

As of 22 November 2021



Base Prospectus

Iconic Digital Assets AG

(a society limited by shares incorporated under the laws of Liechtenstein, having its corporate domicile in Triesen, Principality of Liechtenstein)

as Issuer

Programme for the issuance of Notes secured by Cryptocurrencies (the "Programme")

Under the Programme, Iconic Digital Assets AG (the "**Issuer**") may from time to time issue notes in bearer form secured by Ethereum, Bitcoin Cash, Litecoin, XRP or other cryptocurrencies (each a "**Cryptocurrency**" and together, the "**Cryptocurrencies**") or by a basket (each a "**Basket**") consisting of various Cryptocurrencies (the "**Notes**"). The Notes do not have a fixed maturity date. The Notes will be governed by the laws of the Federal Republic of Germany ("**Germany**").

This document constitutes a base prospectus within the meaning of Article 8(1) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "Prospectus Regulation") of Iconic Digital Assets AG (the "Base Prospectus"). This Base Prospectus will be published in electronic form together with all documents incorporated by reference on the website of the Issuer <https://funds.iconicholding.com>. This Base Prospectus has been approved by the Finanzmarktaufsicht Liechtenstein ("FMA") in its capacity as competent authority under the Prospectus Regulation. FMA only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and the Delegated Regulation (EU) 2019/980 ("Delegated Prospectus Regulation").

Such approval should not be considered as an endorsement of the Issuer or of the quality of the Notes that are the subject of this Base Prospectus. Whether the Notes constitute a suitable investment must be assessed in light of each investor's own circumstances.

In relation to the Notes to be issued under this Base Prospectus, the Issuer may make application to the Deutsche Börse Xetra, Euronext Paris, Euronext Amsterdam and SIX Swiss Exchange for the Notes to be admitted to trading. Application may also be made to any further stock exchange in or outside the European Economic Area for the Notes to be admitted to trading on the regulated market of any such stock exchange.

Important Notices:

The Products and the underlying collateral in respect of the Products are highly speculative and involve a high degree of risk, including the risk of a total loss of all capital invested. The holders of the Product also bear the solvability risk of the Issuer.

Potential Investors should ensure that they understand the nature of the Products and the extent of their exposure to risks and they should also consider the suitability of the Products as an investment in the light of their own circumstances and financial condition. Potential Investors must also ensure that they have sufficient knowledge, experience and professional advice in order to make their own legal, financial, tax, regulatory, accounting and other business evaluation of the merits and risks of investing in Products issued under the Program. In particular, if the Notes are redeemed, neither the Issuer nor any other person shall be liable to compensate Investors for any losses that they may bear.

The Securities issued in relation to Products under the Programme are derivative financial instruments (debt instruments) according to German Law. THE PRODUCTS DO NOT CONSTITUTE COLLECTIVE INVESTMENT SCHEMES within the meaning of § 1 Abs. 1 S. 1 of the German Investment Code (Kapitalanlagegesetzbuch - KAGB) or the Liechtenstein Law on Organisms for collective investments in transferable Securities (UCITSG), the Liechtenstein Law on Alternative Investment Fund Managers (AIFMG) or the Liechtenstein Law on Investment Undertakings (IUG). Accordingly, holders of these Products do not have the benefit of the specific Investor protection provided under any laws governing collective investment undertakings. The Issuer is not and will not be regulated by the Liechtenstein FMA or any regulator as a result of issuing the Products.

The Products are not and will not be issued, guaranteed or secured in an equivalent manner by a third party supervised as a financial services institution by the Liechtenstein FMA, however, the Issuer will, for each Product, provide collateral.

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

This 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.

The validity of this Base Prospectus will expire on 21 November 2022. Any obligation to supplement a base prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when a base prospectus is no longer valid.

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1. GENERAL DESCRIPTION OF THE PROGRAMME

1.1 General

Under this Base Prospectus, Iconic Digital Assets AG (the "**Issuer**") may from time to time issue Notes in units with no par value denominated in USD. The total amount of a specific issue of Notes will be set out in the relevant final terms document (the "**Final Terms**", substantially in the form set out below under "**12. FORM OF FINAL TERMS**") prepared in relation to each issue of Notes under the Programme. Each issue of Notes (each a "**Series of Notes**") is represented by a global note (the "**Global Note**").

Notes issued under this Base Prospectus are issued under German law, are debt securities (Schuldverschreibungen) within the meaning of § 793 of the German Civil Code (Bürgerliches Gesetzbuch) and are being issued in bearer form. Notes issued under this Base Prospectus do not provide for any interest payments and do not have a fixed maturity date.

1.2 Structures of notes to be issued under the base prospectus

This Base Prospectus provides for the issue of Notes with certain Cryptocurrencies or a combination of Cryptocurrencies in form of a Basket comprising of two or more Cryptocurrencies as Underlying such as

1. Ethereum
2. Litecoin
3. Bitcoin Cash
4. Ripple

or any other Cryptocurrency the Issuer may decide and as further defined in the Final Terms for each Series of Notes.

A more detailed description of these structures is set out below under "10. GENERAL DESCRIPTION OF THE NOTES - 10.2. Description of the Notes".

1.3 Issue Procedures

The terms and conditions applicable to the relevant Series of Notes (the "Terms and Conditions") will be determined as follows:

1.4 Issue price and yield

The issue price of the relevant Series of Notes will be specified in the relevant Final Terms.

For any entity supervised by a financial supervisory authority in a member state of the European Economic Area, the United Kingdom, Canada, Australia, Singapore, New Zealand, Japan, Switzerland, Hong Kong (SAR) or the United States which has been appointed by the Issuer as an authorised participant (the "Authorised Participants"), the issue price for the relevant Series of Notes to be issued will be determined at the time of pricing on the basis of the calculation methods as further described below under "14 SUBSCRIPTION, SALE AND OFFER OF THE NOTES – 14.1.4 Method of determination of the Issue Price".

For investors other than Authorised Participants, the purchase price for a Series of Notes will be determined by each Authorised Participant on an ongoing basis and may be subject to additional subscription fees.

The yield of the Notes cannot be calculated at the issue date of a Series of Notes.

1.5 Purchase of Notes

In the primary market, each issue of a Series of Notes is initially only purchased by Authorised Participants and may subsequently be offered by such Authorised Participants to institutional and retail investors or to institutional investors only, as specified in the relevant Final Terms, in compliance with applicable selling restrictions during the relevant offer period (as specified in the relevant Final Terms) also with regard to specific offering jurisdictions. As a consequence, only Authorised Participants may buy Notes directly from the Issuer in the primary market. Investors will not be able to buy Notes directly from the Issuer in the primary market but may only buy Notes in the secondary market (i) directly from an Authorised Participant or from any person (ii) via a stock exchange (in case of Notes admitted to trading on a stock exchange) or (iii) over the counter.

1.6 Reason for the offers

Unless specified otherwise in the relevant Final Terms, the reason for the issue of Notes under the Programme is primarily to finance the general business development of the Issuer.

The Issuer intends to make profits with the issue of the Notes. The Issuer makes profit through charging subscription fees, certain redemption fees and ongoing fees corresponding to the Diminishing Entitlement Rate (as specified in the relevant Final Terms in relation to each Series of Notes) on the Units of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket received as proceeds for the subscription of the Notes and deposited in the Depository Wallet in relation to each Series of Notes.

1.7 Listing and admission to trading

In relation to the Notes to be issued under this Base Prospectus, application may be made to Deutsche Börse Xetra, Euronext Paris, Euronext Amsterdam and SIX Swiss Exchange for the Notes to be admitted to trading as well as to any further stock exchange in or outside the European Economic Area for the Notes to be admitted to trading on the regulated market of any such stock exchange (as specified in the relevant Final Terms).

1.8 Notification

The Issuer has requested FMA to provide the competent authority of the Republic of Austria ("**Austria**"), the Kingdom of Belgium ("**Belgium**"), the Republic of Cyprus ("**Cyprus**"), the **Czech Republic**, the Kingdom of Denmark ("**Denmark**"), the Republic of Estonia ("**Estonia**"), the Republic of Finland ("**Finland**"), the French Republic ("**France**"), the Federal Republic of Germany ("**Germany**"), the Hellenic Republic ("**Greece**"), the Republic of Italy ("**Italy**"), the Grand Duchy of Luxembourg ("**Luxembourg**"), the Republic of Malta ("**Malta**"), the Kingdom of the Netherlands ("**The Netherlands**"), the Kingdom of Norway ("**Norway**"), the Republic of Poland ("**Poland**"), the Portuguese Republic ("**Portugal**"), the Slovak Republic ("**Slovakia**"), the Republic of Slovenia ("**Slovenia**"), the Kingdom of Spain ("**Spain**") and the Kingdom of Sweden ("**Sweden**") with a certificate of approval attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Regulation.

The Prospectus will also be registered for distribution in **Switzerland**.

1.9 Authorisation

The establishment of the Programme and the issuance of any Series of Notes under this Base Prospectus have been authorised by a resolution of Iconic Digital Assets AG dated 30.08.2021.

1.10 Clearing and Settlement of the Notes

Payments and transfers of any Series of Notes will be settled through Clearstream Banking AG, Frankfurt am Main, Mergenthalerallee 61, 65760 Eschborn, Germany.

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

1.11 Rating

Neither the Issuer nor any Series of Notes are rated.

2. RISK FACTORS

Iconic Digital Assets AG (the "Issuer") believes that the following factors may affect its ability to fulfil its obligations under the Notes.

The risk factors are presented in a limited number of categories depending on their nature. In each category the two most material risk factors are mentioned first according to the assessment of the Issuer. The Issuer assesses the materiality of the risk factors based on the probability of their occurrence and the expected magnitude of their negative impact.

2.1 Risks relating to the Issuer and the legal structure

The following descriptions of the risk factors relating to the Issuer and their occurrence within a risk category, with the two most material risk factor presented first in each category, should be understood as descriptions of residual risks, i.e. of the remaining risks following all counter measures taken in order to avoid such risks or limit their adverse effects.

2.1.1 Risks relating to the Issuer's business activities

a) The Issuer does not have a long and comprehensive track record

The Issuer was established with Resolution of the Founding Shareholders dated 23 July 2021 and registered with the commercial register of the Liechtenstein *Amt für Justiz* on 28 July 2021. Due to such a short period of existence, the Issuer does not have a long and comprehensive track record of successfully operating the business activity described herein. There can be no assurance that the planned business activities will be successful in the future which could have an adverse impact on the Issuer's business and financial situation. Hence, there is a risk that the Issuer will not be successful in issuing the Notes, and that the Issuer will not make profits, despite this being the Issuer's aim. If the Issuer becomes unsuccessful in the issuance of securities, the Issuer may cease its business activities as issuer or ultimately become insolvent. Although, the Issuer takes reasonable 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.

b) Risks related to the limited business objective of the Issuer

The focus of the Issuer's business activities is the issuance of notes linked to one Cryptocurrency or Cryptocurrencies comprising the Basket. The Issuer will not carry out any other business than the issue of notes which are secured by Cryptocurrencies or Baskets of Cryptocurrencies and other digital assets. Because of this limited business objective, the Issuer is exposed to the risk that the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket do not become successful or become less successful (such risks are further described under the headline "2.2.3. Risks related to the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket" below) going forward and the Issuer cannot adapt to such changed circumstances. Due to this limited business objective the Issuer may then be unsuccessful in carrying out its business which could have an adverse impact on the Issuer's business and financial situation.

c) Risks related to Data Breach

The Issuer maintains significant amounts of data surrounding the issue and redemptions of the Notes. For the initial issue or every redemption of Notes, the Issuer may receive and maintain in relation to the issue or redemption the

following data: (i) proof of identity and/or incorporation documents; (ii) residence or incorporation address; (iii) certain bank and securities accounts details; (iv) blockchain wallets information; (v) contact information; (vi) such other information requested by the Issuer from time to time. A significant data breach may have wide reaching adverse effects, including trading losses and loss of reputation, which may adversely impact the Issuer's core business and could therefore have a negative impact on the Issuer's profitability, creditworthiness and fundraising capacity, which could in turn affect the desirability, liquidity and the market value of the Notes.

2.1.2 Risks relating to the Issuer's legal form and corporate structure

a) Major Shareholders

The Issuer is a 100 % subsidiary of Iconic Funds GmbH, which in turn is a 100 % subsidiary of Iconic Holding GmbH.

The major shareholders of Iconic Holding GmbH are Max Lautenschläger Beteiligungs GmbH (approximately 27.44 per cent.), FinLab AG (approximately 22.35 per cent.), Patrick Alan Lowry (approximately 12.19 per cent.) and Cryptology Asset Group PLC (approximately 11.14 per cent.).

The shares in Cryptology Asset Group PLC are especially concentrated on two shareholders, Apeiron Investment Group Ltd., which holds approximately 49.41 percent of the company shares and Grey Study Capital GmbH, which holds approximately 16.47 per cent of the company shares. The additional approximately 34 percent of the company shares are distributed between more than 30 further shareholders with shareholdings of less than 10 percent each.

As such, these shareholders have significant influence on the management of the Issuer. There can be no assurance that these shareholders or their representatives will exercise their voting rights in a manner that benefits the Issuer or Noteholders.

b) Capitalisation of the Issuer

The Issuer was founded with the legally prescribed share capital of EUR 50,000. Apart from this, there are no other assets which would be available to the Noteholders of the Notes (each a "Noteholder" and, together, "the Noteholders") in the case of an insolvency or bankruptcy of the Issuer. Although the Issuer will

use the received proceeds – less e.g. transaction costs, listing fees and any other costs in connection with this transaction – in order to buy Cryptocurrencies there might be a risk that the volatile market price of Cryptocurrencies leads to an adverse exchange rate between CHF, €, USD or any other currency and the Cryptocurrency and this could result in a smaller asset pool which could be recovered in the case of an insolvency or bankruptcy.

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

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

2.1.4 Legal and regulatory risks

a) Compliance

The Issuer has minimal compliance requirements, as it is not directly responsible for "know your client" (KYC) checks or anti-money laundering (AML) checks of its investors. In this respect, the Issuer relies on third parties to perform checks on the sources of any funds received. It should be understood that performing KYC/AML checks in respect of transactions related to cryptocurrencies is new and challenging and even though third parties engaged by the Issuer are regulated entities, there is a risk of compliance failures with respect to KYC/AML. Any breach of the compliance processes of the Issuer or third party service providers could have a material adverse effect on the Issuer's core business, including loss of reputation and significant legal and financial impact, which in turn could have a material negative effect on the Notes, including the risk of a loss of the capital invested by the Noteholder.

b) Potential Changes in regulatory status of the Issuer

The Issuer's business is focused on issuing Notes linked to the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket. Although some financial supervisory authorities across Europe may restrict trading in cryptocurrencies and/or categories of market participants which may deal with cryptocurrencies, the Issuer is currently not required to be licensed, registered or authorised under any securities, commodities or banking laws of its jurisdiction of incorporation or operation and currently operates without supervision by any authority in any jurisdiction. However, the regulatory authorities in one or more other jurisdictions relevant to the Issuer's business may determine that the Issuer is required to be licensed, registered or authorised under the securities, commodities or banking laws of such jurisdiction and there can be no guarantee that legal or regulatory requirements with respect thereto will not change in the future. Any such requirement or change could require the Issuer to obtain licenses, registrations or authorisations or even make it impossible for the Issuer to perform its current business. The Issuer may not be granted such licenses, registrations or authorisations or it may face severe financial implications. This may have an adverse impact on the Issuer conducting its business and the administration of any Series of Notes which in turn could have a material negative effect on the Notes, including the risk of a loss of the capital invested by the Noteholder. It may also result in the Issuer giving a Mandatory Redemption Notice in relation to a Series of Notes (such risks are further described under 2.2.1 "The Issuer is allowed at any time to perform a mandatory redemption in case certain events as specified in the Terms and Conditions materialise").

c) Risks due to the domicile of the Issuer and applicable law

The domicile and registered office of the Issuer is in Liechtenstein. This Base Prospectus and the form and content of the Notes issued under the Programme are subject to German law, according to the Terms and Conditions, the place of jurisdiction is, to the extent legally admissible, Frankfurt am Main, Germany.

Investors have to be aware that Liechtenstein does not acknowledge and automatically enforce foreign judgements, including German court judgements. As a consequence, a judgement obtained against the Issuer in Germany may not be enforceable against the Issuer in Germany or, in order to enforce the judgement, additional legal prerequisites and potentially an additional procedure in Liechtenstein may be required.

In case of procedures in Liechtenstein, a Liechtenstein Court may be required to apply German law. It has to be noted that a Liechtenstein judge may interpret German law provisions different than a German judge might do, in extreme cases, application of German law may be rejected if certain provisions are qualified to be against the Liechtenstein *ordre public*.

d) Risks related to blockchain technologies and digital assets and their regulation

The Notes are linked to one Cryptocurrency or a Basket of Cryptocurrencies and the regulatory regime governing the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket is currently undeveloped and likely to evolve rapidly. Various legislative and executive bodies in Germany and in other countries may in the future adopt laws, regulations, guidance, or other actions, which may severely impact the future development of the Cryptocurrencies and other crypto assets and the growth of the markets for this asset class and, in turn, the adoption, utility and performance of each Series of 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 investors under a Series of Notes. This could have a material adverse effect on the Issuer's business and financial situation, which in turn could have a material negative effect on the Notes, including the risk of a loss of the capital invested by the Noteholder.

e) Dependence on certain service providers and potential conflict of interest

The Issuer is dependent on a number of service providers to maintain the issuance of Notes and the security relating to such Series of Notes. These include, but are not limited to, the Depositary, Authorised Participants, the Paying Agent and Fiscal Agent, the Administrator, the Clearing System and the Security Trustee, who is authorised under the Terms and Conditions to hold and administer security interest over the collateral (which includes the Deposited Cryptocurrency) for the benefit of the Noteholders of a Series of Notes (each a "**Noteholder**" and together, the "**Noteholders**"), itself and the Noteholders' Representative (as defined below), if appointed, (the "**Security Trustee**"). Should there be a material adverse change in cooperation with any existing service provider and a suitable alternative be unavailable or impracticable, it may be impossible for the Issuer to continue to maintain any listing of a Series of Notes and fulfill its obligations thereunder. In

addition, the role of service providers may give rise to conflicts of interest, which are adverse to the interests of any Noteholders.

The Notes provide for a right of the Issuer to initiate mandatory redemption in respect of a Series of Notes if any third-party service provider, including the Issuer's auditors, legal advisors, the Clearing System, the Paying Agent, the Fiscal Agent, the Security Trustee, the Authorised Participants, the Administrator and the Depositary, stops providing services to the Issuer, and the Issuer fails to find a replacement within a reasonable time.

f) Dependence on authorisations

Application will be made for the Notes to be admitted to trading on Deutsche Börse Xetra, Euronext Paris, Euronext Amsterdam and SIX Swiss Exchange. Thus, in relation to such Notes to be admitted to trading on those regulated markets, the Issuer depends on the authorisation and the permissibility under the rules and regulations of the respective country and any such stock exchange as well as potentially further stock exchanges, as the case may be, to continue issuing and listing, as applicable, Series of Notes. Any change to the listing requirements, the regulation of the Notes, or the acceptance of a cryptocurrency or cryptocurrencies as the underlying asset could adversely impact the Issuer, the value and liquidity of a Series of Notes and investors in such Series of Notes. If any authorisation risk materialises, this could have a material adverse effect on the Issuer's business and financial situation, which in turn could have a material negative effect on the Notes, including the risk of a loss of the capital invested by the Noteholder.

