations in excess of, annually or in aggregate, EUR 20,000;
- (d) any transactions or arrangements other than on arm's-length terms and/or in the ordinary course of business;
- (e) launch and issuance of any new products and role allocation;
- (f) the repayment of capital or assets to shareholders;
- (g) any material change in the nature or scope of the business of the Issuer; and
- (h) the entering into, variation or termination of any agreement or arrangement outside the ordinary scope of the business of the Issuer or which is intended to bind the Issuer for longer than twelve (12) months.



The members of the Advisory Board are elected and removed by the shareholders at shareholders' meetings.

As of the date of the Base Prospectus, the members of the Advisory Board are:

<b>Name</b>	<b>Title</b>	<b>Current principal activities outside the Issuer</b>
Mathias Metzger	deputy chairperson	<ul style="list-style-type: none"> <li>Chief Product Officer (CPO) and Member of the Executive Board of Bergos AG, Zurich, Switzerland</li> </ul>
Florian Marty	chairperson	<ul style="list-style-type: none"> <li>Head Blockchain Solutions of Bank Vontobel AG, Zurich, Switzerland</li> </ul>
Fabian Förtsch	member	<ul style="list-style-type: none"> <li>Supervisory Board Member (<i>Aufsichtsratsmitglied</i>) of Börsenmedien AG, Kulmbach, Federal Republic of Germany</li> <li>Portfolio Manager of TSI Fonds (Patriarch Multi-Manager GmbH, Kulmbach, Federal Republic of Germany)</li> <li>Portfolio Manager of Panthera AM GmbH, Kulmbach, Federal Republic of Germany</li> <li>Supervisory Board Member (<i>Aufsichtsratsmitglied</i>) of Heliad Crypto Partners GmbH &amp; Co. KGaA, Kulmbach, Germany</li> <li>Supervisory Board Member (<i>Aufsichtsratsmitglied</i>) of Auparo GmbH &amp; Co. KGaA, Kulmbach, Germany</li> </ul>
Stijn Vander Straeten	member	<ul style="list-style-type: none"> <li>Chief Executive Officer (<i>Verwaltungsratspräsident</i>) of Crypto Finance AG, Zurich, Switzerland</li> </ul>
Courtney Malcarney	member	<ul style="list-style-type: none"> <li>Member of the Executive Management and Director of Client Services of IBKR Financial Services AG, Zug, Switzerland</li> </ul>

The business address of the members of the Advisory Board is Neue Mainzer Straße 66-68, 60311 Frankfurt am Main, Federal Republic of Germany.

### 5.5.3. Potential Conflicts of Interest

The Managing Director(s) and members of the Advisory Board have been appointed by shareholders of the Issuer and therefore a potential conflict of interests may arise with respect to their private interests with respect to, or duties towards, such shareholders on the one hand and their

obligations or commitments to the Issuer on the other. In particular, there may be a conflict of interest in connection with the entry into any agreements by and between the Issuer and any or all of its shareholders. Managing Director(s) and members of the Advisory Board appointed by shareholders of the Issuer may be more likely to choose Shareholders or affiliates of shareholder as service providers to the Issuer instead of independent third parties, which could be better suited. Additional conflicts of interest may arise from shareholders of the Issuer or their affiliates also issuing and/or offering products (such as notes or investment funds) linked to the performance of Crypto Assets and entering into related hedging transactions in relation to the Crypto Assets used for the purposes of the Notes. It cannot be excluded that Shareholders or affiliates of the shareholders will compete with the Issuer with their own products which could lead to the Issuer becoming unsuccessful and in a worst-case scenario even insolvent or engage in business transactions which may be unfavourable for the performance of the Notes issued by the Issuer, e.g. due to a trade in a particular Crypto Asset.

Other than as described above, the Issuer is not aware of any other circumstances that may lead to a potential conflict of interest between the private interests or other duties of the Managing Director(s) or members of the Advisory Board *vis-à-vis* the Issuer.

## 5.6. Major Shareholders

As of the date of this Base Prospectus, the Issuer's shares (all shares in the Issuer existing at any time collectively the "**Shares**", and each individually a "**Share**") are owned as shown in the table below.

Shareholder	Number of Shares and votes in the shareholders' meeting	Share in the share capital and in the total number of votes in the shareholders' meeting
Bergos AG	100,800	20.00 %
Vontobel Beteiligungen AG	100,800	20.00 %
Börsenmedien Aktiengesellschaft	100,800	20.00 %
360 Treasury Systems AG	100,800	20.00 %
IBKR Financial Services AG	100,800	20.00 %

No individual shareholder exercises control over the Issuer.

There are no arrangements, known to the Issuer, the operation of which may at a subsequent date result in a change in control of the Issuer.

## 5.7. Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses

### 5.7.1. Fiscal year

The financial year of the Issuer is the calendar year and ends on 31 December, unless the Issuer's Advisory Board determines otherwise. The Issuer's first financial year runs from the date of incorporation of the Issuer up to and including 31 December 2024.

### **5.7.2. Financial Information and Accounting Standards**

The Issuer will prepare an annual report for each financial year, comprising the annual financial statements (comprising the profit and loss statement, balance sheet, statement of changes in equity, notes and, if required, cash flow statement) and, if required, the annual management report and consolidated financial statements.

The financial statements will be prepared in accordance with the requirements of the German Commercial Code (*Handelsgesetzbuch* – "**HGB**"), the German generally accepted accounting principles (German GAAP).

### **5.7.3. Historical Financial Information**

The Issuer was incorporated on 11 April 2024 and the annual report for the financial year ending 31 December 2024 will be the first annual report of the Issuer.

The Issuer has prepared an interim financial statement from its date of incorporation on 11 April 2024 until the 30 September 2024, which is included in this Base Prospectus in section 15. ("**Interim Financial Statement**"). The Interim Financial Statement has been audited by the Auditor of the Issuer.

### **5.7.4. Significant Changes in the Financial Position of the Issuer**

There has been no significant change in the financial position of the Issuer since 30 September 2024.

### **5.8. Statutory Auditor**

GAR Gesellschaft für Aufsichtsrecht und Revision mbH Wirtschaftsprüfungsgesellschaft with its registered office at Stichlingstraße 1, 60327 Frankfurt am Main, Federal Republic of Germany, has been appointed as the statutory auditor of the Issuer (the "**Auditor**"). The Auditor is a member of the Chamber of Public Accountants (*Wirtschaftsprüferkammer*) and of the Institute of Public Auditors in Germany, Incorporated Association, Düsseldorf, Federal Republic of Germany (*Institut der Wirtschaftsprüfer in Deutschland e.V.*).

### **5.9. Legal and Arbitration Proceedings**

There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had since its incorporation, a significant effect on the financial position or profitability of the Issuer.

### **5.10. Additional Information**

#### **5.10.1. Share Capital**

The share capital of the Issuer amounts to EUR 504,000.00 and is divided into 504,000 Shares, each with a respective nominal amount of EUR 1.00.

The share capital is fully paid in. All Shares carry the same rights and obligations. The Shares were created under German law.

#### **5.10.2. Articles of Association of the Issuer**

In accordance with section 2 of its Articles of Association, the purpose of the Issuer is

- the issuance of bearer bonds related to virtual currencies or indices on virtual currencies,

- the acquisition of virtual currencies or the acquisition or conclusion of other financial instruments in order to cover and, if necessary, secure the redemption of the bearer bonds; and
- all acts, transactions and contracts in connection with these activities, in particular for the issuance, placement and marketing of the bearer bonds, their trading on a regulated or unregulated market and for the purchase of services for the performance of these activities.

The purpose of the Issuer does not include the establishment of subsidiaries and any transactions or activities that require a license under the German Banking Act (*Kreditwesengesetz*– "**KWG**").

The Issuer will in particular not render crypto-custody-business within the meaning of section 1 (1a) sentence 2 no 6 of the KWG. Whilst the Notes are collateralised with the relevant Crypto Assets, the Issuer itself does not safekeep, administrate and/or protect cryptographic values or private cryptographic keys for others. Such function is instead performed by the Crypto Custodian

#### **5.11. Material Contracts**

The Issuer has entered into the following agreements (with respect to the agreements entered into on or around the date of this Base Prospectus) or will enter into the following agreements (with respect to the agreements to be entered into on or around the date of the relevant Final Terms in relation to a Series of Notes) and has conducted or will conduct, as the case may be, the following transactions which are material to the Issuer's ability to meet its obligations to Noteholders.

It can, however, not be excluded that the Issuer, will not terminate agreements and enter into other agreements in the future.

##### **5.11.1. Middle Offices Services Agreement**

Agreement in relation to administration services (the "**Middle Offices Services Agreement**") entered into on or around the date of this Base Prospectus between the Issuer and the Administrator.

In accordance with the Middle Offices Services Agreement, the Administrator shall provide middle office services to the Issuer, including, assistance with the handling of subscriptions and redemptions and the transfer of the Crypto Assets.

##### **5.11.2. Crypto Asset Custodian Agreement**

Agreement in relation to custody services in relation to the Crypto Asset (the "**Crypto Asset Custodian Agreement**") entered into on or around the date of this Base Prospectus between the Issuer and the Crypto Custodian. The Crypto Asset Custodian Agreement shall be governed by German law.

In accordance with the Crypto Asset Custodian Agreement, the Crypto Custodian provides certain custody services in relation to the Crypto Asset by in particular holding the Crypto Asset in Crypto Asset Wallets operated by it on behalf of the Issuer for delivery/repayment to the Noteholders in relation to each Series of Notes.

### 5.11.3. Security Trust Agreement

Agreement in relation to appointment and role of the Collateral Trustee (the "**Security Trust Agreement**") entered into between the Issuer and the Collateral Trustee, dated on or around the Issue Date of each Series of Notes. The Security Trust Agreement shall be governed by German law.

In accordance with the Security Trust Agreement, the Issuer appoints the Collateral Trustee to act as Collateral Trustee of and for the benefit of the Noteholders, the Collateral Trustee itself and the Noteholders' Representative (if appointed) (together the "**Secured Parties**") in connection with the administration and the handling of the rights of the Secured Parties (including the Noteholders) against the Issuer as well as among themselves in relation to any land charge, mortgage, charge, pledge, lien, assignment or transfer for security purposes, retention and extended retention of title or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect (the "**Security**") created in relation to a Series of Notes.

### 5.11.4. Crypto Asset Wallet Control Agreement

Control agreement in relation to the Crypto Asset Wallets (the "**Crypto Asset Wallet Control Agreement**") entered into between the Issuer, Crypto Custodian and the Collateral Trustee, dated on or around the Issue Date of each Series of Notes. The Crypto Asset Wallet Control Agreement shall be governed by German law.

In accordance with the Crypto Asset Wallet Control Agreement and until such time as the Collateral Trustee (acting on the instructions of the Noteholder Representative) shall deliver to the Crypto Custodian a Notice of Exclusive Control (as defined below), withdrawals from, or deposits into, the Crypto Asset Wallet by the Issuer may only take place upon receipt by the Crypto Custodian of (i) a respective instruction from the Issuer and (ii) an approval of such transaction by an authorised person for the Administrator.

The Collateral Trustee agrees that it will not deliver a notice of exclusive control (a "**Notice of Exclusive Control**") unless it has become entitled to enforce the security granted pursuant to the Crypto Asset Security Agreement. In the event that the Collateral Trustee delivers a Notice of Exclusive Control to the Crypto Custodian, it will use such control to realise (*verwerten*) the Deposited Crypto Assets in accordance with the provisions of the Crypto Asset Security Agreement and the Security Trust Agreement and for the purpose of paying the proceeds to the Secured Parties (including the Noteholders).

### 5.11.5. Crypto Asset Security Agreement

Security agreement in relation to the Crypto Assets (the "**Crypto Asset Security Agreement**") entered into between the Issuer and the Collateral Trustee, dated on or around the Issue Date of each Series of Notes. The Crypto Asset Security Agreement shall be governed by German law.

In accordance with the Crypto Asset Security Agreement, the Issuer assigns to the Collateral Trustee (a) all its present and future, actual and contingent rights and claims against the Crypto Custodian (i) arising under or in connection with the Crypto Asset Wallet Control Agreement or (ii) arising in relation to the Custodian Account, the Crypto Asset Wallet(s) or the Deposited Crypto Assets under or in connection with the Crypto Asset Custodian Agreement or any other

underlying contractual or other relationship (if any) under which the Crypto Custodian provides custodial services to, or maintains the Crypto Asset Wallet(s) for, the Issuer, and (b) any other present and future, actual and contingent rights or title to the Deposited Crypto Assets which the Issuer currently has, or will acquire in the future, or otherwise is or will be entitled to.

The assignment is constituted in order to secure the prompt and complete satisfaction of any and all Secured Obligations, as defined in the Crypto Asset Security Agreement.

#### **5.11.6. Issuance Account Control Agreement**

Control agreement in relation to the Issuance Account (the "**Issuance Account Control Agreement**") entered into between the Issuer, the Issuing Agent and the Collateral Trustee, dated on or around the Issue Date of each Series of Notes. The Issuance Account Control Agreement shall be governed by German law.

In accordance with the Issuance Account Control Agreement (a) any disposal over the Issuer-Held Notes (in particular any transfer of Issuer-Held Notes out of the Issuance Account) may only take place; and (b) the Issuing Agent shall act upon instructions originated by the Issuer concerning the Issuer-Held Notes only, upon receipt by the Issuing Agent of an approval of such transaction or instruction from the Administrator.

#### **5.11.7. Sales Proceeds Cash Account Control Agreement**

Control agreement in relation to the Sales Proceeds Cash Account (the "**Sales Proceeds Cash Account Control Agreement**") entered into between the Issuer, the Issuer Account Bank and the Collateral Trustee, dated on or around the Issue Date of each Series of Notes. The Sales Proceeds Cash Account Control Agreement shall be governed by German law.

In accordance with the Sales Proceeds Cash Account Control Agreement (a) withdrawals from the Sales Proceeds Cash Account, or other dispositions over the amounts standing to the credit thereof, by the Issuer may only take place; and (b) the Issuer Account Bank shall act upon instructions originated by the Issuer concerning the Sales Proceeds Cash Account only upon receipt by the Issuer Account Bank of an approval of such transaction or instruction from the Administrator.

#### **5.11.8. Authorised Participant Agreement(s)**

Authorised Participant Agreement(s) dated on or around the Issue Date of each Series of Notes and entered into between the Issuer and authorised participants (the "**Authorised Participants**") in relation to a Series of Notes, which will be specified in the relevant Final Terms, relating to the initial purchase of Notes and the marketing of the same.

### **5.12. Documents Available**

For the term of the Base Prospectus, the following documents may be inspected on the website of the Issuer under <https://www.nxtassets.com>:

- Articles of Association, and
- any financial statements prepared by the Issuer.

## 6. General Information about the Base Prospectus

### 6.1. Form of the Base Prospectus

This base prospectus (the "**Base Prospectus**") has been drawn up in accordance with Article 8 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "**Prospectus Regulation**") and has been approved by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) (the "**BaFin**") as competent authority under the Prospectus Regulation.

The information in the Base Prospectus will be supplemented, corrected or clarified by way of future supplements under the conditions as laid out in Article 23 of the Prospectus Regulation.

This Base Prospectus will no longer be valid with the expiry of 12 December 2026. The obligation to supplement this Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when this Base Prospectus is no longer valid.

### 6.2. Approval of the Base Prospectus

The Issuer makes the following statements:

- (a) This Base Prospectus was approved by BaFin as competent authority under Regulation (EU) 2017/1129.
- (b) The BaFin only approves this Base Prospectus with regard to the standards of completeness, comprehensibility and coherence set out in the Regulation (EU) 2017/1129.
- (c) The approval should not be seen as an endorsement of the Issuer or the quality of the Notes that are the subject of this Base Prospectus.
- (d) Investors should make their own assessment as to the suitability of investing in the Notes.

For the avoidance of doubt, the content of any website referred to in this Base Prospectus does not form part of this Base Prospectus and the information on such websites has not been scrutinised or approved by BaFin as competent authority under the Prospectus Regulation.

In order to be able to conduct a public offer and/or a listing of the Notes on a regulated market (within the meaning of Article 2 j) of the Prospectus Regulation), the Issuer has requested or will request a notification of the Base Prospectus pursuant to Article 25 of the Prospectus Regulation (the "**EEA Passport**") into Austria, France, Italy, Ireland, Liechtenstein, Spain and The Netherlands. The Issuer reserves the right to apply to BaFin for EEA Passports into further EEA states.

### 6.3. Publication of the Base Prospectus

The Base Prospectus contains required information concerning the Issuer as well as the information relating to the Notes to the extent known at the date of approval.

For the purpose of a new issue or increase, Final Terms will in each case be prepared for the Notes containing the information that can only be determined at the date of the respective issue or increase of Notes in the context of the Base Prospectus.

The Final Terms of the Notes will only be determined shortly before the Public Offer and will be filed with the BaFin at the latest on the date of the Public Offer in accordance with the provisions of Article 21 of the Prospectus Regulation. The Final Terms will not be reviewed by the BaFin.

The Base Prospectus together with any accompanying supplements as well as the Final Terms for an individual issue will be published on the Issuer's website (<https://www.nxtassets.com>). In addition, the Issuer will have copies of the Base Prospectus together with any supplements and the respective Final Terms available for free distribution at its registered seat at Neue Mainzer Straße 66-68, 60311 Frankfurt am Main, Federal Republic of Germany.

The Base Prospectus will be filed and deposited in Switzerland with SIX Exchange Regulation Ltd as the reviewing body as a foreign prospectus. The Base Prospectus is expected to be deemed approved automatically in Switzerland pursuant to Article 54 para. 2 of the Swiss Federal Act on Financial Services ("**FinSA**"). In addition, the Base Prospectus will be placed on the list of approved prospectuses pursuant to Article 64 para. 5 FinSA and published pursuant to Article 64 FinSA.

The Notes do not represent collective investment schemes in the meaning of the Swiss Federal Act on Collective Investment Schemes ("**CISA**") and are therefore not subject to the regulations of the CISA. Accordingly, the Notes are not subject to the duty to obtain authorization and the supervision of the Swiss Financial Market Supervisory Authority ("**FINMA**"). Investors are exposed to the default risk of the Issuer of the Notes. The Issuer's insolvency can lead to a partial or total loss of the invested capital.

#### **6.4. Consent to the use of the Base Prospectus**

The Issuer hereby gives its express consent to the use of the Base Prospectus and states that it accepts responsibility for the content of the Base Prospectus also with respect to the subsequent resale or final placement of the Notes by any financial intermediary (including any Authorised Participants) which was given consent to the use of the Base Prospectus. The information, whether the Issuer gives its consent to the use of the Base Prospectus to certain named financial intermediaries (including any Authorised Participants) or to all financial intermediaries within the meaning of Article 5 (1) of the Prospectus Regulation, will be published in the relevant Final Terms (see section I. of the relevant Final Terms).

The consent to the use of the Base Prospectus is generally given for the period of the validity of this Base Prospectus. If the period of validity of the Base Prospectus exceeds the term of the Notes, the subsequent resale or final placement of the Notes may take place during the period in which a subsequent base prospectus is available. In such case, the consent to the use of the Base Prospectus shall also apply to the use of the respective Succeeding Base Prospectus (as defined in section I. of the respective Final Terms).

Financial intermediaries (including any Authorised Participants) within the meaning of Article 5 (1) of the Prospectus Regulation who have been given express consent to the use of the Base Prospectus may subsequently resell or finally place the Notes during the offer period in Austria, France, the Federal Republic of Germany, Italy, Ireland, Liechtenstein, Spain and/or The Netherlands as well as other countries outside the European Economic Area (e.g. Switzerland) – in each case if expressly mentioned in section I. of the respective Final Terms.



The offer period generally begins with the Start of the Public Offer and ends with the End of the Public Offer (each as defined in section IV.2 of the relevant Final Terms) - unless otherwise provided for in section I. of the relevant Final Terms (the "**Offer Period**"). This consent by the Issuer is subject to the conditions (i) that the Base Prospectus, including any supplements, and the Final Terms are provided to potential investors only together with all supplements published up to the time of such provision and (ii) that, in making use of the Base Prospectus and the Final Terms, each financial intermediary ensures that it complies with all applicable laws and legal requirements in force in the respective jurisdictions.

Further conditions to which consent is bound and which are relevant for the use of the Base Prospectus, if any, may be stated in section I. of the respective Final Terms.

**The Issuer reserves the right to withdraw its consent to the use of the Base Prospectus with respect to certain distributors and/or all financial intermediaries.** The above consent is subject to compliance with the selling restrictions applicable to the Notes and with any applicable law. Each financial intermediary is obliged to only provide the Base Prospectus together with any supplement thereto (if any) to any potential investor.

Any new information with respect to the financial intermediaries, unknown at the time of the approval of the Base Prospectus, the Base Prospectus or the filing of the Final Terms, as the case may be, is to be published on the website of the Issuer <https://www.nxtassets.com> or at the successor website as announced in accordance with the provisions in the Terms and Conditions. For this reason, investors should consult the information on the website before acquiring a Note through financial intermediaries.

**In the event that a financial intermediary makes an offer, that financial intermediary shall inform the investor about the conditions of the offer as specified in the Base Prospectus at the time the offer is made. The above consent is subject to compliance with the sale restrictions on the Notes and with all applicable laws. Each financial intermediary using the Base Prospectus shall state on its website that it is using the Base Prospectus with consent and in accordance with the conditions to which the consent is subject.**

#### **6.5. Note on Currency References**

References to "**Euro**" or "**EUR**" in the Base Prospectus and in the Final Terms are references to the currency introduced at the beginning of the third phase of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended. All references to "**US dollars**" or "**USD**" refer to dollars of the United States of America, all references to "**CHF**" refer to francs of the Swiss Confederation, and all references to "**GBP**" refer to pounds sterling of the United Kingdom of Great Britain and Northern Ireland.

Where figures are quoted in the Final Terms in another currency, this is expressly noted with respect to the figures in question by the identification of the relevant currency or the respective currency symbol in accordance with the ISO currency codes (ISO 4217).

## 7. General Information about the Notes

### 7.1. Information about the Notes

#### 7.1.1. General Information

The Issuer will from time to time issue several series of Notes (each a "**Series**") linked to Crypto Assets as Underlying. The Issuer may also increase the issue size of Notes issued under the Base Prospectus.

The description of the Notes assumes in that the Notes are purchased at the Issue Price at the time of the issue. In case of purchases or sales of the Notes in the secondary market, particular attention should be paid to the spread, *i.e.* the difference between the bid and ask prices of the Notes set by the Market Maker.

The purchase of the Notes may lead to a loss of the capital invested by the investor. **In the worst case, the risk of loss may result in the total loss of the capital invested and the transaction costs incurred.** Investors must also be aware that the market may perform differently from what they had hoped.

The Notes are linked to the Underlying and therefore represent a long exposure to the Underlying. The Notes enable the investor to participate – subject to the Entitlement Ratio and the Diminishing Entitlement Rate – in both increases and decreases in the Underlying, subject to some of the parameters described below. Therefore, if the value of the entitlement in the Underlying increases compared to the Issue Price this will have a positive impact on the market value of the Notes and, if the Notes were to be redeemed at such point in time, on the redemption delivery or payment. Conversely, the value of the entitlement in the Underlying decreases compared to the Issue Price this will have a negative impact on the market value of the Notes and, if the Notes were to be redeemed at such point in time, on the redemption delivery or payment. Redemption deliveries and payments will be reduced by the Diminishing Entitlement Rate and any Upfront Exercise Fee irrespective of whether the value of the entitlement in the Underlying increases, decreases or stays flat during the lifetime of product and the market value of the Notes will take this into account on a continuing basis.

On the basis of the Notes, investors can participate in the performance of a Crypto Asset as Underlying without having to purchase the respective Underlying directly. Because of various features of the Notes, an investment in the Notes is not comparable to a direct investment in the respective Underlying. These include, in particular, the risk of the insolvency of the Issuer.

Investors must therefore form a well-founded opinion about the performance of the respective Underlying when making their investment decisions, and must be aware that the past performance of an Underlying does not permit any conclusions to be drawn about their future performance.

The applicable securities identification number of the Notes is set out in the applicable Final Terms.

#### 7.1.2. Governing law and Form of the Notes

The Notes will be issued under German law.

There are two options with respect to the form in which the Notes will be issued:

#### Global Note

The German law Notes may, as indicated in the Terms and Condition of each Series of Notes, be evidenced by a global note (*Sammelurkunde*) in accordance with section 9a of the German Securities Custody Act (*Depotgesetz*). The global note will be deposited with Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn, Federal Republic of Germany as Central Securities Depository and will be kept in custody by the Central Securities Depository until all obligations of the Issuer under the Notes have been fulfilled. No definitive securities will be issued. Bearers are entitled to co-ownership interests, economical ownership rights or comparable rights in the global note, which are transferable in accordance with the rules of the Central Securities Depository and the laws of the Federal Republic of Germany.

#### Electronic Securities

The German law Notes may, as indicated in the Terms and Condition of each Series of Notes, also be electronically issued in bearer form as central register securities (*Zentralregisterwertpapiere*) within the meaning of § 4 (2) eWpG and represented by a collective safe custody entry (*Sammeleintragung*) in the central register maintained by Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn, Federal Republic of Germany as the "**Central Register**". No definitive securities will be issued. The Notes are transferrable as co-ownership interest in the Notes pursuant to the relevant regulations of the respective Clearing System and applicable law.

#### **7.1.3. Status of the Notes**

The obligations under the Notes constitute direct, unsubordinated and secured obligations of the Issuer ranking *pari passu* among themselves.

#### **7.1.4. Transferability of the Notes**

The Notes are freely transferable, subject to the applicable selling restrictions (as further set out in section 14 (*Selling Restrictions*)).

#### **7.1.5. Term of the Notes**

The Notes do not have a fixed term.

If the Noteholder is unable or unwilling to sell Notes on a stock exchange or off-market, the Noteholder will be able to redeem the Notes only if the Noteholder exercises the Notes effectively or if the Issuer terminates the Notes early following a Termination Event.

There can be no assurance, in the event that the Note performs badly for the respective investor in relation to its purchase price, that its value will subsequently recover at which the respective investor will not incur a loss. The term of the Notes ends and the rights arising from the Notes expire in all cases with redemption. Participation in any subsequent price movement of the Underlying in a direction that is favourable for the investor is excluded.

#### **7.1.6. Redemption of the Notes upon exercise by the Noteholder**

The Notes issued under the Base Prospectus give the respective Noteholder (in accordance with the Final Terms of the Notes) the right to exercise their Notes and demand from the Issuer

- (a) delivery of the respective underlying Crypto Asset corresponding to the Entitlement Ratio (Crypto Asset Delivery Right) or
- (b) if a Noteholder is prevented from receiving the Crypto Asset for legal reasons, in particular due to regulatory provisions applicable to it payment of a cash amount in the currency specified in the Final Terms.

The rights of the respective Noteholders are governed in detail by the applicable Terms and Conditions.

*Crypto Asset Delivery Right*

In order to exercise its Crypto Asset Delivery Right, the Noteholder needs to

- (i) submit a duly completed Exercise Form, specifying that Crypto Asset Delivery shall be applicable, including a wallet operated by a Crypto Asset Service Provider, and any documents requested in such form for verification of the Noteholder's identity;
- (ii) cooperate throughout the entire process, deliver information and documents requested and to agree that his data will be passed on to third parties for processing (e.g. Issuer, Issuing Agent, Crypto Custodian);
- (iii) pay the Upfront Exercise Fee (if any) to an account specified by the Issuer; and
- (iv) transfer the Notes in relation to which the Crypto Asset Delivery Right is exercised via the account holding bank to the account of the Issuance Account free of payment.

If a Noteholder fails to perform these requirements, the Issuer will instead execute deliveries in accordance with the Cash Exercise Right.

Following a valid exercise of the Crypto Asset Delivery Right, the Issuer shall transfer the Crypto Asset according to the Entitlement Ratio for each exercised Note, calculated as of the Exercise Date, less the Upfront Exercise Fee (if any) to the relevant Noteholder's wallet as designated in the relevant Exercise Form. The transfer shall be completed as soon as practicable after the Exercise Date, but under all circumstances within the timeframe of a normal settlement/transfer cycle of the Crypto Asset in the Crypto Asset network (which may vary depending on the level of the network fees the Noteholder agrees to pay pursuant to the Exercise Form) plus thirty Business Days.

The exercise and delivery process in case of an exercise of the Notes by a Noteholder (who is not an Authorised Participant) can be illustrated as follows (please refer to section 8.1 (Overview) for a detailed description of the parties and functions involved):

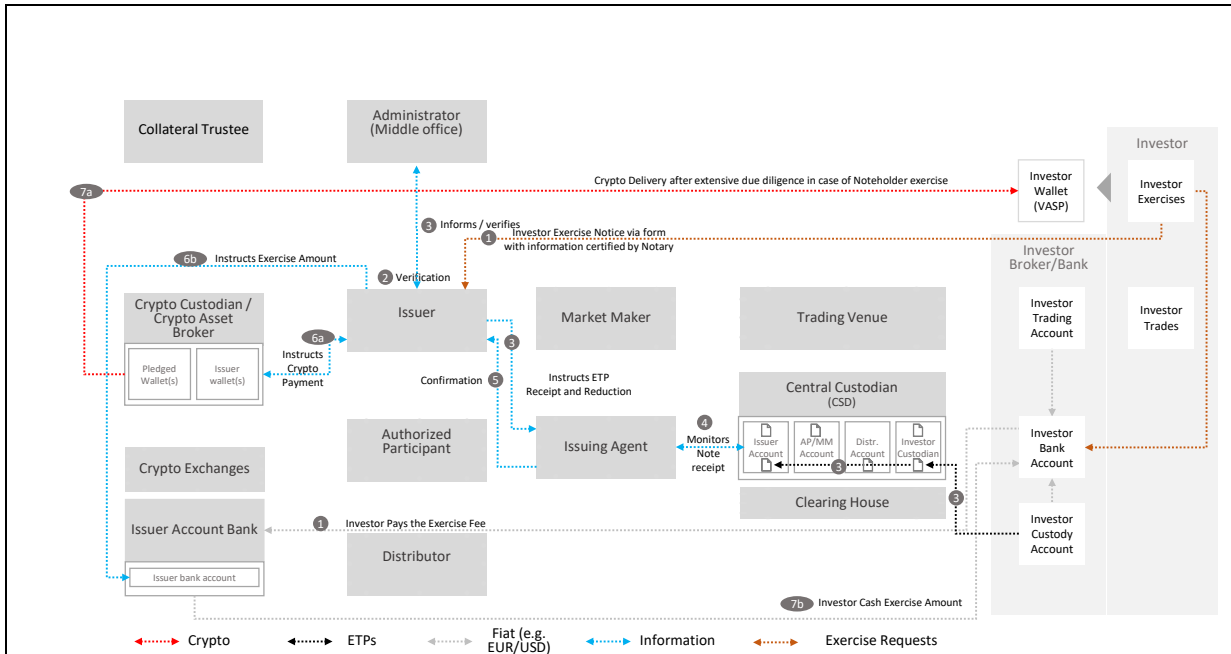


Diagram 1: Exercise and redemption process in case of an exercise by the Noteholder

The process illustrated above comprises the following steps:

- (1) The Investor sends the Exercise Notice to the Issuer and pays the Upfront Exercise Fee (if any) which will be credited to the Issuer Account Bank.
- (2) The Issuer verifies the validity of and information in the Exercise Notice.
- (3) The Issuer instructs the Issuing Agent on the receipt of the Notes subject to the exercise in the Issuance Account. The Notes subject to the exercise are transferred on the instruction of the Investors from the Investors' custody account.
- (4) The Issuing Agent monitors the receipt of the Notes.
- (5) The Issuing Agent confirms receipt of the Notes to the Issuer.