2.1.5 Internal control and IT risks

a) Attacks by "hackers" and sabotage from outside the Issuer

The whole business of the Issuer depends on a certain information technology (IT) infrastructure. Additionally, service providers (e.g. the Administrator, the Paying Agent and the Clearing System) also rely on IT systems to provide services to the Issuer. Both the Issuer's IT systems and IT systems of such service providers may be hacked by criminals. Furthermore, Cryptocurrencies have to be mined via the decentralised blockchain technology. Cryptocurrencies themselves are an open source project which means that various people may amend the algorithm of the Cryptocurrency. As a result, there is a risk of hacker attacks on essential networks

and technologies. The Issuer is exposed to the risk to be partially, temporarily or even permanently prevented from carrying out its business activities, which in turn could have a material negative effect on the Notes, including the risk of a loss of the capital invested by the Noteholder.

b) Attacks by “hackers” and sabotage from inside the Issuer

The Issuer's business is focused on issuing Series of Notes. The Issuer does not and will not own or produce any other assets. The IT infrastructure used by the Issuer is its only means to administer each Series of Notes during their lifetime, which includes in particular the transfer of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket related to each Series of Notes. Hacker attacks, sabotage or fraud carried out by the managing director or potential future employees of the Issuer or third parties may sabotage the IT systems, which may lead to the failure of hardware and/or software systems of the Issuer. This may also have a negative impact on the Issuer's business activities.

2.2 Risks relating to the Notes

An investment in a Series of Notes involves certain risks associated with the characteristics, specification and type of the Notes which could lead to substantial losses that Noteholders would have to bear in the case of selling their Notes. Risks regarding a Series of Notes comprise, inter alia, the following risks:

2.2.1 Risks relating to the nature and the Terms and Conditions of a Series of Notes

a) Limited recourse obligations

Noteholders will have recourse only to the Series Assets in respect of a Series of Notes, subject to the security under the terms of the Cryptocurrencies Security Agreement and not to any other assets of the Issuer. If, following distribution or realisation in full of the Series Assets (whether by way of sale, liquidation or otherwise) and application of available cash in accordance with the applicable orders of priority and the Cryptocurrencies Security Agreement, any outstanding claim against the Issuer in respect of the Series Assets remains unpaid, then such outstanding claim will be extinguished and no debt, liability or obligation will be owed by the Issuer in respect thereof. Following such extinguishment, none of the Series Parties, the Noteholders of any relevant Series or any other person acting on behalf of any of them or any other person acting on behalf of any of them will

be entitled to take any further steps against the Issuer or any of its officers, shareholders, corporate service providers or directors to recover any further sum in respect of the extinguished claim and no debt, liability or obligation will be owed to any such persons by the Issuer in respect of such further sum.

b) No Collective Investment Scheme

The Securities issued in relation to Products under the Programme are derivative financial instruments (debt instruments) according to German Law. THE PRODUCTS DO NOT CONSTITUTE COLLECTIVE INVESTMENT SCHEMES within the meaning of § 1 Abs. 1 S. 1 of the German Investment Code (Kapitalanlagegesetzbuch - KAGB) or the Liechtenstein Law on Organisms for collective investments in transferable Securities (UCITSG), the Liechtenstein Law on Alternative Investment Fund Managers (AIFMG) or the Liechtenstein Law on Investment Undertakings (IUG). Accordingly, holders of these Products do not have the benefit of the specific investor protection provided under any laws governing collective investment undertakings. The Issuer is not and will not be regulated or supervised by the Liechtenstein FMA or any regulator as a result of issuing the Products.

c) Risk of reliance on crypto-exchanges in case of Noteholder prevented to receive Cryptocurrencies

If a Noteholder is prevented from receiving the relevant underlying Cryptocurrency or any or all of the underlying Cryptocurrencies comprising the Basket for legal reasons, in particular due to regulatory provisions applicable to it and because of that the Series of Notes are redeemed in USD, Noteholders face the risk that the Notes cannot be redeemed in USD and Noteholders do not have any mechanism to monetise the Notes (except selling the Notes for fiat currency (e.g. USD or Euro) in the secondary market, if a liquid market exists).

d) The Issuer is allowed at any time to perform a mandatory redemption in case certain events as specified in the Terms and Conditions materialise.

The Issuer may at any time, in its sole and absolute discretion, elect to terminate and redeem all but not some of the Notes at their Cryptocurrency Entitlement in case of occurrence of certain events as further specified in the Terms and Conditions (the "**Mandatory Redemption**"). In exercising such discretion, the Issuer is not required to have any regard to the interests of the Noteholders, and Noteholders may receive less, or substantially less, than their initial investment. The Issuer has to make an

advance notice of the Mandatory Redemption, but there is a risk that it will not be received by all Noteholders, which can result in some or all Noteholders failing to sell the Notes or exercise their Put Option rights prior to the Mandatory Redemption.

Additionally, the Mandatory Redemption 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.

e) Fees related to the redemption of the Notes.

Redemption via an Authorised Participant

A Noteholder may exercise its Put Option through an Authorised Participant, if the Noteholder qualifies in accordance with client acceptance policies of the Authorised Participant (which the Issuer has no influence over). In such case, the Notes will be redeemed in the relevant Cryptocurrency or units of the underlying Cryptocurrencies comprising the Basket to the Digital Wallet of the Noteholder unless a Noteholder is prevented from receiving units of the relevant Cryptocurrency or units of any or all of the underlying Cryptocurrencies comprising the Basket for legal reasons, in particular due to applicable regulatory provisions. In this case, the Noteholder, acting through an Authorised Participant, may demand redemption in USD. For every redemption through an Authorised Participant and irrespective of whether the repayment is made in the relevant Cryptocurrency or units of the underlying Cryptocurrencies comprising the Basket or in USD, the Issuer will charge a fee which shall not exceed an amount equal to 0.50 percent of the Cryptocurrency Entitlement (and which will be specified in the relevant Final Terms) for each Note in relation to which the Put Option is exercised.

No Upfront Redemption Fee will apply to redemption through an Authorised Participant. However, the Issuer has no influence on whether and to what extent the Authorised Participant will charge additional fees. These fees may vary depending on the Authorised Participant. Additionally, the Issuer has no influence over client acceptance policies of the Authorised Participants, and prospective investors in the Notes shall be aware that it might be not possible for them to redeem the Notes through an Authorised Participant at all and the only way to realise the value of their investment in the Notes will be to redeem directly with the Issuer or sell the 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 (provided that a liquid market exists).

Redemption directly with the Issuer

A Noteholder may exercise its Put Option directly and request redemption directly from the Issuer. Notes will be redeemed in the underlying Cryptocurrency (or the underlying Cryptocurrencies comprising the Basket) to the Digital Wallet of the Noteholder unless a Noteholder is prevented from receiving units of the underlying Cryptocurrency or units of the underlying Cryptocurrencies comprising the Basket for legal reasons, in particular due to applicable regulatory provisions. In such case, the Noteholder may demand redemption in USD.

If a Noteholder decides to demand redemption directly from the Issuer and, irrespective of whether the repayment is made in the relevant Cryptocurrency or units of the underlying Cryptocurrencies comprising the Basket or in USD, the Issuer may charge a fee of up to 1.00 percent of the Cryptocurrency Entitlement for each Note in relation to which the Put Option is exercised (lower fees apply for redemptions by Noteholders who are Authorised Participants). In addition, the Issuer may charge at its sole and absolute discretion an upfront redemption fee corresponding to a maximum amount to be specified in the relevant Final Terms (the "Upfront Redemption Fee"). No such Upfront Redemption Fee shall be payable if: (i) the number of Notes multiplied by the Cryptocurrency Entitlement (specified in the relevant Final Terms) and then multiplied by the Reference Price, in each case as of the date on which the Issuer receives the Put Option Exercise Form, is greater than or equal to USD 250,000; or (ii) no Authorised Participants are appointed by the Issuer; or (iii) the Outstanding Amount multiplied by the Reference Price (specified in the relevant Final Terms), in each case as of the date on which the Issuer receives the Put Option Exercise Form, is less than a certain threshold amount specified in relation to each Series of Notes in USD; or (iv) the Put Option is exercised by an Authorised Participant.

f) Ability to comply with the Terms and Conditions and 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 condition in which it operates, may affect the Issuer's ability to comply with the undertakings set out in the Terms and Conditions. Further, there is a risk that a breach of the Terms and Conditions will result in certain events, entitling Noteholders to declare

all but not some of its Notes due and payable (each such event, an "Event of Default"), which could cause a material adverse effect on the Issuer's financial position.

Upon the occurrence of an Event of Default as defined in the Terms and Conditions, each Noteholder may be entitled to declare due and payable its entire claims arising from the Notes and demand immediate payment of the Cryptocurrency Entitlement. If such claims are declared due and payable, the Issuer must then distribute the Cryptocurrency Entitlement in accordance with the Terms and Conditions. The value of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket can fluctuate during the time when such distribution of the Cryptocurrency Entitlement is being processed to be executed. In order for the distribution to be made, Noteholders need to have their own digital cryptocurrency wallet or wallets (in case of a Basket) (the "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 Cryptocurrency Entitlement. Additionally, the Issuer may receive more redemption requests in an Event of Default than it can operationally process. This may result in delays for the Noteholders receiving their Cryptocurrency Entitlement.

g) Investing in the Notes does not correspond to a direct investment in the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket.

Investors should be aware that the market value of the Notes does not exclusively depend on the prevailing price of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket and changes in the prevailing price of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket 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 underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket as a result of negative effects of fees and charges (see "The Notes are subject to transaction costs and charges", including, but not limited to the Exercise Fee upon redemption), in addition to the negative effect of any other risks described herein. The return on the Notes may not reflect the return if the investor had actually owned the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket and held such investment for a similar period.

h) Passive investment risk.

The Notes cannot be considered as an actively managed investment and may be affected by a general decline in the value of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket (see also under 2.2.3 "Risks related to the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket").

Neither the Issuer nor any other party will actively manage the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket or the Notes (except for the use of the Cryptocurrencies for Lending and / or Staking if so specified in the Final Terms). As a result, the Issuer will not take any action to attempt to reduce the risk of loss resulting from price decreases. As a result, Noteholders bear the risk of a loss of a part or all of their investment.

i) Risks in case of Staking

The Issuer may, if so specified in the relevant Final Terms, use the Series Assets for **Staking**.

Staking involves certain risks such as potential cybersecurity incidents that could result in the loss of tokens held within a certain exchange or online wallet. Another risk of staking results from potential downturns in the price of the crypto asset during the staking period. Since staking works by locking coins, these coins will not be available to be liquidated or transferred for a certain period of time.

Finally, there is a risk associated with the uptime of the validator node that is holding staked tokens. In most cases, networks penalise a validator if its ability to process transactions is affected, which means that staking income could be diminished by any disruptions in the validator up time.

The risk factor for staking is the so called "slashing risk", that occurs when a validator in a staking network is either offline for a prolonged period of time or votes for two states of the blockchain simultaneously ("double voting"). Slashing is designed to incentivize node security, availability, and network participation. While the specifics of slashing are defined within each protocol, the mechanism of slashing is similar. A predefined percentage of a validator's staked cryptocurrency may be lost when the validator does not behave consistently or as expected on the network.

Cryptocurrencies can be unstaked (unbonded) from the protocol. While the specifics of unstaking are defined within each protocol, the mechanism of unstaking is similar. It takes a defined period of time to unstake cryptocurrencies from a protocol.

Staking may therefore lead to delays in the redemption process or to a decrease in the Cryptocurrency Entitlement.

Investors would be eligible to receive 100% of the staking returns (less fees) whether that is through an increase in Coin Entitlement or through regular coupons (as specified in the Final Terms of each respective Series of Notes).

j) Risks in case of Lending

The Issuer may, if so specified in the relevant Final Terms, use the Series Assets for **Lending**.

The Issuer may enter into lending arrangements on the basis of which it lends certain Cryptocurrencies or Cryptocurrencies that are Components of a Basket to third parties. In such a case, the third party will post Collateral in the form of other Cryptocurrencies or cash or cash equivalents.

In order to mitigate the Issuer's and the Investors indirect credit risk exposure to any parties to a lending arrangement, the Lender must post eligible collateral assets (in form of other Cryptocurrencies or cash or cash equivalents) to the accounts of the Issuer held with a Depository with a market value at least equivalent to the value of the Cryptocurrencies or Cryptocurrencies that are Components of a Basket lent. Cryptocurrencies or Cryptocurrencies that are Components of a Basket may be lent to third parties over a period of time.

All of the Issuer's rights in any lending arrangement or assets posted back thereunder will be pledged to the Security Trustee acting on behalf of Investors.

The risks of lending the Cryptocurrencies or Cryptocurrencies that are Components of a Basket is a potential failure of such Cryptocurrencies or Cryptocurrencies that are Components of a Basket being returned when due. A default by the Borrower under such lending arrangements combined with a decrease in the value of the collateral assets that the borrower has posted back may result in a decrease of the Coin Entitlement.

Investors will be eligible to receive 100% of the lending returns (less fees) whether that is through an increase in Coin Entitlement or through regular coupons (as specified in the Final Terms of each respective Series of Notes).

k) Financial Derivative Instruments

The Assets of each Series may include financial derivative instruments ("FDI") which provide indirect exposure to the Digital Assets of the relevant Index of such Series. Accordingly, the Notes will be subject to the following risks which are applicable to FDI generally.

Derivatives risk. The risks associated with the use of FDI are different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Generally, a derivative is a financial contract the value of which depends upon, or is derived from, the value of an underlying asset, reference rate or index, and may relate to stocks, bonds, interest rates, currencies or currency exchange rates, commodities, and related indices. There is no assurance that any derivative strategy used by the Issuer will succeed.

Management risk. FDI are highly specialised instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of FDI requires an understanding not only of the underlying instrument but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions.

Liquidity risk. Liquidity risk exists when a particular FDI is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

Pricing risk. Pricing risk exists when a particular FDI becomes extraordinarily expensive relative to historical prices or the prices of corresponding cash market instruments. Under certain market conditions, it may not be economically feasible to initiate a transaction or liquidate a position in time to avoid a loss or to take advantage of an opportunity.

Correlation risk. Correlation risk exists when there is a lack of correlation between the change in the value of the underlying asset and that of the value of the derivative instruments used by the Issuer.

Funding risk. Funding risk exists when the capacity of the Issuer to fund the payment under an FDI is at risk due to higher funding costs or lack of cash flow.

Market risk. Like most other investments, FDI are subject to the risk that the market value of the instrument will change in a way detrimental to the Issuer's interests. While hedging strategies involving FDI can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by offsetting favourable price movements in other portfolio investments.

Settlement risk. Derivative markets will have different clearance and settlement procedures and in certain markets there have been times when settlements have been unable to keep pace with the volume of transactions, thereby making it difficult to conduct such transactions. Delays in settlement could result in temporary periods when assets of the Issuer are uninvested and no return is earned thereon.

Legal, regulatory and tax risk. Legal, tax and regulatory changes applicable to FDI could occur which may adversely affect the Issuer. The regulatory and tax environment for FDI is evolving, and changes in the regulation or taxation of FDI may adversely affect the value of such instruments held by the Issuer and its ability to pursue its trading strategies.

I) Changes in regulation of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket.

The Notes are linked to an underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket. A potential investor has, therefore, to consider that the regulation of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket is subject to change. Therefore, it cannot be ruled out that the regulatory treatment of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket by national authorities and courts or international standard setting bodies could be subject to changes in the future. As a result of such changes, the purchase and/or direct or indirect investment in the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket, including with respect to the Notes may be prohibited or otherwise restricted. Furthermore, if an investment in the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket is prohibited, Noteholders may not redeem and receive the underlying

Cryptocurrency or the underlying Cryptocurrencies comprising the Basket pursuant to the Terms and Conditions.

Moreover, changes in the regulation of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket, including with respect to the Notes, may adversely impact the Issuer, the value of the Notes and the value of the Security. As a result, Noteholders bear the risk of a loss of a part or all of their investment.

- m) Noteholders may be responsible for choosing an appropriate Digital Wallet (an inadequate or inappropriate Digital Wallet for the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket can lead to the loss of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket).**

If any Notes are terminated either by the Issuer or the Noteholder pursuant to the Terms and Conditions and the Noteholder is entitled to receive payments in the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket, the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket must be transferred to the Noteholder's Digital Wallet(s). If this transfer occurs to an inadequate or inappropriate Digital Wallet (which includes, but is not limited to, 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 Cryptocurrency or the underlying Cryptocurrencies comprising the Basket. 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 Cryptocurrency or the underlying Cryptocurrencies comprising the Basket. The loss or theft of the private key (which includes an unauthorised copy of all or a part of the key or keys) can result in a total loss of all of the assigned underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket within the Digital Wallet(s).

Noteholders who do not provide the information regarding their Digital Wallet to the Issuer during the mandatory redemption process in a timely manner, may be treated by the Issuer as prevented from receiving the underlying Cryptocurrency or any or all of the underlying Cryptocurrencies comprising the Basket due to legal

or regulatory reasons and will have their Notes redeemed in USD at the USD Reference Price.

n) Supply.

While the Issuer has the right to issue additional Notes that are fungible with an already issued Series of Notes, the Issuer is under no obligation to issue additional Notes in relation to the Series of Notes already issued. Even if the Issuer decides to issue additional Notes in relation to a Series of Notes already issued, given that, in the primary market, the Issuer only sells Notes to Authorised Participants, there is no guarantee that Authorised Participants subscribing to the newly issued Notes of a Series of Notes will make them available in the secondary market. On the one hand, if the Issuer does not issue additional Notes in relation to a Series of Notes already issued, or Authorised Participants do not sell those additional Notes in the secondary market, this could increase the price of the Notes compared to the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket. On the other hand, when the Issuer starts issuing additional Notes (and/or Authorised Participants start selling such Notes in the secondary market) at a moment when the Notes are trading at a premium compared to the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket, this could result in a reduction of the premium compared to the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket and thus in a decrease in the price of the Notes.

o) No recourse and no guarantee.

Pursuant to the Terms and Conditions, the Notes will be obligations solely of the Issuer. In particular, the Notes will not be obligations of, or guaranteed by the Paying Agent, the Fiscal Agent, the Depositary, the Security Trustee, the Administrator or the Authorised Participants or any other partner or affiliate of the Issuer or any direct or indirect Noteholder of the Issuer.

No person has guaranteed the performance of the Issuer's obligations, and no Noteholder has any direct rights of enforcement against any such person. As a result, Noteholders bear the risk of a loss of part or all of their investment in a Series of Notes.

p) Risk-hedging transactions.

The ability to eliminate or to restrict the initial risks of a Series of Notes arising from their purchase by, for example, concluding any hedging transactions during their lifetime, depends mainly on the market conditions and the economic terms of such Series of Notes. As a consequence, such transactions may be concluded at unfavourable market prices (or not at all), which may result in corresponding losses. Investors should, therefore, not rely on the ability to conclude transactions at any time during the term of such Series of Notes that will allow them to offset or limit relevant risks.

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

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 Noteholders holding the aggregate principal amount of the Notes of such Series of Notes outstanding.

According to the Terms and Conditions and the German Act on Issues of Debt Securities of 2009 (Gesetz über Schuldverschreibungen aus Gesamtemissionen - SchVG; "German Act on Issues of Debt Securities" or the "SchVG"), Noteholders of a particular Series of Notes can, by resolution, consent to amendments of the Terms and Conditions of such Series of Notes. 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 Section 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 75percent 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 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.

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.

Since no Noteholders' Representative will be appointed on the issue date of a Series of Notes, it will be more difficult for Noteholders to take collective action with respect to such Series of Notes.

Under the SchVG, a joint representative (gemeinsamer Vertreter) of the Noteholders (the "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.

It is possible that a Noteholder may be deprived of its individual right to pursue and enforce its rights under the Terms and Conditions if such right was passed to a Noteholders' Representative.

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.

q) The Notes are subject to transaction costs and charges.

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the purchase or sale price of the Notes. These incidental costs may significantly reduce or eliminate any profit from holding the Notes. Credit institutions as a rule charge commissions which are either fixed minimum commissions or pro-rata commissions, depending on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including, but not limited to, domestic dealers or brokers in foreign markets, Noteholders may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs). In addition to such costs directly related to the purchase of securities (direct costs), potential investors must also take into account any follow-up costs (such as custody fees).

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

No assurance can be given as to the impact of any possible judicial decision or change of laws or administrative practices after the date of this Base Prospectus.

The Terms and Conditions are based on the laws of Germany in effect as at the date of this Base Prospectus. Certain agreements which the Issuer entered into in connection with the Notes are subject to the laws of other jurisdictions than Germany ("Foreign Law Jurisdictions"). No assurance can be given as to the impact of any possible judicial decision or change to the laws of Germany or the laws of a Foreign Law Jurisdiction or administrative practice or the official application or interpretation of German law or the laws of a Foreign Law Jurisdiction after the date of this Base Prospectus.

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

2.2.2 Risks related to the Security of the Notes

a) Security granted to secure a Series of Notes may be unenforceable or enforcement of the Security may be delayed.

The Issuer has undertaken to have an amount in the underlying Cryptocurrency or underlying Cryptocurrencies comprising the Basket equal to or higher than the Secured Obligations Amount (i.e. the sum of Outstanding Amount, Secured Put Option Obligations Amount and Secured Settlement Obligations Amount) always deposited with the Depositary, and has pledged such deposited underlying Cryptocurrency or underlying Cryptocurrencies comprising the Basket in favour of the Noteholders as Security for the Issuer's debt to the Noteholders. These security arrangements may not be sufficient to protect the Noteholders in the event of the Issuer's or the Depositary's bankruptcy or liquidation due to various reasons. There is a legal risk that the security interest in respect of the underlying Cryptocurrency or underlying Cryptocurrencies comprising the Basket is not enforceable given it is a cryptocurrency and there could be uncertainties on how to enforce such Security or changes in legislation. In addition, the enforcement of the Security may be delayed.

b) Credit risk.

The Issuer will be exposed to the credit risk of depositary institutions with whom it holds the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket. Credit risk, in this case, is the risk that the Depositary holding

the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket will fail to fulfil an obligation or commitment to the Issuer. The underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket is/are maintained by the Depositary in segregated accounts, which are intended to be protected in the event of insolvency of the Depositary. However, any insolvency of the Depositary may result in delayed access to the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket provided as a Security. In such a situation, Noteholders may face a loss due to asset price fluctuation.

c) Realisation of Security and role of the Security Trustee.

The Security Trustee may take any action permitted by the Terms and Conditions and the relevant Security Documents in an enforcement scenario without having regard to the effect of such action on individual Noteholders. Fees, costs and expenses for the Security Trustee will need to be paid in advance. All fees, costs and expenses related to the enforcement will be the sole responsibility of, and will be deducted from any payments made to, the relevant investors.

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

d) Recognition of Security and choice of law in other jurisdictions.

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

2.2.3 Risks relating to the underlying cryptocurrency or the underlying Cryptocurrencies comprising the Basket

a) Price volatility of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket.

The value of the Notes is affected by the price of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket – which fluctuates widely and is influenced by a number of factors. The amount received by Noteholders (i) upon redemption of the Notes in USD, in case that a Noteholder is prevented from receiving the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket for legal reasons, or (ii) upon sale on the stock exchange depends on the performance of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket.

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

- Global or regional political, economic or financial events – global or regional political, economic and financial events may have a direct or indirect effect on the price of Cryptocurrencies;
- Regulatory events or statements by the regulators – there is lack of consensus regarding the regulation of cryptocurrencies and uncertainty regarding their legal and tax status and regulations of cryptocurrencies continue to evolve across different jurisdictions worldwide. Any change in regulation in any particular jurisdiction may impact the supply and demand in that specific jurisdiction and other jurisdictions due to the global network of exchanges for cryptocurrencies, as well as composite prices used to calculate the underlying value of such cryptocurrencies (if any), as the data sources span multiple jurisdictions. See also "Political risk in the market of Cryptocurrencies".
- Investment trading, hedging or other activities by a wide range of market participants which may impact the pricing, supply and demand for crypto assets – markets for crypto assets are local, national and international and include a broadening range of products and participants. Significant trading may occur on any system and platform, or in any region, with subsequent impacts on other systems, platforms and regions.

Forks in underlying protocols – The underlying Cryptocurrencies are each open source projects. As a result, any individual can propose refinements or improvements to a network's source code through one or more software upgrades that could alter the protocols governing the network and the properties of each underlying Cryptocurrency. When a modification is proposed and a majority of users and miners consent to the modification, the change is implemented and the network remains uninterrupted. However, if less than a majority of the users and miners consent to the proposed modification, the consequence could become what is known as a "fork" (i.e. a "split") of the network (and the blockchain), with one part running the pre-modified software and the other running modified software. The effect of such a fork would be the existence of two versions of the network running in parallel, and the creation of a new digital asset which lacks interchangeability with its predecessor. Additionally, a fork could be introduced by an unintentional, unanticipated software flaw in multiple versions of otherwise compatible software users run. The circumstances of each fork are unique, and their relative significance varies. It is not possible to predict with accuracy the impact that any anticipated fork could have in terms of pricing, valuation and market disruption. Newly-forked assets in particular may have less liquidity than more established assets, resulting in greater risk. See also "*Split of a blockchain*".

- Disruptions to the infrastructures or means by which each of the underlying Cryptocurrencies are produced, distributed and stored, are capable of causing substantial price movements in a short period of time – Cryptocurrency infrastructure operators or 'miners' who use computers to solve mathematical problems to verify transactions are rewarded for these efforts by increased supply of such cryptocurrency. The computers that make up the infrastructure supporting each of the underlying Cryptocurrencies are decentralised and belong to a combination of individuals and large corporations. Should a significant subset of the pool of each of the underlying Cryptocurrencies choose to discontinue operations, pricing, liquidity and the ability to transact in each of such Cryptocurrencies could be limited. As each of the underlying Cryptocurrencies is designed to have a finite supply pool of units of each of the underlying Cryptocurrencies, this finite supply pool will eventually be fully mined (meaning the creation of new cryptocurrency units through a predetermined mathematical process within a computer network) at some point in the future. This makes mining unsustainable since block rewards would no longer be available to miners, thereby leading to a reduction in the number of miners. This may trigger the collapse of the network as no miners would want to validate blocks without any economic incentive. Also, as block rewards decrease at a

rate that was built into the network at its inception (as a consequence of the finite supply pool), the economic incentives for miners of each of the underlying Cryptocurrencies may not be sufficient to match their costs of validating blocks, potentially leading to miners transitioning to other networks, in turn slowing transaction validation and usage. This can adversely impact the price of each of the underlying Cryptocurrencies. Other critical infrastructure which may be adversely affected includes storage solutions, exchanges and custodians for each of the underlying Cryptocurrencies. For example, the potential for instability of cryptocurrency exchanges and the closure or temporary shutdown of exchanges due to business failure or malware could impact the liquidity of, demand for, and supply of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket (and other crypto assets). In addition, volatility in the pricing of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket leads to increased opportunities for speculation and arbitrage, which, in turn, contributes to price fluctuations.

- It may be impossible to execute trades in the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket at the quoted price. Any discrepancies between the quoted price and the execution price may be a result of the availability of assets, any relevant spreads or fees at the exchange or discrepancies in the pricing across exchanges. See also in 2.2.1 *"The Notes are subject to transaction costs and charges"*.

b) Political risk in the market for the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket.

The legal status of the underlying Cryptocurrencies varies between different countries. The lack of consensus concerning the regulation of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket and how the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket shall be handled tax wise causes insecurity regarding the legal status of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket. As the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket are unregulated assets in many jurisdictions, there is a risk that politics and future regulations will affect the markets for the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket and companies operating in such markets. It is impossible to know or predict exactly how politics and future regulations may affect the markets. However, future regulations and changes in the legal status of the underlying Cryptocurrency or

the underlying Cryptocurrencies comprising the Basket are political risks which may affect the price of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket. If the Issuer fails to comply with potential future regulations, this may lead to the Issuer incurring losses and it may also have an adverse impact on the Issuer's ability to carry out its business.

c) Valuation of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket

The market value of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket is not related to any specific company, government or asset. The valuation of these assets depends on future expectations for the value of the network, number of transactions and the overall usage of the asset. See also "Price volatility of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket". This means that a significant amount of the value in the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket is speculative and could lead to increased volatility. Investors could experience significant gains, losses and/or volatility depending on the valuation of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket through the exposure to Notes. Due to the speculative nature of an investment in the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket, their prices may fluctuate for any reason and such fluctuations may not be predictable.

Momentum pricing of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket has previously resulted, and may continue to result, in speculation regarding future appreciation or depreciation in the value of such assets, further contributing to volatility and potentially inflating prices at any given time. As a result, pricing of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket may change due to shifting investor confidence in future outlook of the asset class. These dynamics may impact the value of an investment in the Notes.

d) Potential for market abuse.

Markets for the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket are growing rapidly. These markets are local, national and international and include a broadening range of products and participants. Significant trading may occur on systems and platforms and with minimum

predictability. Any sudden, rapid change in demand and supply of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket, could cause significant price volatility. In addition, neither the underlying Cryptocurrency nor any of the underlying Cryptocurrencies comprising the Basket is backed by any central government and different regulatory standards apply across countries and in regions. The characteristics of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket and underlying infrastructure could be used by certain market participants to exploit market abuse opportunities such as front-running (a form of insider dealing, whereby inside information of a future transaction is exploited to buy or sell financial assets for own account), spoofing (a form of fraud, whereby the communication with the target is disguised to gain access to its personal information and/or network for further attacks), pump-and-dump (a form of fraud, whereby the price of a financial asset is artificially inflated through false and misleading information) and fraud across different systems, platforms or geographical locations. As a result of reduced oversight, these schemes may be more prevalent in the crypto asset market than in the general market for financial products. Potential for market abuse in the form of such schemes may impact market conditions of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket, thereby impacting the value of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket and thereafter the value of an investment in the Notes.

e) Split of a blockchain.

There is a risk that source codes or protocols of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket will be further developed and this for various reasons would lead to a split of the virtual currency into several protocols (so-called "Hard Fork "). A Hard Fork is a fundamental change to the mutually agreed rules so that computers running the old code do not execute transactions that will be recognised as valid by computers running the new code. A Hard Fork can be indisputable, controversial or a spin-off. An indisputable Hard Fork can be compared to a software upgrade, which all (or almost all) users agree, so that the change results in only one network and one set of rules. A disputed Hard Fork can cause disagreement among users creating two competing incompatible networks who compete for the same brand. For example, the Bitcoin network had a spin-off on 1 August 2017, which resulted in a Bitcoin (BTC) and Bitcoin Cash (BCH).

If a Hard Fork in form of a spin-off occurs (the "Split") and leads to the creation of two or more cryptocurrencies, each Note shall represent a claim on a group of post-Split cryptocurrencies that corresponds to such Cryptocurrency Entitlement as each Note represented before the Split. However, the weight of each cryptocurrency in such group shall be determined only upon (i) Noteholders representing at least 20 percent of all Outstanding Notes having notified the Issuer in writing about the occurrence of the Split; or (ii) the Issuer having notified the Noteholders about the occurrence of the Split. Noteholders may therefore have a less favourable claim under the Notes than might have been the case if the weight of the cryptocurrencies had been determined at an earlier point in time.

Following a Split, the Issuer may, at its sole discretion and after having notified the Noteholders, decide to split the Notes into separate Notes each such new Note representing a claim on the Issuer for a separate post-Split cryptocurrency in the group of cryptocurrencies that each Note represented immediately following the Split. The Issuer may in its sole and absolute discretion and after having notified the Noteholders, suspend Put Option exercises and issuances of Notes for a reasonable period of time, not exceeding 90 (ninety) days, in order to allow for an arrangement as described above. As indicated, the analysis whether to support a Split by splitting the Notes is at the sole discretion of the Issuer. These considerations include, but are not limited to, availability of a custody solution, trading support from market makers, sufficient liquidity and the availability of a price on or around the date of the Split. 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 cryptocurrencies will have the same performance or the same technical development and this could lead to a negative impact on the Noteholders. In addition, a newly-forked asset may increase other risks such as liquidity risk, market manipulation risk, risk of bankruptcy or insolvency and increased volatility, amongst others. See also "Price volatility of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket".

f) Exchange rate risks and failure of crypto-exchange platforms.

Notes can be redeemed at their Cryptocurrency Entitlement, meaning that the Noteholders will receive units of the underlying Cryptocurrency or units of the underlying Cryptocurrencies comprising the Basket, if so chosen by the Noteholder. If the Noteholders intend to exchange such units of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket into fiat

currencies, such as, for example, Bitcoin into USD, there is a risk of insufficient liquidity in the market. It is not possible to predict whether a market for the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket will exist and whether such market will be liquid or illiquid and how the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket can be traded in such market. Among other things, this can lead to very volatile exchange rates. Noteholders may incur transaction costs and fees while exchanging from the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket into fiat currency, such as USD. The Noteholders also bear the risk that no such exchange is possible at all and that no market is available for this purpose.

The historical market price of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket or its/their exchange rate(s) is not an indicator of its future development. It is not possible to predict whether the market price(s) of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket will rise in relation to another currency or fall.

g) Transactions in the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket may be misused for criminal activities, including money laundering.

Transactions in cryptocurrencies are public, but the exact identity of the sending party and the recipient of these transactions are not normally known. Transactions are largely untraceable and provide cryptocurrency consumers with a high degree of anonymity. It is therefore possible that the cryptocurrency networks will be used for transactions associated with criminal activities, including money laundering. If, as a result of the aforementioned, authorities close down trading platforms, impose regulations or otherwise restrict or complicate the use of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket, this may affect their value and therefore the value of the Notes.

h) Development of the Protocols of the Cryptocurrencies.

The protocols of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket (the "Protocols") are publicly available and under development. Further development and acceptance of each of the Protocols is dependent on a number of factors. The development of the Protocols may be prevented or delayed, should disagreements between participants,

developers and members of the relevant network arise. New and improved versions of the source code are accepted if the majority of members of the network implement relevant changes in their nodes, meaning upgrading their software to the latest version of the codes. Should a situation arise where it is not possible to reach a majority in the relevant network regarding the implementation of a new version of a Protocol, this may mean that, among other things, the improvement of relevant underlying Cryptocurrency's scalability may be restrained. Should the development of a Protocol be prevented or delayed, this may adversely affect the value of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket.

Further, as the structures of each of the Protocols are public, any kind of direct compensation for the developers of the Protocols is missing, which could lead to decreased incentives for continuous development of the Protocols. Should a Protocol not develop further, the value of the relevant underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket will decrease, which in turn would affect the value of the Notes.

i) Technical risks related to the Cryptocurrencies including 51 percent attacks.

Miners of the Cryptocurrencies earn ("mine") units of the relevant Cryptocurrency by confirming transactions and reaching consensus, and a pre-defined number of units of such Cryptocurrency is distributed between the miners proportional to their utilised computing ("hashing") power. The results of the reached consensus defined by the relevant Protocol is the public ledger known as the blockchain. If an attacker succeeds in providing more than 50 percent of the blockchain miners computing power in a so-called "51 percent attack", it can manipulate what is designed (by the relevant Protocol) to be a blockchain version reached by consensus to a certain extent (in particular, such an attacker will be able to 'roll back' or exclude valid transactions from the blockchain). Such an attack, in particular, enables perpetrators to 'double-spend' units of the relevant Cryptocurrency by a way of exchanging some pre-existing units of the relevant Cryptocurrency for some other value (either other units of the relevant Cryptocurrency, other crypto-asset or fiat currency), and then rolling-back the transaction where such perpetrators surrender their units of the relevant Cryptocurrency without rolling back the transactions (if any) where they receive any value in exchange for their units of the relevant Cryptocurrency. Such an attack is in principle also possible with less than 51 percent of the mining power. The attacker could also block others' transactions by denying them a

confirmation. The value of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket as well as the investment in the Notes would be negatively affected by such attacks, and the Issuer can become insolvent with some or total loss of value for the Noteholders if it becomes a victim of a 'double-spending' attack, where a fraudulent party will subscribe to the Notes using units of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket, but then roll-back the transaction which deposits units of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket to the Depositary Wallet.

In addition, the rapid development of quantum computing could have an impact on the integrity of the blockchain. A blockchain is a mathematical structure securing data through asymmetric cryptography (public and private keys) and a hash function (which is a cryptographic method used for mining the underlying Cryptocurrencies). Advanced quantum computing could threaten the integrity of a blockchain. Shor's algorithm, a quantum algorithm for finding the prime factors of an integer, run on a large enough quantum computer can crack various cryptographic algorithms, including the blockchain one. Cryptocurrencies are based on Elliptic Curve Cryptography which is not quantum-computer resistant. If the integrity of the blockchains of the underlying Cryptocurrency or any of the underlying Cryptocurrencies comprising the Basket is threatened, the value of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket as well as the value of the Notes would be negatively affected.

j) Bugs in the Protocols.

The source codes of the Cryptocurrencies is public and may be downloaded and viewed by anyone. There may be one or more bugs in the codes which are yet to be found and repaired, or which will occur in the development of the Protocols, which may jeopardize the integrity and security of the networks of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket.

k) Risk of losing units of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket in a Digital Wallet due to fraud, accident or similar.

Noteholders receiving units of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket 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 underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket are usually stored in a "digital wallet" on a computer, laptop or smart phone. Digital Wallets have a public key, and a private key or password that allows their owners to access them. However, Digital Wallets are not impervious to hacking. Similar to conventional wallets, money may therefore be stolen from Digital Wallets. Cases have been reported of consumers losing cryptocurrency in excess of USD 1,000,000, with little prospect of having it returned. In addition, loss of the key or password to a Digital Wallet (which includes unauthorised copy of the key or the password or a part of it), may result in cryptocurrency stored on the Digital Wallet to be lost forever. There are no central agencies that record passwords or issue replacement ones. Noteholders may lose all, or part, of their units of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket as a result of these factors.

I) Hacks of Digital Wallets.

There are three types of hacks of digital wallets that can affect an investment in the Notes. In this context, a "hack" refers to any unauthorised access to the private keys necessary to sign transactions on the blockchain transferring value out of the relevant digital wallet. This includes "brute force" attacks (i.e. attacks seeking to obtain the information regarding the private keys through a trial-and-error method, whereby software is used to generate a large number of consecutive guesses). While such attacks are currently unlikely, it should be noted that the development of quantum computing is expected to make such attacks possible, as the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket are based on Elliptic Curve Cryptography which is not quantum-computer resistant, see also "Technical Risks Related to the Cryptocurrencies including 51 percent attacks".

- A hack of the Depositary Wallet could result in the loss of the main body of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket backing the Notes. Such a hack could thus result in a loss of value of the Notes for all the Noteholders. Noteholders would risk losing their entire investment. While the Depositary takes significant measures to prevent a hack of the Depositary Wallet(s), it is not possible to entirely exclude this risk.
- A hack of a Noteholder's Digital Wallet into which the redemption proceeds of the Notes of a particular Noteholder are transferred, would only result in a loss of value for that particular Noteholder. Such a hack would not affect the

position of other Noteholders. In this respect, please also refer to "Risk of losing units of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket in a Digital Wallet due to fraud, accident or similar" above.

- A hack of any digital wallet of the Issuer which is not the Depositary Wallet would not directly affect Noteholders, but it could affect the financial and economic position of the Issuer and could result in the Issuer ceasing its commercial operations and winding-up its activities, which would adversely affect an investment in the Notes in particular due to a mandatory redemption.

m) Competition between cryptocurrencies.

Different cryptocurrencies compete with each other. If other cryptocurrencies see more innovation to reach competitive advantages, the importance of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket may be reduced, which will decrease the value of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket and the Notes.

n) Large-scale sales of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket.

Political or economic events, either domestically or in foreign jurisdictions, may motivate large-scale purchases or sales of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket. Large-scale sales of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket may result in a decline in the price of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket, which will adversely affect an investment in the respective Notes.