*In case of the exercise of the Crypto Asset Delivery Right:*

- (6a) The Issuer instructs the Crypto Custodian to transfer the Crypto Assets to the Investor.
- (7a) The Crypto Custodian transfers the Crypto Assets to the Investor's wallet.

*In case of the exercise of the Cash Exercise Right (see below):*

- (6b) The Issuer instructs the Issuer Account Bank to pay the Investor the proceeds from the sale of the Crypto Asset Sale Procedure.
- (7b) The Issuer Account Bank makes the payment to the Investor's bank account.

In case of Noteholders who are Authorised Participants the transfer shall be completed within the timeframe of a normal settlement/transfer cycle of the Crypto Asset in the Crypto Asset network (which may vary depending on the level of the network fees the Noteholder agrees to pay pursuant to the Exercise Form) plus three Business Days.

#### Cash Exercise Right

If a Noteholder is prevented from receiving the Crypto Asset for legal reasons, in particular due to regulatory provisions applicable to it, such Noteholder may exercise the Cash Exercise Right.

In order to terminate the Cash Exercise Right, the Noteholder needs to

- (i) submit a duly completed Exercise Form, specifying that cash settlement shall be applicable, including any documents requested in such form for verification of the Noteholder's identity and inability to receive the Crypto Assets;
- (ii) pay the Upfront Exercise Fee (if any) to an account specified by the Issuer; and
- (iii) transfer the exercised Notes to the Issuance Account free of payment.

Within the number of days from the Exercise Date (including) specified in the Final Terms, the Crypto Asset Broker shall initiate the sale of such number of units of the Crypto Asset as corresponds to the Entitlement Ratio for the Notes in relation to which the Cash Exercise Right is exercised, calculated as of the Exercise Date, in accordance with the Crypto Asset Sale Procedure. After successful completion of the Crypto Asset Sale Procedure, the Issuer will pay to the Noteholder an amount in the currency specified in the Final Terms equal to the proceeds of the Crypto Asset sale less the Upfront Exercise Fee (if any) within the number of Business Days specified in the Final Terms from the receipt of the relevant Crypto Asset Sale Procedure proceeds.

In case of a Failed Crypto Asset Sale, the Issuer will return all Notes in relation to which the Cash Exercise Right was exercised to the Noteholder. The Issuer may choose to charge any Upfront Exercise Fee to the respective Noteholder in case of a Failed Crypto Asset Sale.

#### **7.1.7. Entitlement Ratio**

The redemption of the Notes in relation to the Underlying is subject to the Entitlement Ratio, as specified in the individual case in the applicable Final Terms. The Entitlement Ratio is expressed as a number of units of the Underlying to which one Note relates.

For example: If the Ratio is expressed as the number 0.1, one Note is linked to 0.1 units of the Underlying.

The applicable Entitlement Ratio will be reduced from time to time by the Diminishing Entitlement Rate. As of the Issue Date, the Diminishing Entitlement Rate will be specified in the Final Terms. The Diminishing Entitlement Rate may be lowered by the Issuer at any time (unconditionally) and the Issuer will notify the Noteholders thereof in accordance with the Terms and Conditions.

This adjustment enables the Issuer to bear its costs in relation to the Notes. Investors should note that the ratio adjustment will constantly lead to a reduction of the capital value and the value of the Notes.

#### **7.1.8. Redemption of all Notes by the Issuer in case of a Termination Event**

Upon the occurrence of a Termination Event (as further described in the Terms and Conditions), the Issuer has the right to redeem the Notes by giving notice to the Noteholders.

If, following a Termination Event, the Issuer exercises its right to redeem the Notes, the Notes will be redeemed on the Redemption Date at their Mandatory Redemption Price either by

- (a) delivery of the respective underlying Crypto Asset corresponding to the Entitlement Ratio or
- (b) payment of a cash amount in the currency specified in the Final Terms.

The Redemption Date will be

- (i) for those Notes redeemed in the Crypto Asset, the specified number of Business Days (as specified in the Final Terms) after the expiry of the settlement period (described in the Final Terms) after the Issuer's Termination Notice has been published; the applicable settlement period can last for example up to 30 Business Days; or
- (ii) for those Notes redeemed in cash, the specified number of Business Days (as specified in the Final Terms) after successful completion of the Crypto Asset Sale Procedure or alternative sale arrangements in case of its failure.

The termination and delivery process in relation to Noteholders (who are not Authorised Participants) can be illustrated as follows (please refer to section 8.1 (Overview) for a detailed description of the parties and functions involved):

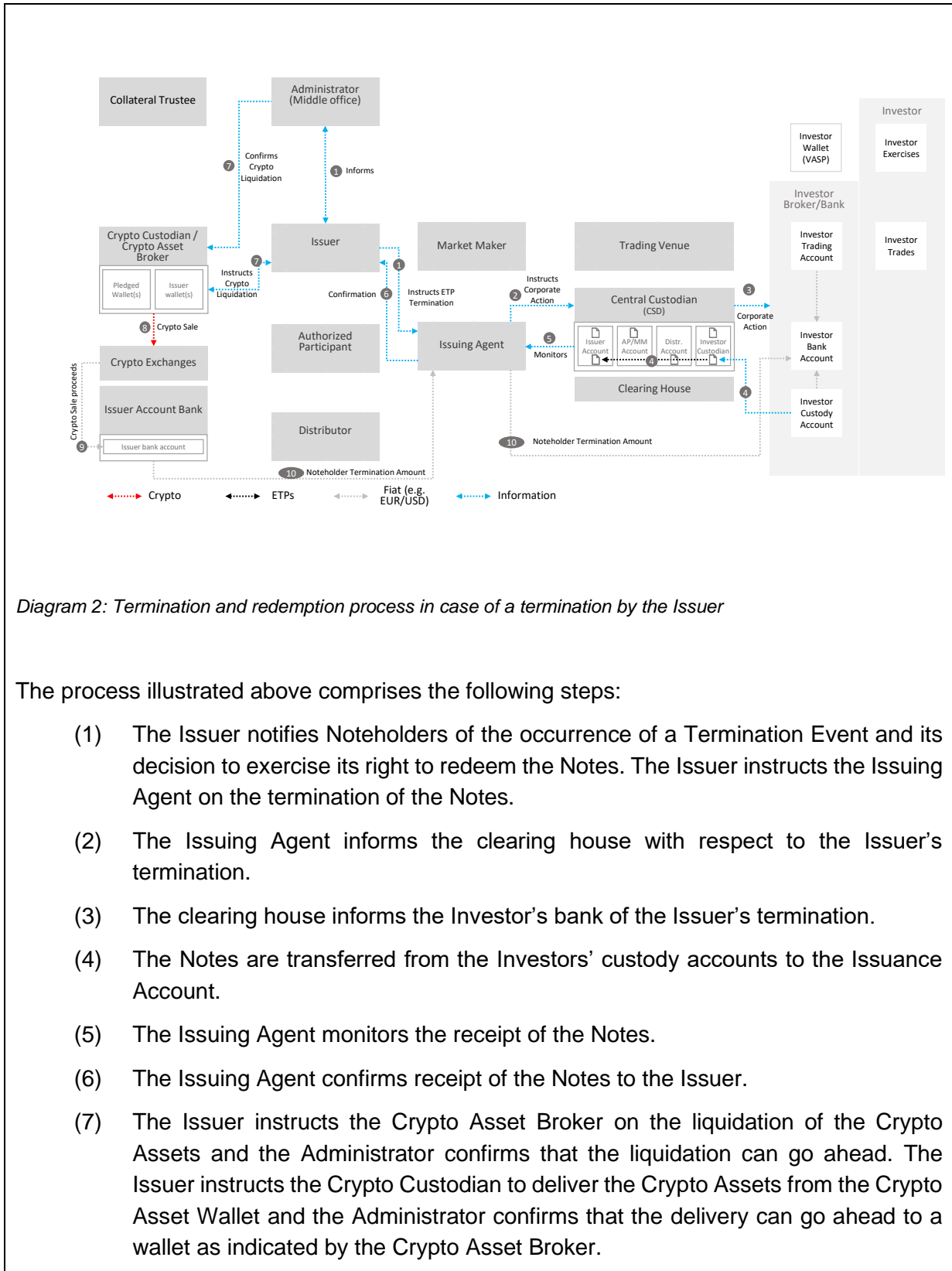


Diagram 2: Termination and redemption process in case of a termination by the Issuer

The process illustrated above comprises the following steps:

- (1) The Issuer notifies Noteholders of the occurrence of a Termination Event and its decision to exercise its right to redeem the Notes. The Issuer instructs the Issuing Agent on the termination of the Notes.
- (2) The Issuing Agent informs the clearing house with respect to the Issuer's termination.
- (3) The clearing house informs the Investor's bank of the Issuer's termination.
- (4) The Notes are transferred from the Investors' custody accounts to the Issuance Account.
- (5) The Issuing Agent monitors the receipt of the Notes.
- (6) The Issuing Agent confirms receipt of the Notes to the Issuer.
- (7) The Issuer instructs the Crypto Asset Broker on the liquidation of the Crypto Assets and the Administrator confirms that the liquidation can go ahead. The Issuer instructs the Crypto Custodian to deliver the Crypto Assets from the Crypto Asset Wallet and the Administrator confirms that the delivery can go ahead to a wallet as indicated by the Crypto Asset Broker.



- (8) The Crypto Asset Broker sells the Crypto Assets at the crypto exchange.
- (9) The crypto exchange transfers the proceeds from the sale to the Crypto Asset Broker's bank account. The Crypto Asset Broker transfers the proceed from the sale to the Issuer Account Bank.
- (10) The Issuer Account Bank transfers the proceeds to the Paying Agent and the Paying Agent transfers the proceeds to the Investor's bank account.

### Crypto Asset delivery

In order for a Noteholder to receive the Crypto Asset according to the Entitlement Ratio, such Noteholder needs to

- (i) submit a duly completed Exercise Form, specifying that Crypto Asset Delivery shall be applicable, including any documents requested in such form for verification of the Noteholder's identity;
- (ii) cooperate throughout the entire process, deliver information and documents requested and to agree that his data will be passed on to third parties for processing (e.g. Issuer, Issuing Agent, Crypto Custodian);
- (iii) transfer its Notes to the Issuance Account free of payment.

If a Noteholder fails to perform (i) to (iii) within a twenty-day period after the Termination Notice has been published, the Issuer will treat the relevant Noteholder as prevented from receiving units of the Crypto Asset for legal or regulatory reasons and redeem the relevant Notes by a cash payment.

### Cash payment

If a Noteholder is prevented from receiving units of the Crypto Asset for legal reasons, in particular due to regulatory provisions applicable to it, the Issuer shall redeem the Notes by paying the amount in the currency specified in the Final Terms equal to the Crypto Asset Sale Proceeds, divided by the number of Notes redeemed, minus any reasonable third-party fees related to redemption of the Notes.

The Crypto Asset Sale Procedure will begin (if required) on the 30th (thirtieth) day following publication of the Issuer's Termination Notice. If the Crypto Asset Broker fails to complete the sale using the Crypto Asset Sale Procedure within the applicable period of time, the Crypto Asset Broker shall – following instructions from the Issuer (if applicable) – arrange for the sale of units of the Crypto Asset using any other procedure aiming to achieve the best price within a reasonable amount of time.

#### **7.1.9. Crypto Asset Sale Procedure**

If the Issuer is required to conduct a Crypto Asset Sale Procedure, the Issuer will offer the units of the Crypto Asset at its current fair market value and for not less than 80 % of the relevant

Reference Price (under non-exceptional market conditions) by placing a sale order with the Crypto Asset Broker.

The technical process of the Crypto Asset Sale Procedure, including the submission and acceptance of offers to buy and sell, shall be carried out in accordance with the business terms / trading rules of the Crypto Asset Broker.

The Crypto Asset Sale Procedure shall be deemed unsuccessful (Failed Crypto Asset Sale) in case the orders are not successful - (i) no purchase offers were submitted or all purchase offers were rejected, or (ii) for any other reason.

#### **7.1.10. No interim payments under the Notes**

The Notes do not provide for interim payments (such as interest or dividends). The only method of generating income is an increase in the price of the Note. Investors must bear in mind that the performance of the market may differ from their expectations. The investor's potential gain or loss depends upon the purchase price paid for the Notes and is calculated as the difference between the purchase price and the Cash Amount or value of the Physical Settlement Amount, or the difference between the purchase price and the selling price in the event that the Notes are sold prior to maturity (in each case taking into account transaction costs and any taxes incurred).

#### **7.1.11. Event of Default**

If an Event of Default occurs and is continuing, each Noteholder shall be entitled to declare all but not some of its Notes due and payable by submitting a Default Termination Notice to the Issuer for its entire claim arising from the Notes and demand an immediate delivery of Crypto Assets according to the Entitlement Ratio per Note. An Event of Default occurs for example if the Issuer fails to deliver the Crypto Asset or to pay any other amount in respect of the Notes within 15 (fifteen) days from the relevant due date or if insolvency proceedings against the Issuer are instituted and have not been discharged or stayed within 90 (ninety) days, or the Issuer applies for or institutes such proceedings.

Any Default Termination Notice shall be made by means of a declaration in text form to the Paying Agent in the German or English language together with evidence by means of a certificate of the account holding bank that such Noteholder, at the time of such Default Termination Notice, is a Noteholder with respect of the relevant Notes.

No Noteholder shall be entitled to proceed directly against the Issuer unless such Noteholder has first sought enforcement of the Security by the Collateral Trustee (through the Noteholder Representative) in accordance with the Security Trust Agreement.

Upon receipt of the Default Termination Notice, the Paying Agent shall deliver a copy of such notice to the Collateral Trustee and the Collateral Trustee will from then on (acting on the instructions of the Noteholder Representative) institute such proceedings and/or take such action, steps or proceedings as it may think fit to enforce the Security. Such enforcement may result in a payment of the proceeds from the sale of the Deposited Crypto Assets only.

#### **7.1.12. Deliveries and Payment to the Noteholders**

Given that the Notes will be generally redeemed in the Underlying Crypto Asset, each Bondholder will require a digital wallet for the Crypto Asset in order to receive such units of the

Crypto Asset. Noteholder's digital wallet(s) are only eligible when operated by licensed crypto-asset service providers. Where a Noteholder is prevented from having one or several digital wallets or receiving units of the Crypto Assets, it may choose to sell Notes in the secondary market via a stock exchange (in case of Notes admitted to trading on a stock exchange) or via an OTC market. Alternatively, a Noteholder may also request redemption of the Notes in cash (as described above).

Any cash payments to be made by the Issuer to the Noteholders shall be made to the Paying Agent in accordance with the timelines set out in the Terms and Conditions for further forwarding to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System. The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

#### **7.1.13. Noteholder Meeting**

According to the Terms and Conditions and the German Act on Issues of Debt Securities of 2009 (*Gesetz über Schuldverschreibungen aus Gesamtemissionen - SchVG*), Noteholders of a particular Series of Notes can, by resolution, consent to amendments of, or waivers under, the Terms and Conditions of such Series of Notes and the Security Arrangements. Accordingly, although no obligation to make any payment or render any other performance may be imposed on any Noteholder, the Noteholders may, by resolution, materially change the substance of the Terms and Conditions of a particular Series of Notes, in particular in the case of § 5 paragraph 3 numbers 1 through 9 of the SchVG. Under the SchVG and the Terms and Conditions of a particular Series of Notes, such amendments require a resolution of Noteholders holding in the aggregate at least 75 percent of the votes cast in respect of the Series of Notes. Subject to contestation in court, any such resolution will be binding on all Noteholders of such Series of Notes.

The voting process under the Terms and Conditions will be governed in accordance with the SchVG, pursuant to which the required participation of Noteholder votes (quorum) is principally set at 50 percent of the aggregate principal amount of the outstanding Series of Notes at the time of the first Noteholders' meeting or a vote without meeting. If the quorum is not met for the first voting process, there is no minimum quorum for the second voting process in relation to the same resolution (unless the resolution to be passed requires a qualified majority, in which case Noteholders representing at least 25 percent of the outstanding Series of Notes by principal amount must participate in the meeting). As the relevant majority for Noteholders' resolutions is generally based on votes cast, rather than on principal amount of Notes outstanding, the aggregate principal amount of Notes of a Series of Notes required to vote in favour of an amendment will vary based on the Noteholders' votes participating.

#### **7.1.14. General Description of the Underlying**

The Underlying is a pre-selected Crypto Asset, such as Bitcoin (XBT); Bitcoin Cash (XBN); Ether (XET); Ripple (XRP); Litecoin (XLC), which will be specified in the Final Terms. The performance of the Notes is affected by the performance of the Crypto Asset. The Final Terms will also provide where information about the past and the future performance of the Crypto Asset and its volatility may be obtained by electronic means, and whether or not it can be obtained free of charge.

Crypto Assets (including Crypto Currencies) can be defined as a digital representation of value or rights which may be transferred and stored electronically, using distributed ledger technology or similar technology. A Crypto Currency does not represent an underlying claim on income or profits, nor does it represent a liability that must be repaid. The value of a Crypto Currency is a function of the perspective of the participants within the marketplace and supply and demand. As a result the value of a Crypto Currency may be more speculative and more volatile than traditional assets representing claims on income, profits or debts.

In addition, all Crypto Currencies are based on the idea of a limited supply. Unlike the money that central banks can print indefinitely and the book money that commercial banks create, new cryptocurrency units are created through a predetermined mathematical process within a computer network. This process is called "mining". Anyone interested can download a program to participate in the network and mine cryptocurrencies, as long as their computer is powerful enough. The network operates on a peer-to-peer basis, meaning that all of its participants are generally treated as equals. There is no central entity to monitor or manage transactions or balances.

Crypto Asset (including Crypto Currencies) are financial instruments pursuant to section 1 (11) sentence 1 no. 7 (unit of accounts - *Rechnungseinheiten*) or, as the case may be, no. 10 (crypto assets - *Kryptowerte*) of the German Banking Act (*Kreditwesengesetz* – "**KWG**"). They do also qualify as crypto-assets pursuant to Article 3 (1.) no. 5 of the Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets ("**MiCAR**"), which applies since 30 December 2024. Bitcoin and other Crypto Currencies are, however, not legal tender and do neither qualify as currency nor foreign note or coin.

#### **7.1.15. Consequences of a Fork**

Either the Noteholders (representing at least 20 % of all Outstanding Notes) or the Issuer may notify the other side of the occurrence of a Fork (such notification: a Fork Notification Event).

If the Issuer then determines in its reasonable discretion within a reasonable period of time after the Fork Notification Event (not exceeding 45 days) that such Fork has led to the creation of two or more crypto assets and that they are tradable through the Crypto Asset Broker and depositable with the Crypto Custodian, the rights of each Noteholder with respect to the Notes will be modified. Following such a determination, each Note shall represent a claim on a group of post-Fork crypto assets that corresponds to such Entitlement Ratio as each Note represented before the Fork.

In this case, the weight of each post-Fork crypto asset in such a group shall be (i) the balance of each such crypto asset held on the Crypto Asset Wallet at the point of a Fork Notification Event; divided by (ii) the Outstanding Amount at the point of the Fork Notification Event. All such weights are subject to a maximum of 1.0.

Following a Fork, the Issuer may in its reasonable discretion and after having notified the Noteholders, resolve to split the Notes into separate Series of Notes, each such new Series of Notes representing a claim on the Issuer for a separate post-Fork crypto asset in the group of crypto assets that each Note represented immediately following the Fork. In addition, the Issuer may in its reasonable discretion and after having notified the Noteholders, suspend the Exercise Right, sales and/or issuances of Notes for a reasonable period of time, not exceeding 90 (ninety) days, in order to allow for such an arrangement to be implemented.

## **7.2. Authorisations for the issuance of Notes**

The establishment of the Programme and the issue of Notes under the Programme were duly authorised by the Managing Director of the Issuer on 6 August 2024.

## **7.3. Interests of other persons involved in the issue and conflicts of interest**

Unless specified otherwise in the relevant Final Terms and in the following paragraph, as well as in relation to the Managing Director(s) and members of the Advisory Board in section 5.5.3. (*Potential Conflicts of Interest*), there is no interest, including a conflict of interest, that is material to the issue/offer, detailing the persons involved and the nature of the interest.

It should be noted that the payment of commissions, price surcharges (premium) and inducements to Authorised Participants and/or Distributors may generate conflicts of interest to the disadvantage of the investor, because this could create an incentive for the Authorised Participant and/or Distributor to sell the Notes as products with a higher commission to its customers in preference to other less cost intensive products. Such commissions are included in the price of the Note or in case of a price surcharge (premium) are to be paid additionally to the Issue Price.

The Authorised Participants and/or Distributors and investment advisers may be pursuing their own interests with respect to the sale of the Notes and their associated advisory activities. A conflict of interest of the advisers may result in their making an investment decision or issuing a recommendation in their own interests and not in the interests of the investors.

A market maker specified in the relevant Final Terms will act as Market Maker for the Notes. Through such Market Making, the Market Maker will itself determine the price of the Notes to a significant extent. As a result, the prices quoted by the Market Maker will usually not correspond to the prices that would have been established without such Market Making and in a liquid market.

## **7.4. Reasons for the Offer and Use of Proceeds**

The reason for the issue of Notes under the Programme is primarily to finance the general business development of the Issuer and to make profits with the issue of the Notes.

## **7.5. Admission to Trading, Pricing**

The Notes offered may be bought and sold through brokers, banks and savings banks in off-market transactions (see section 10.4 (*Subscription and Purchase of the Notes*)) and – if so provided in the applicable Final Terms – in stock exchange transactions. The respective Final Terms will contain details on whether application will be made for the Notes to be admitted to trading on a regulated market in the European Union or on multilateral trading facilities (MTF). Further, the Final Terms may provide for an admission to a market outside the European Union, including at SIX Swiss Exchange AG. The Final Terms will, if required, specify the total expenses related to the admission to trading.

### **7.5.1. Listing of the Notes**

Where a stock exchange listing is contemplated, the Final Terms will contain details of the relevant exchanges and market segments to which the Notes are expected to be admitted and/or included, together with date of the planned admission to listing and/or inclusion and

details of the expected last exchange trading day. In this case, the Notes will also be tradable in off-market transactions (as described below).

### 7.5.2. Market Maker

One or more market makers appointed by the Issuer and specified in the relevant Final Terms as market maker for the Notes (the "**Market Maker**") will assume an obligation in compliance with the locally applicable rules to provide bid and offer prices for certain order or Notes volumes (whereas such obligation will not apply in exceptional cases such as technical service interruptions, special market situations or a temporary sell-out of the issue).

The Market Maker has no obligations to third parties, including the Noteholders in this regard. The purchasers of the Notes can therefore not assume that they will be able to sell the Notes at a particular time or at a particular price. In particular, the Market Maker is in principle not obliged to repurchase the Notes. This market making process (purchase) can be illustrated as follows:

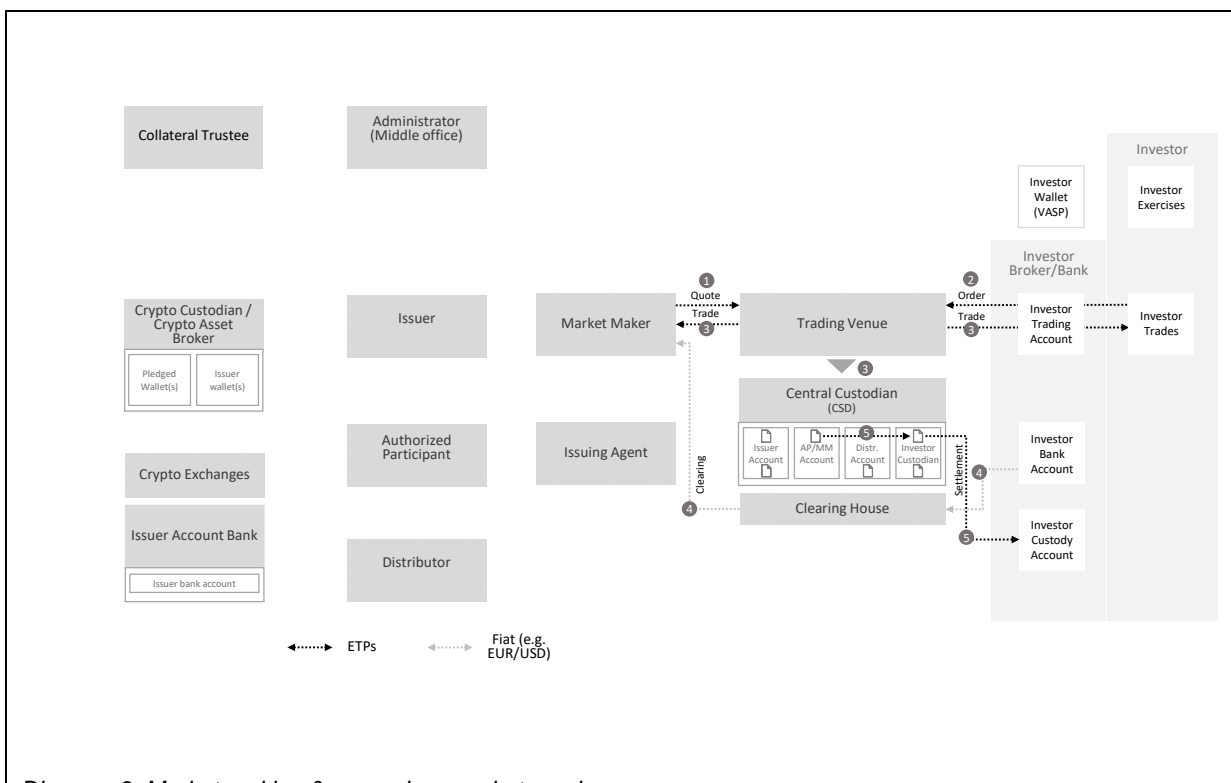
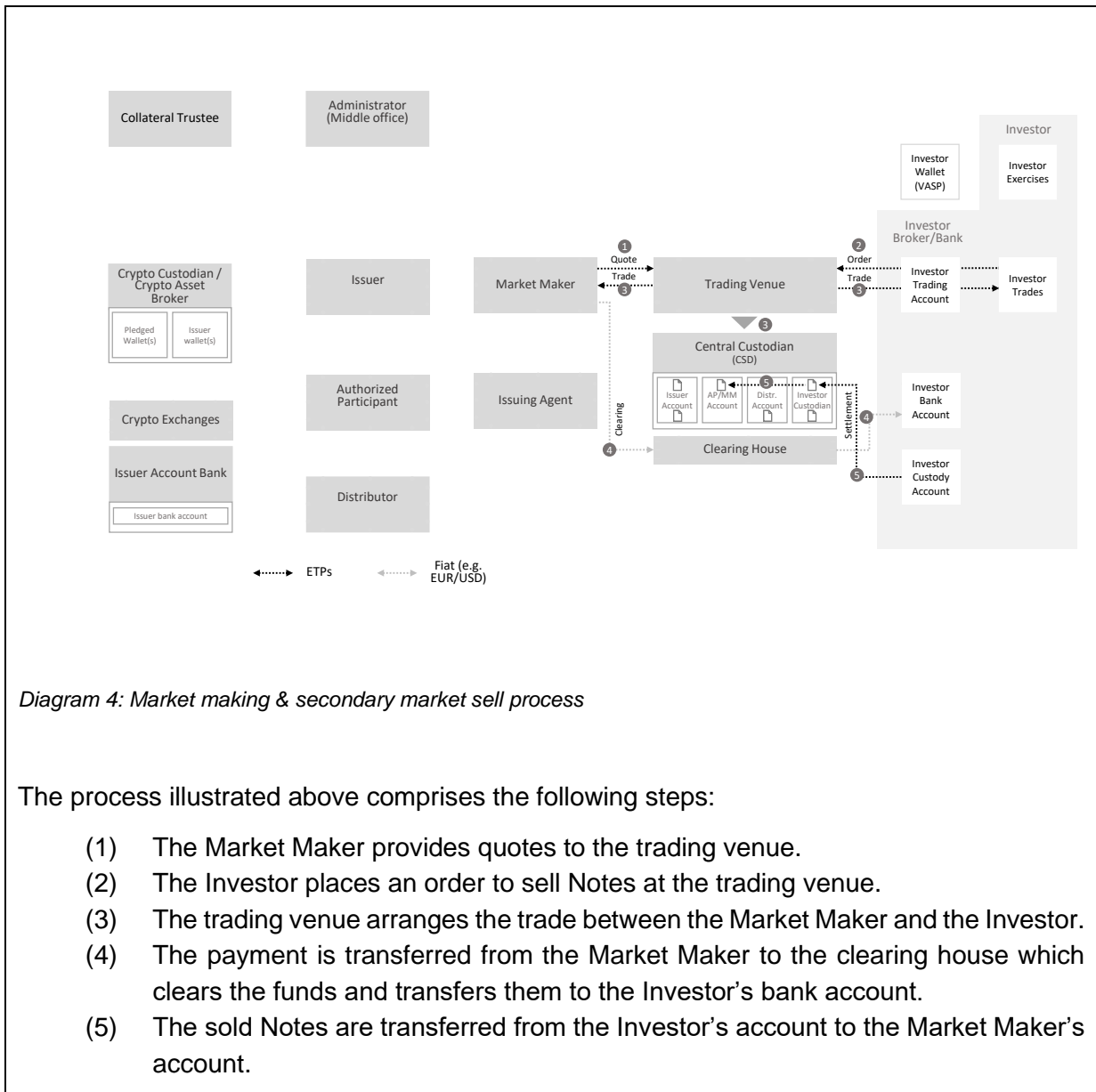


Diagram 3: Market making & secondary market purchase process

The process illustrated above comprises the following steps:

- (1) The Market Maker provides quotes to the trading venue.
- (2) The Investor places an order to purchase Notes at the trading venue.
- (3) The trading venue arranges the trade between the Market Maker and the Investor.
- (4) The payment is transferred from the Investor's bank account to the clearing house which clears the funds and transfers them to the Market Maker.
- (5) The purchased Notes are transferred from the Market Maker's account to the Investor's account.

This market making process (sell) can be illustrated as follows:



The exceptions to a binding commitment, if any, of the Market Maker to set prices apply in accordance with the relevant rules and regulations, in particular in the case of:

- abnormal circumstances affecting the Market Maker's operations (e.g. telephone problems, technical faults or power failures);
- unusual market situations (e.g. exceptional market movement of the Underlying due to particular circumstances in the home market or unusual events affecting the security used as the Underlying during pricing) or unusual market conditions due to serious disruptions of the economic and political situation (e.g. terrorist attacks or market crashes);
- (temporary) sell-out of the issue. In these circumstances, only a bid price must be provided and an offer price may not be provided.

The Final Terms may also specify that no market making will be provided for the Notes to be issued. In this event, investors should not assume that it will be possible to sell the relevant Notes during their term.

### **7.5.3. Pricing of the Notes**

From the start of off-market trading or from the date of stock exchange listing – if provided for in the Final Terms – the price of the Notes will be determined by the Market Maker on a continuous basis. The Market Maker undertakes to provide bid and offer prices for the Notes pertaining to the Notes of an issue subject to regular market conditions. However, the Market Maker is vis-à-vis the Noteholders neither obliged to take over the function as market maker nor to maintain the function of market maker once assumed.

In the event of extraordinary market conditions or extremely volatile markets, the Market Maker will not provide any bid and offer prices. The Market Maker will provide bid and offer prices for the Notes only under regular market conditions. However, even in the case of regular market conditions, the Market Maker does not assume any legal responsibility towards the Noteholders to provide such prices and/or that such prices provided by the market maker are reasonable.

The Issue Price and the prices of the Notes set by the Market Maker in the secondary market on an ongoing basis are made up of different components. Those components are: the mathematical value of the Notes, the margin and any other charges. If relevant, a price surcharge (premium) is to be paid additionally to the Issue Price.