There are some substantial holdings of units of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket on publicly-known digital wallets which have not been involved in transactions on the network for a substantial period of time. Market consensus is that the owners of such digital wallets have lost access to them and/or to corresponding private keys. Thus, market consensus is that such units of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket "locked" in such digital wallets

are effectively excluded from circulation. In the event that holdings of a Cryptocurrency considered locked up forever were to enter into circulation, the price of such Cryptocurrency might be severely affected by the increasing supply.

Additionally, even if such holdings are not actually sold and there is any indication that corresponding private keys are not lost (by any means, including but not limited to registering any transaction signed by needed keys, no matter how small and not even necessarily on the relevant blockchain), market expectations with regard to total supply of the relevant Cryptocurrency can change dramatically and it can negatively affect the price of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket, which will adversely affect an investment in the Notes.

o) Actions by early adopters of the Cryptocurrencies.

There is no registry showing which individuals or entities own units of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket or the quantity of units of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket owned by any particular person or entity. It is possible, and in fact, reasonably likely, that a small group of early adopters hold a significant portion of units of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket that have been mined to date. There are no regulations in place that would prevent large Noteholders of units of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket from selling their holdings. Such a sale may adversely affect the price of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket and an investment in the Notes.

p) Potential decline in the adoption of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket.

As with all new assets and technological innovation, the crypto asset industry is subject to a high degree of uncertainty. Further adoption of each of the Cryptocurrencies will require (i) growth in their acceptance as currency for payments and/or (ii) growth in the use of blockchain applications based on the Cryptocurrencies. Adoption of crypto assets also requires an accommodating regulatory environment. The Issuer does not and will not have any strategy related to the development of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket and any applications for the blockchain

technology. Lack of expansion in the usage of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket and the relevant blockchains could adversely affect their price and investment in the Notes.

In addition, there is no assurance that the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket will maintain their value over the long term (see also "Price volatility of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket " and "Valuation of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket"). The value of each of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket is subject to risks related to its usage. Even if growth in the usage and/or acceptance of crypto assets such as the Cryptocurrencies occurs in the near or medium-term, there is no assurance that crypto assets usage will continue to grow over the long-term. Contraction in the use of crypto assets may result in increased volatility or a reduction in the price of crypto assets, including the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket, which would adversely impact the value of the Notes.

Additionally, it is possible that crypto assets as an asset class are widely adopted and successful, but the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket in particular become obsolete and are replaced by a new generation of crypto-assets, this could negatively affect the price of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket and consequently the price of the Notes.

q) Transaction costs may vary depending on network load (unpredictable for Issuer and Noteholder).

Charges apply when transferring units of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket as part of the redemption of the Notes in the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket. In case of a Basket, these charges apply to the transfer of the units of each underlying Cryptocurrency comprising the Basket. The amount of fees required to maximise the chances of a reasonably fast confirmation of the transaction does not depend on the value of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket transferred. The transferring participant can determine the transaction fees it is willing to pay. The higher this value is, the faster the transaction will be confirmed. When miners form

new blocks, they are economically incentivised to select those transactions from the pool of unconfirmed transactions (known as the "Mempool") that have the highest transaction fee. Such selection is necessary because the number of transactions which can be included in any particular block is limited by the relevant Protocol's specification. The transaction costs required to be paid in order to maximize the chances of timely processing of any transaction, are thus not constant over time, but depend on the size of the Mempools and on the proposed fees of transactions posted by other participants. Furthermore, miners may collude in an anticompetitive manner in order to reject low transaction fees, forcing users to pay higher transaction fees. Due to the reasons outlined above, the level of transaction fees required to maximise the chances of prompt transfer instruction processing, as well as the actual timing of any transaction is therefore unpredictable and Noteholders might receive the units of the relevant underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket later than anticipated, or in extreme cases, not at all.

r) Amplification of risks in case of a Basket of underlying Cryptocurrencies

If a Series of Notes is linked to a Basket of Cryptocurrencies, fluctuations in the value of or the realisation of any of the risks set out above in relation to a single Cryptocurrency contained in the Basket may either be offset or amplified by fluctuations in the value of the other Cryptocurrencies comprising the Basket. Accordingly, the market value of the Notes linked to the Basket may deviate from the performance of the Basket and/or the underlying Cryptocurrencies comprising the Basket as, among other factors, correlations, volatilities and the general market interest rate level may have an additional influence on the performance of the Notes.

2.2.4 Risks relating to the admission of the Notes to trading

a) The Notes do not have an established trading market and an active trading market for the Notes may not develop.

Each Series of Notes represent a new issue of securities for which there is currently no established trading market. Although the Issuer intends to obtain admission of the relevant Series of Notes to trading on Deutsche Börse Xetra, Euronext Paris, Euronext Amsterdam and SIX Swiss Exchange and may also apply to any further stock exchange in or outside the European Economic Area for the Notes to be admitted to trading on the regulated markets of any such stock exchange, there

can be no assurance that a market for the relevant Series of Notes will develop or, if it does develop, continue or that it will be liquid, thereby enabling investors to sell their Notes when desired, or at all, or at prices they find acceptable or at prices which are expected due to a particular price of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket.

The specific risk is that Noteholders may not be able to sell Notes readily or at prices that will enable investors to realise their anticipated yield.

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

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

2.2.5 Taxation risks relating to the Notes

Tax Risk related to Cryptocurrencies or underlying Cryptocurrencies comprising the basket

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

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

No tax gross-up.

The Issuer will make all payments under the Notes without withholding or deducting present or future taxes, duties or charges of whatever nature unless the

Issuer or any third person is required by applicable law to make any such payment with respect to the Notes. Holders face the risk that they will need to make such payments themselves which could significantly lower their yield, which in turn may result in a Bondholder's loss of investment in the Bonds. Therefore, potential investors should consult with their tax advisors with regard to the tax treatment in this context if investing in the Bonds.

3. IMPORTANT NOTICE

The Base Prospectus should be read and construed with any supplement hereto and with any other documents incorporated by reference and, in relation to any issue of a Series of Notes, with the relevant Final Terms.

*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.

The validity of this Base Prospectus (incl. Supplements, if any) will expire on 21 November 2022. There is no obligation to supplement a base prospectus in the event of significant new factors, material mistakes or material inaccuracies if a base prospectus is no longer valid.

The Final Terms in respect of any Series of Notes will include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of each Series of Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of each Series of Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "MiFID Product Governance Rules"), any dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither any dealer(s) nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

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.

3.1 Investment and redemption restrictions

Prospective investors should satisfy themselves that an investment in a Series of Notes would comply with any laws, regulations or guidelines applicable to them and would be in line with their individual investment objectives, especially in regard of a redemption of the Notes by way of delivery of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket. If a Noteholder is unable to receive the underlying Cryptocurrency or any or all of the underlying Cryptocurrencies comprising the Basket due to legal or regulatory reasons (such as Undertakings for Collective Investment in Transferable Securities (UCITS) within the meaning of Article 1 of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009), the Notes will not be redeemed by delivery of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket. Instead, Section 4 of the Terms and Conditions provides for a mechanism, according to which the Notes will be redeemed in USD in an amount corresponding to the USD Reference Price (for a detailed description, see Section 10.2.8 – Redemption of the Notes). If any prospective investor is in any doubt with regard to its ability to invest in the Notes or to receive units of the relevant underlying Cryptocurrency or units of any or all of the underlying Cryptocurrencies comprising the Basket, it should consult a professional advisor prior to making an investment.

3.2 The Notes may not be a suitable investment for all investors.

Each potential investor in a Series of Notes must determine the suitability of its investment in light of its own circumstances. In particular, each potential investor should:

have sufficient knowledge and experience to make a meaningful evaluation of the relevant Series of Notes, the merits and risks of investing in a Series of Notes and the information contained or incorporated by reference in this Base Prospectus and the Final Terms relating to such Series of Notes;

have access to and knowledge of appropriate analytical tools to evaluate (in the context of its particular financial situation and the investment(s) it is considering) investing in a Series of Notes and the impact the investment in such Series of Notes will have on its overall investment portfolio;

have sufficient financial resources and liquidity to bear all of the risks of investing in a Series of Notes;

understand thoroughly the terms of a Series of Notes and be familiar with the financial markets; and

be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The specific risk is that if investing in a Series of Notes turns out to be not a suitable investment for such investor, due to the factors set out above, such investor may suffer a substantial loss (including a total loss) which may negatively impact its overall investment strategy.

4. RESPONSIBILITY STATEMENT

Iconic Digital Assets AG with its registered office at Landstrasse 36, 9495 Triesen, Principality of Liechtenstein accepts responsibility for the information contained in this Base Prospectus and declares to the best of its knowledge that the information contained in this Base Prospectus is in accordance with the facts and that the Base Prospectus makes no omission likely to affect its import.

By approving this Base Prospectus, FMA assumes no responsibility as to the economic and financial soundness of the transaction and the quality or solvency of the Issuer.

5. DISCLOSURE REGARDING FORWARD LOOKING STATEMENTS

This Base Prospectus contains forward looking statements. Forward looking statements provide the Issuer's current expectations or forecasts of future events. Forward looking statements include statements about the Issuer's expectations, beliefs, plans, objectives, intentions, assumptions and other statements that are not historical facts. Words or phrases such as "anticipate", "expect", "intend", "plan", "potential", "predict", "project" or "will", may identify forward looking statements, statements regarding the Issuer's disclosure concerning its operations, cash flows, capital expenditure and financial position.

Investors are cautioned that forward looking statements are not guarantees of future performance. Forward looking statements may, and often do, differ materially from actual results. All forward looking statements in this Base Prospectus speak only as of the date of this Base Prospectus, reflect the Issuer's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Issuer's operations, results of operations, growth strategy and liquidity. Investors should specifically consider the factors identified in this Base Prospectus which could cause actual results to differ before making an investment decision. All of the forward looking statements made in this Base Prospectus are qualified by these cautionary statements. The Issuer undertakes no obligation to update or review any forward looking statement, whether as a result of new information, future developments or otherwise. All subsequent written and oral forward looking statements attributable to the Issuer or individuals acting on behalf of the Issuer are expressly qualified in their entirety by this paragraph.

6. CONSENT TO THE USE OF THE BASE PROSPECTUS

Each financial intermediary (including Authorised Participants) subsequently reselling or finally placing a Series of Notes - if and to the extent this is so expressed in the Final Terms relating to a particular Series of Notes - is entitled to use this Base Prospectus in Germany, Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Greece, Italy, Liechtenstein, Luxembourg, Malta, The Netherlands, Norway, Poland, Portugal, Slovenia, Slovakia, Spain, Sweden and

Switzerland for the subsequent resale or final placement of the Notes comprised in such Series of Notes during the relevant offer period (as set out in the relevant Final Terms) during which a subsequent resale or final placement of the Notes can be made, provided however, that this Base Prospectus is still valid in accordance with the Prospectus Regulation. The Issuer accepts responsibility for the information given in this Base Prospectus also with respect to such subsequent resale or final placement of the Notes.

The Issuer's consent to use this Base Prospectus for the subsequent resale or final placement of Notes by the financial intermediaries may be restricted to certain jurisdictions and subject to conditions as stated in the relevant Final Terms.

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

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

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

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

7. REASONS FOR THE OFFER

In the primary market, the Notes will be initially purchased by Authorised Participants from the Issuer exclusively with the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket. Units of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket received by the Issuer through the subscription of the Notes will be transferred to the Depositary Wallet and pledged by a security agreement for the benefit of the

Noteholders, the Security Trustee and the Noteholders' Representative (if appointed).

The Issuer intends to make profits with the issue of the Notes. The Issuer makes profit through charging subscription fees, certain redemption fees and ongoing fees corresponding to the Diminishing Entitlement Rate (as specified in the relevant Final Terms in relation to each Series of Notes) on the Units of the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket received as proceeds for the subscription of the Notes and deposited in the Depositary Wallet in relation to each Series of Notes.

The Issuer will bear any and all costs related to the establishment and ongoing maintenance of the Issuer as well as to the Series of Notes, no such costs will be deducted from assets received in the course of subscription.

8. GENERAL INFORMATION ABOUT THE ISSUER

8.1 General Information

The legal name of the Issuer is Iconic Digital Assets AG (the **Issuer**). The commercial name is Iconic. The Issuer has initially be established with the name "Iconic Funds Digital Assets AG" with its name being changed to Iconic Digital Assets AG on 4 November 2021.

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

The Issuer is a Liechtenstein society limited by shares (*Aktiengesellschaft*) and incorporated under the laws of Liechtenstein. The Issuer maintains its principal place of business in Liechtenstein and operates under the laws of Liechtenstein. The Issuer has its corporate seat, registered office and principal place of business in Landstrasse 36, 9495 Triesen, Principality of Liechtenstein, and is registered with the commercial register of the *Amt für Justiz* under Register number FL-0002.663.919-3. The telephone number of the Issuer is +49 69 58 99 66 80.

The Issuer's articles of association were agreed upon and issued on 23 July 2021. The Issuer was incorporated on 28.07.2021.

Legal Entity Identifier (LEI) of the Issuer is 529900RM243OV5SVNL95.

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

The Issuer does not carry out crypto-custody-business within the meaning of section 1 (1a) sentence 2 no 6 of the German Banking Act ("KWG") or Art 2 section 1 lit n) of the Liechtenstein Law on Tokens and VT Service Providers ("**TVTIG**", the "**Blockchain Act**") and is therefore not required to obtain a license or to register pursuant to TVTG. While the Notes are secured with the underlying Cryptocurrency or the underlying Cryptocurrencies comprising a Basket, 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 Depositary.

8.2 Corporate Purpose

Pursuant to Art 3 of the Issuer's articles of association, the objective of the Issuer is to conduct trading activities, in particular in relation to cryptocurrencies, as well as financial and legal transactions of all kinds. In order to finance these and the aforementioned activities, the Company issues financial instruments to raise capital (in particular debt capital) on the capital market.

The Company may acquire, manage and sell participations in other companies and associations (including service companies and/or production companies) in Switzerland and abroad; act as a holding or parent company; finance participations in companies (including granting loans and increasing share capital); acquire, manage and sell real estate and tangible assets of all kinds in Switzerland and abroad; and generally take all actions and enter into all legal transactions that are related to the management of the Company or serve its purpose.

All activities, the exercise of which require a special legal authorization or approval by the Financial Market Authority, are excluded from the purpose and scope of activities of the Company.

8.3 Principal Activities of the Issuer

The principal activities of the Issuer are the issuance of notes (including the Notes contemplated to be issued with this Prospectus), the performance of which is

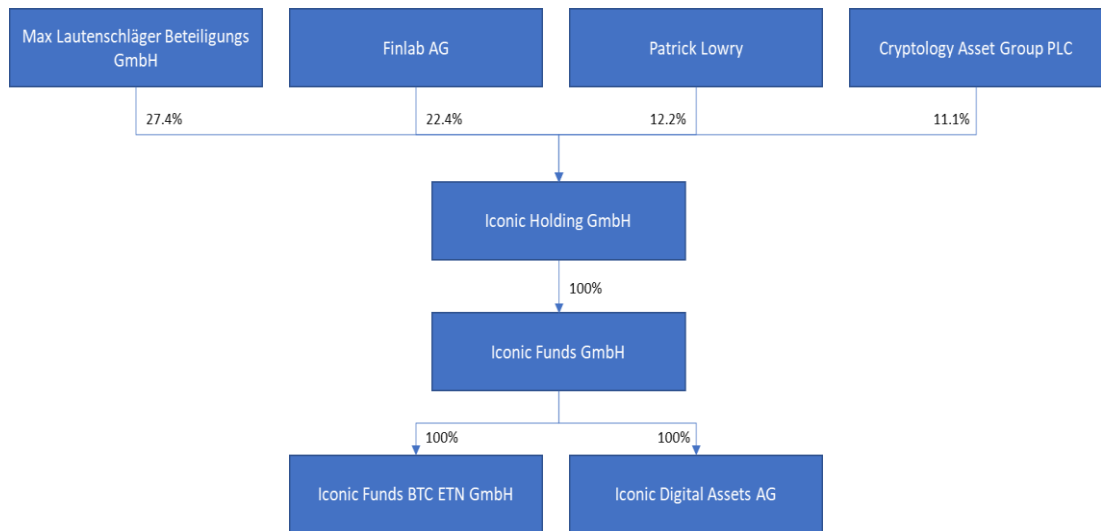
backed by the performance of an underlying consisting of cryptocurrencies. The Issuer intends to use the net proceeds (after deduction of fees) of the issuance of the Notes in full to purchase a corresponding stock in the relevant cryptocurrencies or to transfer Cryptocurrencies received through subscription to a Depository Wallet to be pledged in order to secure the investors interests under the Notes. In order to make profit, the Issuer will charge an annual fee to the Noteholders of the notes issued by the Issuer. The fees will be charged by deducting a portion of the crypto currency stock purchased with the net proceeds of the issuance of the Notes.

The Notes are intended to be primarily sold to Authorised Participants, who in turn may sell the Notes to investors including retail investors. The Issuer intends to offer the Notes in Liechtenstein, Germany and any other country in the European Union where notifications in the meaning of Art 24 of the Prospective Regulation are made to.

8.4 Organisational Structure

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

The following chart provides an overview of the structure of the group of which the Issuer forms part as of the date of this Base Prospectus:



The Issuer's sole shareholder is Iconic Funds GmbH.

The table below shows the major shareholders of the Holding Company with a stake of more than 10 percent as of the date of this Base Prospectus:

Iconic Holding GmbH	
Shareholder	Shares held (in per Cent)
Max Lautenschläger Beteiligungs GmbH	27.44
FinLab AG	22.35
Patrick Alan Lowry	12.19
Cryptology Asset Group PLC	11.14

The major shareholders of Iconic Holding GmbH are Max Lautenschläger Beteiligungs GmbH (approximately 27.44 per cent.), FinLab AG (approximately 22.35 per cent.), Patrick Alan Lowry (approximately 12.19 per cent.) and Cryptology Asset Group PLC (approximately 11.14 per cent).

Mr. Patrick Lowry is also the CEO and one of the two directors of Iconic Holding GmbH and a director of the Issuer. The second director of Iconic Holding GmbH is Mr. Max Lautenschläger.

As such, these shareholders may have significant (indirect) influence on the management of the Issuer. There can be no assurance that these shareholders or

their representatives will exercise their voting rights in a manner that (directly or indirectly) benefits the Issuer or Noteholders.

To avoid and mitigate the potential risk of (indirect) undue influence of major shareholders, two independent directors – Mr. Alexander Baker and Mr. Arno Sprenger (see 8.5 below) – were appointed to the management board of the Issuer.

There is a Management and Marketing Agreement between the Issuer and Iconic Funds GmbH dated around the approval date of the Prospectus related to accounting, the general management and administration of the Issuer by Iconic Funds GmbH, marketing of the Notes, administrative assistance in processing subscriptions to and redemptions of the Notes, and, in certain situations, IT support of the Issuer (which includes the support of the website of the Issuer).

8.5 Management Board

The Issuer is managed by its board members Patrick Alan Lowry, Alex Baker and Arno Sprenger.

Patrick Alan Lowry

Patrick Lowry, CEO and Co-Founder of Iconic, is also the CEO at Cryptology Asset Group. He is a venture capitalist and investor with over a decade of financial industry experience. Previously, Patrick was a PwC asset management auditor of clients such as Vanguard and Blackrock. He has worked many years in Private Equity and Venture Capital, most notably with Deutsche Börse, the German Stock Exchange. He holds an MBA and BS in Finance and Accounting and is a Licensed CPA.

Alexander Baker

Alexander Baker is a senior advisor at Griffin Trust AG and brings over ten years of experience in the Fiduciary Industry, combining the areas of Wealth Planning, Trust and corporate Administration and Compliance.

Alex is a member of the Society of Trust and Estate Practitioners and holds a Bachelor of Science in Business Administration from the University of Bern and a Master in Laws from Queen's College, University of London.