The mathematical value of a Note is calculated on the basis of the pricing model used in each case by the Market Maker and, in addition to the value of the Underlying, also depends on other variable factors. The other factors can include derivative components, expected income from the Underlying, the volatility of the Underlying, interest rates, the costs of collateralisation of Notes, the remaining term of the Notes and the supply and demand for hedging instruments. The pricing models are determined by the Market Maker at its own discretion and may differ from the pricing models that other issuers and/or Market Makers use to calculate comparable debt securities.

The margin is also set by the Market Maker at its own discretion and may differ from the margins that other issuers or market makers charge for comparable debt securities. The calculation of the margin takes into account the price and volatility of the Underlying, the supply and demand for Notes, costs for accepting and hedging risk, structuring and selling the Notes and, if applicable, licence fees, in addition to income considerations. The margin may also include costs and commissions paid to third parties in connection with services for placing the Notes.

The Final Terms will specify whether the prices set by the Market Maker will be quoted as a monetary amount per Note or as a percentage. If the price is quoted as a percentage, they will also specify whether accrued interest will be included in the pricing.

### **7.6. Post-Issuance Disclosure**

Unless specified otherwise in the Final Terms, the Issuer does not intend to publish post-issue information, unless it is information that is required to be published in accordance with legal obligations or in accordance with the Terms and Conditions as a notice in a national official journal or on the website <https://www.nxtassets.com>.



## 8. Information on Key Agents and Service Providers

### 8.1. Overview of Key Agents and Service Providers

As at the date of this Base Prospectus, the following agents and service providers will be appointed by the Issuer in the respective capacities set out below:

Capacity	Entity
"Administrator"	<ul style="list-style-type: none"> <li>Apex Fund Services (Malta) Limited, Birkirkara, Malta</li> </ul>
"Issuing Agent" or, as the case may be, "Paying Agent"	<ul style="list-style-type: none"> <li>Quirin Privatbank AG, Berlin, Federal Republic of Germany, or</li> <li>any other entity specified in the Final Terms</li> </ul>
"Crypto Custodian"	<ul style="list-style-type: none"> <li>Crypto Finance (Deutschland) GmbH, Frankfurt am Main, Federal Republic of Germany, or</li> <li>any other entity specified in the Final Terms</li> </ul>
"Collateral Trustee"	<ul style="list-style-type: none"> <li>Apex Corporate Trustees (UK) Limited, London, United Kingdom</li> </ul>
"Crypto Asset Broker"	<ul style="list-style-type: none"> <li>Crypto Finance (Deutschland) GmbH, Frankfurt am Main, Federal Republic of Germany, or</li> <li>any other entity specified in the Final Terms</li> </ul>
"Authorised Participant(s)"	<ul style="list-style-type: none"> <li>Flow Traders B.V., Amsterdam, The Netherlands, and / or</li> <li>Bank Vontobel AG, Zurich, Switzerland</li> </ul>
"Market Maker"	<ul style="list-style-type: none"> <li>Flow Traders B.V., Amsterdam, The Netherlands, or</li> <li>Bank Vontobel AG, Zurich, Switzerland, or</li> <li>any other entity specified in the Final Terms</li> </ul>

The general set up of the involved parties in an issuance of the Notes can be illustrated as follows:

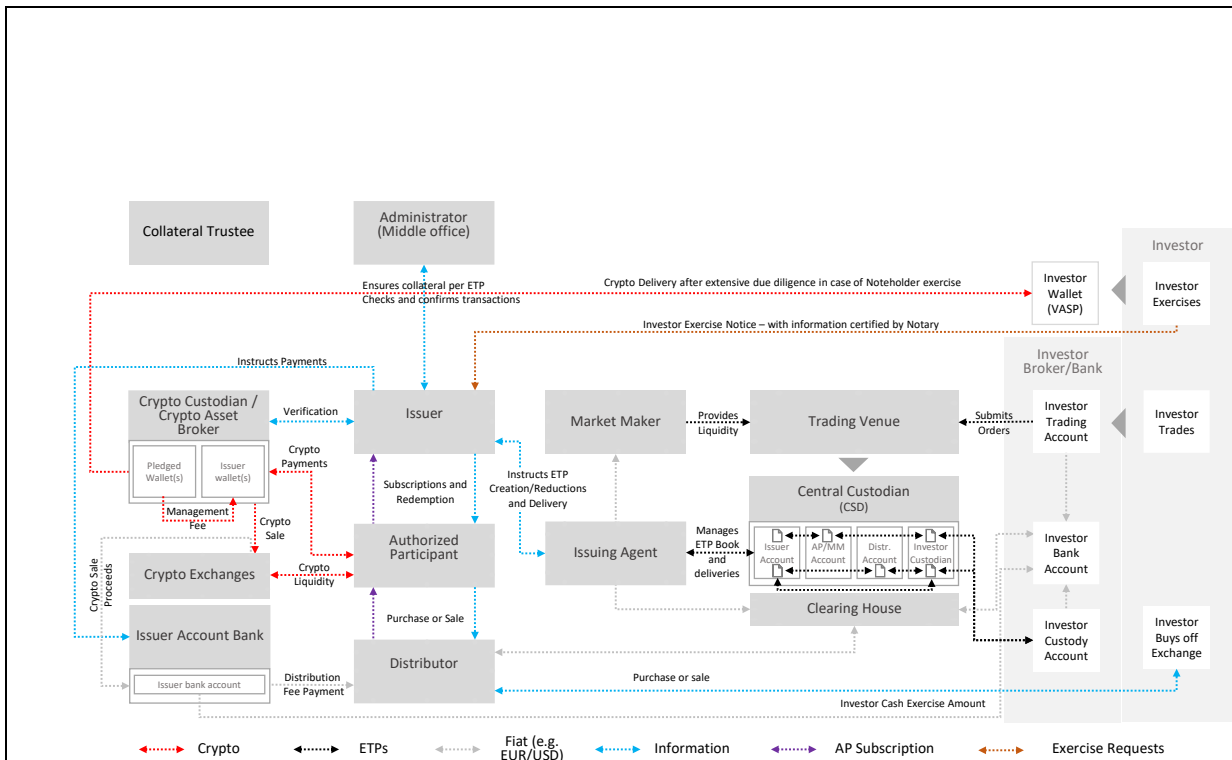


Diagram 5: Overview of all involved parties

The other functions in the diagram not mentioned before are:

- **Crypto Exchanges**; this term refers to the trading venue on which the Crypto Assets can be purchased and sold.
- **Trading Venue**; this term refers to the stock exchange or trading venue on which the Notes will be listed and accepted for trading.
- **Central Custodian and Clearing House**; these terms refer to the Clearing System of the Notes.
- **Issuer Account Bank**; this bank will be the account bank of the Issuer for its general corporate purposes.

## 8.2. Administrator

The Issuer has appointed Apex Fund Services (Malta) Limited, Birkirkara, Malta, as Administrator under the Programme.

See section 5.11.1 (*Middle Offices Services Agreement*) for more information on the Middle Offices Services Agreement.

### **8.3. Issuing Agent and Paying Agent**

The Issuer has appointed Quirin Privatbank AG, Berlin, Federal Republic of Germany, as initial Issuing Agent and initial Paying Agent under the Programme. The Issuer may, from time to time, appoint other Issuing Agents and/or Paying Agents under the Programme in relation to a particular Series of Notes and any such Issuing Agent and Paying Agent shall be as stated in the respective Final Terms.

Pursuant to the issuing and paying agency agreement, the Issuing Agent will handle and settle subscriptions of Notes behalf of the Issuer. The Issuing Agent will also represent the Issuer in relation to the central securities depository and pursue further administrative services with regards to the issuance of the Notes under the Programme. These services may include inter alia the operation of the issuing account and the handling of corporate actions in the Notes. The Paying Agent will handle and settle redemptions of Notes and payments on the Notes on behalf of the Issuer.

### **8.4. Crypto Custodian**

The Issuer has appointed Crypto Finance (Deutschland) GmbH, Frankfurt am Main, Federal Republic of Germany, as initial Crypto Custodian in under the Programme. The Issuer may, from time to time, appoint other Crypto Custodians under the Programme in relation to a particular Series of Notes and any such Crypto Custodian shall be as stated in the respective Final Terms.

See section 5.11.2 (*Crypto Asset Custodian Agreement*) for more information on the Crypto Asset Custodian Agreement.

### **8.5. Collateral Trustee**

Apex Corporate Trustees (UK) Limited, London, United Kingdom, shall act as Collateral Trustee under the Programme.

See section 5.11.3 (*Security Trust Agreement*) for more information on the Security Trust Agreement.

### **8.6. Crypto Asset Broker**

The Issuer has appointed Crypto Finance (Deutschland) GmbH, Frankfurt am Main, Federal Republic of Germany, as initial Crypto Asset Broker under the Programme. The Issuer may, from time to time, appoint other Crypto Asset Brokers under the Programme in relation to a particular Series of Notes and any such Crypto Asset Broker shall be as stated in the respective Final Terms.

### **8.7. Authorised Participant(s)**

The Issuer may, from time to time, appoint Authorised Participants in relation to a particular Series of Notes and any such Authorised Participant shall be as stated in the respective Final Terms.

Pursuant to the authorised participants agreement, Authorised Participants are authorized to transact with the Issuer in order of Notes to be created or redeemed. This right is reserved for Authorised Participants. One or more Market Maker(s) and Distributor(s) may buy or sell Notes on the primary market via the Authorised Participants.

**8.8. Market Maker(s)**

The Issuer intends to appoint Flow Traders B.V., Amsterdam, The Netherlands, or Bank Vontobel AG, Zurich, Switzerland, as Market Maker under the Programme. The Issuer may, from time to time, appoint other Market Makers under the Programme in relation to a particular Series of Notes and any such Market Maker shall be as stated in the respective Final Terms.

Pursuant to the market maker agreement, the Market Maker commit to act as intermediaries in secondary market trading, providing liquidity through bid and offer rates.

## 9. Information on the Security Arrangements for the Notes

*The following describes the security arrangements for the Notes entered into by the Issuer. Capitalised terms used but not defined in this section 9 (Information on the Security Arrangements for the Notes) shall have the same meaning as ascribed to them in the relevant Security Document or Account Control Agreement (each as defined below) unless the context requires otherwise. In case of any inconsistencies between the following description and a Security Document, the relevant Security Document shall prevail.*

*As long as a Series of Notes is outstanding, the Issuer shall make copies of the Security Trust Agreement, the Crypto Asset Wallet Control Agreement, the Crypto Asset Security Agreement (together the "**Security Documents**"), as well as the Issuance Account Control Agreement and the Sales Proceeds Cash Account Control Agreement (together the "**Account Control Agreements**") in relation to such Series of Notes available for inspection by the Noteholders at the its registered seat (Neue Mainzer Straße 66-68, 60311 Frankfurt am Main, Federal Republic of Germany or any successor address) and shall, in addition, publish copies of the Security Documents and the Account Control Agreements on the Issuer's website <https://www.nxtassets.com>. The Issuer reserves the right to redact certain provisions from the copy of the Security Documents and the Account Control Agreements for security / data protection reasons.*

The Issuer shall, as continuing security for the payment and discharge of the obligations to the Noteholders under the Notes and in accordance with the following agreements, grant the following security for the benefit of the Noteholders, the Collateral Trustee itself and the Noteholders' Representative (if appointed).

The Security secures the Secured Obligations, as defined below. The terms of the Security Documents grant to the Collateral Trustee the right to enforce the Security in relation to each Series of Notes upon the occurrence of an "Event of Default", as defined in the Terms and Conditions, provided that any of the Secured Obligations has become due and payable and any requirements under applicable statutory law for such enforcement are satisfied.

### 9.1. Security Trust Agreement

In relation to each Series of Notes, the Issuer and the Collateral Trustee shall enter into a security trust agreement (the "**Security Trust Agreement**"), pursuant to which the Collateral Trustee will be appointed to act as Collateral Trustee of and for the benefit of the Secured Parties in connection with the administration and the handling of the rights of the Noteholders in relation to a Series of Notes against the Issuer as well as among themselves in relation to the Security.

In accordance with the Security Trust Agreement, the Issuer appoints the Collateral Trustee to act as Collateral Trustee of and for the benefit of the Noteholders, the Collateral Trustee itself and the Noteholders' Representative (if appointed) (together the "**Secured Parties**") in connection with the administration and the handling of the rights of the Noteholders against the Issuer as well as among themselves in relation to any land charge, mortgage, charge, pledge, lien, assignment or transfer for security purposes, retention and extended retention of title or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect (the "**Security**") created in relation to a Series of Notes.

The Collateral Trustee shall (i) hold and administer as trustee (*treuhänderisch*) any Security created or evidenced or expressed to be created or evidenced under or pursuant to the Security Documents (a "**Transaction Security**") governed by German law which Security is an assignment or transfer for security purposes (*Sicherungsabtretung/Sicherungsübereignung*) or otherwise granted as a non-accessory security right (*nicht-akzessorische Sicherheit*) to it for the benefit of the Secured Parties; and (ii) administer as agent any Transaction Security governed by German law which is a pledge (*Verpfändung*) or otherwise granted to it as an accessory security right (*akzessorische Sicherheit*); (iii) acquire, hold, administer, and enforce any assets which from time to time are, or are expressed to be, the subject of the Transaction Security (a "**Charged Property**").

Nothing in the Security Trust Agreement constitutes the Collateral Trustee as an agent, trustee or fiduciary of the Issuer. The Collateral Trustee has no financial or commercial duty of care (*Vermögensfürsorgepflicht*) for the Issuer. The Collateral Trustee shall in particular not be bound to enquire: (a) whether or not any Event of Default has occurred; (b) as to the performance, default or any breach by any person of its obligations under any "**Note Document**" (defined in the Security Trust Agreement as the Security Trust Agreement, the Notes (including the Terms and Conditions), the Security Documents, the Account Control Agreements any fee letter relating to the Notes and any other document that may be entered into pursuant to any of the foregoing in relation to the Notes); or (c) whether any other event specified in any Note Document has occurred.

In accordance with the Security Trust Agreement, the Collateral Trustee may, at any time, delegate by power of attorney or otherwise to any person for any period, all or any right, power, authority or discretion vested in it in its capacity as such. That delegation may be made upon any terms and conditions (including the power to sub-delegate) and subject to any restrictions that the Collateral Trustee may, in its discretion, think fit in the interests of the Secured Parties. If the Collateral Trustee exercises reasonable care in selecting such delegate, it shall not have any obligation to supervise such delegate or be responsible for any Liability (as defined in the Security Trust Agreement) incurred by reason of any misconduct or default by any such delegate or sub-delegate. Notwithstanding any delegation (including sub-delegation) by the Collateral Trustee of the performance of any of its obligations, the Collateral Trustee shall not thereby be released or discharged from any liability under the Security Trust Agreement and shall remain responsible for the performance of its obligations.

## **9.2. Security over Crypto Assets**

The Issuer and the Crypto Custodian shall enter into a Crypto Asset Custodian Agreement, pursuant to which the Crypto Custodian provides certain custody services in relation to the Crypto Asset by in particular holding the Crypto Asset in crypto asset wallet(s) operated by the Crypto Custodian on behalf of the Issuer (the "**Crypto Asset Wallet(s)**").

In relation to each Series of Notes, the Issuer, the Crypto Custodian and the Collateral Trustee shall enter into a control agreement in relation to the Crypto Asset Wallets (the "**Crypto Asset Wallet Control Agreement**"), which grants to the Collateral Trustee control over the respective Crypto Asset Wallet in relation to each Series of Notes. In accordance with the Crypto Asset Wallet Control Agreement and until such time as the Collateral Trustee (acting on the instructions of the Noteholder Representative) shall deliver to the Crypto Custodian a Notice of

Exclusive Control (as defined below), withdrawals from, or deposits into, the Crypto Asset Wallet by the Issuer may only take place upon receipt by the Crypto Custodian of (i) a respective instruction from the Issuer and (ii) an approval of such transaction by an authorised person for the Administrator. The Collateral Trustee agrees that it will not deliver a notice of exclusive control (a "**Notice of Exclusive Control**") unless it has become entitled to enforce the security granted pursuant to the Crypto Asset Security Agreement. In the event that the Collateral Trustee delivers a Notice of Exclusive Control to the Crypto Custodian, it will use such control to realise (*verwerten*) the Deposited Crypto Assets in accordance with the provisions of the Crypto Asset Security Agreement and the Security Trust Agreement and for the purpose of paying the proceeds to the Secured Parties (including the Noteholders).

In addition, in relation to each Series of Notes, the Issuer and the Collateral Trustee shall enter into security agreement in relation to the Crypto Assets (the "**Crypto Asset Security Agreement**"). In accordance with the Crypto Asset Security Agreement, the Issuer assigns to the Collateral Trustee (a) all its present and future, actual and contingent rights and claims against the Crypto Custodian (i) arising under or in connection with the Crypto Asset Wallet Control Agreement or (ii) arising in relation to the Custodian Account, the Crypto Asset Wallet(s) or the Deposited Crypto Assets under or in connection with the Crypto Asset Custodian Agreement or any other underlying contractual or other relationship (if any) under which the Crypto Custodian provides custodial services to, or maintains the Crypto Asset Wallet(s) for, the Issuer, and (b) any other present and future, actual and contingent rights or title to the Deposited Crypto Assets which the Issuer currently has, or will acquire in the future, or otherwise is or will be entitled to. The assignment is constituted in order to secure the prompt and complete satisfaction of any and all Secured Obligations.

### **9.3. Issuer-Held Notes**

The Paying Agent shall, on behalf of the Issuer, maintain a securities account (the "**Issuance Account**") where Notes beneficially owned by the Issuer are held or registered (the "**Issuer-Held Notes**").

In relation to each Series of Notes, the Issuer, the Issuing Agent and the Collateral Trustee shall enter into a control agreement in relation to the Issuance Account (the "**Issuance Account Control Agreement**"). In accordance with the Issuance Account Control Agreement (a) any disposal over the Issuer-Held Notes (in particular any transfer of Issuer-Held Notes out of the Issuance Account) may only take place; and (b) the Issuing Agent shall act upon instructions originated by the Issuer concerning the Issuer-Held Notes only, upon receipt by the Issuing Agent of an approval of such transaction or instruction from the Administrator.

### **9.4. Sales Proceeds**

The Issuer Account Bank shall, on behalf of the Issuer, maintain a cash account (the "**Sales Proceeds Cash Account**") where any Crypto Asset Sale Proceeds are credited.

In relation to each Series of Notes, the Issuer, the Issuer Account Bank and the Collateral Trustee shall enter into a control agreement in relation to the Sales Proceeds Cash Account (the "**Sales Proceeds Cash Account Control Agreement**"). In accordance with the Sales Proceeds Cash Account Control Agreement, (a) withdrawals from the Sales Proceeds Cash Account, or

other dispositions over the amounts standing to the credit thereof, by the Issuer may only take place; and (b) the Issuer Account Bank shall act upon instructions originated by the Issuer concerning the Sales Proceeds Cash Account only upon receipt by the Issuer Account Bank of an approval of such transaction or instruction from the Administrator.



## 10. Information on the Offer, Subscription and the Admission to Trading

### 10.1. Aspects relating to public offers of the Notes

Under the Base Prospectus, Notes are issued by way of a new issue or an increase. Such Notes either will be offered to the public or in a private placement pursuant to an exemption available under pursuant to Article 1 para. 4 of the Prospectus Regulation.

In case of a Public Offer, the Notes will be sold during a defined Offer Period, as specified in the respective Final Terms. The Issuer reserves the right during the respective offer period to cancel the offer.

### 10.2. Increase of Notes

Under the Base Prospectus, the offer size of Notes may be increased (the "**Increase**"), which may occur several times. For this purpose, Final Terms will be prepared for the respective additional Notes in the form as provided for in section 12 (*Form of Final Terms*). The additional Notes together with the original Notes form a single issue of Notes (corresponding to the increased offer size), *i.e.* they have the same securities identification numbers and the same features.

The Final Terms will specify the Terms and Conditions applicable to the relevant Notes.

### 10.3. Yield over the Term

The yield of the Notes can only be determined at the end of the term, when the actual value of the Underlying and the actual term of the Notes is fully known. Therefore, no information on the expected yield can be given as of the date of the Base Prospectus.

For the calculation of the individual yield over the entire term, the Noteholder must take into account the price originally paid for the Notes, the Entitlement Ratio, as well as the fees of the Issuer in form of the Diminishing Entitlement Rate which reduce the value of the Notes, the period during which it holds the Notes and the individual transaction costs, including price surcharges (premium) and inducements which reduce the value of the Notes.

### 10.4. Subscription and Purchase of the Notes

In the primary market each issue of a Series of Notes is initially only purchased by authorised participants in each case appointed by the Issuer pursuant to an authorised participant agreement (each an "**Authorised Participant**") against delivery of the relevant underlying Crypto Asset and may subsequently be resold by such Authorised Participants to distributors (each a "**Distributor**"), a Market Maker or investors, in compliance with applicable selling restrictions during the relevant offer period.

#### 10.4.1. Description of the Subscription and Purchase Process by Authorised Participants

Initially, the Notes will be subscribed or purchased by Authorised Participants from the Issuer against delivery of units of the respective Crypto Asset.

The Issuer will then transfer the respective number of Notes via the Issuance Account maintained by the Issuing Agent to the respective Authorised Participant upon receipt of the

respective number of units of the respective Crypto Asset for the subscription of the Notes. Then, the Issuer will deposit the respective Crypto Asset directly received from Authorised Participants in the Crypto Custodian Wallet pledged as security to the Collateral Trustee. The Issuer's compliance with these steps will be verified by the Administrator.

This subscription and purchase process can be illustrated as follows:

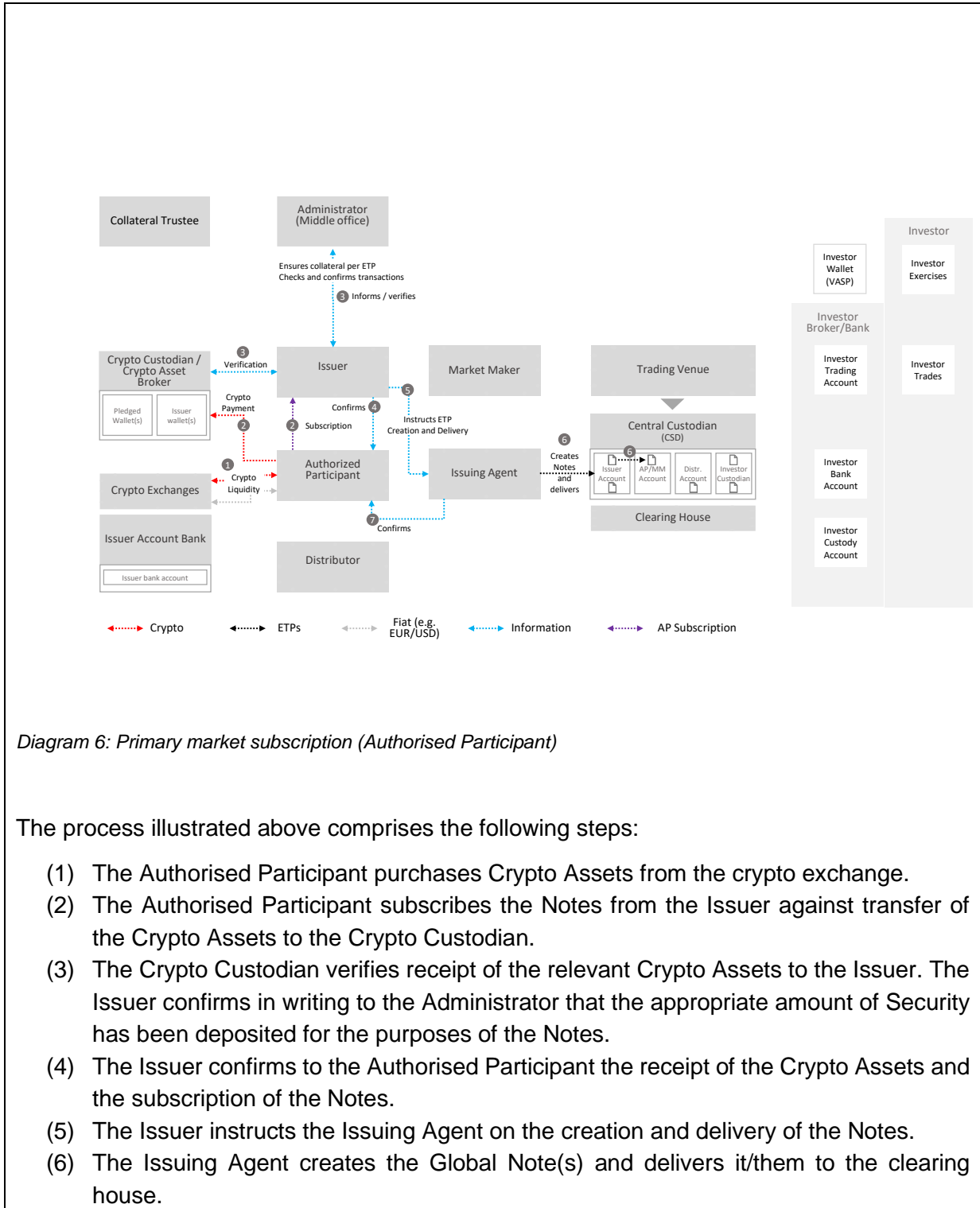


Diagram 6: Primary market subscription (Authorised Participant)

The process illustrated above comprises the following steps:

- (1) The Authorised Participant purchases Crypto Assets from the crypto exchange.
- (2) The Authorised Participant subscribes the Notes from the Issuer against transfer of the Crypto Assets to the Crypto Custodian.
- (3) The Crypto Custodian verifies receipt of the relevant Crypto Assets to the Issuer. The Issuer confirms in writing to the Administrator that the appropriate amount of Security has been deposited for the purposes of the Notes.
- (4) The Issuer confirms to the Authorised Participant the receipt of the Crypto Assets and the subscription of the Notes.
- (5) The Issuer instructs the Issuing Agent on the creation and delivery of the Notes.
- (6) The Issuing Agent creates the Global Note(s) and delivers it/them to the clearing house.

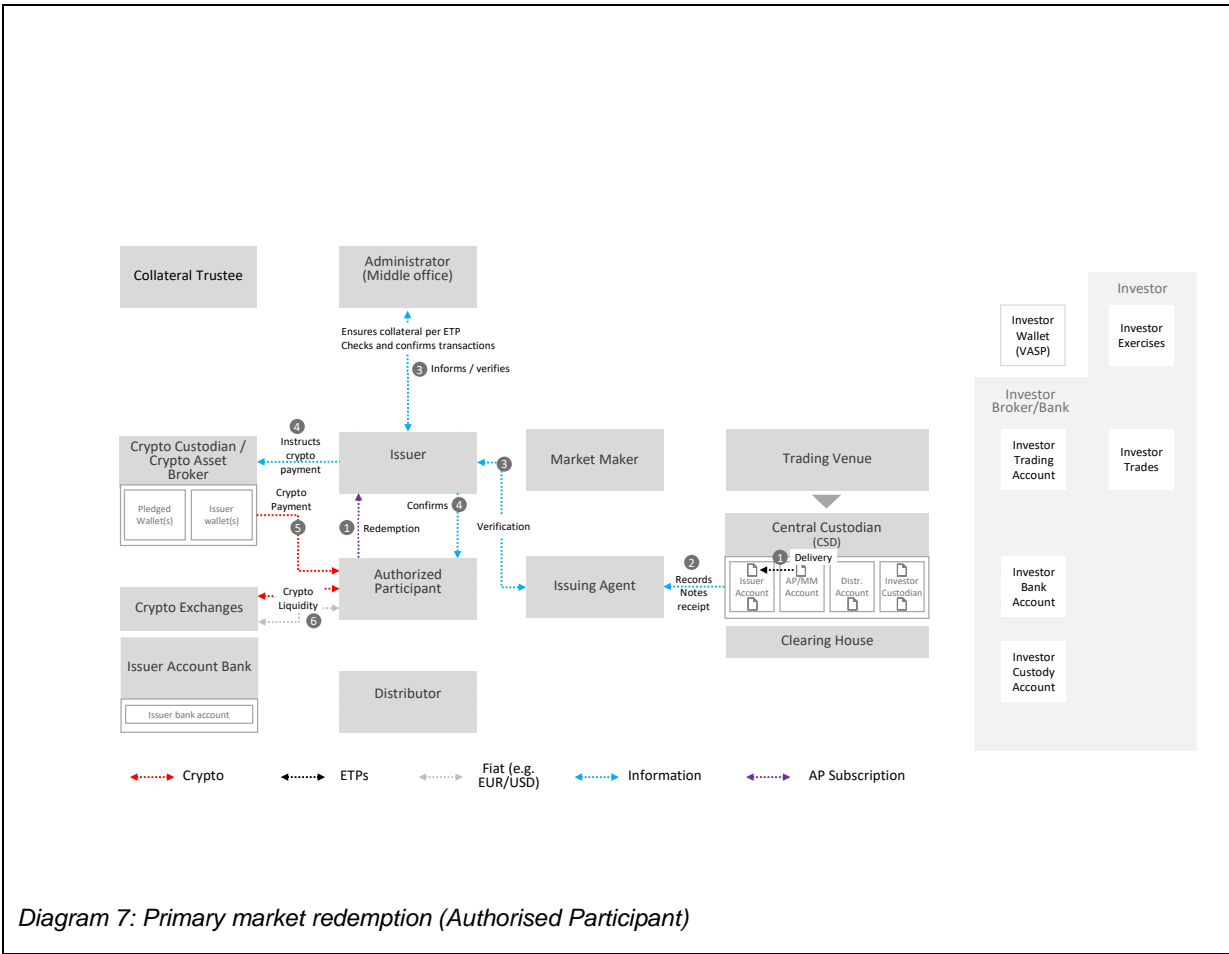
(7) The Issuing Agent confirms the creation and delivery of Notes to the Authorised Participant.

Each prospective investor, who is not an Authorised Participant, cannot purchase the Notes directly from the Issuer in the primary market.

Once the respective Notes have been issued by the Issuer and purchased by an Authorised Participant in accordance with the procedures set out above, investors who are not Authorised Participants have two opportunities to invest in the Notes:

- purchase via a stock exchange or trading venue or from any other party in the secondary market. An investor may purchase the Notes in the secondary market from any person (i) via the trading venue (in case of Notes are traded on a trading venue, e.g. if they are admitted to trading on a stock exchange). Notes can be purchased by prospective investors with any kind of consideration accepted by the relevant trading venue/counterparty, or
- purchase directly from an Authorised Participant or Distributor (as described below).

Under specific circumstances, Authorised Participants return Notes to the Issuer (other than by way of an exercise of the Notes). This return process can be illustrated as follows:



The process illustrated above comprises the following steps:

- (1) The Authorised Participant informs the Issuer of its redemption request. The Notes are transferred from the account of the Authorised Participant to the account of the Issuer at the clearing house.
- (2) The Issuing Agent records the receipt of the Notes.
- (3) The Issuing Agent verifies the receipt of the Notes to the Issuer.
- (4) The Issuer confirms the redemption to the Authorised Participant. The Issuer instructs the Crypto Custodian on the transfer of the Crypto Assets to the Authorised Participant.
- (5) The Crypto Custodian transfers the Crypto Assets to the Authorised Participant.
- (6) The Authorised Participant exchanges the Crypto Assets for cash at the crypto exchange.

#### **10.4.2. No Purchase directly from the Issuer**

An investor cannot purchase the Notes directly from the Issuer in the primary market. Initially, in the primary market, the Notes may only be subscribed for or purchased by Authorised Participants.

#### **10.4.3. Purchase directly from Authorised Participants or Distributors**

Once the Notes have been issued and subscribed for by Authorised Participants, Authorised Participants may proceed to sell the Notes so purchased in the secondary market on an anonymous basis (i) via the relevant stock exchange (in case of Notes admitted to trading on a stock exchange) or (ii) over the counter.

Authorised Participant may also contact their clients directly for a subsequent resale or final placement of the Notes. In such case, the Notes may be purchased directly from Authorised Participants in such Crypto Asset or currency accepted by it. Each Authorised Participant may charge a subscription fee from the purchasing investor at its own discretion.

If a Distributor contacts one of its clients directly, such client may purchase Notes directly from its Distributor. In that case, the Distributor may receive a distribution fee as described in the respective Final Terms. The Distributor may hedge such position directly via an Authorized Participant or a trading venue or keep the position on its own books.

This distribution process can be illustrated as follows:

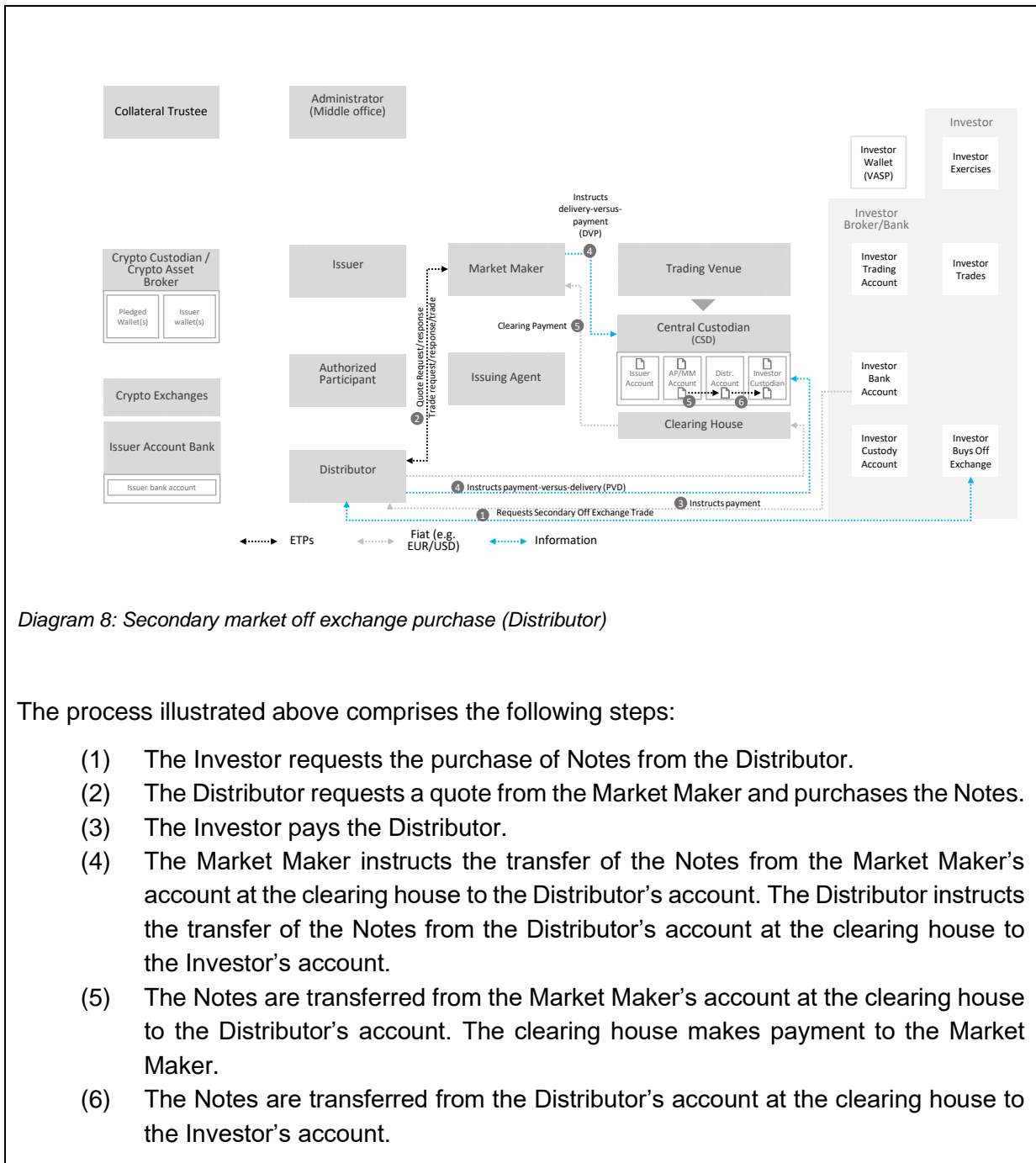


Diagram 8: Secondary market off exchange purchase (Distributor)

The process illustrated above comprises the following steps:

- (1) The Investor requests the purchase of Notes from the Distributor.
- (2) The Distributor requests a quote from the Market Maker and purchases the Notes.
- (3) The Investor pays the Distributor.
- (4) The Market Maker instructs the transfer of the Notes from the Market Maker's account at the clearing house to the Distributor's account. The Distributor instructs the transfer of the Notes from the Distributor's account at the clearing house to the Investor's account.
- (5) The Notes are transferred from the Market Maker's account at the clearing house to the Distributor's account. The clearing house makes payment to the Market Maker.
- (6) The Notes are transferred from the Distributor's account at the clearing house to the Investor's account.

Distribution payments owed to the relevant Distributors will be funded by the Issuer based on reductions of the Entitlement Ratio by the relevant Diminishing Entitlement Rate and paid by the Issuer from sale proceeds of the relevant Crypto Asset of the Notes. This process can be illustrated as follows:

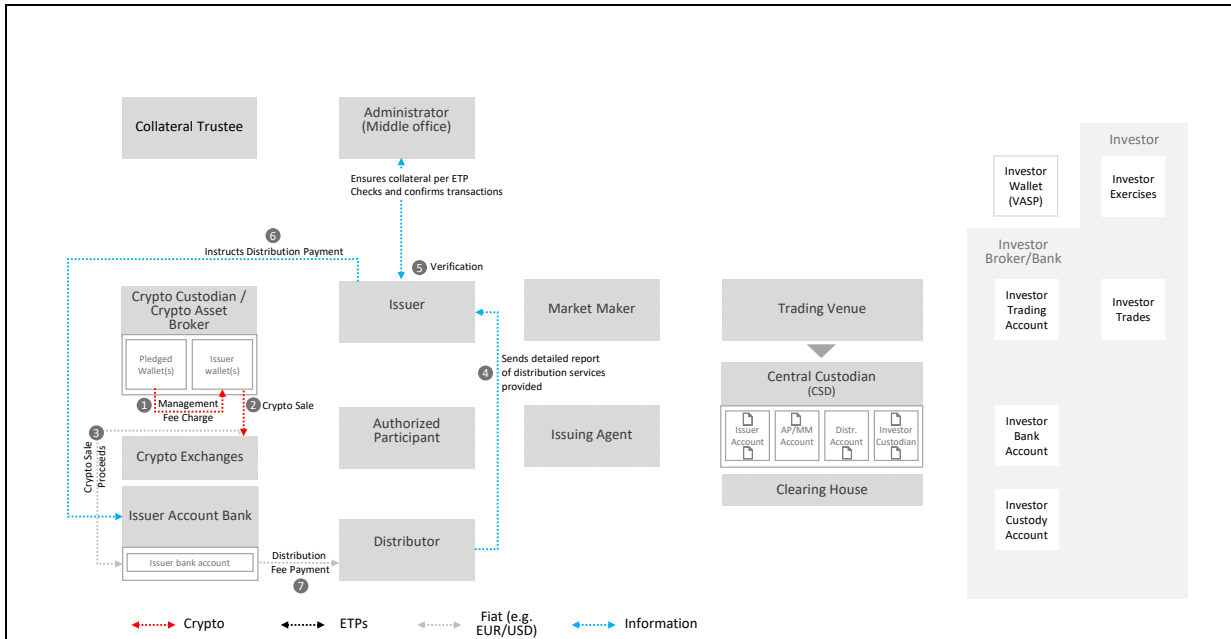


Diagram 9: Management fee processing and Distributor accrediting

The process illustrated above comprises the following steps:

- (1) The Crypto Custodian transfers Crypto Assets from the Crypto Asset Wallet to the Issuer's wallet.
- (2) These Crypto Assets are sold at the crypto exchange.
- (3) The proceeds from that sale are paid to the Issuer's account at the Issuer Account Bank.
- (4) The Distributor reports details of the distribution services provided to the Issuer.
- (5) The Issuer verifies such reports.
- (6) Based on the reports, the Issuer instructs the Issuer Account Bank to make distribution payments.
- (7) The Issuer Account Bank makes the distribution payments to the Distributor.

## 10.5. Conditions of the Offer

The details of the offer and sale of the Notes, in particular the Issue Date, Value Date (if applicable), Offer Size, the security identification codes, any series number, the Issue Price and offering countries will be specified in the relevant Final Terms. The Issue Price of the Notes will be set by the Issuer.

From the start of off-market trading or from the date of stock exchange listing – if provided for in the Final Terms – the price of the Notes will be determined by the Market Maker on a continuous basis (see section 7.5.3 (*Pricing of the Notes*)).

Delivery of the Notes sold will be made by the Issuing Agent via the relevant Clearing System after the Issue Date in accordance with the applicable local market practices.

The minimum trading size is one Note in each case (unless specified otherwise in the applicable Final Terms).

Details of any transaction costs should be requested from the relevant Authorised Participant, Distributor, sales partner or from the investor's own bank or broker. No further amounts – subject to the stipulation of a price surcharge in accordance with the following section 10.6 (*Costs and Charges*) – will be charged to the investor by the Issuer or the Authorised Participant over and above the Issue Price and/or the selling price.

The offer size specified in the Final Terms corresponds to the maximum number of Notes being offered but does not permit any conclusions to be drawn about the respective volume of Notes actually issued and deposited with the relevant Crypto Custodian in accordance with the rules applicable in each case. This volume depends on the market conditions and may change during the term of the Notes.

The Final Terms will, if required, specify the total expenses related to the issue/offer.

#### **10.6. Costs and Charges**

The Final Terms may provide for one-off costs, ongoing costs and/or distribution charges.

If so specified in the Final Terms, one-off costs may occur. One-off costs are regularly already included in the price of the product. In case one-off costs are not included in the price of the product, these costs are indicated separately. An example for such a separately indicated one-off cost is the price surcharge (or premium). The price surcharge refers to the additional charge that an investor in the Notes has to pay on top of the Issue Price. It is usually expressed as a percentage of the Issue Price. The price surcharge is paid to the respective Distributor; alternatively, the Issuer or the Market Maker may deliver the Notes to the respective Distributor at the Issue Price without a price surcharge.

If so specified in the Final Terms, ongoing costs may occur. In case of products where fees at product level (such as the Diminishing Entitlement Rate) or other ongoing costs are charged and deducted at the expense of the investor, these fees or costs are indicated as ongoing costs.

If so specified in the Final Terms, distribution charges may occur. Distribution charges may be included in the one-off costs or may be paid additionally by the investor. Furthermore, distribution charges may be paid as a discount on the Issue Price or as an one-off and/or periodic payment by the issuer to one or more financial intermediaries. For example, the respective Distributor may receive a placement commission if so indicated in the Final Terms. The placement commission is paid as a revenue-dependent distribution charge to the respective Distributor. Placement commissions are paid from the sales proceeds as one-time or recurring payments; alternatively, the Issuer and/or the Market Maker may grant the respective Distributor a corresponding discount on the selling price (with no price surcharge). As a further example, the respective Distributor may receive a corresponding trailer fee if so specified in the Final

Terms. The trailer fee (also referred to as a portfolio or trail commission) is a recurring payment to the Distributor from the sales proceeds depending on the size of the portfolio.

Information on any transaction costs may be obtained from the relevant Distributor.



## 11. Terms and Conditions

The terms and conditions of the Notes (the "**Terms and Conditions**") are set forth below in two optional sets:

- Terms and Conditions for Notes governed by German law and represented by a global note; and
- Terms and Conditions for Notes governed by German law and issued as electronic securities .

Each set contains placeholders and certain further optional elements which are characterised accordingly by square brackets and through instructions and explanatory notes highlighted in italics within the set of Terms and Conditions.

For each offer of Notes under this Base Prospectus, the Issuer will complete the Final Terms of an individual issue of Notes by replicating and completing the applicable set of Terms and Conditions for such Notes in whole (including the replication of the selected optional elements and the completion of the relevant placeholders of the set) in the marked placeholder set out under section II. (*Terms and Conditions*) of the Form of Final Terms.

The set of the Terms and Conditions so replicated and completed will constitute the Terms and Conditions of the respective Notes.

### 11.1. Option 1: Terms and Conditions for Notes governed by German law and represented by a global note

[Insert this set of Terms and Conditions in the Final Terms for Notes issued under German law and represented by a global note:

#### § 1 Notes, Form, Clearing System, Status, Security

- (1) The notes are issued by nxtAssets GmbH (the "**Issuer**") on ● (the "**Issue Date**") and divided into up to ● (in words: ●) notes (the "**Notes**").
- (2) The Notes grant to each Noteholder the right to demand from the Issuer (a) delivery of [Bitcoin] [Bitcoin Cash] [Ether] [Ripple] [Litecoin] [*insert other Crypto Asset: ●*] (the "**Crypto Asset**" ) equal to the Entitlement Ratio in accordance with these Terms and Conditions or (b) under the conditions set out in § 4 below, payment of a cash amount determined in accordance with such provision.

The Notes do not have a fixed maturity date. There will be no payments of interest on the Notes.

- (3) The Notes are being issued in bearer form. The Notes will be evidenced by a global note (*Sammelurkunde*) in accordance with § 9a of the German Securities Custody Act (*Depotgesetz*) (the "**Global Note**" ). The Global Note will be deposited with Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn, Federal Republic of Germany (the "**Clearing System**") and will be kept in custody by the Clearing System until all obligations of the Issuer under the Notes have been fulfilled. No definitive securities will be issued. Noteholders are entitled to co-ownership interests, economical ownership rights or comparable rights in the Global Notes, which are transferable in accordance with the rules of the Clearing System and the laws of the Federal Republic of Germany. [The Notes may in Switzerland also be cleared and settled through SIX SIS AG, Baslerstrasse 100, 4600 Olten, Switzerland.]
- (4) The obligations under the Notes constitute direct, unsubordinated and secured obligations of the Issuer ranking *pari passu* among themselves.
- (5) As continuing security for the payment and discharge of the obligations to the Noteholders under the Notes the Issuer grants a security interest to the Collateral Trustee for the benefit of the Secured Parties pursuant to the Security Documents all of its rights, title, interest and benefit, present and future, in, to and under the Crypto Asset Wallet and the Deposited Crypto Asset (the "**Security**").

Details of the accounts and the terms and conditions of the respective Security shall be stipulated in the Security Documents. As long as the Notes are outstanding, copies of the Security Documents can be obtained free of charge from the Issuer's registered office (nxtAssets GmbH, Neue Mainzer Straße 66-68, 60311 Frankfurt am Main, Federal Republic of Germany) or any successor address in the Federal Republic of Germany, as communicated to the Noteholders in accordance with § 16) and shall also be published on the Website. The Issuer reserves the right to redact certain provisions from the copy of the Security

Documents for security / data protection reasons. The Security will be held, administered and enforced by the Collateral Trustee in accordance with the Security Trust Agreement.

- (6) The Security shall be released in accordance with the provisions of the Security Trust Agreement and the terms of the respective Security Document.

## § 2 Certain Definitions

For the purposes of these Terms and Conditions, the following terms shall have the meaning given to them.

<b>Administrator</b>	means [●], in its function as agent of the Issuer who provides administrative services to the Issuer in relation to the Notes;
<b>Authorised Participant</b>	means any entity supervised by a financial supervisory authority in a member state of the European Economic Area, [the United Kingdom, ][Australia, ][Singapore, ][New Zealand, ][Japan, ][Switzerland, ][Hong Kong (SAR)] which has been appointed by the Issuer as an Authorised Participant;
<b>Business Day</b>	means a day (other than a Saturday or Sunday) on which (i) the Clearing System, (ii) the banks in [Frankfurt am Main][,][and] [London][,][and] [New York] [,][and] [Tokio] [,][and] [Zurich] [and] [●] and (iii) the Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET2), or any successor system thereto (" <b>TARGET</b> ") settle payments;
<b>Cash Exercise Right</b>	has the meaning provided in § 3 (2);
<b>Clearing System</b>	has the meaning provided in § 1 (3);
<b>Collateral Trustee</b>	means [●] which holds security interest in the Crypto Asset Wallet and the Deposited Crypto Assets for the benefit of itself and the Noteholders or any successor or replacement collateral trustee appointed pursuant to § 7 (3);
<b>Crypto Asset</b>	has the meaning provided in § 1 (2);
<b>Crypto Asset Custodian Agreement</b>	means the agreement in relation to custody services in relation to the Crypto Assets entered into between the Issuer and the Crypto Custodian dated on or around the Issue Date. In accordance with the Crypto Asset Custodian Agreement, the Crypto Custodian provides certain custody services in relation to the Crypto Asset by in particular holding the Crypto Asset in Crypto Asset Wallets operated by it on behalf of the Issuer.

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	The Crypto Asset Custodian Agreement shall be governed by German law.
<b>Crypto Custodian</b>	means [Crypto Finance (Deutschland) GmbH, Frankfurt am Main, Federal Republic of Germany] [●] or such other financial institution(s) that the Issuer, from time to time, has designated as the Crypto Custodian for its holdings of the Crypto Asset pledged as security for the Notes in accordance with § 6 (2);
<b>Crypto Asset Delivery Right</b>	has the meaning provided in § 3 (1);
<b>Crypto Asset Price Determination Date</b>	has the meaning provided in § 5 (2);
<b>Crypto Asset Broker</b>	means [Crypto Finance (Deutschland) GmbH, Frankfurt am Main, Federal Republic of Germany] [●] or such other financial institution(s) that the Issuer, from time to time, has designated as the Crypto Asset Broker for the sale of Crypto Asset in accordance with § 6 (2);
<b>Crypto Asset Sale Start Date</b>	has the meaning provided in § 5 (1);
<b>Crypto Asset Sale Procedure</b>	has the meaning provided in § 5;
<b>Crypto Asset Sale Proceeds</b>	has the meaning provided in § 4 (5);
<b>Crypto Asset Service Provider</b>	means any legal person or other undertaking qualifying as a crypto-asset service provider pursuant to Article 3 (1.) no. 15 Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets (MiCAR) and crypto-asset service providers that are licensed in Germany under the KWG and that provided their services in accordance with applicable law before 30 December 2024, and are continuing to do so in accordance with the transitional measure set out in Article 143 (3.) of the MiCAR.
<b>Crypto Asset Wallet</b>	means a crypto asset wallet or wallets operated by the Crypto Custodian on behalf of the Issuer, where the assets held in such wallet are (i) segregated from the assets of any other customers of the Crypto Custodian and from any other assets of the Issuer; and (ii) are pledged as security [to the Collateral Trustee for the benefit of] [in favour of] of the Noteholders [and the Collateral Trustee] pursuant to the Security Documents;
<b>Crypto Asset Wallet Control Agreement</b>	means the agreement entered into between the Issuer, the Crypto Custodian and the Collateral Trustee dated on or around the Issue

Date. The terms of the Crypto Asset Wallet Control Agreement grant to the Collateral Trustee control over the Crypto Asset Wallet.

In accordance with the Crypto Asset Wallet Control Agreement and until such time as the Collateral Trustee shall deliver to the Crypto Custodian a notice of exclusive control, withdrawals from, or deposits into, the Crypto Asset Wallet by the Issuer may only take place upon receipt by the Crypto Custodian of (i) a respective instruction from the Issuer and (ii) an approval of such transaction by an authorised person for the Administrator.

The Collateral Trustee shall not deliver such notice of exclusive control unless it has become entitled to enforce the Security granted pursuant to the Crypto Asset Security Agreement. In the event that the Collateral Trustee delivers a Notice of Exclusive Control to the Issuer, it will use such control to realise (*verwerten*) the Deposited Crypto Assets in accordance with the provisions of the Crypto Asset Security Agreement and the Security Trust Agreement and for the purpose of paying the Secured Obligations to the Noteholders.

The Crypto Asset Wallet Control Agreement shall be governed by German law.

**Crypto Asset Security Agreement**

means the agreement relation to Crypto Assets entered into between the Issuer and the Collateral Trustee dated on or around the Issue Date. In accordance with the Crypto Asset Security Agreement, the Issuer assigns to the Collateral Trustee (a) all its present and future, actual and contingent rights and claims against the Crypto Custodian (i) arising under or in connection with the Crypto Asset Wallet Control Agreement or (ii) arising in relation to the Custodian Account, the Crypto Asset Wallet(s) or the Deposited Crypto Assets under or in connection with the Crypto Asset Custodian Agreement or any other underlying contractual or other relationship (if any) under which the Crypto Custodian provides custodial services to, or maintains the Crypto Asset Wallet(s) for, the Issuer, and (b) any other present and future, actual and contingent rights or title to the Deposited Crypto Assets which the Issuer currently has, or will acquire in the future, or otherwise is or will be entitled to. The assignment is constituted in order to secure the prompt and complete satisfaction of any and all Secured Obligations.

The Crypto Asset Security Agreement shall be governed by German law.

**Default Termination Notice**

has the meaning provided in § 10 (2);

<b>Deposited Crypto Asset</b>	has the meaning provided in § 12 (3);
<b>Diminishing Entitlement Rate</b>	means the fee expressed as the rate at which the Entitlement Ratio decays over time. As of the Issue Date, the Diminishing Entitlement Rate is [1.75][●]%. The Diminishing Entitlement Rate may be lowered by the Issuer at any time (unconditionally) and the Issuer shall notify the Noteholders thereof in accordance with § 16;
<b>Entitlement Ratio</b>	means, as of any Business Day, the Noteholder's claim against the Issuer in respect of each Note, expressed as the number of the units of the Crypto Assets per Note, and calculated by the Issuer in accordance with the following formula: <p style="text-align: center;"><b>ER = IER x (1-DER/365)<sup>n</sup></b></p> <p>where</p> <p>"ER" means Entitlement Ratio</p> <p>"IER" means Initial Entitlement Ratio</p> <p>"DER" means Diminishing Entitlement Rate</p> <p>"n" means Number of Days.</p> <p>The resultant figure is calculated to eight decimal places with 0.000000005 rounded upwards, and subject to a floor of zero.</p> <p>During the term of the Notes, the Issuer will publish on the Issuer's Website the Entitlement Ratio and the resultant Noteholder's claim against the Issuer in respect of each Note.</p> <p>The Noteholder's claim against the Issuer is reduced each day from the first day of listing and trading on-exchange, by the Diminishing Entitlement Rate.</p> <p>In case the Diminishing Entitlement Rate is lowered by the Issuer, the Issuer has the right to make those changes to the above formula that are required in order to ensure that the new Diminishing Entitlement Rate only applies as of the date such change has been notified to the Noteholders in accordance with § 16 (including, but not limited to, adjusting the definition of the Initial Entitlement Ratio to mean the "Entitlement Ratio per Note at the date on which the change to the relevant Diminishing Entitlement Rate has been notified to the Noteholders in accordance with § 16" and adjusting the definition of Number of Days to mean "the number of days that have passed since the date on which the change to the relevant Diminishing Entitlement Rate has been notified to the Noteholders in accordance with § 16 up until and including the date on which the Entitlement Ratio is calculated");</p>
<b>Event of Default</b>	has the meaning provided in § 10 (1);

<b>Exercise Date</b>	has the meaning provided in § 3 (1) and § 3 (2) respectively;
<b>Exercise Form</b>	means the form of notice for the exercise of the Crypto Asset Delivery Right or for receiving delivery of Crypto Assets in case of a Termination Event, in the form obtainable from the Website
<b>Exercise Right</b>	means the Crypto Asset Delivery Right and the Cash Exercise Right;
<b>Failed Crypto Asset Sale</b>	has the meaning provided in § 5 (4);
<b>Fork</b>	means a split or fork in the blockchain of the Crypto Asset leading to a division of the Crypto Asset into two or more separate crypto assets;
<b>Fork Notification Event</b>	means either of the following: (i) Noteholders representing at least 20 % of all Outstanding Notes have notified the Issuer in writing about the occurrence of the Fork; or (ii) the Issuer notified the Noteholders about the occurrence of the Fork in accordance with § 16;
<b>[Global Note</b>	has the meaning provided in § 1 (3);]
<b>Initial Entitlement Ratio</b>	means [0.001] [●] units of the Crypto Asset per Note, i.e. the Entitlement Ratio per Note at the Issue Date;
<b>Issue Date</b>	has the meaning provided in § 1 (1);
<b>Issuer</b>	has the meaning provided in § 1 (1);
<b>Issuance Account</b>	means a securities account maintained by the Issuing Agent on behalf of the Issuer where Notes beneficially owned by the Issuer are held or registered;
<b>Issuer Account Bank</b>	means [●];
<b>Issuance Account Control Agreement</b>	<p>means the agreement entered into between the Issuer, the Issuing Agent in its function as a financial intermediary maintaining the Issuance Account for the Issuer and the Collateral Trustee dated on or around the Issue Date.</p> <p>In accordance with the Issuance Account Control Agreement (a) any disposal over the Issuer-Held Notes (in particular any transfer of Issuer-Held Notes out of the Issuance Account) may only take place; and (b) the Issuing Agent shall act upon instructions originated by the Issuer concerning the Issuer-Held Notes only, upon receipt by the Issuing Agent of an approval of such transaction or instruction from the Administrator.</p> <p>The Issuance Account Control Agreement shall be governed by German law.</p>

<b>Issuer-Held Notes</b>	means the Notes held in the Issuance Account, or any Notes of which the Issuer itself is a Noteholder;
<b>Issuing Agent</b>	means [Quirin Privatbank AG, Berlin, Federal Republic of Germany] [●] or any other issuing agent appointed by the Issuer pursuant to § 6 (2);
<b>Noteholder</b>	means any holder of a co-ownership interest or right, an economic ownership right or a comparable right in the Notes;
<b>Noteholders' Representative Notes)</b>	has the meaning provided in § 15 (6);
<b>Note Documents</b>	means the Notes (including the Terms and Conditions), the Security Documents, the Issuance Account Control Agreement, the Sales Proceeds Cash Account Control Agreement any fee letter relating to the Notes and any other document that may be entered into pursuant to any of the foregoing in relation to the Notes;
<b>Number of Days</b>	means the number of days that have elapsed since the Issue Date (excluding) up until and including the date on which the Entitlement Ratio is calculated;
<b>Outstanding Amount</b>	means, at any given time, the total number of Outstanding Notes multiplied by the Entitlement Ratio;
<b>Outstanding Notes</b>	means Notes issued and placed with investors that have not yet been repurchased or otherwise cancelled by the Issuer (excluding, for the avoidance of doubt, the Issuer-Held Notes);
<b>Paying Agent</b>	means [Quirin Privatbank AG, Berlin, Federal Republic of Germany] [●] or any other paying agent appointed by the Issuer pursuant to § 6 (2);
<b>Permitted Indebtedness</b>	has the meaning provided in § 12 (2);
<b>Redemption Date</b>	has the meaning provided in § 4 (4);
<b>Redemption Form</b>	has the meaning provided in § 4 (2);
<b>Reference Price</b>	means, as of the relevant determination date, [ <i>in case of Bloomberg Reference Price, insert: the Bloomberg Crypto Asset Fixing for [insert relevant Crypto Asset] as displayed by Bloomberg under Bloomberg ticker [insert Bloomberg ticker of relevant Crypto Asset] CFIX Curncy between 16:00 and 16:15 (EST)] [in case of Vinter Reference Price, insert: the VFIX [insert relevant Crypto Asset] reference rate calculated at 16:00 (London time), which is a price index calculated by Vinter [insert details on Vinter] that tracks the last real-</i>



	time rate of [ <i>insert relevant Crypto Asset</i> ] before 16:00, London time [•]] [ <i>in case of other Reference Price, insert provider and fixing: •</i> ];
<b>Sales Proceeds Cash Account</b>	means a cash account maintained by the Issuer Account Bank on behalf of the Issuer where any Crypto Asset Sale Proceeds are credited;
<b>Sales Proceeds Cash Account Control Agreement</b>	<p>means the agreement in relation to the Sales Proceeds Cash Account entered into between the Issuer, the Issuer Account Bank and the Collateral Trustee, dated on or around the Issue Date.</p> <p>In accordance with the Sales Proceeds Cash Account Control Agreement withdrawals from the Sales Proceeds Cash Account, or other dispositions over the amounts standing to the credit thereof, by the Issuer may only take place; and (b) the Issuer Account Bank shall act upon instructions originated by the Issuer concerning the Sales Proceeds Cash Account only upon receipt by the Issuer Account Bank of an approval of such transaction or instruction from the Administrator.</p> <p>The Sales Proceeds Cash Account Control Agreement shall be governed by German law.</p>
<b>Secured Delivery Obligations</b>	means obligations of the Issuer (i) to deliver Crypto Assets according to the Entitlement Ratio with respect of those Notes which are redeemed at the discretion of the Issuer due to a Termination Event, as further described in § 4 (2); or (ii) to deliver Crypto Assets according to the Entitlement Ratio to the Noteholder exercising the Crypto Asset Delivery Right, as further described in § 3 (1);
<b>Secured Delivery Obligations Amount</b>	means [the amount of Crypto Assets of] those Secured Delivery Obligations which are not yet fulfilled by the Issuer and remain outstanding;
<b>Secured Obligations Amount</b>	means the sum of Secured Settlement Obligations Amount, Outstanding Amount and Secured Delivery Obligations Amount;
<b>Secured Parties</b>	means the Noteholders, any Noteholders' Representative (if appointed) and the Collateral Trustee;
<b>Secured Settlement Obligations</b>	means obligations of the Issuer to transfer Notes to the Authorised Participant subscribing to or purchasing Notes from the Issuer in the primary market, but only if and to the extent such subscribing or purchasing Authorised Participant has transferred (or arranged to be transferred) Crypto Assets to the Crypto Asset Wallet at least equal to Entitlement Ratio (as of the date of the subscription or purchase in the primary market) per Note being subscribed or purchased in the primary market;

<b>Secured Settlement Obligations Amount</b>	means the amount of Crypto Assets (aggregate Entitlement Ratio of the Notes to be settled) of those Secured Settlement Obligations which are not yet [fulfilled][delivered] by the Issuer [and remain outstanding];
<b>Security</b>	has the meaning provided in § 1 (5);
<b>Security Documents</b>	means <ul style="list-style-type: none"> <li>(a) the Security Trust Agreement</li> <li>(b) the Crypto Asset Security Agreement and</li> <li>(c) the Crypto Asset Wallet Control Agreement.</li> </ul>
<b>Security Trust Agreement</b>	has the meaning provided in § 7 (1);
<b>Substitute Debtor</b>	has the meaning provided in § 14 (1);
<b>Termination Event</b>	has the meaning provided in § 4 (1);
<b>Termination Notice</b>	has the meaning provided in § 4 (1);
<b>Terms and Conditions</b>	means the terms and conditions for the Notes set out herein.
<b>Trading Venue[s]</b>	has the meaning provided in § 5 (1);
<b>Upfront Exercise Fee</b>	<p>shall mean [an amount of up to [<i>insert currency</i>] • (<i>insert currency</i> [<i>insert amount in words</i>])] [a percentage in the amount of up to • % of the Entitlement Ratio] [•] which the Issuer may charge for the exercise of an Exercise Right by a Noteholder who is not an Authorised Participant, and where the Exercise Right is exercised in relation to a number of Notes which, if multiplied by the Entitlement Ratio and then multiplied by the Reference Price, in each case as of the date on which the Issuer receives the Exercise Form, have a value of less than [<i>insert currency</i>] [250,000.00][•] (<i>insert currency</i>) [two hundred fifty thousand][•]). No Upfront Exercise Fee shall be payable if no Authorised Participant(s) is or are appointed by the Issuer.</p> <p>The Upfront Exercise Fee may be lowered by the Issuer at any time and the Issuer shall notify the Noteholders thereof in accordance with § 16;</p>
<b>Website</b>	means the Issuer's official website at <a href="https://www.nxtassets.com">https://www.nxtassets.com</a> .