Arno Sprenger

Arno Sprenger is a member of the management board of Griffin Trust AG and a registered lawyer in Liechtenstein.

After graduating from the University of Fribourg, Switzerland, with a Masters in Law, Arno qualified as a solicitor in Liechtenstein in 2001.

From 2003 to 2010 he acted as vice-president of the Commission for Data Protection in Liechtenstein and during this time also became a Member of Society of Trust and Estate Practitioners. From 2008 to 2010, he chaired the Liechtenstein National Tax Commission and from 2012 to 2016 he presided at the Liechtenstein Real Property Transactions Commission.

There are no foreseen potential conflicts of interest between any duties to the Issuer of its board members and their private interests and other duties.

The business address of the board members is the same as that of the Issuer.

8.6 Share Capital

The registered share capital of the Issuer amounts to EUR 50,000 split in 50'000 registered shares à EUR 1.00 each. The share capital has been fully paid up. All shares carry the same rights and obligations. The shares were created under Liechtenstein law.

8.7 Fiscal Year

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

8.8 Auditors

The independent auditors (*Wirtschaftsprüfer*) of the Issuer are Baker Tilly (Liechtenstein) AG, Landstrasse 123, 9495 Triesen, Liechtenstein.

8.9 Interests of natural and legal persons involved in the Issuance/Offer

If not specified otherwise in 8.4 above or in the Final Terms for a Series of Notes, there are no material interests, in particular, no potential material conflicts of interest with service providers or in relation to the public offering or the admission to trading of the Notes.

8.10 Material contracts and transactions

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

- German Security and Security Trust Agreement entered into between the Issuer and Bankhaus von der Heydt in its function as the Security Trustee dated around the approval date of the Prospectus. The German Security and Security Trust Agreement provides a security interest in favour of the Security Trustee for the benefit of the Noteholders and other secured parties. The German Security and Security Trust Agreement is governed by the laws of the Federal Republic of Germany.
- Cryptocurrency Security Agreement entered into between the Issuer and Bankhaus von der Heydt in its function as the Security Trustee dated around the approval date of the Prospectus. Pursuant to the Cryptocurrency Security Agreement, the Issuer grants a security in the Deposited Cryptocurrencies and any other assets held in the Depositary Wallet and the associated account of the Issuer maintained by the Depositary for the benefit of the Noteholders and other secured parties.
- Custodial Services Agreement between the Issuer and Coinbase Custody International Limited in its function as the Depositary dated around the approval date of the Prospectus relating to the Cryptocurrencies which are held on the Depositary Wallet for repayment to the Noteholders.
- Agreements with Authorized Participants relating to the initial purchase of Notes and the marketing of the same with Flow Traders BV, Enigma Securities Ltd, Jane Street Financial Limited and DRW Europe B.V. dated around the approval date of the Prospectus.

- Administration Agreement entered into between the Issuer and the Administrator dated around the approval date of the Prospectus relating to the calculation of the USD reference price of the Notes based on the holdings of the Cryptocurrencies deposited at and reported by the Depositary appointed by the Issuer based on the benchmark price as determined by the Issuer.
- Listing Agreement entered into between the Issuer and Quirin Privatbank AG dated around the approval date of the Prospectus relating to Quirin Privatbank AG acting as Listing Agent for the Notes issued under the Programme;
- Management and Marketing Agreement between the Issuer and Iconic Funds GmbH dated around the approval date of the Prospectus related to accounting, the general management and administration of the Issuer by Iconic Funds GmbH, marketing of the Notes, administrative assistance in processing subscriptions to and redemptions of the Notes, and, in certain situations, IT support of the Issuer (which includes the support of the website of the Issuer).

8.11 Trend information

There has been no material adverse change in the prospects of the Issuer since 23 July 2021, the date of its opening balance sheet.

There has been no significant change in the financial performance of the group of which the Issuer forms part since 23 July 2021, the date of the Issuer's opening balance sheet.

8.12 Significant changes in the financial position

There has been no significant change in the financial position of the group of which the Issuer forms part since 23 July 2021, the date of the Issuer's opening balance sheet.

8.13 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 the Issuer's incorporation, a significant effect on the financial position or profitability of the Issuer.

9. HISTORICAL FINANCIAL INFORMATION

The Issuer was incorporated on 28.07.2021, thus, no financial information except information provided in the opening balance sheet as of 23 July 2021 is available.

The Opening Balance Sheet has been prepared in accordance with the Liechtenstein Persons and Companies Act (PGR) and has neither been audited nor reviewed by the auditors of the Issuer.

The Financial Statements of the Issuer will, starting with the balance sheets as per 31.12.2021, be prepared in accordance with International Financial Reporting Standards ("**IFRS**") as adopted in the European Union (the "**EU**").

The fiscal year of the Issuer commences on 1 January and ends on 31 December. The first financial statements of the Issuer will be prepared as of and for the year ended 31 December 2021.



Baker Tilly (Liechtenstein) AG
Landstrasse 123
9495 Triesen

T: +423 399 03 88
F: +423 399 03 89

info@bakertilly.li
www.bakertilly.li

Mwst-Nr. 58 767
HR-Nr. FL-0002.484.242-4

Iconic Funds Digital Asset AG i.G.
9495 Triesen

Bericht der Revisionsstelle
Eröffnungsbilanz per 23. Juli 2021

ADVISORY • ASSURANCE • TAX

Baker Tilly (Liechtenstein) AG trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.



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**Bericht der Revisionsstelle an die Generalversammlung der
Iconic Funds Digital Assets AG i.G., 9495 Triesen**

Als Revisionsstelle haben wir die Eröffnungsbilanz vom 23. Juli 2021 der Iconic Funds Digital Assets AG i.G. geprüft.

Für die Eröffnungsbilanz ist der Verwaltungsrat verantwortlich, während unsere Aufgabe darin besteht, diese zu prüfen und zu beurteilen. Wir bestätigen, dass wir die gesetzlichen Anforderungen hinsichtlich Befähigung und Unabhängigkeit erfüllen.

Unsere Prüfung erfolgte nach den Grundsätzen zur Abschlussprüfung (GzA, Ausgabe 2001), wonach eine Prüfung so zu planen und durchzuführen ist, dass wesentliche Fehlaussagen in der Jahresrechnung mit angemessener Sicherheit erkannt werden. Wir prüften die Posten und Angaben der Eröffnungsbilanz mittels Analysen und Erhebungen auf der Basis von Stichproben. Ferner beurteilten wir die Anwendung der massgebenden Rechnungslegungsgrundsätze, die wesentlichen Bewertungsentscheide sowie die Darstellung der Jahresrechnung als Ganzes. Wir sind der Auffassung, dass unsere Prüfung eine ausreichende Grundlage für unser Urteil bildet.

Gemäss unserer Beurteilung vermittelt die Eröffnungsbilanz ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft. Ferner entsprechen die Buchführung und die Eröffnungsbilanz dem liechtensteinischen Gesetz und den Statuten.

Wir empfehlen die vorliegende Eröffnungsbilanz zu genehmigen.

Triesen, 28. Juli 2021

Baker Tilly (Liechtenstein) AG

Horst Büchel
(Wirtschaftsprüfer
leitender Revisor)


Christian Gmür
(eidg. dipl. Wirtschaftsprüfer)

Beilagen:

- Eröffnungsbilanz vom 23. Juli 2021

ADVISORY · ASSURANCE · TAX

Baker Tilly (Liechtenstein) AG trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

Iconic Funds Digital Assets AG i.G.
9495 Triesen

Eröffnungsbilanz per 23. Juli 2021

(EUR)

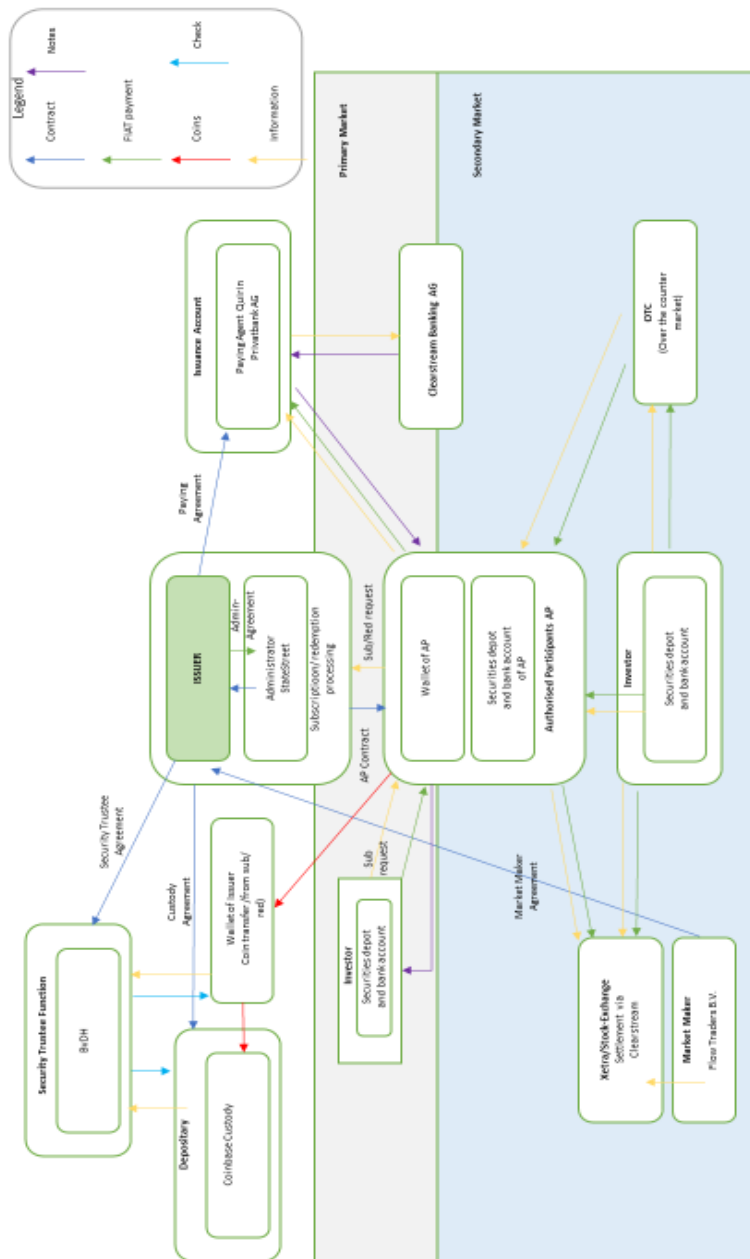
	<u>23.07.2021</u>
AKTIVEN	
A. Umlaufvermögen	
I. Kapitaleinzahlungskonto	50'000
Total Umlaufvermögen	<u>50'000</u>
TOTAL AKTIVEN	<u>50'000</u>
PASSIVEN	
A. Eigenkapital	
I. Gezeichnetes Kapital	<u>50'000</u>
Total Eigenkapital	<u>50'000</u>
TOTAL PASSIVEN	<u>50'000</u>

Triesen, 28. Juli 2021


Der Verwaltungsrat

10. GENERAL DESCRIPTION OF THE NOTES

10.1 Diagram on subscription, purchase, sale and security



As shown in the diagram above, each prospective investor, who is not an Authorised Participant, has two means to invest in the Notes (as further explained in section 10.2. Description of the Notes - Form of Notes).

10.1.1 Purchase directly from Authorised Participant

An investor cannot purchase the Notes directly from the Issuer in the primary market. An investor may buy the Notes directly from an Authorised Participant. In order to do so, prospective investors interested in purchasing Notes may contact the Authorised Participants for the relevant Series of Notes via the channels of communication (such as, for example, telephone, fax or e-mail) under the contact information set out in the table in section "14.1.1 Offer to the public" in the column "Authorised Participants acting as Offerors" and request for a subscription of the Notes. Authorised Participants may also directly contact their clients and other potential investors to offer such subscription of the Notes. The Notes may be purchased directly from Authorised Participants in both cryptocurrency/cryptocurrencies and fiat-currency, depending on which kind of currency is accepted by the relevant Authorised Participant, whereby each Authorised Participant may charge a subscription fee from the investor who it is selling the Notes at its own discretion.

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

Instead of purchasing the Notes via an Authorised Participant an investor may also purchase the Notes in the secondary market from any person (i) via the relevant Stock Exchange (in case of Notes admitted to trading on a stock exchange) or (ii) over the counter. Notes can be purchased by prospective investors with any currency accepted by the Seller or according to the rules of the stock exchange or market place.

10.2 Description of the Notes

10.2.1 Form of Notes

Notes issued under this Base Prospectus are issued under German law and are non-subordinated debt securities (nicht nachrangige Schuldverschreibungen) without par value within the meaning of § 793 of the German Civil Code (Bürgerliches Gesetzbuch) and are being issued in bearer form at an initial issue

price as specified in the Final Terms (the **Initial Issue Price**). The Notes do not provide for interest payments and do not have a fixed maturity date.

THE NOTES ARE NO UNITS IN AND DO NOT CONSTITUTE COLLECTIVE INVESTMENT SCHEMES within the meaning of § 1 Abs. 1 S. 1 of the German Investment Code (Kapitalanlagegesetzbuch - KAGB) or the Liechtenstein Law on Organisms for collective investments in transferable Securities (UCITSG), the Liechtenstein Law on Alternative Investment Fund Managers (AIFMG) or the Liechtenstein Law on Investment Undertakings (IUG).

Only Authorised Participants may purchase Notes directly from the Issuer in the primary market, and these Notes can only be subscribed for with units of the relevant underlying Cryptocurrency or units of the underlying Cryptocurrencies comprising the Basket in the case of a Series of Notes linked to a Basket. For the avoidance of doubt, if Notes are subscribed for with units of the underlying Cryptocurrencies comprising a Basket, Authorised Participants are required to transfer units of each of the underlying Cryptocurrencies comprising the Basket in an amount per unit of the Basket as further specified in the relevant Final Terms of each Series of Notes.

In the secondary market, Notes can be purchased by prospective investors with any accepted currency.

10.2.2 Depository Wallet

Units of Cryptocurrencies received by the Issuer through such transactions will be transferred to a depository wallet operated by the relevant Depository (the "Depository Wallet") which is/are pledged as security in favour of the Noteholders of a particular Series of Notes, the Security Trustee itself and the Noteholders' Representative (if appointed) (for a detailed description of such security and the relevant agreements, see "10.3. Description of the Security"). In case of a Basket of underlying Cryptocurrencies, the units of each of the underlying Cryptocurrencies comprising the Basket will be transferred to a separate depository wallet specifically operated for each individual Cryptocurrency comprising the Basket. The Issuer will procure that at any given time it holds such amount of the underlying Cryptocurrency or units of the underlying Cryptocurrencies comprising the Basket on the Depository Wallet which is equal to or exceeds the Secured Obligations Amount.

No restrictions or limitations are foreseen for the Issuer with regard to its property and assets including the assets held in the Depository Wallet (except in case of enforcement). As a result, the Issuer could transfer its property or assets or furnish securities at its discretion. This fact could have a negative impact on the Issuer's profitability, and fundraising capacity.

10.2.3 Staking

The Issuer may use the Series Assets for Staking if so specified in the relevant Final Terms:

Introduction

Crypto staking is a trend that has emerged in response to the growing energy demand resulting from Proof-of-Work (PoW) protocols such as the one used by the bitcoin (BTC) blockchain to validate transactions. In essence, staking cryptocurrency involves acquiring and setting aside a certain number of tokens that will be used to validate the transactions made through the blockchain. This innovative protocol, known as Proof-of-Stake (PoS), is less energy-intensive as it eliminates, or at least reduces, the need for using a lot of mining equipment to keep the blockchain secure.

Staking can only be done in a network that supports a PoS protocol. As the number of PoS-based networks continues to grow, new alternatives to stake crypto have emerged including the launch of group staking, also known as staking pools, staking providers, and cold staking.

Staking means that by simply holding coins, the Noteholder becomes an important piece in a network's security infrastructure and is compensated accordingly. In order to participate in staking, users have to lock their coin holdings by following the procedure indicated by the developers of each particular network. Staking income is offered in the form of interest paid to the Noteholder, while rates vary from one network to the other depending on several factors including supply and demand dynamics.

Staking pools aim to increase the compensation obtained from staking tokens of a certain network by upping the number of coins staked at a given point in time.

In most cases, the higher the number of staked coins, the higher the number of transactions a given node will be assigned to validate. Nodes are ranked, in most cases, based on the number of tokens they hold. As a result, the nodes that hold the largest number of tokens will often receive higher compensation, which is the reason why staking pools have become so popular these days.

On the other hand, a user can stake tokens for a certain period – known as fixed staking. Some providers are also offering the possibility of entering a more flexible scheme in which the user can withdraw their tokens at any given point – known as flexible staking.

The rigid nature of fixed staking results in higher interest rates offered to the Noteholder, while flexible staking tends to offer less attractive terms.

Staking involves certain risks such as possible cybersecurity incident that could result in the loss of tokens held within a certain exchange or online wallet. Another risk of staking results from potential downturns in the price of the crypto asset during the staking period. Since staking works by locking coins, these coins will not be available to be liquidate or transferred for a certain period of time.

Finally, there is a risk associated with the uptime of the validator node that is holding staked tokens. In most cases, networks penalise a validator if its ability to process transactions is affected, which means that staking income could be diminished by any disruptions in the validator up time.

The risk factor for staking is the so called “slashing risk”, that occurs when a validator in a staking network is either offline for a prolonged period of time or votes for two states of the blockchain simultaneously (“double voting”).

Staking of Series Assets

If so specified in the relevant Final terms, the Issuer may use direct staking services offered by Coinbase Custody International Ltd. e.g. for *Cosmos*, *ETH2*, *Polkadot* and *Tezos*. These or other assets can be delegated to any validator but do not move out of Coinbase Custody International Ltd. and remain within control of the Security Trustee.

Investors would be eligible to receive 100% of the staking returns (less fees) whether that is through an increase in Coin Entitlement or through regular coupons (as specified in the Final Terms of each respective Series of Notes).

10.2.4 Lending

The Issuer may use the Series Assets for Lending is so specified in the relevant Final Terms:

The Issuer may enter into lending arrangements on the basis of which it lends certain Cryptocurrencies or Cryptocurrencies that are Components of a Basket to third parties. In such a case, the third party will post Collateral in the form of other Cryptocurrencies or cash or cash equivalents.

In order to mitigate the Issuer's and the Investors indirect credit risk exposure to any parties to a lending arrangement, the Lender must post eligible collateral assets (in form of other Cryptocurrencies or cash or cash equivalents) to the accounts of the Issuer held with a Depository with a market value at least equivalent to the value of the Cryptocurrencies or Cryptocurrencies that are Components of a Basket lent. Cryptocurrencies or Cryptocurrencies that are Components of a Basket may be lent to third parties over a period of time.

All of the Issuer's rights in any lending arrangement or assets posted back thereunder will be pledged to the Security Trustee acting on behalf of Investors.

The risks of lending the Cryptocurrencies or Cryptocurrencies that are Components of a Basket is a potential failure of such Cryptocurrencies or Cryptocurrencies that are Components of a Basket being returned when due. A default by the Borrower under such lending arrangements combined with a decrease in the value of the collateral assets that the borrower has posted back may result in a decrease of the Coin Entitlement.

Investors will be eligible to receive 100% of the lending returns (less fees) whether that is through an increase in Coin Entitlement or through regular coupons (as specified in the Final Terms of each respective Series of Notes).

10.2.5 Financial Derivative Instruments ("FDI")

FDI may only be used by the Issuer when required to replicate the product-specific investment strategy and policy defined in the respective Final Terms of the Series. FDIs may consist of futures contracts that are derived from the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket.

FDIs may be exchange-listed derivatives and traded on an exchange which is established in any member state of the European Union or in a member country of the OECD ("Regulated Exchange"). The Issuer may also use FDIs listed on digital asset exchanges when there is no FDI on a Regulated Exchange or where it is more cost efficient or more secure to replicate the investment index defined in the respective Final Terms of the Series.