### § 3 Exercise by the Noteholder

- (1) Each Noteholder may, in accordance with the requirements stated under this paragraph, exercise its Notes and demand delivery of the Crypto Asset equal to the Entitlement Ratio

for each of the Notes held and exercised by the Noteholders (the "**Crypto Asset Delivery Right**").

In order to exercise its Crypto Asset Delivery Right, the Noteholder needs to

- (i) submit a duly completed Exercise Form, specifying that Crypto Asset Delivery shall be applicable, including a wallet operated by a Crypto Asset Service Provider, and any documents requested in such form for verification of the Noteholder's identity;
- (ii) cooperate throughout the entire process, deliver information and documents requested and to agree that his data will be passed on to third parties for processing (e.g. Issuer, Paying Agent, Crypto Custodian);
- (iii) pay the Upfront Exercise Fee (if any) to an account specified by the Issuer; and
- (iv) transfer the Notes in relation to which the Crypto Asset Delivery Right is exercised via the account holding bank to the account of the Issuance Account free of payment.

The date on which all of (i) to (iii) have been completed, shall be the "**Exercise Date**" for the exercised Crypto Asset Delivery Right.

The Issuer shall transfer the Crypto Asset according to the Entitlement Ratio for each exercised Note, calculated as of the Exercise Date, less the Upfront Exercise Fee (if any) to the relevant Noteholder's wallet as designated in the relevant Exercise Form. The transfer shall be completed as soon as practicable after the Exercise Date, but under all circumstances within the timeframe of a normal settlement/transfer cycle of the Crypto Asset in the Crypto Asset network (which may vary depending on the level of the network fees the Noteholder agrees to pay pursuant to the Exercise Form) plus thirty Business Days. In case of Noteholders who are Authorised Participants the transfer shall be completed within the timeframe of a normal settlement/transfer cycle of the Crypto Asset in the Crypto Asset network (which may vary depending on the level of the network fees the Noteholder agrees to pay pursuant to the Exercise Form) plus three Business Days.

If a Noteholder fails to perform the requirements stipulated in this paragraph, the Issuer will instead execute deliveries in accordance with the Cash Exercise Right as described in § 3(2) below.

- (2) If a Noteholder is prevented from receiving the Crypto Asset for legal reasons, in particular due to regulatory provisions applicable to it, such Noteholder may exercise its Notes against payment for each of the Notes held and exercised by such Noteholder in an amount in [*insert currency*] [●] equal to the proceeds of sale of the Crypto Asset according to the Entitlement Ratio using the Crypto Asset Sale Procedure (the "**Cash Exercise Right**").

In order to terminate its Notes, the Noteholder needs to

- (i) submit a duly completed Exercise Form, specifying that cash settlement shall be applicable, including any documents requested in such form for verification of the Noteholder's identity and inability to receive the Crypto Assets;
- (ii) pay the Upfront Exercise Fee (if any) to an account specified by the Issuer; and
- (iii) transfer the exercised Notes to the Issuance Account free of payment.

The date on which all of (i) to (iii) have been completed, shall be the "**Exercise Date**" for the exercised Cash Exercise Right.

Within [ten] [●] days from the Exercise Date (including), the Issuer shall initiate the sale of such number of units of the Crypto Asset as corresponds to the Entitlement Ratio for the Notes in relation to which the Cash Exercise Right is exercised, calculated as of the Exercise Date, in accordance with the Crypto Asset Sale Procedure.

- (3) After successful completion of the Crypto Asset Sale Procedure, the Issuer shall transfer an amount in [*insert currency*] [●] equal to the proceeds of the Crypto Asset sale less the Upfront Exercise Fee (if any) to the respective Noteholder's account, as specified in the Exercise Form, within [seven] [●] Business Days from the receipt of the relevant Crypto Asset Sale Procedure proceeds. The payment of the proceeds shall be made to the Paying Agent for further forwarding to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System. The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

Without prejudice to other provisions of this same paragraph, in case of a Failed Crypto Asset Sale, the Issuer shall return all Notes in relation to which the Cash Exercise Right was exercised, to the Noteholder within [seven] [●] Business Days. The Issuer may choose to charge any Upfront Exercise Fee to the respective Noteholder in case of a Failed Crypto Asset Sale. In this case, the Issuer shall forfeit such number of Notes for its own benefit to become Issuer-Held Notes from the Notes to be returned to the Noteholder, so that Entitlement Ratio, as of the Exercise Date, multiplied by the number of Notes forfeited does not exceed the Upfront Exercise Fee.

The Noteholder shall be entitled to exercise any Exercise Right with respect to the returned Notes at any time.

#### § 4 Termination by the Issuer

- (1) Upon occurrence of a Termination Event (as defined below) the Issuer has the right (but not an obligation to) give notice to the Noteholders in accordance with § 16 (the "**Termination Notice**"), such notice stating the applicable Termination Event. Upon giving a Termination Notice, the Notes shall be redeemed on the Redemption Date.

A "**Termination Event**" means each of the following events:

- (a) for a continuous period of 90 (ninety) days the EUR equivalent of the Outstanding Amount, calculated as the Outstanding Amount multiplied by the Reference Price, is less than EUR [100,000,000.00] [●] (EUR [one hundred million] [●]); or
- (b) any new or existing law or regulation, or interpretation of any existing law or regulation, requires the Issuer to obtain any license, permission or approval, or to become regulated or supervised in any way in the Federal Republic of Germany or elsewhere, to continue fulfilling its obligations under these Terms and Conditions, but excluding requirements to publish an approved prospectus with respect to the Notes; or

- (c) as a result of any change in, or amendment to, of the laws or regulations (including the application or interpretation thereof) of the Federal Republic of Germany or any other member state of the European Economic Area or Switzerland or any political subdivision or taxing or regulatory authority thereto or therein affecting taxation, the tax treatment of or the prudential treatment of positions in the Crypto Asset in general changes materially, such change was not reasonably foreseeable at the Issue Date, and such change is in the assessment of the Issuer materially disadvantageous to the business of the Issuer (regardless of whether this affects the issuance of the Notes); or
- (d) any third-party service provider, including the Issuer's auditors, legal advisers, the Clearing System, the Issuing Agent, the Paying Agent, the Administrator, the Collateral Trustee, and the Crypto Custodian, stops providing services to the Issuer, and the Issuer fails to find a replacement within [reasonable time] [[•] [months][weeks]]; or
- (e) if the Issuer was ordered by the competent court, a competent supervisory authority or otherwise became required by law to terminate the Notes;
- (f) if the Issuer's shareholders have resolved to dissolve the Issuer; or
- (g) any other change or reason that is materially disadvantageous to the business of the Issuer (regardless of whether this affects the issuance of the Notes).

In case the Issuer has given the Termination Notice, the Issuer shall no longer issue new Notes or sell Issuer-Held Notes and arrange for cancellation of all Issuer-Held Notes.

- (2) The Issuer shall redeem the Notes by delivering a number of units in the Crypto Asset equal to the Entitlement Ratio.

In order for a Noteholder to receive the Crypto Asset according to the Entitlement Ratio, such Noteholder needs to

- (a) submit a duly completed Exercise Form, specifying that Crypto Asset Delivery shall be applicable, including any documents requested in such form for verification of the Noteholder's identity;
- (b) cooperate throughout the entire process, deliver information and documents requested and to agree that his data will be passed on to third parties for processing (e.g. Issuer, Paying Agent, Crypto Custodian);
- (c) transfer its Notes to the Issuance Account free of payment.

If a Noteholder fails to perform (i) to (iii) within a twenty-day period after the Termination Notice has been published, the Issuer will treat the relevant Noteholder as prevented from receiving units of the Crypto Asset for legal or regulatory reasons and redeem the relevant Notes by a cash payment (as further described below).

- (3) If a Noteholder is prevented from receiving units of the Crypto Asset for legal reasons, in particular due to regulatory provisions applicable to it, the Issuer shall redeem the Notes by paying the amount in EUR equal to the Crypto Asset Sale Proceeds, divided by the number

of Notes redeemed, minus any reasonable third-party fees related to redemption of the Notes.

(4) "**Redemption Date**" shall mean

(a) for those Notes redeemed in the Crypto Asset, [the [third][●] Business Day after the expiry of a [thirty-day][●] period after the Issuer's Termination Notice has been published] [a Business Day as soon as practicable after the day on which the Issuer's Termination Notice has been published, but under all circumstances within the timeframe of a normal settlement/transfer cycle of the Crypto Asset in the Crypto Asset network (which may vary depending on the level of the network fees the Noteholder agrees to pay pursuant to the Exercise Form) plus thirty Business Days. In case of Noteholders who are Authorised Participants the Business Day within the timeframe of a normal settlement/transfer cycle of the Crypto Asset in the Crypto Asset network (which may vary depending on the level of the network fees the Noteholder agrees to pay pursuant to the Exercise Form) plus three Business Days]; or

(b) for those Notes redeemed in [*insert currency*], the [third][seventh][●] Business Day after successful completion of the Crypto Asset Sale Procedure or alternative sale arrangements in case of its failure. The Crypto Asset Sale Procedure shall begin (if required) on the [thirtieth][●] day following publication of the Issuer's Termination Notice. The payment of the proceeds shall be made to the Paying Agent for further forwarding to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System. The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

(5) "**Crypto Asset Sale Proceeds**" means the amount in [*insert currency*] obtained from the sale of units of Crypto Asset corresponding to the Entitlement Ratio (as of the date of the Termination Notice), multiplied by the number of Notes being redeemed, from Deposited Crypto Asset using one or several Crypto Asset Sale Procedure(s). If the Crypto Asset Broker fails to complete the sale using the Crypto Asset Sale Procedure within [ten][●] days, the Crypto Asset Broker shall – following instructions from the Issuer (if applicable) – arrange for the sale of units of the Crypto Asset using any other procedure aiming to achieve the best price within a reasonable amount of time.

(6) The payment of the Crypto Asset Sale Proceeds shall be made to the Paying Agent for further forwarding to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System. The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

## § 5 Crypto Asset Sale Procedure

(1) If the Issuer is required, pursuant to these Terms and Conditions, to conduct a Crypto Asset Sale Procedure, the Issuer shall (i) within [ten] [●] days from the Exercise Date (including); or (ii) on the [thirtieth][●] day following the date of the Termination Notice, as the case may be, offer the units of the Crypto Asset at its current fair market value and for not less than 80 % of the relevant Reference Price (under non-exceptional market conditions) by initiating

a Crypto Asset Sale Procedure (the day on which the Crypto Asset Sale Procedure is initiated, the "**Crypto Asset Sale Start Date**") in relation to the required number of units of the Crypto Asset.

- (2) The Crypto Asset Sale Procedure shall terminate upon the expiration of [ten] [●] days from the Crypto Asset Sale Start Date (the "**Crypto Asset Price Start Date**").
- (3) The technical process of the Crypto Asset Sale Procedure, including the submission and acceptance of offers to buy and sell, shall be carried out in accordance with the [business terms/trading rules] aligned with the Crypto Asset Broker.
- (4) The Crypto Asset Sale Procedure shall be deemed unsuccessful ("**Failed Crypto Asset Sale**") if
  - (a) the Reference Price is not available, or expected not to be available on the dates when it is required for the purposes of the procedure described in this § 5;
  - (b) no purchase offers were submitted or all purchase offers were rejected, or for any other reason.

#### **§ 6 Issuing Agent, Paying Agent, Crypto Custodian and Crypto Asset Broker**

- (1) The (initial) Issuing Agent, (initial) Paying Agent, (initial) Crypto Custodian and (initial) Crypto Asset Broker shall be:

##### **Issuing Agent**

Quirin Privatbank AG, Berlin, Federal Republic of Germany

##### **Paying Agent**

Quirin Privatbank AG, Berlin, Federal Republic of Germany

##### **Crypto Custodian**

Crypto Finance (Deutschland) GmbH, Frankfurt am Main, Federal Republic of Germany

##### **Crypto Asset Broker**

Crypto Finance (Deutschland) GmbH, Frankfurt am Main, Federal Republic of Germany

The Issuing Agent, the Paying Agent, the Crypto Custodian and Crypto Asset Broker (together, the "**Agents**" and each an "**Agent**") reserve the right at any time to change their specified offices to some other office in the same country.

- (2) The Issuer reserves the sole right at any time to vary or terminate the appointment of the Issuing Agent, the Paying Agent, the Crypto Custodian and/or Crypto Asset Broker and to appoint: (i) a replacement Issuing Agent or Paying Agent or additional issuing or paying agents; (ii) a replacement or additional Crypto Custodian and/or (iii) a replacement Crypto Asset Broker or additional sale agents, provided in each case that (x) where a Noteholder Representative is then in place, any such variation, termination, replacement or appointment shall be subject to the prior written consent by the Collateral Trustee (acting on the instructions of the Noteholder Representative) or (y) if no Noteholder Representative is then in place, the Collateral Trustee shall consent to any such variation, termination, replacement or appointment proposed by the Issuer and shall not be liable to any Noteholder or any

other person for so doing. Notwithstanding the provisions of this Condition 6, the Collateral Trustee shall not be obliged to agree to any such variation, termination, replacement or appointment which, in the sole opinion of the Collateral Trustee, would (i) impose more onerous obligations upon the Collateral Trustee or expose it to any additional duties, responsibilities or liabilities or reduce or amend the rights and/or protective provisions afforded to the Collateral Trustee in these Conditions or the other Note Documents or the Security Documents in any way or (ii) expose it to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction. The Issuer shall at all times maintain an Issuing Agent, a Paying Agent, a Crypto Custodian and a Crypto Asset Broker. Any variation, termination, appointment, or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after prior notice to the Noteholders given not less than thirty but not more than forty-five days from these events in accordance with § 16.

- (3) The Issuing Agent, the Paying Agent, the Crypto Custodian and any additional or replacement Issuing Agent, Paying Agent or Crypto Custodian appointed pursuant to paragraph (2) above act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust with any Noteholder. The Crypto Asset Broker and any additional or replacement Crypto Asset Broker acts solely as a broker for the Issuer and does also not assume any obligations towards or relationship of agency or trust with any Noteholder.

## § 7 Collateral Trustee

- (1) Apex Corporate Trustees (UK) Limited, London, United Kingdom, is appointed as Collateral Trustee for the Security. Any Security hereunder shall be held by the Collateral Trustee on behalf of all present and future Noteholders. The Collateral Trustee shall, in relation to third parties, act as the holder of the Security and administer it on behalf of the Secured Parties (including the Noteholders). The detailed duties of the Collateral Trustee shall solely be governed by the security trust agreement entered into between the Issuer and the Collateral Trustee (the "**Security Trust Agreement**") a copy of which can, as long as the Notes are outstanding, be obtained by Noteholders free of charge from the Issuer's registered office (Neue Mainzer Straße 66-68, 60311 Frankfurt am Main, Federal Republic of Germany or any successor address in the Federal Republic of Germany, as communicated to the Noteholders in accordance with § 16) and which will be published on the Website.
- (2) Each Noteholder instructs and authorises the Collateral Trustee (with the right to sub-delegate) to act as its trustee (*Treuhänder*) for the benefit of the Secured Parties under and in accordance with the terms of the Security Trust Agreement and the other Security Documents and Note Documents, 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, in each case acting on the instructions of the Noteholder Representative. The Collateral 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 in accordance with the Security Documents.



- (3) The Issuer shall at all times maintain a Collateral Trustee. The Issuer reserves the right at any time to vary or terminate the appointment of the Collateral Trustee and to appoint a replacement Collateral Trustee, in accordance with the provisions of the Security Trust Agreement and without any detrimental effect to the Noteholders. Any variation, termination, appointment, or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after prior notice to the Noteholders given not less than thirty but not more than forty-five days from these events in accordance with § 16.

## § 8 Taxation

- (1) All amounts payable in respect of the Notes shall be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied at source by way of withholding or deduction by or on behalf of the Federal Republic of Germany or any respective political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law.
- (2) If at any time the Issuer becomes subject to any taxing jurisdiction other than, or in addition to, the Federal Republic of Germany (including substitution of the Issuer in accordance with § 14) references in this § 8 to the Federal Republic of Germany shall be read and construed as references to the jurisdiction of the Issuer, and/or to such other jurisdiction(s).

## § 9 Presentation Period, Prescription

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

## § 10 Events of Default

- (1) If an Event of Default occurs and is continuing, each Noteholder shall be entitled to declare all but not some of its Notes due and payable by submitting a Default Termination Notice (pursuant to paragraph (2) below) to the Issuer for its entire claim arising from the Notes and demand an immediate delivery of Crypto Assets according to the Entitlement Ratio per Note. Each of the following is an "**Event of Default**":
- (a) the Issuer fails to deliver the Crypto Asset or to pay any other amount in respect of the Notes within fifteen days from the relevant due date, except if the Issuer fails to deliver the Crypto Asset or to pay any other amount in respect of the Notes for reasons beyond its control, which should include (but is not limited to) circumstances where the Issuer is required to comply with any provision of applicable law relating to the funding of terrorist activities or money laundering.

For the avoidance of doubt: Failure to exercise the Exercise Right due to an unsuccessful Crypto Asset Sale Procedure shall not amount to such failure; or

- (b) the Issuer fails to duly perform any other obligation arising from the Notes and such failure, if capable of remedy, continues unremedied for more than forty-five days after the Issuer has received notice thereof from a Noteholder; or
  - (c) the Issuer is unable or admits its inability to pay its debts as they fall due (including any amounts due and payable to the Collateral Trustee); or
  - (d) insolvency proceedings against the Issuer are instituted and have not been discharged or stayed within ninety days, or the Issuer applies for or institutes such proceedings; or
  - (e) the Issuer enters into liquidation unless this is done in connection with a merger or other form of combination with another company and such company assumes all obligations of the Issuer in connection with the Notes.
- (2) Any notice by a Noteholder to terminate its Notes in accordance with this § 10 (a "**Default Termination Notice**") shall be made by means of a declaration in text form to the Paying Agent in the German or English language together with evidence by means of a certificate of the account holding bank that such Noteholder, at the time of such Default Termination Notice, is a Noteholder with respect of the relevant Notes.
- (3) No Noteholder shall be entitled to proceed directly against the Issuer unless such Noteholder has first sought enforcement of the Security by the Collateral Trustee (through the Noteholder Representative) in accordance with the Security Trust Agreement.
- (4) Upon receipt of the Default Termination Notice, the Paying Agent shall deliver a copy of such notice to the Collateral Trustee. The Collateral Trustee shall upon receipt of a Default Termination Notice, subject as provided in the Security Trust Agreement, acting on the instructions of the Noteholder Representative, institute such proceedings and/or take such action, steps or proceedings as it may think fit to enforce the Security. Such enforcement may result in a payment of the proceeds from the sale of the Deposited Crypto Assets only.

### **§ 11 Further Issues, Purchases and Cancellation**

- (1) Without prejudice to § 12 (3), the Issuer may from time to time, without the consent of the Noteholders, sell Issuer-Held Notes or issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the relevant issue date and/or Issue Price) so as to form a single series with the Notes, provided that the Issuer provides for additional Crypto Assets as Security in the same proportionate amount corresponding to the further Notes.
- (2) Without prejudice to § 12 (3), the Issuer may at any time purchase Notes in the open market or otherwise and at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Issuing Agent for cancellation.

### **§ 12 Covenants**

- (1) So long as any Note remains outstanding, the Issuer will not (except where explicitly permitted under the Terms and Conditions):

- 
- (a) create or permit to subsist any mortgage, pledge, lien, security interest, charge or encumbrance securing any obligation of any person (or any arrangement having a like or similar effect) upon all or any of the Crypto Assets subject to the Security; or
  - (b) transfer, sell, lend, part with or otherwise dispose of, or grant any option or present or future right to acquire, any of the Crypto Assets subject to the Security.
- (2) The Issuer shall not after the Issue Date, incur any indebtedness for financing purposes except for Permitted Indebtedness. "**Permitted Indebtedness**" means
- (a) any costs incurred by the Issuer in its ordinary course of business; or
  - (b) any notes issued which are backed by assets acquired by the issuance of such notes; provided, however, that such costs or debt incurred by the Issuer shall have no impact on the Noteholders' Security.
- (3) The Issuer shall at any given time procure that it holds such amount of the Crypto Asset equal to or exceeding the Secured Obligations Amount on the Crypto Asset Wallet held with the Crypto Custodian (the "**Deposited Crypto Assets**").

### § 13 Fork

- (1) If a Fork occurs and the Issuer determines in its reasonable discretion within a reasonable period of time after the Fork Notification Event, not exceeding 45 (forty-five) days, that such Fork has led to the creation of two or more crypto assets being tradable through the Crypto Asset Broker and depositable with the Crypto Custodian, each Note shall thereafter represent a claim on a group of post-Fork crypto assets that corresponds to such Entitlement Ratio as each Note represented before the Fork. The weight of each post-Fork crypto asset in such group shall be (i) the balance of each such crypto asset held on the Crypto Asset Wallet at the point of a Fork Notification Event; divided by (ii) the Outstanding Amount at the point of the Fork Notification Event. All such weights are subject to a maximum of 1.0.
- (2) Following a Fork, the Issuer may, in its reasonable discretion and after having notified the Noteholders in accordance with § 16, resolve to split the Notes into separate Series of Notes, each such new Series of Notes representing a claim on the Issuer for a separate post-Fork crypto asset in the group of crypto assets that each Note represented immediately following the Fork.
- (3) The Issuer may in its sole and absolute discretion and after having notified the Noteholders in accordance with § 16, suspend the Exercise Right, sales and/or issuances of Notes for a reasonable period of time, not exceeding 90 (ninety) days, in order to allow for an arrangement described in paragraph (2).

### § 14 Substitution

- (1) The Issuer may, without the consent of the Noteholders, if no Event of Default is occurring, at any time substitute the Issuer with any newly established company or an affiliate within the meaning of section 15 of the German Stock Corporation Act (*Aktiengesetz*) of the Issuer

as principal debtor in respect of all obligations arising from or in connection with this issue (the "**Substitute Debtor**") provided that:

- (a) the Substitute Debtor assumes all rights and duties under or pursuant to the Notes and assumes all rights and duties by transfer or re-establishment under all agreements relating to the issuance and maintenance of the Notes and the Issuer's accounts and wallets;
  - (b) the Security created pursuant to § 1 (5) is held by, or re-established with the Collateral Trustee for the purpose of securing the obligations of the Substitute Debtor upon the Issuer's substitution;
  - (c) no additional expenses or taxes or legal disadvantages of any kind arise for the Noteholders from such assumption of debt and the Issuer has obtained a tax opinion to this effect from a reputable firm of lawyers or accountants in the relevant jurisdiction which can be examined at the offices of the Issuer;
  - (d) the Substitute Debtor provides proof satisfactory to the Administrator that it has obtained all of the necessary governmental and other necessary approvals in the jurisdiction in which it has its registered address and that it is permitted to fulfil all of the obligations arising under or in connection with the Notes without discrimination against the Noteholders in their entirety and the Administrator has consented to the proposed substitution (provided that the Administrator may not unreasonably withhold or delay its consent); and
  - (e) the Issuer and the Substitute Debtor into such agreements and execute such documents necessary for the effectiveness of the substitution.
- (2) Any substitution of the Issuer pursuant to this paragraph and the date of effectiveness of such substitution shall be published in accordance with § 16.
  - (3) Upon effectiveness of the substitution any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the Substitute Debtor.
  - (4) Upon effective substitution of the Issuer as set forth in this paragraph, the Issuer shall be released from any obligation arising from or in connection with the Notes.

### **§ 15 Amendments to the Terms and Conditions, Noteholders' Representative**

- (1) In accordance with the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen* – "**SchVG**"), the Noteholders may agree with the Issuer on amendments to, or waivers under, the Terms and Conditions and/or any Security Arrangement with regard to matters permitted by the SchVG by resolution with the majority specified in § 9 (2) SchVG. Majority resolutions shall be binding on all Noteholders. A majority resolution which does not provide for identical conditions for all Noteholders is void, unless Noteholders who are disadvantaged have expressly consented to their being treated disadvantageously.
- (2) Resolutions shall be passed by a majority of not less than 75 per cent. of the votes cast. Resolutions relating to amendments to the Terms and Conditions which are not material

and which do not relate to the matters listed in § 5 (3) nos. 1 to 9 SchVG require a simple majority of the votes cast.

- (3) All votes will be taken exclusively by vote taken without a meeting in accordance with § 18 SchVG. A meeting of Noteholders and the assumption of the fees by the Issuer for such a meeting will only take place in the circumstances of § 18 (4) sentence 2 SchVG.
- (4) The vote will be chaired by a notary appointed by the Issuer or, if the Noteholders' Representative (as defined in § 15 (6) below) has convened the vote, by the Noteholders' Representative.
- (5) Each Noteholder participating in any vote shall cast votes in accordance with the principal amount or the notional share of its entitlement to the outstanding Notes. The voting right is suspended as long as the Notes of the Issuer or an affiliate (within the meaning of § 271 (2) German Commercial Code) or are held for the account of the Issuer or an affiliate.
- (6) The Noteholders may by majority resolution appoint a representative to exercise the Noteholders' rights on behalf of each Noteholder ("**Noteholders' Representative**"). The Noteholders' Representative shall have the duties and powers provided by law or granted by majority resolution of the Noteholders. The Noteholders' Representative shall comply with the instructions of the Noteholders. To the extent that the Noteholders' Representative has been authorised to assert certain rights of the Noteholders, the Noteholders shall not be entitled to assert such rights themselves, unless explicitly provided for in the relevant majority resolution. The Noteholders' Representative shall provide reports to the Noteholders on its activities. The regulations of the SchVG apply with regard to the recall and the other rights and obligations of the Noteholders' Representative.
- (7) Any notices concerning this § 15 shall be made exclusively pursuant to the provisions of the SchVG.

### **§ 16 Notices**

- (1) All notices regarding the Notes, other than any notices stipulated in § 15 (8) which shall be made exclusively pursuant to the provisions of the SchVG, will be published in the German Federal Gazette (*Bundesanzeiger*) and on the Website.
- (2) The Issuer will be entitled to deliver all notices concerning the Notes to the Clearing System for communication by the Clearing System to the Noteholders to the extent that the rules of the stock exchange on which the Notes are listed or admitted to trading permit so.
- (3) Any notice will be deemed to have been validly given on the date of the first publication (or, if required to be published in a newspaper, on the first date on which publication shall have been made in the required newspaper) or, as the case may be, on the fourth Business Day after the date of such delivery to the Clearing System.

### **§ 17 Governing Law, Place of Performance and Place of Jurisdiction, Language**

- (1) The Notes, as to form and content, and all rights and obligations of the Noteholders and the Issuer, shall be governed by German law.

- (2) To the extent legally permissible, the courts of Frankfurt am Main, Federal Republic of Germany, shall have jurisdiction for any actions or other legal proceedings arising out of or in connection with the Notes. The local court (*Amtsgericht*) of Frankfurt am Main, Federal Republic of Germany, shall have jurisdiction for all judgments in accordance with § 9 paragraph 2, § 13 paragraph 3 and § 18 paragraph 2 SchVG in accordance with § 9 paragraph 3 SchVG. The regional court (*Landgericht*) in the district of Frankfurt am Main, Federal Republic of Germany, shall have exclusive jurisdiction for all judgments over contested resolutions by Noteholders in accordance with § 20 paragraph 3 SchVG. Should the Issuer change its registered seat, the statutory jurisdiction pursuant to the SchVG shall apply.
- (3) These Terms and Conditions are written in the [English] [German] language [.] [and provided with a [German] [English] language translation. The [English] [German] version shall be the only legally binding version. The [German] [English] translation is for convenience only.]

## 11.2. Option 2: Terms and Conditions for Notes governed by German law and issued as electronic securities

[Insert this set of Terms and Conditions in the Final Terms for Notes issued under German law as electronic securities:

### § 1 Notes, Form, Clearing System, Status, Security

- (1) The notes are issued by nxtAssets GmbH (the "**Issuer**") on ● (the "**Issue Date**") and divided into up to ● (in words: ●) notes (the "**Notes**").
- (2) The Notes grant to each Noteholder the right to demand from the Issuer (a) delivery of [Bitcoin] [Bitcoin Cash] [Ether] [Ripple] [Litecoin] [*insert other Crypto Asset: ●*] (the "**Crypto Asset**" ) equal to the Entitlement Ratio in accordance with these Terms and Conditions or (b) under the conditions set out in § 4 below, payment of a cash amount determined in accordance with such provision.

The Notes do not have a fixed maturity date. There will be no payments of interest on the Notes.

- (3) The Notes are being issued in bearer form. The Notes will be registered in the central register (the "**Central Register**") as central register securities (*Zentralregisterwertpapiere*) within the meaning of § 4 paragraph 2 of the German Act on Electronic Securities (*Gesetz über elektronische Wertpapiere, "eWpG"*). The Notes will be represented by a collective safe custody entry (*Sammeleintragung*) in the Central Register. The Central Register will be maintained by Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn, Federal Republic of Germany (the "**Clearing System**" ) in its capacity as central securities depository. The Clearing System in its capacity as central securities depository is registered as the bearer of the Notes within the meaning of §§ 3 paragraph 1, 8 paragraph 1 no. 1 eWpG (the "**Bearer**"). The Bearer holds the Notes as trustee for the benefit of the respective Noteholders, but not as beneficiary of the Notes (§ 9 paragraph 2 sentence 1 eWpG). The co-ownership interests in the Notes may be transferred pursuant to the relevant regulations of the Clearing System and the laws of the Federal Republic of Germany. [The Notes may in Switzerland also be cleared and settled through SIX SIS AG, Baslerstrasse 100, 4600 Olten, Switzerland.]
- (4) The obligations under the Notes constitute direct, unsubordinated and secured obligations of the Issuer ranking *pari passu* among themselves.
- (5) As continuing security for the payment and discharge of the obligations to the Noteholders under the Notes the Issuer grants a security interest to the Collateral Trustee for the benefit of the Secured Parties pursuant to the Security Documents all of its rights, title, interest and benefit, present and future, in, to and under the Crypto Asset Wallet and the Deposited Crypto Asset (the "**Security**").

Details of the accounts and the terms and conditions of the respective Security shall be stipulated in the Security Documents. As long as the Notes are outstanding, copies of the Security Documents can be obtained free of charge from the Issuer's registered office (nxtAssets GmbH, Neue Mainzer Straße 66-68, 60311 Frankfurt am Main, Federal Republic

of Germany) or any successor address in the Federal Republic of Germany, as communicated to the Noteholders in accordance with § 16) and shall also be published on the Website. The Issuer reserves the right to redact certain provisions from the copy of the Security Documents for security / data protection reasons. The Security will be held, administered and enforced by the Collateral Trustee in accordance with the Security Trust Agreement.

- (6) The Security shall be released in accordance with the provisions of the Security Trust Agreement and the terms of the respective Security Document.

## § 2 Certain Definitions

For the purposes of these Terms and Conditions, the following terms shall have the meaning given to them.

<b>Administrator</b>	means [●], in its function as agent of the Issuer who provides administrative services to the Issuer in relation to the Notes;
<b>Authorised Participant</b>	means any entity supervised by a financial supervisory authority in a member state of the European Economic Area, [the United Kingdom, ][Australia, ][Singapore, ][New Zealand, ][Japan, ][Switzerland, ][Hong Kong (SAR)] which has been appointed by the Issuer as an Authorised Participant;
<b>[Bearer</b>	has the meaning provided in § 1 (3);]
<b>Business Day</b>	means a day (other than a Saturday or Sunday) on which (i) the Clearing System, (ii) the banks in [Frankfurt am Main][,][and] [London][,][and] [New York] [,][and] [Tokio] [,][and] [Zurich] [and] [●] and (iii) the Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET2), or any successor system thereto (" <b>TARGET</b> ") settle payments;
<b>Cash Exercise Right</b>	has the meaning provided in § 3 (2);
<b>[Central Register</b>	has the meaning provided in § 1 (3);]
<b>[Clearing System</b>	has the meaning provided in § 1 (3);]
<b>Collateral Trustee</b>	means [●] which holds security interest in the Crypto Asset Wallet and the Deposited Crypto Assets for the benefit of itself and the Noteholders or any successor or replacement collateral trustee appointed pursuant to § 7 (3);
<b>Crypto Asset</b>	has the meaning provided in § 1 (2);
<b>Crypto Asset Custodian Agreement</b>	means the agreement in relation to custody services in relation to the Crypto Assets entered into between the Issuer and the Crypto Custodian dated on or around the Issue Date. In accordance with the Crypto Asset Custodian Agreement, the Crypto Custodian provides certain custody services in relation to the Crypto Asset by in



particular holding the Crypto Asset in Crypto Asset Wallets operated by it on behalf of the Issuer.

The Crypto Asset Custodian Agreement shall be governed by German law.

<b>Crypto Custodian</b>	means [Crypto Finance (Deutschland) GmbH, Frankfurt am Main, Federal Republic of Germany] [●] or such other financial institution(s) that the Issuer, from time to time, has designated as the Crypto Custodian for its holdings of the Crypto Asset pledged as security for the Notes in accordance with § 6 (2);
<b>Crypto Asset Delivery Right</b>	has the meaning provided in § 3 (1);
<b>Crypto Asset Price Determination Date</b>	has the meaning provided in § 5 (2);
<b>Crypto Asset Broker</b>	means [Crypto Finance (Deutschland) GmbH, Frankfurt am Main, Federal Republic of Germany] [●] or such other financial institution(s) that the Issuer, from time to time, has designated as the Crypto Asset Broker for the sale of Crypto Asset in accordance with § 6 (2);
<b>Crypto Asset Sale Start Date</b>	has the meaning provided in § 5 (1);
<b>Crypto Asset Sale Procedure</b>	has the meaning provided in § 5;
<b>Crypto Asset Sale Proceeds</b>	has the meaning provided in § 4 (5);
<b>Crypto Asset Service Provider</b>	means any legal person or other undertaking qualifying as a crypto-asset service provider pursuant to Article 3 (1.) no. 15 Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets (MiCAR) and crypto-asset service providers that are licensed in Germany under the KWG and provided their services in accordance with applicable law before 30 December 2024, and are continuing to do so in accordance with the transitional measure set out in Article 143 (3.) of the MiCAR.
<b>Crypto Asset Wallet</b>	means a crypto asset wallet or wallets operated by the Crypto Custodian on behalf of the Issuer, where the assets held in such wallet are (i) segregated from the assets of any other customers of the Crypto Custodian and from any other assets of the Issuer; and (ii) are pledged as security [to the Collateral Trustee for the benefit of] [in favour of] of the Noteholders [and the Collateral Trustee] pursuant to the Security Documents;

**Crypto Asset  
Wallet Control  
Agreement**

means the agreement entered into between the Issuer, the Crypto Custodian and the Collateral Trustee dated on or around the Issue Date. The terms of the Crypto Asset Wallet Control Agreement grant to the Collateral Trustee control over the Crypto Asset Wallet.

In accordance with the Crypto Asset Wallet Control Agreement and until such time as the Collateral Trustee shall deliver to the Crypto Custodian a notice of exclusive control, withdrawals from, or deposits into, the Crypto Asset Wallet by the Issuer may only take place upon receipt by the Crypto Custodian of (i) a respective instruction from the Issuer and (ii) an approval of such transaction by an authorised person for the Administrator.

The Collateral Trustee shall not deliver such notice of exclusive control unless it has become entitled to enforce the Security granted pursuant to the Crypto Asset Security Agreement. In the event that the Collateral Trustee delivers a Notice of Exclusive Control to the Issuer, it will use such control to realise (*verwerten*) the Deposited Crypto Assets in accordance with the provisions of the Crypto Asset Security Agreement and the Security Trust Agreement and for the purpose of paying the Secured Obligations to the Noteholders.

The Crypto Asset Wallet Control Agreement shall be governed by German law.

**Crypto Asset Se-  
curity Agreement**

means the agreement relation to Crypto Assets entered into between the Issuer and the Collateral Trustee dated on or around the Issue Date. In accordance with the Crypto Asset Security Agreement, the Issuer assigns to the Collateral Trustee (a) all its present and future, actual and contingent rights and claims against the Crypto Custodian (i) arising under or in connection with the Crypto Asset Wallet Control Agreement or (ii) arising in relation to the Custodian Account, the Crypto Asset Wallet(s) or the Deposited Crypto Assets under or in connection with the Crypto Asset Custodian Agreement or any other underlying contractual or other relationship (if any) under which the Crypto Custodian provides custodial services to, or maintains the Crypto Asset Wallet(s) for, the Issuer, and (b) any other present and future, actual and contingent rights or title to the Deposited Crypto Assets which the Issuer currently has, or will acquire in the future, or otherwise is or will be entitled to. The assignment is constituted in order to secure the prompt and complete satisfaction of any and all Secured Obligations.

The Crypto Asset Security Agreement shall be governed by German law.

<b>Default Termination Notice</b>	has the meaning provided in § 10 (2);
<b>Deposited Crypto Asset</b>	has the meaning provided in § 12 (3);
<b>Diminishing Entitlement Rate</b>	means the fee expressed as the rate at which the Entitlement Ratio decays over time. As of the Issue Date, the Diminishing Entitlement Rate is [1.75][●]%. The Diminishing Entitlement Rate may be lowered by the Issuer at any time (unconditionally) and the Issuer shall notify the Noteholders thereof in accordance with § 16;
<b>Entitlement Ratio</b>	means, as of any Business Day, the Noteholder's claim against the Issuer in respect of each Note, expressed as the number of the units of the Crypto Assets per Note, and calculated by the Issuer in accordance with the following formula:

$$ER = IER \times (1 - DER/365)^n$$

where

"ER" means Entitlement Ratio

"IER" means Initial Entitlement Ratio

"DER" means Diminishing Entitlement Rate

"n" means Number of Days.

The resultant figure is calculated to eight decimal places with 0.000000005 rounded upwards, and subject to a floor of zero.

During the term of the Notes, the Issuer will publish on the Issuer's Website the Entitlement Ratio and the resultant Noteholder's claim against the Issuer in respect of each Note.

The Noteholder's claim against the Issuer is reduced each day from the first day of listing and trading on-exchange, by the Diminishing Entitlement Rate.

In case the Diminishing Entitlement Rate is lowered by the Issuer, the Issuer has the right to make those changes to the above formula that are required in order to ensure that the new Diminishing Entitlement Rate only applies as of the date such change has been notified to the Noteholders in accordance with § 16 (including, but not limited to, adjusting the definition of the Initial Entitlement Ratio to mean the "Entitlement Ratio per Note at the date on which the change to the relevant Diminishing Entitlement Rate has been notified to the Noteholders in accordance with § 16" and adjusting the definition of Number of Days to mean "the number of days that have passed since the date on which the change to the relevant Diminishing Entitlement Rate has been notified to the Noteholders in accordance with

	§ 16 up until and including the date on which the Entitlement Ratio is calculated");
<b>Event of Default</b>	has the meaning provided in § 10 (1);
<b>Exercise Date</b>	has the meaning provided in § 3 (1) and § 3 (2) respectively;
<b>Exercise Form</b>	means the form of notice for the exercise of the Crypto Asset Delivery Right or for receiving delivery of Crypto Assets in case of a Termination Event, in the form obtainable from the Website
<b>Exercise Right</b>	means the Crypto Asset Delivery Right and the Cash Exercise Right;
<b>[eWpG</b>	means German Act on Electronic Securities ( <i>Gesetz über elektronische Wertpapiere</i> );
<b>Failed Crypto Asset Sale</b>	has the meaning provided in § 5 (4);
<b>Fork</b>	means a split or fork in the blockchain of the Crypto Asset leading to a division of the Crypto Asset into two or more separate crypto assets;
<b>Fork Notification Event</b>	means either of the following: (i) Noteholders representing at least 20 % of all Outstanding Notes have notified the Issuer in writing about the occurrence of the Fork; or (ii) the Issuer notified the Noteholders about the occurrence of the Fork in accordance with § 16;
<b>[Global Note</b>	has the meaning provided in § 1 (3);
<b>Initial Entitlement Ratio</b>	means [0.001] [●] units of the Crypto Asset per Note, i.e. the Entitlement Ratio per Note at the Issue Date;
<b>Issue Date</b>	has the meaning provided in § 1 (1);
<b>Issuer</b>	has the meaning provided in § 1 (1);
<b>Issuance Account</b>	means a securities account maintained by the Issuing Agent on behalf of the Issuer where Notes beneficially owned by the Issuer are held or registered;
<b>Issuer Account Bank</b>	means [●];
<b>Issuance Account Control Agreement</b>	means the agreement entered into between the Issuer, the Issuing Agent in its function as a financial intermediary maintaining the Issuance Account for the Issuer and the Collateral Trustee dated on or around the Issue Date.
	In accordance with the Issuance Account Control Agreement (a) any disposal over the Issuer-Held Notes (in particular any transfer of Issuer-Held Notes out of the Issuance Account) may only take place; and (b) the Issuing Agent shall act upon instructions originated by the Issuer concerning the Issuer-Held Notes only, upon receipt by

	the Issuing Agent of an approval of such transaction or instruction from the Administrator.
	The Issuance Account Control Agreement shall be governed by German law.
<b>Issuer-Held Notes</b>	means the Notes held in the Issuance Account, or any Notes of which the Issuer itself is a Noteholder;
<b>Issuing Agent</b>	means [Quirin Privatbank AG, Berlin, Federal Republic of Germany] [●] or any other issuing agent appointed by the Issuer pursuant to § 6 (2);
<b>Noteholder</b>	means any holder of a co-ownership interest or right, an economic ownership right or a comparable right in the Notes;
<b>Noteholders' Representative Notes)</b>	has the meaning provided in § 15 (6);
<b>Note Documents</b>	means the Notes (including the Terms and Conditions), the Security Documents, the Issuance Account Control Agreement, the Sales Proceeds Cash Account Control Agreement, any fee letter relating to the Notes and any other document that may be entered into pursuant to any of the foregoing in relation to the Notes;
<b>Number of Days</b>	means the number of days that have elapsed since the Issue Date (excluding) up until and including the date on which the Entitlement Ratio is calculated;
<b>Outstanding Amount</b>	means, at any given time, the total number of Outstanding Notes multiplied by the Entitlement Ratio;
<b>Outstanding Notes</b>	means Notes issued and placed with investors that have not yet been repurchased or otherwise cancelled by the Issuer (excluding, for the avoidance of doubt, the Issuer-Held Notes);
<b>Paying Agent</b>	means [Quirin Privatbank AG, Berlin, Federal Republic of Germany] [●] or any other paying agent appointed by the Issuer pursuant to § 6 (2);
<b>Permitted Indebtedness</b>	has the meaning provided in § 12 (2);
<b>Redemption Date</b>	has the meaning provided in § 4 (4);
<b>Redemption Form</b>	has the meaning provided in § 4 (2);
<b>Reference Price</b>	means, as of the relevant determination date, [ <i>in case of Bloomberg Reference Price, insert: the Bloomberg Crypto Asset Fixing for [insert relevant Crypto Asset]</i> as displayed by Bloomberg under Bloomberg ticker [ <i>insert Bloomberg ticker of relevant Crypto Asset</i> ]

	CFIX Curncy between 16:00 and 16:15 (EST)] [ <i>in case of Vinter Reference Price, insert: the VFIX [insert relevant Crypto Asset] reference rate calculated at 16:00 (London time), which is a price index calculated by Vinter [insert details on Vinter] that tracks the last real-time rate of [insert relevant Crypto Asset] before 16:00, London time [•]</i> ] [ <i>in case of other Reference Price, insert provider and fixing: •</i> ];
<b>Sales Proceeds Cash Account</b>	means a cash account maintained by the Issuer Account Bank on behalf of the Issuer where any Crypto Asset Sale Proceeds are credited;
<b>Sales Proceeds Cash Account Control Agreement</b>	means the agreement in relation to the Sales Proceeds Cash Account entered into between the Issuer, the Issuer Account Bank and the Collateral Trustee, dated on or around the Issue Date.  In accordance with the Sales Proceeds Cash Account Control Agreement (a) withdrawals from the Sales Proceeds Cash Account, or other dispositions over the amounts standing to the credit thereof, by the Issuer may only take place; and (b) the Issuer Account Bank shall act upon instructions originated by the Issuer concerning the Sales Proceeds Cash Account only upon receipt by the Issuer Account Bank of an approval of such transaction or instruction from the Administrator.  The Sales Proceeds Cash Account Control Agreement shall be governed by German law.
<b>Secured Delivery Obligations</b>	means obligations of the Issuer (i) to deliver Crypto Assets according to the Entitlement Ratio with respect of those Notes which are redeemed at the discretion of the Issuer due to a Termination Event, as further described in § 4 (2); or (ii) to deliver Crypto Assets according to the Entitlement Ratio to the Noteholder exercising the Crypto Asset Delivery Right, as further described in § 3 (1);
<b>Secured Delivery Obligations Amount</b>	means [the amount of Crypto Assets of] those Secured Delivery Obligations which are not yet fulfilled by the Issuer and remain outstanding;
<b>Secured Obligations Amount</b>	means the sum of Secured Settlement Obligations Amount, Outstanding Amount and Secured Delivery Obligations Amount;
<b>Secured Parties</b>	means the Noteholders, any Noteholders' Representative (if appointed) and the Collateral Trustee;
<b>Secured Settlement Obligations</b>	means obligations of the Issuer to transfer Notes to the Authorised Participant subscribing to or purchasing Notes from the Issuer in the primary market, but only if and to the extent such subscribing or purchasing Authorised Participant has transferred (or arranged to be transferred) Crypto Assets to the Crypto Asset Wallet at least equal

	to Entitlement Ratio (as of the date of the subscription or purchase in the primary market) per Note being subscribed or purchased in the primary market;
<b>Secured Settlement Obligations Amount</b>	means the amount of Crypto Assets (aggregate Entitlement Ratio of the Notes to be settled) of those Secured Settlement Obligations which are not yet [fulfilled][delivered] by the Issuer [and remain outstanding];
<b>Security</b>	has the meaning provided in § 1 (5);
<b>Security Documents</b>	means <ul style="list-style-type: none"> <li>(a) the Security Trust Agreement</li> <li>(b) the Crypto Asset Security Agreement; and</li> <li>(c) the Crypto Asset Wallet Control Agreement.</li> </ul>
<b>Security Trust Agreement</b>	has the meaning provided in § 7 (1);
<b>Substitute Debtor</b>	has the meaning provided in § 14 (1);
<b>Termination Event</b>	has the meaning provided in § 4 (1);
<b>Termination Notice</b>	has the meaning provided in § 4 (1);
<b>Terms and Conditions</b>	means the terms and conditions for the Notes set out herein.
<b>Trading Venue[s]</b>	has the meaning provided in § 5 (1);
<b>Upfront Exercise Fee</b>	shall mean [an amount of up to [ <i>insert currency</i> ] • ([ <i>insert currency</i> ] [ <i>insert amount in words</i> ])] [a percentage in the amount of up to • % of the Entitlement Ratio] [•] which the Issuer may charge for the exercise of an Exercise Right by a Noteholder who is not an Authorised Participant, and where the Exercise Right is exercised in relation to a number of Notes which, if multiplied by the Entitlement Ratio and then multiplied by the Reference Price, in each case as of the date on which the Issuer receives the Exercise Form, have a value of less than [ <i>insert currency</i> ] [250,000.00][•] ([ <i>insert currency</i> ] [two hundred fifty thousand][•]). No Upfront Exercise Fee shall be payable if no Authorised Participant(s) is or are appointed by the Issuer.
	The Upfront Exercise Fee may be lowered by the Issuer at any time and the Issuer shall notify the Noteholders thereof in accordance with § 16;
<b>Website</b>	means the Issuer’s official website at <a href="https://www.nxtassets.com">https://www.nxtassets.com</a> .

### § 3 Exercise by the Noteholder

- (1) Each Noteholder may, in accordance with the requirements stated under this paragraph, exercise its Notes and demand delivery of the Crypto Asset equal to the Entitlement Ratio for each of the Notes held and exercised by the Noteholders (the "**Crypto Asset Delivery Right**").

In order to exercise its Crypto Asset Delivery Right, the Noteholder needs to

- (i) submit a duly completed Exercise Form, specifying that Crypto Asset Delivery shall be applicable, including a wallet operated by a Crypto Asset Service Provider, and any documents requested in such form for verification of the Noteholder's identity;
- (ii) cooperate throughout the entire process, deliver information and documents requested and to agree that his data will be passed on to third parties for processing (e.g. Issuer, Paying Agent, Crypto Custodian);
- (iii) pay the Upfront Exercise Fee (if any) to an account specified by the Issuer; and
- (iv) transfer the Notes in relation to which the Crypto Asset Delivery Right is exercised via the account holding bank to the account of the Issuance Account free of payment.

The date on which all of (i) to (iii) have been completed, shall be the "**Exercise Date**" for the exercised Crypto Asset Delivery Right.

The Issuer shall transfer the Crypto Asset according to the Entitlement Ratio for each exercised Note, calculated as of the Exercise Date, less the Upfront Exercise Fee (if any) to the relevant Noteholder's wallet as designated in the relevant Exercise Form. The transfer shall be completed as soon as practicable after the Exercise Date, but under all circumstances within the timeframe of a normal settlement/transfer cycle of the Crypto Asset in the Crypto Asset network (which may vary depending on the level of the network fees the Noteholder agrees to pay pursuant to the Exercise Form) plus thirty Business Days. In case of Noteholders who are Authorised Participants the transfer shall be completed within the timeframe of a normal settlement/transfer cycle of the Crypto Asset in the Crypto Asset network (which may vary depending on the level of the network fees the Noteholder agrees to pay pursuant to the Exercise Form) plus three Business Days.

If a Noteholder fails to perform the requirements stipulated in this paragraph, the Issuer will instead execute deliveries in accordance with the Cash Exercise Right as described in § 3(2) below.

- (2) If a Noteholder is prevented from receiving the Crypto Asset for legal reasons, in particular due to regulatory provisions applicable to it, such Noteholder may exercise its Notes against payment for each of the Notes held and exercised by such Noteholder in an amount in *[insert currency]* [●] equal to the proceeds of sale of the Crypto Asset according to the Entitlement Ratio using the Crypto Asset Sale Procedure (the "**Cash Exercise Right**").

In order to terminate its Notes, the Noteholder needs to

- (i) submit a duly completed Exercise Form, specifying that cash settlement shall be applicable, including any documents requested in such form for verification of the Noteholder's identity and inability to receive the Crypto Assets;



- (ii) pay the Upfront Exercise Fee (if any) to an account specified by the Issuer; and
- (iii) transfer the exercised Notes to the Issuance Account free of payment.

The date on which all of (i) to (iii) have been completed, shall be the "**Exercise Date**" for the exercised Cash Exercise Right.

Within [ten] [●] days from the Exercise Date (including), the Issuer shall initiate the sale of such number of units of the Crypto Asset as corresponds to the Entitlement Ratio for the Notes in relation to which the Cash Exercise Right is exercised, calculated as of the Exercise Date, in accordance with the Crypto Asset Sale Procedure.

- (3) After successful completion of the Crypto Asset Sale Procedure, the Issuer shall transfer an amount in [*insert currency*] [●] equal to the proceeds of the Crypto Asset sale less the Upfront Exercise Fee (if any) to the respective Noteholder's account, as specified in the Exercise Form, within [seven] [●] Business Days from the receipt of the relevant Crypto Asset Sale Procedure proceeds. The payment of the proceeds shall be made to the Paying Agent for further forwarding to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System. The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

Without prejudice to other provisions of this same paragraph, in case of a Failed Crypto Asset Sale, the Issuer shall return all Notes in relation to which the Cash Exercise Right was exercised, to the Noteholder within [seven] [●] Business Days. The Issuer may choose to charge any Upfront Exercise Fee to the respective Noteholder in case of a Failed Crypto Asset Sale. In this case, the Issuer shall forfeit such number of Notes for its own benefit to become Issuer-Held Notes from the Notes to be returned to the Noteholder, so that Entitlement Ratio, as of the Exercise Date, multiplied by the number of Notes forfeited does not exceed the Upfront Exercise Fee.

The Noteholder shall be entitled to exercise any Exercise Right with respect to the returned Notes at any time.

#### § 4 Termination by the Issuer

- (1) Upon occurrence of a Termination Event (as defined below) the Issuer has the right (but not an obligation to) give notice to the Noteholders in accordance with § 16 (the "**Termination Notice**"), such notice stating the applicable Termination Event. Upon giving a Termination Notice, the Notes shall be redeemed on the Redemption Date.

A "**Termination Event**" means each of the following events:

- (a) for a continuous period of 90 (ninety) days the EUR equivalent of the Outstanding Amount, calculated as the Outstanding Amount multiplied by the Reference Price, is less than EUR [100,000,000.00] [●] (EUR [one hundred million] [●]); or
- (b) any new or existing law or regulation, or interpretation of any existing law or regulation, requires the Issuer to obtain any license, permission or approval, or to become regulated or supervised in any way in the Federal Republic of Germany or elsewhere, to

continue fulfilling its obligations under these Terms and Conditions, but excluding requirements to publish an approved prospectus with respect to the Notes; or

- (c) as a result of any change in, or amendment to, of the laws or regulations (including the application or interpretation thereof) of the Federal Republic of Germany or any other member state of the European Economic Area or Switzerland or any political subdivision or taxing or regulatory authority thereto or therein affecting taxation, the tax treatment of or the prudential treatment of positions in the Crypto Asset in general changes materially, such change was not reasonably foreseeable at the Issue Date, and such change is in the assessment of the Issuer materially disadvantageous to the business of the Issuer (regardless of whether this affects the issuance of the Notes); or
- (d) any third-party service provider, including the Issuer's auditors, legal advisers, the Clearing System, the Issuing Agent, the Paying Agent, the Administrator, the Collateral Trustee, and the Crypto Custodian, stops providing services to the Issuer, and the Issuer fails to find a replacement within [reasonable time] [[•] [months]][weeks]]; or
- (e) if the Issuer was ordered by the competent court, a competent supervisory authority or otherwise became required by law to terminate the Notes;
- (f) if the Issuer's shareholders have resolved to dissolve the Issuer; or
- (g) any other change or reason that is materially disadvantageous to the business of the Issuer (regardless of whether this affects the issuance of the Notes).

In case the Issuer has given the Termination Notice, the Issuer shall no longer issue new Notes or sell Issuer-Held Notes and arrange for cancellation of all Issuer-Held Notes.

- (2) The Issuer shall redeem the Notes by delivering a number of units in the Crypto Asset equal to the Entitlement Ratio.

In order for a Noteholder to receive the Crypto Asset according to the Entitlement Ratio, such Noteholder needs to

- (a) submit a duly completed Exercise Form, specifying that Crypto Asset Delivery shall be applicable, including any documents requested in such form for verification of the Noteholder's identity;
- (b) cooperate throughout the entire process, deliver information and documents requested and to agree that his data will be passed on to third parties for processing (e.g. Issuer, Paying Agent, Crypto Custodian);
- (c) transfer its Notes to the Issuance Account free of payment.

If a Noteholder fails to perform (i) to (iii) within a twenty-day period after the Termination Notice has been published, the Issuer will treat the relevant Noteholder as prevented from receiving units of the Crypto Asset for legal or regulatory reasons and redeem the relevant Notes by a cash payment (as further described below).

- (3) If a Noteholder is prevented from receiving units of the Crypto Asset for legal reasons, in particular due to regulatory provisions applicable to it, the Issuer shall redeem the Notes by paying the amount in EUR equal to the Crypto Asset Sale Proceeds, divided by the number of Notes redeemed, minus any reasonable third-party fees related to redemption of the Notes.
- (4) "**Redemption Date**" shall mean
- (a) for those Notes redeemed in the Crypto Asset, [the [third][●] Business Day after the expiry of a [thirty-day][●] period after the Issuer's Termination Notice has been published] [a Business Day as soon as practicable after the day on which the Issuer's Termination Notice has been published, but under all circumstances within the timeframe of a normal settlement/transfer cycle of the Crypto Asset in the Crypto Asset network (which may vary depending on the level of the network fees the Noteholder agrees to pay pursuant to the Exercise Form) plus thirty Business Days. In case of Noteholders who are Authorised Participants the Business Day within the timeframe of a normal settlement/transfer cycle of the Crypto Asset in the Crypto Asset network (which may vary depending on the level of the network fees the Noteholder agrees to pay pursuant to the Exercise Form) plus three Business Days]; or
  - (b) for those Notes redeemed in [*insert currency*], the [third][seventh][●] Business Day after successful completion of the Crypto Asset Sale Procedure or alternative sale arrangements in case of its failure. The Crypto Asset Sale Procedure shall begin (if required) on the [thirtieth][●] day following publication of the Issuer's Termination Notice. The payment of the proceeds shall be made to the Paying Agent for further forwarding to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System. The Issuer shall be discharged by payment to, or to the order of, the Clearing System.
- (5) "**Crypto Asset Sale Proceeds**" means the amount in [*insert currency*] obtained from the sale of units of Crypto Asset corresponding to the Entitlement Ratio (as of the date of the Termination Notice), multiplied by the number of Notes being redeemed, from Deposited Crypto Asset using one or several Crypto Asset Sale Procedure(s). If the Crypto Asset Broker fails to complete the sale using the Crypto Asset Sale Procedure within [ten][●] days, the Issuer shall arrange for the sale of units of the Crypto Asset using any other procedure aiming to achieve the best price within a reasonable amount of time.
- (6) The payment of the Crypto Asset Sale Proceeds shall be made to the Paying Agent for further forwarding to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System. The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

## § 5 Crypto Asset Sale Procedure

- (1) If the Issuer is required, pursuant to these Terms and Conditions, to conduct a Crypto Asset Sale Procedure, the Issuer shall (i) within [ten] [●] days from the Exercise Date (including); or (ii) on the [thirtieth][●] day following the date of the Termination Notice, as the case may be, offer the units of the Crypto Asset at its current fair market value and for not less than

80 % of the relevant Reference Price (under non-exceptional market conditions) by initiating a Crypto Asset Sale Procedure (the day on which the Crypto Asset Sale Procedure is initiated, the "**Crypto Asset Sale Start Date**") in relation to the required number of units of the Crypto Asset.

- (2) The Crypto Asset Sale Procedure shall terminate upon the expiration of [ten] [●] days from the Crypto Asset Sale Start Date (the "**Crypto Asset Price Start Date**").
- (3) The technical process of the Crypto Asset Sale Procedure, including the submission and acceptance of offers to buy and sell, shall be carried out in accordance with the [business terms/trading rules] aligned with the Crypto Asset Broker.
- (4) The Crypto Asset Sale Procedure shall be deemed unsuccessful ("**Failed Crypto Asset Sale**") if
  - (a) the Reference Price is not available, or expected not to be available on the dates when it is required for the purposes of the procedure described in this § 5;
  - (b) no purchase offers were submitted or all purchase offers were rejected, or for any other reason.

## **§ 6 Issuing Agent, Paying Agent, Crypto Custodian and Crypto Asset Broker**

- (1) The (initial) Issuing Agent, (initial) Paying Agent, (initial) Crypto Custodian and (initial) Crypto Asset Broker shall be:

### **Issuing Agent**

Quirin Privatbank AG, Berlin, Federal Republic of Germany

### **Paying Agent**

Quirin Privatbank AG, Berlin, Federal Republic of Germany

### **Crypto Custodian**

Crypto Finance (Deutschland) GmbH, Frankfurt am Main, Federal Republic of Germany

### **Crypto Asset Broker**

Crypto Finance (Deutschland) GmbH, Frankfurt am Main, Federal Republic of Germany

The Issuing Agent, the Paying Agent, the Crypto Custodian and Crypto Asset Broker (together, the "**Agents**" and each an "**Agent**") reserve the right at any time to change their specified offices to some other office in the same country.

The Issuer reserves the sole right at any time to vary or terminate the appointment of the Issuing Agent, the Paying Agent, the Crypto Custodian and/or Crypto Asset Broker and to appoint: (i) a replacement Issuing Agent or Paying Agent or additional issuing or paying agents; (ii) a replacement or additional Crypto Custodian and/or (iii) a replacement Crypto Asset Broker or additional sale agents, provided in each case that (x) where a Noteholder Representative is then in place, any such variation, termination, replacement or appointment shall be subject to the prior written consent by the Collateral Trustee (acting on the instructions of the Noteholder Representative) or (y) if no Noteholder Representative is then

in place, the Collateral Trustee shall consent to any such variation, termination, replacement or appointment proposed by the Issuer and shall not be liable to any Noteholder or any other person for so doing. Notwithstanding the provisions of this Condition 6, the Collateral Trustee shall not be obliged to agree to any such variation, termination, replacement or appointment which, in the sole opinion of the Collateral Trustee, would (i) impose more onerous obligations upon the Collateral Trustee or expose it to any additional duties, responsibilities or liabilities or reduce or amend the rights and/or protective provisions afforded to the Collateral Trustee in these Conditions or the other Note Documents or the Security Documents in any way or (ii) expose it to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction. The Issuer shall at all times maintain an Issuing Agent, a Paying Agent, a Crypto Custodian and a Crypto Asset Broker. Any variation, termination, appointment, or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after prior notice to the Noteholders given not less than thirty but not more than forty-five days from these events in accordance with § 16.

- (2) The Issuing Agent, the Paying Agent, the Crypto Custodian and any additional or replacement Issuing Agent, Paying Agent or Crypto Custodian appointed pursuant to paragraph (2) above act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust with any Noteholder. The Crypto Asset Broker and any additional or replacement Crypto Asset Broker acts solely as a broker for the Issuer and does also not assume any obligations towards or relationship of agency or trust with any Noteholder.

## § 7 Collateral Trustee

- (1) Apex Corporate Trustees (UK) Limited, London, United Kingdom, is appointed as Collateral Trustee for the Security. Any Security hereunder shall be held by the Collateral Trustee on behalf of all present and future Noteholders. The Collateral Trustee shall, in relation to third parties, act as the holder of the Security and administer it on behalf of the Secured Parties (including the Noteholders). The detailed duties of the Collateral Trustee shall solely be governed by the security trust agreement entered into between the Issuer and the Collateral Trustee (the "**Security Trust Agreement**") a copy of which can, as long as the Notes are outstanding, be obtained by Noteholders free of charge from the Issuer's registered office (Neue Mainzer Straße 66-68, 60311 Frankfurt am Main, Federal Republic of Germany or any successor address in the Federal Republic of Germany, as communicated to the Noteholders in accordance with § 16) and which will be published on the Website.
- (2) Each Noteholder instructs and authorises the Collateral Trustee (with the right to sub-delegate) to act as its trustee (*Treuhänder*) for the benefit of the Secured Parties under and in accordance with the terms of the Security Trust Agreement and the other Security Documents and Note Documents 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, in each case acting on the instructions of the Noteholder Representative. The Collateral 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 in accordance with the Security Documents.