10.2.6 Description of the underlying Cryptocurrencies or the underlying Cryptocurrencies comprising the Basket

According to the European Banking Authority's opinion on "virtual currencies" dated as of 4 July 2014, virtual currencies or cryptocurrencies "are a digital representation of value that is neither issued by a central bank or public authority nor necessarily attached to a fiat currency, but is accepted by natural or legal persons as a means of exchange and can be transferred, stored or traded electronically". In addition, all cryptocurrencies are based on the idea of a limited money supply. Unlike the money that central banks can 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".

From a Liechtenstein law perspective, currency tokens, such as Bitcoin, do neither qualify as legal tender nor as currency, coin or financial instruments but are, as of the date of this Prospectus, qualified as commodity by the Liechtenstein FMA.

The following list only constitutes examples of potential underlyings. Underlyings can also be other Cryptocurrencies or Cryptocurrencies comprising a Basket.

a) Bitcoin Cash

Bitcoin Cash is a cryptocurrency created in August 2017, from a hard fork of Bitcoin. Bitcoin Cash increases the size of blocks allowing more transactions to be

processed and to accelerate the verification process. Because Bitcoin Cash is able to process transactions more quickly than the Bitcoin network, the transaction processing times and fees tend to be lower.

b) Ethereum

Launched in July 2015, Ethereum is a cryptocurrency based on an open-source, blockchain-based, decentralised software platform (which is also called Ethereum). The cryptocurrency Ethereum is the second largest cryptocurrency after Bitcoin. Unlike Bitcoin or Bitcoin Cash, Ethereum was not established to create an alternative monetary system, but rather to facilitate and monetize the operation of the Ethereum smart contract and decentralised application (dapp) platform.

c) Litecoin

Launched in the year 2011 as a fork of Bitcoin, Litecoin is an alternative cryptocurrency based on the model of Bitcoin. Litecoin differs from Bitcoins in aspects like faster block generation rate, an increased total supply compared to Bitcoin and uses another new mining algorithm called scrypt.

d) Ripple (“XRP”)

Ripple is a blockchain protocol and cryptocurrency first released in 2012. The coin for the cryptocurrency is pre-mined and called XRP. The Ripple network, although decentralised as the Bitcoin network, is owned and operated by a private company with the same name. While Bitcoin is seeing increasing use by individuals and organisations as a virtual currency, the Ripple payment system is more popular among banks. RippleNet is a consortium of more than 200 financial institutions based in more than 40 countries, allowing the facilitation of cross-border payments.

10.2.7 Description of the Depositary

a) Coinbase Custody

Coinbase Custody operates as a standalone, independently capitalized business to Coinbase, Inc. Coinbase Custody is a fiduciary under NY State Banking Law. Coinbase insurance policy is provided by a global syndicate of A XV/A+ rated

insurers, including Lloyd's of London and coordinated by AON Risk Solutions, carries a \$320m limit (per-incident and overall), with Coinbase Global as the named insured.

The Issuer may, however, appoint another or additional Depositaries (differing from the initially appointed Depositary) under the Programme in relation to any existing or any future Series of Notes.

10.2.8 Redemption of the Notes

Notes will either be redeemed in units of the underlying Cryptocurrency or in units of the underlying Cryptocurrencies comprising the Basket. For the avoidance of doubt, if the Notes will be redeemed in units of the underlying Cryptocurrencies comprising the Basket, Noteholders will receive units of each of the underlying Cryptocurrencies comprising the Basket in an amount per Unit of the Basket as further described in the relevant Final Terms.

Given that the Notes will be redeemed in the underlying Cryptocurrency or the underlying Cryptocurrencies comprising the Basket, each Noteholder will require a Digital Wallet for the underlying Cryptocurrency in order to receive such units of the underlying Cryptocurrency or units of the underlying Cryptocurrencies comprising the Basket. In the case of the underlying Cryptocurrencies comprising the Basket, the Notes will be redeemed in units of all of the underlying Cryptocurrencies comprising the Basket, and a separate Digital Wallet for each of the underlying Cryptocurrencies comprising the Basket is required.

Where a Noteholder is prevented from having one or several Digital Wallets or receiving units of the underlying Cryptocurrency or units of the underlying Cryptocurrencies comprising the Basket, a Noteholder 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 (see 10.2.10 Sale of Notes in the secondary market). Alternatively, if such inability to receive units of underlying Cryptocurrency or units of the underlying Cryptocurrencies comprising the Basket is due to regulatory reasons, a Noteholder may also redeem the Notes in USD as described below.

For the avoidance of doubt, in case of a Basket of Cryptocurrencies, a Noteholder will be deemed unable to receive Units of the Basket, if it is unable to receive any or all of the underlying Cryptocurrencies comprising the Basket.

Notes will either be redeemed (a) at the Issuer's discretion upon the occurrence of a Mandatory Redemption Event at their Mandatory Redemption Price as further described below, or (b) upon exercise of a Put Option by a Noteholder at their Cryptocurrency Entitlement or – if a Noteholder is prevented from receiving units of the relevant Cryptocurrency or units of any or all of the underlying Cryptocurrencies comprising the Basket for legal reasons (such as Undertakings for Collective Investment in Transferable Securities (UCITS) within the meaning of Article 1 of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009), in particular due to regulatory provisions applicable to it – in USD at the USD Reference Price as described:

a) Mandatory Redemption

Notes may be redeemed by the Issuer at his discretion for important reasons (a **Mandatory Redemption Event** as further described in the Terms and Conditions) at their Mandatory Redemption Price.

The Mandatory Redemption Price per Notes will be (i) the Cryptocurrency Entitlement; or (ii) if a Noteholder is prevented from receiving units of the relevant Cryptocurrency or units of any or all of the underlying Cryptocurrencies comprising the Basket for legal reasons, in particular due to applicable regulatory provisions, an amount payable in USD corresponding to the USD Reference Price (as defined below).

"Cryptocurrency Entitlement" means, as at any Business Day, a Noteholder's claim against the Issuer in respect of each Notes, expressed as the number of units of the Cryptocurrency or Units of the Basket per Notes, and calculated by the Issuer in its sole discretion in accordance with the following formula (as further described in the Terms and Conditions):

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

Where:

"CE" means Cryptocurrency Entitlement;

"ICE" means Initial Cryptocurrency Entitlement (as defined in the Terms and Conditions);

"**DER**" means Diminishing Entitlement Rate (as defined below); and

"**n**" means Number of Days/365.

The **USD Reference Price** for the Notes is, as of the relevant determination date, the USD price per Cryptocurrency or Cryptocurrency Components of a Basket times the Cryptocurrency Entitlement according to the specified Index in the Final Terms, published each business day at 4:00 PM UK time, plus market value of FDIs.

For the avoidance of doubt, in case of Notes linked to underlying Cryptocurrencies comprising the Basket, the Cryptocurrency Entitlement refers to the specified number of units of each underlying Cryptocurrency contained in one Unit of the Basket. This means that a Noteholder will not receive units of a single Cryptocurrency, but units of all Cryptocurrencies comprising the Basket in an amount per B Notes as specified in the definition of "Basket" in the relevant Final Terms.

If a Mandatory Redemption Event occurs, the Issuer will publish a "**Redemption Notice**" on its homepage. In order for a Noteholder to receive the Cryptocurrency Entitlement, such Noteholder needs to (i) submit a duly completed mandatory redemption form (obtainable from the website of the Issuer) (the "**Mandatory Redemption Form**"), and any documents requested in such form for verification of the Noteholder's identity and (ii) transfer its Notes to the Issuance Account specified on the Mandatory Redemption Form free of payment.

If a Noteholder fails to perform (i) or (ii) within a forty-day period after the notice regarding the Mandatory Redemption has been published, the Issuer will treat such Noteholder as prevented from receiving units of the underlying Cryptocurrency or units of any or all of the Cryptocurrencies comprising the Basket for legal or regulatory reasons and redeem the relevant Notes in USD.

b) Put Option (Delivery option)

Each Noteholder may at any time in whole or in part redeem its Notes against payment of (i) the Cryptocurrency Entitlement; or (ii) if a Noteholder is prevented from receiving units of the relevant underlying Cryptocurrency or units of any or all of the underlying Cryptocurrencies comprising the Basket for legal reasons, in particular due to regulatory provisions applicable to it, the USD Reference Price.

In order to exercise the Put Option a Noteholder needs to (i) submit a duly completed put option exercise notice in the form obtainable from the website of the Issuer (the "**Put Option Exercise Form**"), including any documents requested in such form for verification of the Noteholder's identity, (ii) pay the Upfront Redemption Fee (if any) to an account specified by the Issuer, and (iii) transfer the Notes in relation to which the Put Option is exercised to the Issuance Account specified on the Put Option Exercise Form free of payment. Such Put Option Exercise Form shall include (among other information) the number of Notes being redeemed and information on the Noteholder's Digital Wallet(s).

c) Example Calculations for the option of a single underlying Cryptocurrency

The table below contains example calculations of the redemption proceeds of the Notes depending on (i) the time elapsed since the issuances of the Notes (Years since Issue Date), (ii) the future performance of the underlying Cryptocurrency based on an exemplary level of the underlying Cryptocurrency as of the date of the redemption of the Notes (Underlying Cryptocurrency ETH) and the fees applied to the Notes (Exercise Fee).

Calculations are based on the following assumptions:

- Initial investment at issuance date: EUR 10,000 / 5,000 notes
- Cost for one unit of ETH at issuance date: EUR 2,000
- ICE at issuance date: 0.001 per note
- DER of 0.95% per annum on a daily basis
- $CE = ICE \times (1 - DER)^{\wedge n}$

Years since issuance	CE per note	Underlying price in EUR	Gross redemption proceeds in EUR
0	0.001000000	2,000	10,000.00
1	0.000990500	1,500	7,428.75
5	0.000953394	6,000	28,601.82
10	0.000908960	11,500	52,265.20

10.2.9 Fees related to the redemption of the Notes

a) Redemption directly with the Issuer

A Noteholder may exercise its Put Option directly and request redemption directly from the Issuer. Notes will be redeemed in the underlying Cryptocurrency (or the underlying Cryptocurrencies comprising the Basket) to the Digital Wallet of the Noteholder unless a Noteholder is prevented from receiving units of the underlying Cryptocurrency or units of the underlying Cryptocurrencies comprising the Basket for legal reasons, in particular due to applicable regulatory provisions. In such case, the Noteholder may demand redemption in USD.

If a Noteholder decides to demand redemption directly from the Issuer and, irrespective of whether the repayment is made in the relevant Cryptocurrency or units of the underlying Cryptocurrencies comprising the Basket or in USD, the Issuer may charge a fee of up to 1.00 percent of the Cryptocurrency Entitlement for each Note in relation to which the Put Option is exercised (lower fees apply for redemptions by Noteholders who are Authorised Participants).

In addition, the Issuer may charge at its sole and absolute discretion an upfront redemption fee corresponding to a maximum amount to be specified in the relevant Final Terms (the "Upfront Redemption Fee"). No such Upfront Redemption Fee shall be payable if: (i) the number of Notes multiplied by the Cryptocurrency Entitlement (specified in the relevant Final Terms) and then multiplied by the Reference Price, in each case as of the date on which the Issuer receives the Put Option Exercise Form, is greater than or equal to USD 250,000; or (ii) no Authorised Participants are appointed by the Issuer; or (iii) the Outstanding Amount multiplied by the Reference Price (specified in the relevant Final Terms), in each case as of the date on which the Issuer receives the Put Option Exercise Form, is less than a certain threshold amount specified in relation to each Series of Notes in USD; or (iv) the Put Option is exercised by an Authorised Participant.

b) Redemption via an Authorised Participant

A Noteholder may exercise its Put Option through an Authorised Participant, if the Noteholder qualifies in accordance with client acceptance policies of the Authorised Participant (which the Issuer has no influence over). In such case, the Notes will be redeemed in the relevant Cryptocurrency or units of the underlying Cryptocurrencies comprising the Basket to the Digital Wallet of the Noteholder

unless a Noteholder is prevented from receiving units of the relevant Cryptocurrency or units of any or all of the underlying Cryptocurrencies comprising the Basket for legal reasons, in particular due to applicable regulatory provisions. In this case, the Noteholder, acting through an Authorised Participant, may demand redemption in USD.

For every redemption through an Authorised Participant and irrespective of whether the repayment is made in the relevant Cryptocurrency or units of the underlying Cryptocurrencies comprising the Basket or in USD, the Issuer will charge a fee which shall not exceed an amount equal to 0.50 percent of the Cryptocurrency Entitlement (and which will be specified in the relevant Final Terms) for each Notes in relation to which the Put Option is exercised.

No Upfront Redemption Fee will apply to redemption through an Authorised Participant. However, the Issuer has no influence on whether and to what extent the Authorised Participant will charge additional fees. These fees may vary depending on the Authorised Participant.

Additionally, the Issuer has no influence over client acceptance policies of the Authorised Participants, and prospective investors in the Notes shall be aware that it might not be possible for them to redeem the Notes through an Authorised Participant at all and the only way to realise the value of their investment in the Notes will be to redeem directly with the Issuer or sell the 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 (provided that a liquid market exists). In case a Noteholder is forced to redeem its Notes directly with the Issuer, see (c) "Redemption if no Authorised Participant has been appointed by the Issuer".

10.2.10 Sale of Notes in the Secondary Market

A Noteholder may sell its Notes on the stock exchange (in case of Notes admitted to trading on a stock exchange) or via an OTC market at any time (provided that a liquid market exists). The Issuer will not charge any fees. However, broker fees may be incurred.

10.3 Description of the Security

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

10.3.1 Security over Depositary Wallet

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

Pursuant to the Cryptocurrency Security Agreement, the Issuer grants a security in the deposited Cryptocurrencies and any other assets held in the Depositary Wallet and the associated account of the Issuer maintained by the Depositary (the "Depositary Account"), and certain proceeds of such assets, together referred to as the "Collateral". The security granted in the Collateral secures the Secured Obligations, as defined in the German Security and Security Trust Agreement.

Series Assets of a Series of Notes and any and all proceeds therefrom will be held separately from Series Assets and any and all proceeds therefrom of another Series of Notes and separate from the Issuer's own assets. In respect of any claims Noteholders have under this Base Prospectus and the Final Terms, Noteholders shall have recourse only to the Series Assets in respect of such Series of Notes and not to Series Assets of another Series of Notes or any other assets of the Issuer. If, following realisation in full of the Series Assets (whether by way of liquidation or enforcement) and application of available cash sums as provided Cryptocurrency Security Agreement and the Security Trustee Agreement, as applicable, any outstanding claim against the Issuer, whether secured or unsecured, remains unpaid, then such outstanding claim shall be extinguished and no debt shall be owed by the Issuer or any other party to this Programme in respect thereof.

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

The Depositary Account (Wallet) Control Agreement grants to the Security Trustee the right to take exclusive control of the Depositary Account upon a certain Event of Default, as defined in the Cryptocurrency Security Agreement, by delivering to the Depositary a "Notice of Exclusive Control". Following delivery of a Notice of Exclusive Control by the Security Trustee to the Depositary, the Issuer no longer has a right to withdraw assets from the Depositary Account but has a period of 30 (thirty) days during which the Issuer may contest the existence of an Event of Default. Following such thirty-day period, provided the Notice of Exclusive Control has not been rescinded by the Security Trustee upon direction by the Noteholders' Representative, the Security Trustee has the right to withdraw and dispose of the Deposited Cryptocurrencies and any other assets held in the Depositary Wallet and the Depositary Account for the purpose of paying the Secured Obligations.

The Security Trustee, which is appointed (and replaced, if applicable) by the Issuer, is legally required to verify compliance of the Issuer with (i) the Terms and Conditions of the Notes (in particular if there has occurred an Event of Default as set out in § 9 of the Terms and Conditions and (ii) the obligation of the Issuer to transfer Notes to a subscribing party once the appropriate subscription price was paid into the Depositary Wallet in case of Cryptocurrencies or on the banking account of the Issuer. The terms of the Depositary Wallet Control Agreement prevent the Issuer from transferring or disposing of any assets from the Depositary Account and / or the Depositary Wallet without consent of the Security Trustee, in the Event of Default.

10.3.2 Security over Issuer-owned Notes

Pursuant to the German Security and Security Trust Agreement described below, the Issuer has granted a pledge over the unsold or repurchased Notes held now or in the future in the name of the Issuer on the Issuance Account, or any other account(s) replacing or substituting this present Issuance Account for whatever reason, to which the pertinent co-ownership interests in the collective custody holdings (*Miteigentumsanteile am Girosammelbestand*) are being and shall exclusively be credited to.

10.3.3 German Security and Security Trust Agreement

The Issuer and the Security Trustee have entered into the German Security and Security Trust Agreement, pursuant to which the Security Trustee will be appointed to act as security trustee of and for the benefit of the Noteholders and other

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 the Security. In particular, the Security Trustee shall (i) hold, administer and enforce such Security which is assigned or transferred to it by way of security assignment (*Sicherungsabtretung*) or otherwise granted under a non-accessory security right (*nicht akzessorische Sicherheit*) and exercise its rights and discharge its duties under this Agreement as trustee (*Treuhänder*) for the benefit of the Noteholders; (ii) administer and enforce such Security which has been created by way of security assignment (*Sicherungsabtretung*) or otherwise transferred to it under an accessory security right (*akzessorische Sicherheit*); and (iii) act in relation to the Security in accordance with the terms and subject to the conditions of the German Security and Security Trust Agreement.

11. TERMS AND CONDITIONS

§ 1

Denomination, purchase price, form

- (1) *Denomination; Purchase Price.* The issuance of bearer notes (the **Notes**) of Iconic Digital Assets AG (the **Issuer**) under this Programme will commence with the issue of a Series of Notes on the **Series Issue Date** with a number of Notes as specified in the Final Terms. Notes will be issued without par value at an initial issue price as specified in the Final Terms (the **Initial Issue Price**). The Notes can only be subscribed for with units of the relevant underlying Cryptocurrency or units of the underlying Cryptocurrencies comprising the Basket in case of a Series of Notes linked to a Basket, in each case as further specified in the Final Terms of the relevant Series of Notes. Over time, the Issue Price changes pursuant to the formula set forth in clause (6) below.
- (2) *Securitisation.* The Notes of a Series of Notes are represented by a global bearer certificate (the **Global Note**). Individual certificates will not be issued. There is no right of the Noteholders (each a **Noteholder** and together the **Noteholders**) to the issue and delivery of individual Notes.
- (3) *Clearing System.* The Global Note representing the Notes will be deposited with Clearstream Banking AG, Frankfurt am Main (**CBF** or the **Clearing System**) until all obligations of the Issuer under the Notes have been fulfilled.
- (4) *Transferability.* The Noteholders are entitled to co-ownership interests in the Global Note, which may be transferred in accordance with the applicable law and the rules and regulations of the clearing system in force from time to time.
- (5) **Subscription Amount** means an amount of Notes to be received by an Authorized Participant in exchange for the units of the relevant Cryptocurrency or units of the underlying Cryptocurrencies comprising the Basket in the case of a Series of Notes linked to a Basket calculated with the following Issue Price formula:

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

The **CE** represents the Cryptocurrency Entitlement per Note due to the deduction of Fees of the Notes (subject to reduction by the Issuer).

The **Initial Issue Price (ICE)** on the Issue Date as specified in the Final Terms.

Fee refers to a certain percentage per annum accrued daily in relation to Cryptocurrencies under management and may be changed within the limits of § 4(2). The initial Fee will be determined in the Final Terms and may be adjusted by the Issuer in its reasonable discretion (*billiges Ermessen*) and in consideration of the relevant capital market practice and by acting in good faith by giving notice to the Noteholders. The Cryptocurrency Entitlement (CE) will be decreased daily by the defined percentage/365, i.e. when an investor has a claim on 1 ETH today, after exactly 365 days, his claim will have decreased to 0.9905 ETH.

N means the number of days since the Issue Date divided by 365 (act/365).