- (3) The Issuer shall at all times maintain a Collateral Trustee. The Issuer reserves the right at any time to vary or terminate the appointment of the Collateral Trustee and to appoint a replacement Collateral Trustee, in accordance with the provisions of the Security Trust Agreement and without any detrimental effect to the Noteholders. Any variation, termination, appointment, or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after prior notice to the Noteholders given not less than thirty but not more than forty-five days from these events in accordance with § 16.

## § 8 Taxation

- (1) All amounts payable in respect of the Notes shall be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied at source by way of withholding or deduction by or on behalf of the Federal Republic of Germany or any respective political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law.
- (2) If at any time the Issuer becomes subject to any taxing jurisdiction other than, or in addition to, the Federal Republic of Germany (including substitution of the Issuer in accordance with § 14) references in this § 8 to the Federal Republic of Germany shall be read and construed as references to the jurisdiction of the Issuer, and/or to such other jurisdiction(s).

## § 9 Presentation Period, Prescription

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

## § 10 Events of Default

- (1) If an Event of Default occurs and is continuing, each Noteholder shall be entitled to declare all but not some of its Notes due and payable by submitting a Default Termination Notice (pursuant to paragraph (2) below) to the Issuer for its entire claim arising from the Notes and demand an immediate delivery of Crypto Assets according to the Entitlement Ratio per Note. Each of the following is an "**Event of Default**":
  - (a) the Issuer fails to deliver the Crypto Asset or to pay any other amount in respect of the Notes within fifteen days from the relevant due date, except if the Issuer fails to deliver the Crypto Asset or to pay any other amount in respect of the Notes for reasons beyond its control, which should include (but is not limited to) circumstances where the Issuer is required to comply with any provision of applicable law relating to the funding of terrorist activities or money laundering.

For the avoidance of doubt: Failure to exercise the Exercise Right due to an unsuccessful Crypto Asset Sale Procedure shall not amount to such failure; or

- (b) the Issuer fails to duly perform any other obligation arising from the Notes and such failure, if capable of remedy, continues unremedied for more than forty-five days after the Issuer has received notice thereof from a Noteholder; or
  - (c) the Issuer is unable or admits its inability to pay its debts as they fall due (including any amounts due and payable to the Collateral Trustee); or
  - (d) insolvency proceedings against the Issuer are instituted and have not been discharged or stayed within ninety days, or the Issuer applies for or institutes such proceedings; or
  - (e) the Issuer enters into liquidation unless this is done in connection with a merger or other form of combination with another company and such company assumes all obligations of the Issuer in connection with the Notes.
- (2) Any notice by a Noteholder to terminate its Notes in accordance with this § 10 (a "**Default Termination Notice**") shall be made by means of a declaration in text form to the Paying Agent in the German or English language together with evidence by means of a certificate of the account holding bank that such Noteholder, at the time of such Default Termination Notice, is a Noteholder with respect of the relevant Notes.
- (3) No Noteholder shall be entitled to proceed directly against the Issuer unless such Noteholder has first sought enforcement of the Security by the Collateral Trustee (through the Noteholder Representative) in accordance with the Security Trust Agreement.
- (4) Upon receipt of the Default Termination Notice, the Paying Agent shall deliver a copy of such notice to the Collateral Trustee. The Collateral Trustee shall upon receipt of a Default Termination Notice, subject as provided in the Security Trust Agreement, acting on the instructions of the Noteholder Representative, institute such proceedings and/or take such action, steps or proceedings as it may think fit to enforce the Security. Such enforcement may result in a payment of the proceeds from the sale of the Deposited Crypto Assets only.

## **§ 11 Further Issues, Purchases and Cancellation**

- (1) Without prejudice to § 12 (3), the Issuer may from time to time, without the consent of the Noteholders, sell Issuer-Held Notes or issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the relevant issue date and/or Issue Price) so as to form a single series with the Notes, provided that the Issuer provides for additional Crypto Assets as Security in the same proportionate amount corresponding to the further Notes.
- (2) Without prejudice to § 12 (3), the Issuer may at any time purchase Notes in the open market or otherwise and at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Issuing Agent for cancellation.

## § 12 Covenants

- (1) So long as any Note remains outstanding, the Issuer will not (except where explicitly permitted under the Terms and Conditions):
  - (a) create or permit to subsist any mortgage, pledge, lien, security interest, charge or encumbrance securing any obligation of any person (or any arrangement having a like or similar effect) upon all or any of the Crypto Assets subject to the Security; or
  - (b) transfer, sell, lend, part with or otherwise dispose of, or grant any option or present or future right to acquire, any of the Crypto Assets subject to the Security.
- (2) The Issuer shall not after the Issue Date, incur any indebtedness for financing purposes except for Permitted Indebtedness. "**Permitted Indebtedness**" means
  - (a) any costs incurred by the Issuer in its ordinary course of business; or
  - (b) any notes issued which are backed by assets acquired by the issuance of such notes;provided, however, that such costs or debt incurred by the Issuer shall have no impact on the Noteholders' Security.
- (3) The Issuer shall at any given time procure that it holds such amount of the Crypto Asset equal to or exceeding the Secured Obligations Amount on the Crypto Asset Wallet held with the Crypto Custodian (the "**Deposited Crypto Assets**").

## § 13 Fork

- (1) If a Fork occurs and the Issuer determines in its reasonable discretion within a reasonable period of time after the Fork Notification Event, not exceeding 45 (forty-five) days, that such Fork has led to the creation of two or more crypto assets being tradable through the Crypto Asset Broker and depositable with the Crypto Custodian, each Note shall thereafter represent a claim on a group of post-Fork crypto assets that corresponds to such Entitlement Ratio as each Note represented before the Fork. The weight of each post-Fork crypto asset in such group shall be (i) the balance of each such crypto asset held on the Crypto Asset Wallet at the point of a Fork Notification Event; divided by (ii) the Outstanding Amount at the point of the Fork Notification Event. All such weights are subject to a maximum of 1.0.
- (2) Following a Fork, the Issuer may, in its reasonable discretion and after having notified the Noteholders in accordance with § 16, resolve to split the Notes into separate Series of Notes, each such new Series of Notes representing a claim on the Issuer for a separate post-Fork crypto asset in the group of crypto assets that each Note represented immediately following the Fork.
- (3) The Issuer may in its sole and absolute discretion and after having notified the Noteholders in accordance with § 16, suspend the Exercise Right, sales and/or issuances of Notes for a reasonable period of time, not exceeding 90 (ninety) days, in order to allow for an arrangement described in paragraph (2).



## § 14 Substitution

- (1) The Issuer may, without the consent of the Noteholders, if no Event of Default is occurring, at any time substitute the Issuer with any newly established company or an affiliate within the meaning of section 15 of the German Stock Corporation Act (*Aktiengesetz*) of the Issuer as principal debtor in respect of all obligations arising from or in connection with this issue (the "**Substitute Debtor**") provided that:
  - (a) the Substitute Debtor assumes all rights and duties under or pursuant to the Notes and assumes all rights and duties by transfer or re-establishment under all agreements relating to the issuance and maintenance of the Notes and the Issuer's accounts and wallets;
  - (b) the Security created pursuant to § 1 (5) is held by, or re-established with the Collateral Trustee for the purpose of securing the obligations of the Substitute Debtor upon the Issuer's substitution;
  - (c) no additional expenses or taxes or legal disadvantages of any kind arise for the Noteholders from such assumption of debt and the Issuer has obtained a tax opinion to this effect from a reputable firm of lawyers or accountants in the relevant jurisdiction which can be examined at the offices of the Issuer;
  - (d) the Substitute Debtor provides proof satisfactory to the Administrator that it has obtained all of the necessary governmental and other necessary approvals in the jurisdiction in which it has its registered address and that it is permitted to fulfil all of the obligations arising under or in connection with the Notes without discrimination against the Noteholders in their entirety and the Administrator has consented to the proposed substitution (provided that the Administrator may not unreasonably withhold or delay its consent); and
  - (e) the Issuer and the Substitute Debtor enter into such agreements and execute such documents necessary for the effectiveness of the substitution.
- (2) Any substitution of the Issuer pursuant to this paragraph and the date of effectiveness of such substitution shall be published in accordance with § 16.
- (3) Upon effectiveness of the substitution any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the Substitute Debtor.
- (4) Upon effective substitution of the Issuer as set forth in this paragraph, the Issuer shall be released from any obligation arising from or in connection with the Notes.

## § 15 Amendments to the Terms and Conditions, Noteholders' Representative

- (1) In accordance with the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen* – "**SchVG**"), the Noteholders may agree with the Issuer on amendments to, or waivers under, the Terms and Conditions and/or any Security Arrangement with regard to matters permitted by the SchVG by resolution with the majority specified in § 9 (2) SchVG. Majority resolutions shall be binding on all Noteholders. A majority resolution which does not provide for identical conditions for all Noteholders is void,

unless Noteholders who are disadvantaged have expressly consented to their being treated disadvantageously.

- (2) Resolutions shall be passed by a majority of not less than 75 per cent. of the votes cast. Resolutions relating to amendments to the Terms and Conditions which are not material and which do not relate to the matters listed in § 5 (3) nos. 1 to 9 SchVG require a simple majority of the votes cast.
- (3) All votes will be taken exclusively by vote taken without a meeting in accordance with § 18 SchVG. A meeting of Noteholders and the assumption of the fees by the Issuer for such a meeting will only take place in the circumstances of § 18 (4) sentence 2 SchVG.
- (4) The vote will be chaired by a notary appointed by the Issuer or, if the Noteholders' Representative (as defined in § 15 (6) below) has convened the vote, by the Noteholders' Representative.
- (5) Each Noteholder participating in any vote shall cast votes in accordance with the principal amount or the notional share of its entitlement to the outstanding Notes. The voting right is suspended as long as the Notes of the Issuer or an affiliate (within the meaning of § 271 (2) German Commercial Code) or are held for the account of the Issuer or an affiliate.
- (6) The Noteholders may by majority resolution appoint a representative to exercise the Noteholders' rights on behalf of each Noteholder ("**Noteholders' Representative**"). The Noteholders' Representative shall have the duties and powers provided by law or granted by majority resolution of the Noteholders. The Noteholders' Representative shall comply with the instructions of the Noteholders. To the extent that the Noteholders' Representative has been authorised to assert certain rights of the Noteholders, the Noteholders shall not be entitled to assert such rights themselves, unless explicitly provided for in the relevant majority resolution. The Noteholders' Representative shall provide reports to the Noteholders on its activities. The regulations of the SchVG apply with regard to the recall and the other rights and obligations of the Noteholders' Representative.
- (7) Any notices concerning this § 15 shall be made exclusively pursuant to the provisions of the SchVG.

## § 16 Notices

- (1) All notices regarding the Notes, other than any notices stipulated in § 15 (8) which shall be made exclusively pursuant to the provisions of the SchVG, will be published in the German Federal Gazette (*Bundesanzeiger*) and on the Website.
- (2) The Issuer will be entitled to deliver all notices concerning the Notes to the Clearing System for communication by the Clearing System to the Noteholders to the extent that the rules of the stock exchange on which the Notes are listed or admitted to trading permit so.
- (3) Any notice will be deemed to have been validly given on the date of the first publication (or, if required to be published in a newspaper, on the first date on which publication shall have been made in the required newspaper) or, as the case may be, on the fourth Business Day after the date of such delivery to the Clearing System.

**§ 17 Governing Law, Place of Performance and Place of Jurisdiction, Language**

- (1) The Notes, as to form and content, and all rights and obligations of the Noteholders and the Issuer, shall be governed by German law.
- (2) To the extent legally permissible, the courts of Frankfurt am Main, Federal Republic of Germany, shall have jurisdiction for any actions or other legal proceedings arising out of or in connection with the Notes. The local court (*Amtsgericht*) of Frankfurt am Main, Federal Republic of Germany, shall have jurisdiction for all judgments in accordance with § 9 paragraph 2, § 13 paragraph 3 and § 18 paragraph 2 SchVG in accordance with § 9 paragraph 3 SchVG. The regional court (*Landgericht*) in the district of Frankfurt am Main, Federal Republic of Germany, shall have exclusive jurisdiction for all judgments over contested resolutions by Noteholders in accordance with § 20 paragraph 3 SchVG. Should the Issuer change its registered seat, the statutory jurisdiction pursuant to the SchVG shall apply.
- (3) These Terms and Conditions are written in the [English] [German] language [.] [and provided with a [German] [English] language translation. The [English] [German] version shall be the only legally binding version. The [German] [English] translation is for convenience only.]

## 12. Form of Final Terms

# nxtAssets GmbH

Frankfurt am Main, Federal Republic of Germany  
(the "Issuer")

## Final Terms

dated *[insert date of Final Terms: ●]*

*[in the case of a replacement (which term does not include an increase of issue) of the Final Terms: (which replace the Final Terms dated ●)]*

for

*[insert total issue size: ●]*

*[insert Nordic Growth Market (NGM) symbol, if applicable: ●]*

*[type of Note: ●]*

*[insert marketing name, if appropriate: ●]*

*[insert, if appropriate: SSPA Designation: ●]*

linked to

*[insert Underlying(s), if applicable ISIN: ●]*

(the "Notes")

*[Series number: ●]*

ISIN: ● *[/ WKN: ●] [ / Valor: ●] [ / NGM Symbol: ●] [ / ]*  
*[insert additional securities identification number where applicable: ●]*

### **[Information on MiFID II Product Governance**

[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[,][and] professional clients[ and retail clients], each as defined in Directive 2014/65/EU (as amended from time to time, the "**MiFID II**"); [and] (ii) all channels for distribution to eligible counterparties and professional clients are appropriate[; and (iii) the following channels for distribution of the Notes to retail clients are appropriate: investment advice, portfolio management and non-advised sales, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]. 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 and determining appropriate distribution channels, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable.][●]

*[insert if the offer qualifies as an exempt offer of the Notes: **Information on the exempt offer of the Notes***

[The Base Prospectus referred to below has been prepared on the basis that any offer of Notes in any member state of the European Economic Area ("**EEA**") will be made pursuant to an exemption under Regulation (EU) 2017/1129 ("**Prospectus Regulation**") will be made pursuant to an exemption under the Prospectus Regulation, from the requirement to publish a prospectus for offers. Accordingly, any person making or intending to make an offer of the Notes in a member state of the EEA may only do so in circumstances in which no obligation arises for the Issuer or any Authorised Participant to publish a prospectus pursuant to Article 1 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer nor any Authorised Participant has authorised, nor do they authorise, the making of any offer of the Notes in any other circumstances.][●]

*[insert if the Notes may constitute "packaged" products and no key information document (KID) will be provided: **Prohibition of Sales to EEA Retail Investors***

[The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.][●]

*[insert if the Securities are not for public distribution in Switzerland to retail clients: **Prohibition of Sales to Swiss Retail Investors***

The Securities must not be offered in Switzerland, except to professional clients as defined in Article 4 para. 3 of the Swiss Federal Act on Financial Services ("**FIDLEG**"), or the Securities

may not be offered to clients in Switzerland who are deemed to be private clients within the meaning of Article 4 para. 2 FIDLEG and to whom a key information document must be provided in accordance with Article 58 FIDLEG and in accordance with all other applicable laws and regulations. [●]

*[insert if the Securities are for public distribution in Switzerland to retail clients: The Notes do not represent collective investment schemes in the meaning of the Swiss Federal Act on Collective Investment Schemes ("CISA") and are therefore not subject to the regulations of the CISA. Accordingly, the Notes are not subject to the duty to obtain authorization and the supervision of the Swiss Financial Market Supervisory Authority ("FINMA").]*

The Notes may not be offered or sold unless all applicable laws and regulations in the respective jurisdiction in which an offer, sale, holding and/or delivery of Notes is intended or in which the Base Prospectus and these Final Terms are distributed, published and/or held are complied with and if all consents and approvals required in such jurisdiction for the offer, sale, holding and/or delivery of Notes have been obtained.

Particular attention should be paid to the selling restrictions set out in the Base Prospectus with respect to the following jurisdictions: [Switzerland] [,] [and] [the European Economic Area] [,] [and] [●]. These selling restrictions are not to be construed as conclusive guidance as to whether the Notes can be offered, sold, held and/or delivered in such jurisdiction(s).

Persons who gain access to the Notes, the Base Prospectus and/or the Final Terms are requested to inform themselves about and to observe any such restrictions. For further information see section 14 (*Selling Restrictions*) of the Base Prospectus.

## I. Introduction

These final terms (the "Final Terms") have been prepared for the purposes of Article 8 para. 4 of Regulation (EU) 2017/1129 (the "Prospectus Regulation") and should be read together with the base prospectus dated 13 February 2025 (the "Base Prospectus") and any supplements thereto in accordance with Article 23 of the Prospectus Regulation (the "Supplements") to obtain all relevant information.

*[insert if the Securities are for public distribution in Switzerland to retail clients: The Base Prospectus is filed and deposited in Switzerland with SIX Exchange Regulation Ltd pursuant to Article 54 para. 2 of the Swiss Federal Act on Financial Services ("FinSA"). The Base Prospectus is included in the list of approved prospectuses pursuant to Article 64 para. 5 FinSA and published pursuant to Article 64 FIDLEG. According to Article 45 para. 3 of the FinSA, the Final Terms are published in its final version and filed with the SIX Exchange Regulation Ltd in Switzerland.]*

The Base Prospectus and any supplements thereto will be published in electronic form on the website <https://www.nxtassets.com> in accordance with Article 21 of the Prospectus Regulation.

### Consent to the use of the Base Prospectus

The Issuer hereby consents to the use of the Base Prospectus for the duration of the offer period from the Start of the Public Offer to the End of the Public Offer, as defined below, the "**Offer Period**") by all financial intermediaries within the meaning of Article 5 paragraph (1) of the Prospectus Regulation for a subsequent resale or final placement of the Notes to use the Base Prospectus in [Austria] [and][,] [France] [and][,] [Federal Republic of Germany] [and][,] [Italy] [and][,] [Ireland] [and][,] [Liechtenstein] [and][,] [Spain] [and][,] [The Netherlands] [and][,] *[insert further jurisdictions: •]*.

## II. Information about the Underlying

The Underlying to which the Notes are linked is:

*[designation of the crypto currency, ISIN and/or Bloomberg or other symbol where relevant, brief description where relevant, further details where relevant]*

Information about the historical and future performance of the Underlying and its volatility can be obtained by electronic means [and free of charge] on the internet from [•] [<http://www.bloomberg.com>] [(symbol: •)] [<http://www.onvista.de>] [the websites specified above].

## III. Further Information on the Offer of the Notes

### 1. Stock exchange listing and trading arrangements

#### Stock exchange listing

*[without an application for admission to an MTF: [No application has been made for the Notes to be admitted to trading on an MTF or an equivalent market, and no such application is currently planned.] [•] ]*

*[with application for admission to MTF: [An application for admission to trading on the following multilateral trading facilities (MTF)] [was made] [will be make] for the Notes: [the unofficial,*

unregulated market (Open Market (*Freiverkehr*)) of the Börse Frankfurt Zertifikate AG (Börse Frankfurt Zertifikate Premium)), [and] [Baden-Württembergische Wertpapierbörse (EUWAX)] [and] [•].

[with application for admission to a market outside the European Union: An application for admission to trading on the following trading venue(s) outside the European Union is being made for the Notes: [SIX Swiss Exchange AG] [•] [insert segment].]

[in case of an Increase and if the original Notes have already been admitted to trading: The Notes are admitted to trading on •] [•].]:

Pricing

[Prices are quoted as the monetary price per Note.]

[Prices are quoted as a percentage price.]

Market Maker

•]

Last stock exchange trading day

•]

Minimum trading size

•]

Estimate of the total expenses relating to the admission to trading:

•]

Listing Agent's Responsibility: [Not applicable] [In connection with this issue of Notes and with regard to this issue only, Quirin Privatbank AG, with its registered office at Kurfürstendamm 119, 10711 Berlin, Federal Republic of Germany, accepts responsibility for the Base Prospectus, including these Final Terms, and confirms that to the best of its knowledge and belief, the information for which it accepts responsibility as aforesaid is in accordance with the facts and does not omit anything likely to affect the importance of such information.]

**2. Information on the Terms of the Offer**

Authorised Participant[s]:

[As of the date of the Final Terms, Authorised Participant[s are][is]: [insert name and address of authorised participants which are identified at the date of the Final Terms: •].

The Issue Price [and the Value Date] of the Notes and the start [except in case of Notes with an unlimited term (Open-End), insert: as well as the expected end] of the Public Offer are specified below.]

[In the case of a public offer with a subscription period for a new issue or increase of issue, insert:



[Offering Jurisdictions:

[Austria] [and][,] [France] [and][,] [Federal Republic of Germany] [and][,] [Italy] [and][,] [Ireland] [and][,] [Liechtenstein] [and][,] [Spain] [and][,] [The Netherlands] [and][,] [*insert further jurisdictions: •*].]

Offer Size

[(up to)] • [(with the option to increase)] [*in the case of an increase of issue, additionally,* which will be consolidated with the outstanding Notes (ISIN • / WKN • / Valor •) issued on [*insert issue date of the Original Notes: •*] [(and increased on [*list earlier increases of issue, where applicable: •*])] and form a single issue (corresponding to a total offer size of •).]

Issue Date

•

Fixing Date

• [*In the case of a private placement, insert:* The Issue Price and the Value Date of the Notes are specified below.]

Issue Price

• [plus price surcharge, see below] [*in the case of a resumption of offer or an increase of issue of Notes, insert, if necessary:* The initial Issue Price is solely a historical indicative price based on the market conditions at the date of the beginning of the public offer of the respective Notes in the past. The Issue Price of the Notes will be determined on the date of the start of the Public Offer based on the particular market conditions and published on that date on the website of the Issuer on <https://www.nxtassets.com>.]

[Value Date

•]

Start of the Public Offer

[*if a public offer is envisaged (the order of the countries listed below may need to be adjusted to different ones):* The public offer of the Notes in [Austria] [starts on •] [and][,] [France] [starts on •] [and][,] [Federal Republic of Germany] [starts on •] [and][,] [Italy] [starts on •] [and][,] [Ireland] [starts on •] [and][,] [Liechtenstein] [starts on •] [and][,] [Spain] [starts on •] [and][,] [The Netherlands] [starts on •] [*insert further jurisdictions: •*].]

[*if a public offer is planned and / or if the term of the Notes extends beyond the last day of the validity of this base prospectus, add if necessary:*

End of the Public Offer

The Public Offer of the Notes [will end with the term of the Notes or – in case that a base prospectus which follows the Base Prospectus has not been published on the website <https://www.nxtassets.com> until the last date of the validity of the Base Prospectus – with expiration of the validity of the Base Prospectus pursuant to Article 12 of the Prospectus Regulation.] [*insert alternative provision regarding the end of the Public Offer, as the case may be: •*]

*[if the term of the Notes extends beyond the last day of validity of this Base Prospectus, insert:*  
**Continuation of the Public Offer**

The Base Prospectus including any Supplements thereto (the "**Initial Base Prospectus**") is valid until [●] in accordance with Article 12 of the Prospectus Regulation. Following this date, the public offer will be continued until the End of the Public Offer (as defined in section III.2 of the Final Terms) on the basis of one or more succeeding base prospectuses (each a "**Succeeding Base Prospectus**") in accordance with Article 8 para. 11 of the Prospectus Regulation, to the extent the Succeeding Base Prospectus envisages a continuation of the public offer of the Notes. In this context, these Final Terms are, in each case, to be read in conjunction with the most recent Succeeding Base Prospectus. The respective Succeeding Base Prospectus will be approved and published prior to the expiry of the validity of the respective preceding base prospectus. The respective Succeeding Base Prospectus will be published in electronic form on the website <https://www.nxtassets.com>.]

*Estimate of the total expense of the issue/offer:*

[●]

### **3. Costs and Charges**

[The Issue Price will reflect [the current market value of the [●] and, where applicable, [●] collateralising the Notes on the Issue Date.][●]]

#### One-off costs

[None.] [*specify*]

#### Ongoing costs

[None.] [*specify*]

#### Commissions and Fees

[None.] [*specify*]

*[insert description of specific fees (including arranger fees, if any) and costs, indicating the costs included in the price in accordance with Regulation (EU) No 1286/2014 and/or Directive 2014/65/EU, if known: ●]*

### **4. Taxation**

The taxation of the Notes is subject to applicable rules and regulations at the investor's place of residence and/or at the Issuer's country of incorporation. For further information see Section 13 (*Description of the Taxation of the Notes*) in the Base Prospectus.

### **5. Publication of information after completion of the issue**

[With the exception of the notices specified in the Terms and Conditions, the Issuer does not intend to publish any information after the issue has been completed.] [*insert alternative provision on the publication of information after completion of the issue, where applicable: ●]*

### **6. Interest of natural and legal persons involved in the issue/offer**

[None.] [*insert details of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest, where applicable: ●]*

**[Annex [1] – Issue Specific Terms and Conditions**

*[insert the relevant set of the terms and conditions including relevant further optional elements contained therein and complete relevant placeholders.]*

**[Annex [2] – Issue Specific Summary**

•]

## 13. Description of the Taxation of the Notes

### 13.1. General Impact of Tax Legislation, Tax Warning

The Issuer does not assume any responsibility for the withholding of taxes at the source.

The taxation of income received from the Notes is subject to the tax laws and regulations in the Federal Republic of Germany, where the Issuer has its registered seat and any applicable jurisdiction which is applicable for the investor.

**The tax legislation of the investor's place of residence and of the Issuer's country of incorporation may have an impact on the income received from the Notes.**

**Prospective purchasers of Notes are advised to consult their own tax advisors as to the tax consequences of the acquisition, ownership, and disposal of the Notes, including the effects of any state of local taxes under the tax laws applicable in each country or territory of which they are residents.**

### 13.2. Taxation in the Federal Republic of Germany

The following is a general discussion of certain tax consequences in respect of a German tax resident individual person ("**Private Investor**") under the tax laws of the Federal Republic of Germany in the context of acquiring, holding and selling the Notes as private assets (*Privatvermögen*). This discussion does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase the Notes. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the laws of the Federal Republic of Germany currently in force and as applied on the date of this Base Prospectus, which are subject to change, possibly with retroactive or retrospective effect.

It should further be noted that the following summary only expresses the opinion of the Issuer and that, at the time this Base Prospectus was prepared, the Issuer was neither aware of any formal guidance from the tax authorities nor any court rulings with respect to the taxation of notes representing the right to demand delivery of units of the relevant Crypto Asset (including Crypto Currencies) and there are only very limited published guidance and court rulings dealing with the tax treatment of Crypto Asset in general. Therefore, it cannot be excluded that the tax authorities and / or the tax courts might take a view different from what is set out below.

**PROSPECTIVE PURCHASERS OF NOTES ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSAL OF THE NOTES, INCLUDING THE EFFECT OF ANY STATE OR LOCAL TAXES UNDER THE TAX LAWS APPLICABLE IN THE FEDERAL REPUBLIC OF GERMANY AND EACH COUNTRY OF WHICH THEY ARE RESIDENTS.**

#### 13.2.1. Income Taxation

Persons who are tax resident in the Federal Republic of Germany (in particular, persons having a residence, habitual abode, seat or place of management in the Federal Republic of Germany) are subject to income taxation (income tax or corporate income tax, as the case may be, plus

solidarity surcharge thereon plus church tax and/or trade tax, if applicable) on their worldwide income, regardless of its source, including, in general, capital gains.

In the case of German tax-resident individual investors (*unbeschränkt Steuerpflichtige*) holding the Notes as private assets (*Privatvermögen*), the following should apply:

The Notes should not qualify as other capital receivables (*sonstige Kapitalforderungen*) in terms of section 20 para 1 no 7 German Income Tax Act ("*ITA*" – *Einkommensteuergesetz*). Accordingly, any capital gains realised upon sale of the Notes and / or the delivered units of the relevant Crypto Asset (including a Crypto Currency) should not lead to investment income in terms of section 20 para 2 ITA and should, therefore, not be subject to the flat tax regime (*Abgeltungsteuer*) generally applicable to investment. Rather, the provisions on private sales transactions (also known as "short-term capital gains") pursuant to sections 22 no. 2, 23 para 1 sentence 1 no. 2 sentence 1 ITA should apply.

Following several decisions of the Federal Tax Court (*Bundesfinanzhof*) regarding the taxation of certificates / notes representing the right to demand the delivery of gold (rulings dated 12 May 2015, VIII R 19/14, VIII R 35/14 and VIII R 4/15, ruling dated 6 February 2018, IX R 33/17, and ruling dated 16 June 2020, VIII R 7/17), the German Federal Ministry of Finance (*Bundesministerium der Finanzen*) has published official guidance in relation to notes representing the right to demand the delivery of gold or other commodities pursuant to which the provisions on private sales transactions shall apply instead of the investment income rules if (i) the issuer is obliged to invest almost all of the capital provided in the relevant underlying commodity and (ii) there is only a claim for delivery of the underlying commodity.

Pursuant to a recent tax decree issued by the German Federal Ministry of Finance (*Bundesministerium der Finanzen*) dated 10 May 2022 (IV C 1 - S 2256/19/10003 :001, para 85), the same rules shall apply to instruments such as the Notes solely embodying a claim to delivery of a fixed quantity of units of virtual currency deposited with the issuer. This should even apply, where a Noteholder may, by exercising its Cash Exercise Right and in accordance with the terms and conditions, claim payment of an amount equal to the sale proceeds of the deposited relevant Crypto Asset instead of the delivery of units of the relevant Crypto Asset (*cf.* Federal Tax Court ruling dated 16 June 2020, VIII R 7/17).

Please note that a revision of the tax decree dated 10 May 2022 is currently being discussed (draft decree published on 6 March 2024). However, the amendments currently suggested should not affect the above.

Therefore, a sale of Notes by a Private Investor should only be taxable if the period between the relevant acquisition and the sale does not exceed one year. If a Private Investor sells Notes more than one year after their acquisition, such disposal should not be subject to tax.

It should be noted that certain transactions other than a sale should be treated like a sale, e.g. a hidden contribution into a corporation.

In the case of a redemption of Notes, it should depend on whether the Noteholder exercises its Crypto Asset Delivery Right or its Cash Exercise Right. A delivery of the relevant Crypto Asset should not constitute a sale under the private sales transactions rules irrespective of any holding period. However, no comments of the tax authorities and no Supreme Court decisions are

available on this issue so that the tax authorities could take a different view. The receipt of a cash amount in a fiat currency (e.g. EUR or USD) following the exercise of the Noteholder's Cash Exercise Right, however, should be treated like a sale, which means that it should be taxable if the period between the relevant acquisition of the exercised Notes and the exercise does not exceed one year.

If, following the exercise of its Crypto Asset Delivery Right and delivery of units of the relevant Crypto Asset (including a Crypto Currency), a Noteholder sells the received units of the relevant Crypto Asset, such sale should also be subject to the provisions on private sales transactions, i.e. it should be taxable if the units of the relevant Crypto Asset are sold within a period of one year as of the acquisition. Due to the rulings of the Federal Tax Court referred to above, it seems acceptable to assume that the point in time at which the units of the relevant Crypto Asset were 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 relevant Crypto Asset were delivered. However, no comments of the tax authorities and no Federal Tax Court decisions are available on this issue either so that the tax authorities could have another opinion on this matter.

In the case of a taxability of a sale of Notes or the received units of the relevant Crypto Asset (including a Crypto Currency) under the private sales transaction rules, the taxable income (gains or losses) corresponds to the difference between the sales price for the Notes on the one hand and the acquisition costs of the Notes and the tax allowable expenses on the other hand. The profit from a sale will not be taxable if the total profit from all private sale transactions in the same calendar year (not limited to sales of Notes) amounts to less than EUR 1,000. Losses from private sale transactions can only be set off against gains from private sale transactions of the same calendar year. If such gains do not exist, it may be possible under certain circumstances to set off against the gains from private sale transactions from the previous year or from subsequent years.