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

§ 2 Status, collateralization

- (1) *Status.* The Notes constitute direct, unconditional, secured and unsubordinated obligations of the Issuer for repayment (§ 5) and rank pari passu among themselves and with all other unsubordinated obligations of the Issuer, unless such obligations are given priority by mandatory statutory provisions. *
- (2) Each Note represents the right of the Noteholder to demand from the Issuer (a) delivery of Cryptocurrencies equal to the Cryptocurrency Entitlement, as of any Business Day, against the Issuer in respect of each Note, expressed as the amount of Cryptocurrencies per Note, and calculated in accordance with the formula in § 4 (5) or (b) payment of USD determined in accordance with § 5 (4).
- (3) *Security.* As continuing security for the payment and performance of the obligations of the Issuer to the Noteholders of the Notes, the Issuer assigns to the Security Trustee by way of assignment for the benefit of the Noteholders all its present and future claims, in particular claims for surrender, (i) in respect of the Cryptocurrencies deposited by the Issuer with the Depository or Depositories in their Wallets and (ii) in respect of the Notes owned by the Issuer (the **Security**).
- (4) *Security Release and Proceeds.* The Security will be released in accordance with the terms of the Security Trust Agreement.
- (5) *Appointment.* Any Security hereunder shall be held, managed and enforced by the Security Trustee on behalf of all present and future Noteholders in accordance with the Security Trust Agreement. The Security Trustee shall, in relation to third parties, act as the Noteholder of the Security and manage the same on behalf of the Noteholders. The detailed duties of the Security Trustee shall solely be governed by the Security Trust Agreement. Details of the terms and conditions of the Security shall be stipulated in the assignment for security agreement between the Security Trustee and the Issuer (the **Assignment Agreement**) as well as in a control agreement relating to the Wallet (the **Depository Account (Wallet) Control Agreement**). The Issuer shall make copies of the Security Trust Agreement, the Assignment Agreement and the Depository Account (Wallet) Control Agreement available for inspection by the Noteholders at the Issuer's principal place of business and on its website.

- (6) *Authorization.* Each Noteholder instructs and authorizes the Security Trustee (with the right of sub-delegation) to act as its security trustee (*Treuhänder*) and in particular (without limitation) to enter into and amend any documents evidencing Security, and to make and accept all declarations and take all actions it considers necessary or useful in connection with any Security on behalf of that Noteholder. The Security Trustee shall further be entitled to enforce or release any Security, to perform any rights and obligations under any documents evidencing Security and to execute new and different documents evidencing or relating to the Security.
- (7) Noteholders have to be aware that assets the Issuer obtained as proceeds of the issue of a series of notes including proceeds therefrom (the "**Series Assets**") will be held separately from Series Assets and any and all proceeds therefrom of another Series of Notes and separate from the Issuer's own assets. In respect of any claims Noteholders have under this Base Prospectus and the Final Terms, Noteholders shall have recourse only to the Series Assets in respect of such Series of Notes and not to Series Assets of another Series of Notes or any other assets of the Issuer. If, following realisation in full of the Series Assets (whether by way of liquidation or enforcement) and application of available cash sums as provided by the Cryptocurrency Security Agreement and the Security Trustee Agreement, as applicable, any outstanding claim against the Issuer, whether secured or unsecured, remains unpaid, then such outstanding claim shall be extinguished and no debt shall be owed by the Issuer or any other party to this Programme in respect thereof.
- (8) The Notes are obligations solely of the Issuer. In particular, the Notes will not be obligations of, or guaranteed by the Paying Agent, the Fiscal Agent, the Depositary, the Security Trustee, the Administrator or the Authorised Participants or any other partner or affiliate of the Issuer or any direct or indirect Noteholder of the Issuer.

§ 3
No interest

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

§ 4
No maturity, Fees, Repayment

- (1) *No final maturity.* The Notes do not have a Final Maturity Date. The Notes will be redeemed only upon notice by the Issuer or upon notice by the Noteholder (as each case is defined below).
- (2) *Fees:* The Issuer charges each Noteholder an annual fee as defined in the Final Terms (the **Fee**), calculated as a percentage of the assets under management and denominated in the Cryptocurrency or Cryptocurrencies under management (**CC-under-Management**). The Fee accrues on a daily basis starting on the Issue Date. The Issuer is entitled to calculate and charge the Fee in monthly installments. During the year, the Fee is payable on a monthly basis only to the extent and for as long as the Noteholder holds the Notes.

The Fee may be adjusted by the Issuer in its reasonable discretion by notice to the Noteholders pursuant to § 12, taking into account the respective customary capital market regulations and in consideration of the principle of good faith on each Adjustment Date (§ 4 para. 5) and shall apply from such Adjustment Date (inclusive) until the next following adjustment by the Issuer. The Issuer may, in addition to third party fees, charge a subscription fee to the Authorized Participant which shall not exceed 0.50 Percent (50 basis points) of the Subscription Amount.

The Issuer has no influence on whether and in which amount a respective Authorized Participant will charge additional fees when on-selling the Notes.

(3) *Mandatory Redemption Events*

- a. The Issuer **may** redeem the Notes (other than Notes for which the Noteholder has already requested redemption by notice pursuant to paragraph 3) in whole but not in part, at its option by **Notice of Redemption** to be published on the Issuer's website for reasons the Issuer considers, at its free discretion to be important, for example (but not limited to) if at least one of the following applies:
- i. A new or existing law or regulation or the interpretation of an existing law or regulation requires the Issuer to obtain a license, permit or authorization or to be regulated or supervised in any way in Germany or elsewhere in order to continue to comply with its obligations under these Terms and Conditions, but excluding the requirements to publish an approved prospectus in respect of the Notes; or
 - ii. a third party service provider, including the auditors, legal advisers, clearing system, Paying Agent, Administrator and Depository of the Issuer ceases to provide services to the Issuer and the Issuer fails to find a replacement within a reasonable time; or
 - iii. if the Issuer has been ordered by the competent court or otherwise required by law to make a compulsory redemption;

each and all together a "**Mandatory Redemption Event**".

- b. Any Notice of Redemption published by the Issuer pursuant to a. above shall be irrevocable and shall specify the date fixed for redemption, which shall be not less than 20 nor more than 40 Business Days after the date on which the Issuer gives the Notice of Redemption to the Noteholders (the **Redemption Date**).

Noteholders are required to (i) submit a Mandatory Redemption Form, published by the Issuer on the Issuers website together with the Redemption Notice, and any further documents requested in such form for verification of the Noteholder's identity to the Issuer and to (ii) transfer their Notes to the Issuance Account (specified in the Mandatory Redemption Form) free of charge and to do so within 21 days from publication of the Redemption Notice. Failing receipt of the documentation or Notes the Issuer will treat such Noteholders as prevented from receiving units of the underlying Cryptocurrency or Cryptocurrencies (in case of a Basket) and will redeem the Notes in USD.

(4) *Put Option of the Noteholders*

- a. Each Noteholder may at any time in whole or in part redeem its Notes against payment of (i) the **Cryptocurrency Entitlement** or (ii) if a Noteholder declares to be prevented from receiving units of the relevant underlying Cryptocurrency or any of it, the **USD Reference Price**.
- b. In order to exercise the Put Option, a Noteholder needs to (i) submit a duly completed put option exercise notice in the form obtainable from the website of the Issuer (the "**Put Option Exercise Form**") including any documents requested in such form for verification of the Noteholders identity, (ii) pay the Upfront Redemption Fee (if any) to an account stated in the Put Option Exercise Form and (iii) transfer the Notes in relation to which the Put Option is exercised to the "Issuance Account" specified in the Put Option Exercise Form within 21 days free of charge.
- c. For its services in connection with the termination of the Notes, the Issuer may charge a Redemption Fee of up to 1.00 per cent (100 basis points) and an Upfront Redemption Fee, both if so and in the amount as specified in the Final Terms.

- d. Further charges may be levied by Authorized Participants if the Put Option is not exercised directly with the Issuer.

(5) *Cryptocurrency Entitlement*

Cryptocurrency Entitlement (CE) means, as at any Business Day, the number of units of a Cryptocurrency or Units of the Basket of the Cryptocurrency per Note as calculated by the Issuer in its sole discretion in accordance with the following formula:

$$CE = ICE * (1 - DER)^n$$

Where:

CE means Cryptocurrency Entitlement

ICE means **Initial Cryptocurrency Entitlement**:

As of the Series Issue Date (as specified in the relevant Final Terms) of each Series of Notes, the Cryptocurrency Entitlement would correspond to the initially determined number of units of the relevant Cryptocurrency or Units of the Basket per Notes, i.e. Authorised Participants purchasing Notes from the Issuer would receive one Note for a specified number of units of the relevant Cryptocurrency or Units of the Basket, which is the Initial Cryptocurrency Entitlement.

DER means Diminishing Entitlement Rate, which is a fixed percentage as specified in the relevant Final Terms of each Series of Notes (subject to reduction by the Issuer), and

n means the number of days /365

Noteholders have to be aware that the Cryptocurrency Entitlement is limited to the Series Assets of the respective Series of Notes.

(6) **USD Reference Price**

If a Noteholder declares to be prevented from receiving units of the relevant Cryptocurrency or units of any or all of the underlying Cryptocurrencies comprising the Basket for legal reasons, in particular due to regulatory provisions applicable to it, the Notes may, upon request of the Noteholder, be redeemed in USD in an amount equal to the USD Reference Price. "USD Reference Price" is, as of the relevant determination date, the USD price per Cryptocurrency or Cryptocurrency Components of a Basket times the Cryptocurrency Entitlement according to the specified Index in the Final Terms, published each business day at 4:00 PM UK time.

§ 5

Currency and payments

- (1) *Currency*. Subject to applicable tax and other legal rules and regulations, payments due on the Notes will in the first place be made in the Cryptocurrency or in the Cryptocurrencies being the Underlying of the respective Series of Notes (the Cryptocurrency Entitlement), in specified cases in USD (the USD Reference Price).

- (2) *Payments on Capital in USD.* All payments in USD shall be made by the Issuer through the Authorized Participants and to the Clearing System or to its order and will be credited to the accounts of the relevant account Noteholders of the Clearing System provided that payments shall only be made to an account denominated in USD at a custodian bank affiliated with Clearstream.
- (3) *Payments on Capital in Cryptocurrencies and USD reference price.* All payments by the Issuer in Cryptocurrencies shall be made to the Authorized Participants for onward transmission to the Noteholder's Wallet.
- (4) *Fulfillment.* The Issuer shall be released from its payment obligation by payment of USD by the Authorized Participant or the clearing system or to its order or by transfer of the relevant Cryptocurrency or Cryptocurrencies (in case of a relevant Basket) to the Authorized Participant.
- (5) *Business Day.* If the day for any payment in respect of any Note is a day which is not a Business Day, the Noteholder shall not be entitled to payment prior to the next Business Day in the relevant place and shall not be entitled to claim interest or other compensation for such delay. For these purposes, **Business Day** means a day (other than a Saturday or Sunday) on which banks are open for general business in Frankfurt am Main and on which the Clearing System and all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 (TARGET2) are operational for the purpose of making payments.
- (6) *References to principal.* References in these Terms and Conditions to principal of the Notes include, to the extent applicable, the following amounts: redemption amount, fees and any premium or other amount payable on or in respect of the Notes, if any.
- (7) *Default.* If for any reason the Issuer fails to redeem the Notes when due, the outstanding amount shall bear interest from the due date (inclusive) until the date of actual redemption of the Notes (exclusive) at the statutory default interest rate pursuant to Sections 288(1), 247(1) BGB. The assertion of further damages in the event of a delay in payment is excluded.
- (8) *Deposit.* The Issuer is entitled to deposit with the Local Court (*Amtsgericht*) of Frankfurt am Main any capital which has not been claimed by the Noteholders within twelve months after the relevant Maturity Date, even if the Noteholders are not in default of acceptance. If and to the extent that such deposit is made and the right of redemption is waived, the Noteholder's claims against the Issuer in this respect shall lapse.
- (9) *Delivery and payments only outside the United States.* Notwithstanding any other provision in these Terms and Conditions, delivery or repayment of principal in respect of the Notes, whether in cash or otherwise, shall be made only outside the United States.

§ 6

Parties to the Programme

- (1) *Paying Agent.* The initially appointed paying agent and its initially designated office is:

Quirin Privatbank AG
Kurfürstendamm 119
10711 Berlin
Germany

The Paying Agent reserves the right at any time to replace its designated offices with another office in the same country.

(2) *Depository*. The initially appointed Depository and their initially designated offices are:

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

The Depository reserves the right at any time to replace their designated offices with another office in the same country.

(3) *Security Trustee*. The initially appointed Security Trustee and its initially designated office is:

Bankhaus von der Heydt GmbH & Co. KG
Widenmayerstr. 83,
80538 Munich
Germany

The Security Trustee reserves the right at any time to replace its designated office with another office in the same country.

(4) *Authorized Participants*. The initially appointed Authorized Participants and their initially designated offices are:

Flow Traders BV
Jacob Bontiusplaats 9
1018 LL Amsterdam
Netherlands

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

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

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

(5) *Administrator*: The Administrator and its designated office is disclosed on the Issuer's website at <https://funds.iconicholding.com>.

(6) *Change or Termination of Appointment*. The Issuer reserves the right at any time to change or terminate the appointment of the agents and parties named under § 6 para. 1 - 5 and to appoint additional ones. The Issuer shall at all times have appointed a Paying Agent, an Authorized Participant, a Depository and a Security Trustee and Administrator. Any change, termination, appointment or replacement shall only become effective (except in the event of insolvency, in which case such change shall become effective immediately) if the Noteholders have been notified thereof in advance in accordance with § 12, giving not less than 30 and not more than 45 Business Days' notice.

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

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

§ 7

Taxes

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

§ 8

Presentation period, limitation period

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

§ 9

Extraordinary termination

- (1) *Events of Default.* If an Event of Default occurs and is continuing, each Noteholder shall be entitled to call all of its claims under the Notes by giving an Extraordinary Termination Notice in accordance with paragraph 2 to any of the Authorized Participants and to demand immediate repayment thereof at the Redemption Amount. Each of the following events shall constitute an **Event of Default**:
- a. the Issuer fails to fulfill an obligation under the Notes and the failure continues, to the extent that it can be cured, for more than 60 Business Days in each case after the Paying Agent has received a written request in the manner provided in subsection (2) from a Noteholder to perform the obligation; or
 - b. the Issuer announces its insolvency or generally discontinues its payments; or
 - c. insolvency proceedings are commenced against the Issuer and are not lifted or stayed within 60 Business Days, or the Issuer applies for or commences such proceedings, or

- d. the Issuer declares its liquidation unless this occurs in connection with a merger or other form of amalgamation with another company and the other company assumes all obligations incurred by the Issuer in connection with the Notes.
- (2) *Extraordinary Termination Notice*. A declaration by a Noteholder to terminate its Notes pursuant to this § 9 (**Extraordinary Termination Notice**) shall be made in such manner that the Noteholder sends to the Authorized Participant a declaration to that effect in text form in German or English, proving by a certificate of its Custodian (as defined in § 13(4)) that it holds the relevant Notes at the time of the Extraordinary Termination Notice.
- (3) *Cure*. For the avoidance of doubt, the right of extraordinary termination of the Notes pursuant to this § 9 shall expire if the reason for termination has been cured prior to the exercise of the right.

§ 10

Issuance of further Notes, Purchase and Cancellation

- (1) *Issue of further Notes*. The Issuer may at any time, without the consent of the Noteholders, issue further Notes with the same basic features as defined in this Base Prospectus (and, for a Series of Notes, as further defined in the Final Terms) under this Programme.
- (2) *Purchase*. The Issuer may at any time purchase Notes in the market or otherwise at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held by it, resold or surrendered to the Paying Agent for cancellation.
- (3) *Resale and cancellation*. All Notes fully redeemed which have been the subject of a purchase pursuant to § 10 para. 2, a termination by the Issuer pursuant to § 4 para. 4 or by the Noteholder pursuant to § 4 para. 5 may be resold or cancelled by the Issuer.

§ 11

Modification of the Terms and Conditions by Resolutions of the Noteholders, Joint Representative

- (1) *Amendment of the Terms and Conditions of the Notes*. The Terms and Conditions of the Notes may be amended with the consent of the Issuer by a majority resolution of the Noteholders in accordance with §§ 5 et seq. of the German Act on Bonds from Total Issues (*Gesetz über Schuldverschreibungen aus Gesamtemissionen - SchVG*), as amended from time to time. In particular, the Noteholders may approve an amendment of material contents of the terms and conditions of the Notes, including the measures provided for in § 5 para. 3 SchVG, by resolutions with the majorities specified in para. 2 below. A duly adopted majority resolution shall be equally binding on all Noteholders.
- (2) *Majority*. Subject to the following sentence and the achievement of the required quorum, the Noteholders shall adopt resolutions with a simple majority of the voting rights participating in the vote. Resolutions by which the material content of the Terms and Conditions of the Notes is amended, in particular in the cases of § 5 para. 3 nos. 1 to 9 SchVG, require a majority of at least 75% of the voting rights participating in the vote (the **Qualified Majority**) in order to become effective.
- (3) *Voting without a meeting*. Subject to paragraph (4), resolutions of the Noteholders shall be passed exclusively by a vote without a meeting pursuant to § 18 SchVG. The invitation to vote shall contain more detailed information on the resolutions and the voting modalities. The items and proposals for resolutions shall be made known to the Noteholders with the invitation to vote. Noteholders must prove their entitlement to participate in the voting by means of a special certificate issued in text form by the custodian bank pursuant to § 13 para. 4 i) a) and b) and by submitting a blocking notice issued by the custodian bank stating that the relevant Notes are not transferable from the day of the blocking notice (inclusive) until the day on which the voting period ends (inclusive).

- (4) *Second Noteholders' meeting.* If the lack of a quorum is established for voting without a meeting in accordance with subsection 3, the voting officer may convene a Noteholders' meeting which is to be regarded as a second meeting within the meaning of section 15 para. 3 sentence 3 SchVG. Participation in the second Noteholders' meeting and the exercise of voting rights are dependent on registration by the Noteholders. The registration must be received at the address specified in the notice of convocation no later than on the third day before the second Noteholders' meeting. With the registration, the Noteholders must prove their entitlement to participate in the voting by means of a special certificate issued in text form by the custodian bank pursuant to § 13 para. 4 i) a) and b) and by submitting a blocking notice issued by the custodian bank stating that the relevant Notes are not transferable from the day the registration is sent (inclusive) until the specified end of the Noteholders' meeting (inclusive).
- (5) *Joint representative.* The Noteholders may by majority resolution determine the appointment or removal of a common representative (the **Noteholders' Representative**), the duties and powers of the Noteholders' Representative, the assignment of Noteholders' rights to the Noteholders' Representative and a limitation of the liability of the Noteholders' Representative. The appointment of a Noteholders' Representative shall require a Qualified Majority if it is to be authorized to approve amendments to the material content of the Terms and Conditions of the Notes pursuant to paragraph 2).
- (6) *Publication.* Announcements concerning this § 11 shall be made exclusively in accordance with the provisions of the SchVG.

§ 12

Notices

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

§ 13

Applicable Law, Place of Performance and Jurisdiction, Judicial Enforcement

- (1) *Applicable Law.* The form and content of the Notes and the rights and obligations of the Noteholders and the Issuer shall be governed in all respects by German law.
- (2) *Place of performance.* The place of performance is Frankfurt am Main, Germany.
- (3) *Place of Jurisdiction.* The place of jurisdiction for all actions or other proceedings arising in connection with the Notes is, to the extent legally permissible, Frankfurt am Main, Germany. Pursuant to § 9 para. 2, § 13 para. 3 and § 18 para. 2 of the German Bond Act (SchVG), the Frankfurt am Main Local Court (*Amtsgericht Frankfurt am Main*) shall have jurisdiction for decisions pursuant to § 9 para. 3 of the German Bond Act (SchVG). The Frankfurt am Main Regional Court shall have jurisdiction for decisions on the contestation of resolutions of the Noteholders pursuant to § 20 para. 3 SchVG.

(4) *Judicial Enforcement.* Each Noteholder shall be entitled in any litigation against the Issuer or in any litigation to which the Noteholder and the Issuer are parties to secure and enforce its rights under such Notes in its own name on the following basis: (i) a certificate of the Custodian with which it maintains a Securities Account in respect of the Notes which (a) contains the full name and address of the Noteholder, (b) specifies the aggregate number of Notes on deposit in the Securities Account as at the date of the certificate and (c) confirms that the Custodian has made a written representation to the Clearing System containing the information specified in (a) and (b) above. For the purposes of the foregoing, *Custodian means* any bank or other recognized financial institution authorized to conduct custody business and with which the Noteholder maintains a securities account in respect of the Notes, including the Clearing System. Notwithstanding the foregoing, each Noteholder shall also be entitled to enforce its rights under these Notes in any other manner permitted in the country of the proceedings.

12. Form of Final Terms

The following are Pro Forma Final Terms for the issuance of Notes by Iconic Digital Assets AG under the Iconic Programme for the issuance of Notes secured by Cryptocurrencies as further described in this Base Prospectus. Issue Specific Final Terms will be published and filed with the FMA with regard to each Series of Notes issued on the basis of this Base Prospectus. Issue Specific Final Terms for each Series of Notes will also be published on the Issuers website <https://funds.iconicholding.com/>.

Final Terms

Terms used herein shall have the meanings given to them in the Base Prospectus dated 22 November 2021 as supplemented (the "Base Prospectus").

Series of Notes to which these Final Terms apply: [...]

Number of Notes to which these Final Terms apply: [...]

Series Issue Date: [...]

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

1.	ETN Name	[...]
2.	Issuer Name	Iconic Digital Assets AG

3.	ISIN / WKN	[...]
4.	Underlying	[...]
5.	Base Currency	[...]
6.	Type	[...]
7.	Initial Issue Price	[...]
8.	Issue Currency	[...]
9.	Denomination	USD
10.	Diminishing Entitlement Rate (DER)	[...]
11.	Subscription Fee	Up to [...] (unless waived by the Issuer)
12.	Redemption Fee	Redemption directly with the Issuer: Up to [...] (unless waived by the Issuer) Redemption through Authorised Participant : [...] (unless waived by the Issuer)
13.	Upfront Redemption Fee	Redemption directly with the Issuer : up to [...] Redemption through Authorised Participant : [...]
14.	Total Fee (TER)	Up to [...] per annum or such lower amount as may be advised to Noteholders from time to time.
15.	Investment Restrictions	[...]
16.	Borrowing	[Yes][n/a]
17.	Lending	[Yes][n/a]
18.	Lending Return	[Yes][n/a]
19.	Staking	[Yes][n/a]

20.	Staking Return	[Yes][n/a]
21.	Derivatives (FDIs)	[Yes][n/a]
22.	Index Provider	[...]
23.	Index Name	[...]
24.	Index Specifications	[...]
25.	Index Methodology	[...]
26.	Initial Offer Period	The Initial Offer Period shall commence at [...] on [...] and close at [...] on [...] as may be shortened or extended by the Directors and notified to the regulator.
27.	Settlement Date	<ul style="list-style-type: none"> • In the case of creation(s), within [...] Business Days of the relevant Dealing Day. • In the case of repurchases, within [...] Business Days of the relevant Dealing Day.
28.	Business Day	Business Day means a day (other than a Saturday or a Sunday) on which banks are open for general business in Frankfurt am Main and on which the Clearing System as well as all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 (TARGET2) are operational to effect payments.
29.	Dealing Day	In general, each Business Day will be a Dealing Day. However, certain Business Days will not be Dealing Days where, in the sole determination of the Investment Manager: (i) markets on which the Note's investments are listed or traded, or markets relevant to the Index are closed, and/or (ii) there is a public holiday in the jurisdiction in which the Investment Manager or its delegate(s), if applicable, is or are based; provided there is at least one Dealing Day per fortnight. The Dealing Days for the Fund are available at www.iconicholding.com .

30.	Dealing Deadline	[...] of the relevant dealing day for creations and redemptions in-kind [...] prior to the relevant dealing day for creations and redemptions in cash
31.	Valuation Point	Valuation of the Note will take place at [...] on the relevant Dealing Day.
32.	Governing Law	German

TAXATION WARNING

13. Warning regarding taxation

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

Taxation in Liechtenstein

Liechtenstein resident individual private investors

Payments made under the Notes qualify as tax exempt capital gains for Liechtenstein resident individual investors who hold the securities as part of their private assets, provided the Notes are subject to wealth tax. The same applies for capital gains realized upon sale or redemption of the Notes.

Liechtenstein resident business investors

Payments made under the Notes as well as capital gains realized upon sale or redemption of the Notes by Liechtenstein resident individual investors holding the Notes as part of their business assets as well as by Liechtenstein resident legal entities are part of their business profit and subject to individual income tax or corporate income tax.

Taxation in the Federal Republic of Germany

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

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

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

Income Taxation

The Notes should not qualify as other capital claims within the meaning of Section 20 para. 1 no. 7 German Income Tax Act (Einkommensteuergesetz, "EStG") and the sale and redemption of the Notes should, therefore, not lead to taxable investment income pursuant to Section 20 EStG being subject to the flat tax regime (Abgeltungsteuer) (25% plus 5.5% solidarity surcharge and church taxes as the case may be) irrespective of any holding period.

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 EStG should apply which means that the acquisition and sale of Notes by a Private Investor should only be taxable in Germany if the period between acquisition and sale does not exceed one year (for the calculation of the one year period, the conclusion of the purchase and sale transaction under the law of obligations is decisive in each case). If a Private Investor sells his Notes more than one year after he has acquired them, such sale should not be subject to tax. Moreover, the redemption of the Notes should not constitute a sale under the private sales transaction rules.

The reason for the above analysis is that the Notes have Terms and Conditions substantially identical in content or even stricter compared to certain gold linked notes ("Xetra-Gold Notes") so that the tax treatment of the Notes should be consistent with the taxation of such Xetra-Gold Notes. For Xetra-Gold Notes it has been clarified by the German Federal Fiscal Court (Bundesfinanzhof, "BFH"; BFH rulings of May 12, 2015, VIII R 4/15 and VIII R 35/14 as well as of June 16, 2020, VIII R 7/17) and the German Federal Ministry of Finance (Bundesministerium der Finanzen, "BMF"; BMF circular letter of February 19, 2021, IV C 1 - S 2252/19/10003

:007, DOK 2021/0191828) that the sale and redemption of such Notes do generally not constitute income from capital assets being subject to the flat tax regime, but rather the provisions on private sales transactions apply. In the view of the BFH, the acquisition and sale of Xetra-Gold Notes should be considered for tax purposes as a direct acquisition and direct sale of physical gold. A legislative initiative, which also wanted to subject Xetra-Gold Notes to taxation as investment income pursuant to Section 20 EStG, ultimately did not become law.

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

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

Tax assessment

Taxable gains from private sales transactions must be included by the investor in their tax returns. In cases where the holding period of one year has not been complied with, they are subject to the standard rate of income tax (up to 45% plus 5.5% solidarity surcharge and any church taxes as the case may be). Disposal of units of the underlying Cryptocurrencies, such as BTC, delivered In case of a redemption, the gains from the subsequent sale of the units of the underlying BTC are, in principle, subject to the standard rate of income tax (up to 45%, plus solidarity surcharge at 5.5% and church tax as the case may be) if the units of the underlying Cryptocurrencies, such as BTC, are disposed of within a period of one year as of the acquisition. Due to the rulings of the BFH referred to above, it seems acceptable to assume that the point in time at which the units of the underlying

Cryptocurrencies, such as BTC, are acquired corresponds to the point in time at which the Notes were acquired and not only the point in time at which the units of the underlying Cryptocurrencies, such as BTC, are delivered. However, no comments of the tax authorities and no BFH rulings are available on this issue so that the tax authorities could take a different view on this matter. In its ruling of February 6, 2018 – IX R 33/17 re. Xetra-Gold Notes the BFH does not express a view on this aspect. Transactions by which units of the underlying Cryptocurrencies, such as BTC, are sold and where the period between delivery and sale is more than one year, are not taxable on the basis of an argumentum e contrario from Section 23 para. 1 sentence 1 no. 2 EStG.

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

Taxation in other countries

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

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

14. SUBSCRIPTION, OFFER AND SALE OF THE NOTES

14.1 Offer of the Notes

14.1.1 Offer to the Public

The Notes will be offered by financial intermediaries (including Authorized Participants) to investors in compliance with applicable selling restrictions (the **Public Offering**). The offer period for the Public Offering is expected to commence on 22 November 2021 and will be open until 21 November 2022 (the expiration date of the Base Prospectus) subject to shortening the offer period.

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

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

In case of a further admission of additional Authorized Participants the information will be available on <https://funds.iconicholding.com/>. In addition, the information will be included in the Base Prospectus as a supplement to the Base Prospectus.

14.1.2 Conditions and technical details of the offer

Any offer of Notes is not subject to any conditions or time limits other than the time limits resulting from the validity of the Base Prospectus and the relevant offer period as specified above under "Offer to the Public". There is no possibility to reduce subscriptions. No minimum or maximum subscription amounts will be specified.

In the primary market, the Issuer will sell Notes only to Authorised Participants and such Notes may only be purchased with units of the relevant Cryptocurrency or units of the underlying Cryptocurrencies comprising the Basket (as set out in the relevant Final Terms).

Any investors who are not Authorised Participants can purchase the Notes in the secondary market either (i) from an Authorised Participant or (ii) via a stock exchange (in case of Notes admitted to trading on a stock exchange) through their broker or (iii) from any person over the counter for fiat (e.g. Euro). Where Notes are purchased from an Authorised Participant, such Notes can be purchased either with the relevant Cryptocurrency or units of the underlying Cryptocurrencies comprising the Basket (as set out in the relevant Final Terms) or with USD or any other fiat currency or cryptocurrency as will be determined by each Authorised Participant offering the Notes.

Notes issued under this Base Prospectus will be delivered via book-entry through the Clearing System and its account holding banks.

14.1.3 Charges and costs relating to the offer

The estimated total expenses of the issue and/or offer of each Series of Notes will be specified in the relevant Final Terms & Issue Specific Summary of each issue of Notes.

The Issuer may charge a subscription fee of up to 0.50 percent of the Cryptocurrency Entitlement from the Authorised Participants. Authorised Participants may charge additional fees to investors who are purchasing Notes from them. These fees may vary and the Issuer has no influence on whether and to what extent the Authorised Participant is charging fees.

14.1.4 Method of determination of the Issue Price

Each issue of a Series of Notes will be issued at an Issue Price as stated in the relevant Final Terms. The issue price for Authorised Participants will be equal to the Cryptocurrency Entitlement plus a subscription fee (as specified in the relevant Final Terms). The Cryptocurrency Entitlement will be determined pursuant to the following formula:

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

Where:

"**CE**" means Cryptocurrency Entitlement;

"**ICE**" means a number units of the relevant Cryptocurrency per Notes as specified in the relevant Final Terms of each Series of Notes;

"**DER**" means fixed percentage as specified in the relevant Final Terms of each Series of Notes (subject to reduction by the Issuer); and

"**n**" means number of days/365.

The **USD Reference Price** for the Note is, as of the relevant determination date, the USD price per Cryptocurrency or Cryptocurrency Components of a Basket times the Cryptocurrency Entitlement according to the specified Index in the Final Terms, published each business day at 4:00 PM UK time.

For investors other than Authorised Participants, the purchase price for a Series of Notes will be determined by each Authorised Participant on an ongoing basis and may be subject to additional subscription fees.

As of the Series Issue Date (as specified in the relevant Final Terms) of each Series of Notes, the Cryptocurrency Entitlement would correspond to the initially determined number of units of the relevant Cryptocurrency or Units of the Basket (as specified in the relevant Final Terms, the "**Initial Cryptocurrency Entitlement**") per Notes, i.e. Authorised Participants purchasing Notes from the Issuer would receive one Note for a number of units of the relevant Cryptocurrency or Units of the Basket corresponding to the Initial Cryptocurrency Entitlement. In addition, the Issuer may charge a subscription fee of up to 0.50 percent per unit of the relevant Cryptocurrency or Unit of the Basket from the Authorised Participant.

Example:

Where an investor purchases 1,000 Notes from an Authorised Participant with Euro, in case of an exemplary Cryptocurrency Entitlement of 0.01 per Note, the Euro equivalent of the Cryptocurrency Entitlement as of 2 years after the issue date, based on a value of the underlying Cryptocurrency of Euro 3,000 would be Euro 29.43. However, given that each Authorised Participant may charge a

subscription fee from the investor who it is selling the Note at its own discretion, the purchase price for a Note may be higher than Euro 29.58.

For a determination of the issue price see also Section 10.2 – Description of the Notes.

14.2 Selling Restrictions

14.2.1 General

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

14.2.2 European Economic Area

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

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

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

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

- if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant dealer or dealers nominated by the Issuer for any such offer; or
- at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus

Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

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

14.2.3 United States

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered, sold or delivered within the United States of America (the "**United States**") to or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold only (1) to "accredited investors" (as defined in Rule 501 of Regulation D under the Securities Act) in compliance with Rule 506(c) or Rule 506(b) of Regulation D under the Securities Act; (2) to 'qualified institutional buyers' as defined in Rule 144A under the Securities Act; and (3) in "offshore transactions" (as defined in Regulation S under the Securities Act) in reliance upon Regulation S under the Securities Act. Any person acting as a distributor of the Notes exclusively outside the United States has represented and agreed that neither it nor any persons acting on its behalf has offered, sold or delivered or will offer, sell or deliver any Notes within the United States except in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, each such distributor has represented and agreed that neither it, its affiliates nor any persons acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Notes offered in reliance on Regulation S. Terms used in this subparagraph have the meaning given to them by Regulation S.

15. GENERAL INFORMATION

15.1 Incorporation by reference

The following documents are incorporated by reference into this Base Prospectus:

- The opening balance sheet of the Issuer (Eröffnungsbilanz) dated 23 July 2021 together with an unqualified auditor's report.

All pages of the documents incorporated by reference set out above shall be deemed to be incorporated in by reference, and to form part of, this Base Prospectus.

The documents containing the information incorporated by reference have been filed with FMA. They are available free of charge by the Issuer and are published in electronic form on the Issuer 's website <https://funds.iconicholding.com/>.

15.2 Documents on display

For the term of this Base Prospectus, copies of the following documents will, when published be available on the website of the Issuer <https://funds.iconicholding.com/>:

- the Base Prospectus and any supplement thereto;
- the constitutional documents of the Issuer;
- the Terms and Conditions;
- the German Security and Security Trust Agreement in relation to each Series of Notes;
- the Cryptocurrency Security Agreement in relation to each Series of Notes;
- the Depositary Account (Wallet) Control Agreement in relation to each Series of Notes;
- the Issuance Account Control Agreement in relation to each Series of Notes;
- the relevant Final Terms for each Series of Notes; and
- the documents incorporated by reference.

16. Names and Addresses

16.1 Issuer

Iconic Digital Assets AG
Landstrasse 36
9495 Triesen
Principality of Liechtenstein

16.2 AUTHORIZED PARTICIPANTS

Flow Traders BV
Jacob Bontiusplaats 9
1018 LL Amsterdam
Netherlands

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

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

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

16.3 SECURITY TRUSTEE

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

16.4 DEPOSITARY

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

16.5 PAYING AGENT

Quirin Privatbank AG
Kurfürstendamm 119
10711 Berlin
Germany

16.6 AUDITORS

Baker Tilly (Liechtenstein) AG
Landstrasse 123
FL 9495 Triesen
Liechtenstein

16.7 ADMINISTRATOR


The Administrator and its designated office is disclosed on the Issuer's website at <https://funds.iconicholding.com>.

16.8 LISTING AGENT

Quirin Privatbank AG
Kurfürstendamm 119
10711 Berlin
Germany

The Issuer
Iconic Digital Assets AG
Landstrasse 36
9495 Triesen
Liechtenstein

Represented by



Patrick Lowry
(Member of the Board)



Digital signiert von:
Alexander James
Baker (Qualified
Signature)
Datum: 2021.11.18
16:22:29 +01'00'

Alex Baker
(Member of the Board)

Glossary

Authorised Participant	The entities defined in 16.2 of the Prospectus.
Business Day	A day (other than a Saturday or a Sunday) on which banks are open for general business in Frankfurt am Main and on which the Clearing System as well as all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 (TARGET2) are operational to effect payments
CBF/ Clearing System	Clearstream Banking AG, Frankfurt am Main
CC	Cryptocurrency
CC Factor	The decrease in Cryptocurrency Entitlement due to the Fee of the Notes (subject to reduction by the Issuer).
CC Security Agreement	The Issuer's pledge in favour of the Noteholders to the Security Trustee of all of his rights, present and future, in particular claims for delivery, with respect to the CCs deposited by the Issuer with the Depositary in his depositary accounts (Wallets) and claims with respect to the Notes owned by the Issuer
CC-under-management	The aggregate amount of Notes bought by each Noteholder denominated in the relevant Cryptocurrency or Cryptocurrencies.
Cryptocurrency Entitlement	a Noteholder's claim against the Issuer in respect of each Note, expressed as the number of units of the Cryptocurrency or Units of the Basket per Notes, and calculated by the Issuer in its sole discretion in accordance with the formula defined in § 4 of the Terms and Conditions
Depositary	Institute that is taking care with regard of safekeeping the Cryptocurrencies.
Depositary Account	The Depositary Wallet and the associated account of the Issuer maintained by the Depositary
Distributor	Any person subsequently offering, selling or recommending the Notes
ESMA	European Securities and Markets Authority
EUR	Euro
Extraordinary Termination Notice	A declaration by a Noteholder to call all of its claims under the Notes
FMA	Financial Markets Authority, Liechtenstein.
Global Note	The global bearer certificate representing the Notes.

Hard Fork	A split of the virtual currency into several protocols.
Initial Issue Price	An amount in a specific Cryptocurrency or Cryptocurrencies as defined in the Final Terms of a Series of Notes.
ISIN	International Securities Identification Number
KWG	German Banking Act (Kreditwesengesetz)
KYC/AML	Know your client/ Anti-money laundering
LEI	Legal Entity Identifier
Mandatory Redemption Event	An event as defined in § 4 of the Term and Conditions allowing the Issuer to declare redemption of the Notes.
Mandatory Redemption Notice	A notice to be published by the Issuer on the Issuer's website in case the Issuer wishes to redeem due to a Mandatory Redemption Event.
Mandatory Redemption Form	A form provided by the Issuer in case of a Mandatory Redemption Event and to be completed by the Noteholder.
MiFID II	Directive 2014/65/EU on markets in financial instruments, as amended
Noteholder	A Noteholder of a Note issued under this Base Prospectus and the relevant Final Terms.
Private investor	A German tax resident individual person acquiring and holding the Notes as private assets
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and the Council of 14 June 2017
Protocol	BTC protocol
Put Option (Delivery option)	A Noteholders option to demand redemption of the Notes as further specified in § 4 of the Terms and Conditions.
Put Option Exercise Form	A form made available by the Issuer on its website to be used by a Noteholder wishing to exercise his Put Option.
SchVG	Schuldverschreibungsgesetz
Securities Act	United States Securities Act of 1933, as amended
Security	All of the Issuer's rights, present and future, in particular claims for delivery, with respect to the Cryptocurrencies deposited by the Issuer with the Depository in his depository accounts (Wallets) and (ii) claims with respect to the Notes owned by the Issuer
Security Trustee	Bankhaus von der Heydt Gmbh & Co. KG, Widenmayerstr. 83, 80538 Munich, Germany

United States	United States of America (including its states and the District of Columbia) and its territories (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands).
USD	US-Dollar
USD Reference Price	Means the value of the note in USD calculated daily; CE x reference price of the underlying in USD