Any taxable capital gains have to be declared by the relevant Noteholder in its annual income tax return and should be subject to German income tax at the Noteholder's personal income tax rate (of currently up to 45 per cent.) plus solidarity surcharge (*Solidaritätszuschlag*) thereon, if applicable, plus church tax thereon, if applicable. In 2025, solidarity surcharge should only be levied, if a taxpayer's personal income tax exceeds EUR 19,950 (or EUR 39,900 in the case of spouses / registered life partners assessed together).

If the Issuer exercises its right of substitution (§ 14 of the Terms and Conditions), it cannot be ruled out that such substitution will, for tax purposes, be treated as a swap of the Notes against new Notes of a different debtor. Such a replacement could entail tax relevant gains or losses for the relevant Privat Investor.

According to marginal number 68 of the aforementioned tax decree, a hard fork of a cryptocurrency (as defined in the decree) should not result in income under section 22 no. 3 ITA. However, if the units of a new cryptocurrency created as a result of a hard fork are sold, the resulting profit should be taxable as income from private sales transactions pursuant to section 22 no. 2 in conjunction with section 23 para 1 sentence 1 no. 2 ITA, provided that the units of the cryptocurrency existing prior to the hard fork were acquired and the period between acquisition and sale does not exceed one year. The date of acquisition of the units of the new

cryptocurrency should correspond to the acquisition date of the units of the cryptocurrency existing before the hard fork.

Based on the aforementioned tax decree, the Federal Tax Court case law on certificates / notes representing the right to demand the delivery of gold (which has been accepted in the tax decree) and the tax decree regarding individual issues with respect to the flat tax dated 19 May 2022 (with respect to the split of stocks, see marginal numbers 88 et seq.), there are good arguments that a potential split of the Notes caused by a hard fork event should be treated in the same way as the split of the underlying cryptocurrency itself. However, a deviating position of the German tax authorities in this respect cannot be excluded.

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

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

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

### **13.3. Taxation in Switzerland**

#### **13.3.1. General**

On 3 October 2017, the Federal Tax Administration issued Circular No. 15 concerning bonds and derivative financial instruments as objects of direct federal tax, withholding tax and stamp duties. The Notes are categorized as derivative financial instruments.

The information about taxation contained in the Base Prospectus and the Final Terms is merely a non-binding summary of the Issuer's understanding of the taxation of the Notes under currently applicable law and the established practice of the Swiss Federal Tax Administration. Relevant tax laws or regulations and practices of tax authorities may change, possibly with retroactive effect. Because this summary does not consider every aspect of Swiss tax law and, in particular, does not take into account the specific tax situation of an investor who resides in Switzerland or a foreign country, potential investors should seek the advice of their personal tax advisor with regard to the tax consequences of the purchase, ownership, sale or redemption of a Note. In addition, it should be noted that the tax legislation and administrative practices of the cantons may vary from those of the Federal Tax Administration. The Issuer and the Authorised Participant(s) exclude any liability in respect of tax implications.

All taxes, fees and other levies that may arise in connection with a Note (for example, on payment of the Redemption Amount) are borne in full by the investor or Noteholder. The Issuer and/or the Paying Agent are entitled to charge any such taxes, fees or levies to the investor or Noteholder, and is permitted to do so, at its own discretion, either by including the amount in the calculation of the price of the Notes or by withholding the corresponding amount upon redemption of the Notes or by other appropriate means.

The Final Terms may contain additional tax information which is merely a non-binding summary of the Issuer's understanding of the taxation of the Notes under applicable law and the current practice of the Swiss Federal Tax Administration. In the event of any inconsistency between this Base Prospectus and the Final Terms, the latter shall prevail.

### 13.3.2. Swiss Federal Withholding Tax

Withholding tax is a tax levied by the federal government at source on the income from movable capital assets (especially interest and dividends).

Payments of interest on and repayments of the outstanding principal amount of the Notes are not subject to Swiss federal withholding tax.

### 13.3.3. Swiss Federal Stamp Duty

The issuance, the initial placement (*primary market placement*) and a trade of Notes classified as pure derivatives for Swiss tax purposes are generally not subject to Swiss Federal Securities Issuance Tax (*Emissionsabgabe*) or Swiss Federal Securities Transfer Tax (*Umsatzabgabe*). Exemptions may apply, for example to Notes which are considered debt financing Notes (bonds or money market instruments), share-like or fund-like Notes, as well as Low Exercise Price Options (LEPOs) on shares with an initial duration greater than one year. Such Notes are in general subject to Swiss Federal Security Transfer Tax in case of secondary market transactions and in some cases also for primary market transactions where a Swiss domestic bank or a Swiss domestic securities dealer (as defined in the Swiss stamp duty act) is a party, or acts as an intermediary, to the transaction (at a rate of 0.30% of the purchase price).

The cash redemption of the Notes is in general not subject to Swiss Federal Securities Transfer Tax. If upon the exercise or redemption of a Note an Underlying is delivered to the Noteholder, the transfer of the Underlying may be subject to Swiss Federal Securities Transfer Tax of 0.30% of the purchase price, provided that a Swiss securities dealer (*Effekthändler*) as defined in Art. 13 para. 3 of the Swiss Federal Acts on Stamp Duties is a party to the transaction or acts as an intermediary thereto.

### 13.3.4. Federal Income Tax

#### *Income Tax Treatment of Notes Held by Swiss Residents as Private Assets*

An individual resident in Switzerland who is holding the Notes as private assets, is required to include all payments of interest received on such Note in their personal income tax return for the relevant tax period and is taxable on the net taxable income (including the payment of interest on the Note) for such tax period at the prevailing tax rates.

A capital gain realized on the sale or other disposition of Notes by such a person is in principle exempt from Swiss Federal, Cantonal and Communal Income Tax, and conversely, a capital loss non-deductible.

#### *Income tax treatment for Notes classified as ordinary derivative financial instruments*

A capital gain realized by an individual resident in Switzerland on the sale or redemption of a Note which classifies as a genuine derivative financial instrument and which is held as part of the individual's private assets is a tax-free private capital gain. Conversely, a loss realized on the sale or redemption of such a Note is a non-tax-deductible private capital loss. Dividend equalization payments on such a Note constitute taxable investment income.



*Income tax treatment for Notes held as Swiss business assets*

Individuals who hold the Notes as part of a business in Switzerland, and Swiss-resident corporate taxpayers, and corporate taxpayers residing abroad holding the Notes as part of a Swiss permanent establishment or fixed place of business in Switzerland, are required to recognize payments of interest on, and any capital gain or loss realized on the sale or other disposal of, such Notes in their income statement for the respective tax period and will be taxable on any net taxable earnings for such period at the prevailing tax rates. The same taxation treatment also applies to Swiss-resident individuals who, for Swiss income tax purposes, are classified as "professional securities dealers" for reasons of, inter alia, frequent dealings, or leveraged transactions, in securities.

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## 14. Selling Restrictions

### 14.1. Introduction

The distribution of this Base Prospectus and the offer of the Notes may be subject to legal restrictions in certain countries. This may, in particular, concern the offer, sale, holding and/or delivery of Notes as well as the distribution, publication and holding of the Base Prospectus. Persons who gain access to the Notes and/or the Base Prospectus are requested to inform themselves about and to observe any such restrictions.

Except for the publication and filing of this Base Prospectus, any supplements thereto and/or the respective Final Terms in the Federal Republic of Germany and in the countries to which the Base Prospectus has been notified, the Issuer has not taken and will not take any action to make the public offer of the Notes or the holding or distribution of offer documents relating to the Notes permissible in any jurisdiction where special measures would be required for this purpose.

The Notes and the Base Prospectus may only be distributed within a jurisdiction provided that this is done in accordance with the laws in force in that jurisdiction and that no obligations arise for the Issuer in this respect. In particular, the Base Prospectus may not be used by anyone for the purpose of an offer or advertisement (a) in a country where the offer or advertisement is not authorised, but where it is necessary and/or (b) to or towards a person to whom such an offer or advertisement may not lawfully be made.

The Base Prospectus, any supplement thereto and the relevant Final Terms do not constitute an offer or invitation to any person to purchase Notes, or any solicitation of such an offer, and should not be construed as a recommendation by the Issuer to purchase Notes.

### 14.2. European Economic Area ("EEA")

In relation to each Member State of the European Economic Area, any person offering the Notes has represented and agreed that it has not made and will not make an offer of Notes, which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto, to the public in a Member State except that it may make an offer to the public of such Notes in a Member State:

- a) if the Final Terms relating to the Notes specify that an offer of those Notes may be made otherwise than pursuant to Article 1 (4) of the Prospectus Regulation in that Member State (a "**Non-Exempt Offer**"), following the date of publication of the Base Prospectus in relation to such Notes which has been approved by the competent authority of that Member State or, where applicable, approved in another Member State and notified to the competent authority in that Member State, provided that the Base Prospectus has subsequently been completed by the Final Terms contemplating such Non-Exempt Offer in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in the Base Prospectus and Final Terms, as applicable, and the Issuer has consented in writing to its use for the purposes of that Non-Exempt Offer;
- b) at any time to persons who are qualified investors as defined in the Prospectus Regulation;

- c) 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 respective dealer or dealers nominated by the Issuer for any such offer; or
- d) at any time in any other circumstances falling within Article 1 (4) of the Prospectus Regulation,

provided that no such offer referred to in (b) to (d) above will require the Issuer or any person offering the Notes under an obligation to publish a prospectus pursuant to Article 23 of the Prospectus Regulation or a supplement to a prospectus pursuant to Article 16 of the Prospectus Regulation.

For the purposes of this provision, the term "offer of the 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 about the conditions of the offer and the Notes to be offered to enable an investor to decide whether to purchase or subscribe for the Notes and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129, as amended.

#### **14.3. Restrictions outside the EEA**

In a jurisdiction outside the EEA, the Notes may be publicly offered only in compliance with all applicable rules and regulations in force in such jurisdiction, to the extent that this takes place in accordance with the regulations applicable in each case and other relevant provisions and to the extent that the Issuer does not enter into any obligations in this respect.

#### **14.4. Commonwealth of Australia**

No prospectus, product disclosure document or other disclosure document (as defined in the Corporations Act) in relation to the Programme or any Notes has been, or will be, lodged with ASIC or ASX Limited or any other stock exchange licensed under the Corporations Act. Each financial intermediary has represented and agreed and each further financial intermediary to be appointed under the Programme will be required to represent and agree that, unless the relevant Final Terms (or another relevant supplement to this Prospectus) otherwise provide, in connection with the distribution of the Notes, it has not:

- a) offered or invited applications, and will not offer or invite applications, for the issue, sale, subscription or purchase of the Notes in Australia (including an offer or invitation which is received by a person in Australia); and
- b) distributed or published, and will not distribute or publish, any draft, preliminary or definitive copy, of the Prospectus or any other offering material or advertisement relating to the Notes in Australia,

unless: (i) the minimum aggregate consideration payable by each offeree is at least AU \$500,000 (or its equivalent in other currencies, in either case, disregarding moneys lent by the offeror or its associates) or the offer, distribution or publication otherwise does not require disclosure to investors under Part 6D.2 or Chapter 7 of the Corporations Act; (ii) such offer, distribution or publication is not made to a person who is a "retail client" within the meaning of section 761G of the Corporations Act; (iii) such action complies with all applicable laws, regulations and directives in Australia, and (iv) such action does not require any document to be lodged with ASIC.

### 14.5. Hong Kong

Each purchaser has represented and agreed that it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

**This is a structured product which involves derivatives. Do not invest in it unless you fully understand and are willing to assume the risks associated with it. If you are in any doubt about the risks involved in the product, you may clarify with the intermediary or seek independent professional advice.**

### 14.6. Singapore

Each financial intermediary has represented and agreed (and each additional financial intermediary will be required to represent and agree) that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore (the "**MAS**"). Accordingly, each financial intermediary has represented and agreed (and each additional financial intermediary will be required to represent and agree) that it has not offered or sold any Securities or caused the Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Securities or cause the Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in section 4A of the Securities and Futures Act (chapter 289 of Singapore) (as modified and/or amended from time to time, the "SFA")) pursuant to section 274 of the SFA, (ii) to a relevant person (as defined in section 275(2) of the SFA) pursuant to section 275(1) of the SFA, or any person pursuant to section 275(1A) of the SFA, and in accordance with the conditions specified in section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Securities are subscribed or purchased under section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Securities pursuant to an offer made under section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in section 275(2) of the SFA, or to any person arising from an offer referred to in section 275(1A) or section 276(4)(c)(ii) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Pursuant to section 309B(1)(c) of the SFA, the Issuer hereby notifies the relevant persons (as defined in the SFA) that the Securities are classified as "capital markets products other than prescribed capital markets products" (as defined in the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018) and "Specified Investment Products" (as defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommends on Investment Products).

#### 14.7. Switzerland

**The Notes do not constitute collective investment schemes within the meaning of the Swiss Federal Act on Collective Investment Schemes ("CISA") and are therefore not subject to the protective provisions of the CISA. Neither the Notes nor the Issuer are subject to authorization and supervision by the Swiss Financial Market Supervisory Authority (FINMA). Investors bear the issuer risk with respect to the Issuer of the Notes.**

The selling restrictions in Switzerland depend on the type of offer of the Notes. The applicable selling restriction, if any, will be specified in the Final Terms.

A public offer is only permitted if and as long this Prospectus represents an approved prospectus approved by the reviewing body or a foreign prospectus which is recognised as equivalent under FinSA and deposited with the reviewing body. This Base Prospectus has been filed with the reviewing body SIX Exchange Regulation AG in Switzerland pursuant to Article 54 para. 2 FinSA, and may be obtained in electronic or printed form, free of charge, upon request from nxtAssets GmbH, Neue Mainzer Straße 66-68, 60311 Frankfurt am Main, Federal Republic of Germany, <https://www.nxtassets.com>.

If the issue is made under a FinSA-prospectus or equivalent foreign prospectus by way of a public offer within the meaning of the FinSA, no selling restriction within Switzerland is applicable.

If the issue is made by way of a public offer under an exemption from the prospectus requirement under the FinSA, the following selling restriction shall apply:

The offer of Notes in Switzerland is exempt from the obligation to prepare and publish a prospectus in accordance with the FinSA. The product documentation or part of it has not been examined, approved or submitted to any reviewing body within the meaning of Article 52 FinSA.

Each offeror declares and guarantees that they have not submitted and will not submit a Public Offer of Notes (as defined below) that are the subject of the offer stipulated in this Base Prospectus as set out in the Final Terms, except for:

- (a) Offer to persons who have been defined as professional clients in accordance with the FinSA, or
- (b) Offer to fewer than 500 natural persons or legal entities (who are not professional clients in accordance with FinSA), or
- (c) Offer with a minimum denomination of CHF 100,000;
- (d) Offer under other circumstances that fall under Article 36 para. 1, Article 37 and/or Article 38 FinSA, or

where such an offer of Notes does not obligate the Issuer to publish a prospectus in accordance with Article 35 FinSA or a supplement to a prospectus in accordance with Article 56 FinSA.

For the purposes of the above provision, the term "**Public Offer of Notes**" in relation to Notes in Switzerland means communication in any form and by any means in order to provide clients with sufficient information about the offer and the Notes offered to enable them to make a purchase decision or subscribe to the Notes.

If the issue is made by private placement, the following selling restriction shall apply:

The offer of Notes in Switzerland is exempt from the obligation to prepare and publish a prospectus in accordance with the FinSA. The product documentation or part of it has not been examined, approved or submitted to any reviewing body in the meaning of Article 52 FinSA.

Where specified in the Final Terms, the Notes to be issued in accordance with this Base Prospectus may not be offered in Switzerland to anyone except professional clients in accordance with Article 4 FinSA and/or the Notes may not be offered to clients in Switzerland who are considered private clients as defined by Article 4 FinSA and who must be provided with a basic information sheet as set out in Article 58 FinSA and exclusively in accordance with all other applicable laws and regulations.

Furthermore, in Switzerland, in accordance with Article 70 para. 2 FinSA, the issuing of structured products to private clients by special purpose entities is only permitted, if a) these products are offered by: (i) financial intermediaries as defined in the Swiss Bank Act, the Swiss Financial Institutions Act and the Swiss CISA; (ii) insurance companies as defined in the ISA; (iii) a foreign institution that is subject to equivalent supervision (each an "**Authorised Offeror**"); and b) collateral corresponding to the requirements under Article 70 para. 1 FinSA is ensured. An offer of the Notes to private clients in or from Switzerland is not permitted unless it is made by such Authorised Offeror. The Authorised Offeror shall be specified in the Final Terms.

Moreover, a Swiss or EU (PRIIPs) key information document ("**KID**") shall be prepared in relation to Notes that are offered to private clients and may be obtained, free of charge, upon request from the website of the Issuer or Authorised Offeror as set out in the Final Terms or as described

in the Final Terms otherwise. For the avoidance of doubt, pursuant to Article 58 para. 2 FinSA, it is not required to prepare a KID for financial instruments which may be acquired for retail clients solely within the scope of a portfolio management agreement in Switzerland.

#### **14.8. The Peoples Republic of China**

The Notes may not be offered, sold or delivered, or offered, sold or delivered to any person for reoffering, resale or redelivery, directly or indirectly, in the PRC in contravention of any applicable laws. This Prospectus (i) has not been filed with or approved by the PRC authorities; and (ii) does not constitute an offer to sell or the solicitation of an offer to buy any Notes in the PRC to any person to whom it is unlawful to make the offer or solicitation in the PRC.

The Issuer does not represent that this Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in the PRC, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer which would permit a public offering of any Notes or distribution of this Prospectus in the PRC. Accordingly, the Notes are not being offered or sold within the PRC by means of this Prospectus or any other document. Neither this Prospectus nor any advertisement or other offering material may be distributed or published in the PRC, except under circumstances that will result in compliance with any applicable laws and regulations.

Investors are responsible for obtaining all relevant government regulatory approvals/licences, verification and/or registrations themselves, including, but not limited to, any which may be required from the relevant PRC authorities (including, but not limited to, the China Securities Regulatory Commission, the State Administration of Foreign Exchange of the PRC and/or the China Banking Regulatory Commission), and complying with all relevant PRC laws and regulations, including, but not limited to, all relevant foreign exchange regulations and/or outbound investment regulations.

#### **14.9. United Kingdom**

##### ***Public Offer Selling Restriction Under the UK Prospectus Regulation***

In relation to the United Kingdom, any person offering the Notes has represented and agreed that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in the United Kingdom other than the offers contemplated in the Base Prospectus as completed by the Final Terms in relation thereto in accordance with Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Prospectus Regulation**"), and provided that the Issuer has consented in writing to use of the Base Prospectus as completed by the Final Terms in relation thereto for any such offers, except that it may make an offer of such Notes to the public in the United Kingdom:

- a) to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the UK Prospectus Regulation), as permitted under the UK Prospectus Regulation,

subject to obtaining the prior consent of the respective dealer or dealers nominated by the Issuer for any such offer; or

- c) in any other circumstances falling within section 86 of the Financial Services and Markets Act 2000 ("**FSMA**"),

provided that no such offer of Notes will require the Issuer or any person offering the Notes to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

#### **Other UK regulatory restrictions**

Any financial intermediary will be required to represent and agree that:

- a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

#### **14.10. USA**

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act).

Trading in the Notes has not been and will not be approved by the United States Commodity Futures Trading Commission under the United States Commodity Exchange Act or by any other state securities commission nor has the Commodity Futures Trading Commission or any other state securities commission passed upon the accuracy or the adequacy of the Base Prospectus. The Base Prospectus may not be used in the United States and may not be delivered into the United States.

Securities in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to U.S. persons, as that term is defined under section 7701(a)(30) of the United States Internal Revenue Code of 1986 (including pass-thru entities with at least one owner that meets the definition of U.S. person under section 7701(a)(30) of the United States Internal Revenue Code of 1986), except in certain transactions permitted by U.S. tax regulations



The Notes will not be directly or indirectly offered, sold, traded or delivered within the United States or to or for the account or benefit of U.S. persons (as defined in Regulation S under the Securities Act).

Each financial intermediary is required to agree that it will not offer or sell the Notes as part of their distribution at any time within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act).

The term "**United States**" as used herein means the United States of America, its territories or possessions, any state of the United States, the District of Columbia or any other enclave of the United States government, its agencies or instrumentalities.

#### 14.11. **Prohibition of sales into Sanctioned Countries and compliance with EU and Swiss Restrictive Measures**

The Notes may not be offered or sold within a country or territory that is subject to laws and regulations administered by the U.S. Office of Foreign Assets Control of the U.S. Department of the Treasury ("**OFAC**") and the Office of Export Enforcement of the U.S. Department of Commerce ("**OEE**") or any equivalent sanctions or measures imposed by the United States, Germany, the European Union, the United Nations, the United Kingdom, Switzerland or any other relevant sanctions authority (collectively "**Sanctions**"). Countries or territories that are subject to Sanctions are especially but not limited to Afghanistan, Cuba, Iran, North Korea, Crimea and the occupied territories in the so-called People's Republic of Donetsk and People's Republic of Luhansk of the Ukraine, the occupied territories in the Kherson and Zaporizhzhia region of the Ukraine and Syria (each a "**Sanctioned Country**").

Notes may only be offered or sold in compliance with EU and Swiss Restrictive Measures. In particular, the Notes must not be sold to any Russian national or natural person residing in Russia or any legal person, entity or body established in Russia in accordance with article 5f of Regulation (EU) 833/2014 and article 23 of Regulation SR 946.231.176.72 of the Swiss Federal Council dated 4 March 2022 (each as amended, a "**Restrictive Measure**"), except under the respective circumstances stated therein. The Notes must also not be sold to any Belarusian national or natural person residing in Belarus or any legal person, entity or body established in Belarus in accordance with article 1y of Regulation (EU) 765/2006 and article 21 of Regulation SR 946.231.116.9 of the Swiss Federal Council dated 16 March 2022 (each as amended, also a "**Restrictive Measure**"), except under the respective circumstances stated therein. These restrictions shall apply as long as the respective Restrictive Measure is in force.

## **15. Interim Financial Statement**

Audited Interim Financial Statement of the Issuer (formerly optus 988. GmbH) as of 30 September 2024.

The English language copy represents a legally non-binding specimen copy of the report on the audit of the Interim Financial Statement. Legally binding is only the signed report in the German language. It is available free of charge by the Issuer at its at its registered seat at Neue Mainzer Straße 66-68, 60311 Frankfurt am Main, Federal Republic of Germany and is also published on the Issuer's website (<https://www.nxtassets.com>).

Interim Financial Statements  
as of 30. September 2024

nxtAssets GmbH  
Frankfurt/Main

**INTERIM BALANCE SHEET** as at September 30, 2024

nxtAssets GmbH, 60311 Frankfurt am Main

ASSETS						LIABILITIES
	EUR	EUR		EUR	EUR	EUR
<b>A. Fixed assets</b>		148.220,18	<b>A. Shareholders' equity</b>		3.862.079,15	
<b>B. Current assets</b>		3.803.553,61	<b>B. Provisions</b>		36.242,00	
			<b>C. Liabilities</b>		53.452,64	
			- of which with a remaining term of up to one year EUR 53,452.64			
		<u>3.951.773,79</u>			<u>3.951.773,79</u>	

**INCOME STATEMENT** from 11.04.2024 to 30.09.2024

nxtAssets GmbH, 60311 Frankfurt am Main

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	EUR	EUR
1. other income		7.840,23
2. personnel expenses		31.809,44
3. depreciation and amortization		70,72
4. other expenses		57.353,91
5. taxes		2.047,96
<b>6. net loss for the year</b>		<b>83.441,80</b>

## Cash flow statement from 11.04.2024 to 30.09.2024

nxtAssets GmbH, 60311 Frankfurt am Main

	EUR	EUR
Profit for the period		83.441,80-
+ Depreciation and amortization of fixed assets		70,72
+ Increase in provisions		36.242,00
- Increase in other assets not attributable to investing or financing activities		16.679,70
+ Increase in trade payables		45.707,11
+ Increase in other liabilities not attributable to investing or financing activities		7.734,86
+ Income tax expense		2.047,96
Income tax expense/income	2.047,96-	
Correction for non-cash transactions	10,67	
+/- Income tax payments		2.037,29-
<b>Cash flow from operating activities</b>		<b>10.356,14-</b>
- Payments for investments in intangible assets		147.869,09
- Payments for investments in property, plant and equipment		421,81
<b>Cash flow from investing activities</b>		<b>148.290,90-</b>
Proceeds from equity contributions or disbursements payments to company owners (JVZ)		3.945.520,95
<b>Cash flow from financing activities</b>		<b>3.945.520,95</b>
Cash-effective changes in cash and cash equivalents (sum of cash flows)		3.786.873,91
<b>Cash and cash equivalents at the end of the period</b>		<b>3.786.873,91</b>

## Appendix

### General information on the annual financial statements

The annual financial statements were prepared as interim financial statements in accordance with the provisions of Sections 242 et seq. HGB, taking into account the supplementary provisions for micro-corporations. This was based on the characteristics of the company at the reporting date. There may be a different assessment to the regular annual financial statements at the end of the financial year.

The preparation of notes to the financial statements was not waived in accordance with Section 264 (1) sentence 5 HGB.

As the 2024 financial year is a short financial year due to the establishment of the company, there were no values carried forward from a previous financial year. Any prior-year figures stated therefore relate to figures from the opening balance sheet.

The financial year is the calendar year. Interim financial statements were prepared as at 30.09.2024 and are reported on here. The information on the annual financial statements in this report therefore relates to the interim financial statements and is based on the same principles.

### Information on the identification of the company according to the register court

Company name according to the register court:	nxtAssets GmbH
Registered office according to the register court:	Frankfurt am Main
Register entry:	Commercial register
Register court:	Frankfurt am Main
Register no.:	HRB 134562

### Disclosures on accounting and valuation methods

#### Accounting and valuation principles

The following accounting and valuation principles, where applicable, were used as a basis for the preparation of the annual financial statements.

Acquired intangible assets were recognized at cost and, if they were subject to wear and tear, reduced by scheduled amortization.

## **NOTES** as of 30.09.2024

nxtAssets GmbH, 60311 Frankfurt am Main

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Property, plant and equipment were recognized at acquisition or production cost and, where depreciable, reduced by scheduled depreciation.

Scheduled depreciation was recognized on a straight-line basis over the expected useful life of the assets.

The moderate lower of cost or market principle was applied.

Receivables were valued taking into account all recognizable risks.

The strict lower of cost or market principle was observed.

Other provisions were recognized for all other uncertain liabilities. All recognizable risks were taken into account.

Provisions were recognized at the commercially calculated settlement amount. Liabilities were recognized at the settlement amount.

### **Accounting and valuation methods that differ from the previous year**

The accounting and valuation methods applied to date were largely applied to the annual financial statements. As the 2024 financial year is a short financial year due to the establishment of the company, there were no values carried forward from a previous financial year. Any prior-year figures stated therefore relate to figures from the opening balance sheet.

There was no fundamental change in accounting and valuation methods compared to the previous year.

### **Balance sheet disclosures**

#### **Amount of liabilities with a remaining term of > 5 years and of security interests**

The total amount of liabilities recognized with a remaining term of more than 5 years is EUR 0.00 (previous year: EUR 0.00).

The total amount of liabilities recognized that are secured by liens or similar rights is EUR 0.00.

#### **Other financial obligations not recognized in the balance sheet**

In addition to the liabilities reported in the balance sheet, there are other current financial obligations from rental and transfer agreements with third parties that are customary in the industry.



**NOTES** as of 30.09.2024

nxtAssets GmbH, 60311 Frankfurt am Main

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### **Other information**

#### **Average number of employees during the financial year**

Only the managing director was employed by the company during the financial year.

#### **Signature of the management**

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Frankfurt am Main, 28.11.2024

Vera Claas

**Note: This is a convenience translation of the German original. Solely the original text in the German language is authoritative.**

## INDEPENDENT AUDITOR'S REPORT

To the nxtAssets GmbH, Frankfurt/Main

### *Audit Opinion*

We have audited the interim financial statements of nxtAssets GmbH, Frankfurt/Main, which comprise the interim balance sheet as at 30. September 2024, the statement of profit and loss and the statement of cash flows for the interim period from 11. April to 30. September 2024 and notes to the interim financial statements, including the presentation of the recognition and measurement policies.

In our opinion, on the basis of the knowledge obtained in the audit, the accompanying interim financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 30. September 2024 and of its financial performance for the interim period from 11. April to 30. September 2024 in compliance with German Legally Required Accounting Principles.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the interim financial statements.

### *Basis for the Audit Opinion*

We conducted our audit of the interim financial statements in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Interim Financial Statements" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the interim financial statements.

### *Other Information*

The executive director is responsible for the other information obtained till the date of our auditor's report. Those other information comprise the "Base Prospectus for Notes linked to and secured by Crypto Assets", but not the interim financial statements and our associated auditor's report.

Our auditor's report does not extend to the other information and accordingly we do not express an audit opinion or any other form of audit assurance thereon.

In the context of our audit, it is our responsibility to read the aforementioned other information and to appreciate, if the other information:

- significantly differs from the interim financial statements or our knowledge obtained during our audit or
- otherwise appears significantly incorrect.

### *Responsibilities of the Executive Director and the Advisory Board for the Interim Financial Statements*

The executive director is responsible for the preparation of the interim financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the interim financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive director is responsible for such internal control as she, in accordance with German Legally Required Accounting Principles, has determined necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the interim financial statements, the executive director is responsible for assessing the Company's ability to continue as a going concern. She also has the responsibility for disclosing, as applicable, matters related to going concern. In addition, she is responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

The advisory board is responsible for overseeing the Company's financial reporting process for the preparation of the interim financial statements.

### *Auditor's Responsibilities for the Audit of the Interim Financial Statements*

Our objectives are to obtain reasonable assurance about whether the interim financial statements as a whole are free from material misstatement, whether due to fraud or error, as well as to issue an auditor's report that includes our audit opinions on the interim financial statements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these interim financial statements.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the interim financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the interim financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of internal control of the Company.
- Evaluate the appropriateness of accounting policies used by the executive director and the reasonableness of estimates made by the executive director and related disclosures.
- Conclude on the appropriateness of the executive directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the interim financial statements or, if such disclosures are inadequate, to modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the interim financial statements, including the disclosures, and whether the interim financial statements present the underlying transactions and events in a manner that the interim financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Frankfurt/Main 5. December 2024

GAR Gesellschaft für Aufsichtsrecht und Revision mbH  
Wirtschaftsprüfungsgesellschaft

Signed  
Hommel

Wirtschaftsprüfer  
[German Public Auditor]

## 16. Names and Addresses

(as at the date of this Base Prospectus)

### ISSUER

#### **nxtAssets GmbH**

Neue Mainzer Straße 66-68  
60311 Frankfurt am Main  
Frankfurt am Main,  
Federal Republic of Germany

### ISSUING AGENT, PAYING AGENT AND LISTING AGENT

#### **Quirin Privatbank AG**

Kurfürstendamm 119  
10711 Berlin  
Federal Republic of Germany

### ADMINISTRATOR

#### **Apex Fund Services (Malta) Limited**

Quad Central, Q3 Level 9, Triq L-Esportaturi,  
Zone 1, Central Business District  
Birkirkara CBD 1040  
Malta

### COLLATERAL TRUSTEE

#### **APEX Corporate Trustees (UK) Limited**

4th Floor, 140 Aldersgate Street  
London EC1A 4HY

### CRYPTO CUSTODIAN

#### **Crypto Finance (Deutschland) GmbH**

Bockenheimer Anlage 46  
60322 Frankfurt am Main  
Federal Republic of Germany