



Iconic Funds BTC ETN GmbH

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

as Issuer

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

Initial Issue Price: 0.0001 BTC

1 Summary

1.1 INTRODUCTION AND WARNINGS

This prospectus (the **Prospectus**) relates to the public offering in Germany, the Netherlands, Norway, Sweden, Italy, France, Estonia, Poland, Slovakia, Spain, Finland, Greece, Portugal, Slovenia, the Czech Republic, Denmark, Austria, Belgium, Cyprus, Ireland, Luxemburg, Malta and Liechtenstein and the admission to trading on the regulated market (*regulierter Markt*, sub-segment *General Standard*) of the Frankfurt Stock Exchange, to Deutsche Börse Xetra, to the SIX Swiss Exchange and to Euronext Paris and Amsterdam of Perpetual Bitcoin Backed Notes without par value (the **Notes**). The Notes' International Securities Identification Number (**ISIN**) is DE000A3GK2N1.

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

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

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

futurum bank AG will be acting as listing agent (the **Listing Agent**) for the admission to trading and listing of the Notes on the regulated market (*regulierter Markt*, *General Standard*) of the Frankfurt Stock Exchange and in this function take responsibility for the Prospectus in accordance with § 8 sentence 3 of the German Securities Prospectus Act (*Wertpapierprospektgesetz WpPG*) and Art. 11 of the Prospectus Regulation in addition to the responsibility of the Issuer.

The Listing Agent is incorporated and operates under the laws of Germany and maintains its principal place of business in Germany. The Listing Agent's address and registered office is at Hochstraße 35-37, 60313 Frankfurt am Main, , Germany and it is registered with the commercial register of the local court (*Amtsgericht*) of Frankfurt am Main under HRB 117044. The website is <https://www.futurumbank.com/> and the phone number is +49 (0) 69 / 94 515 98 - 0.

The LEI of the Listing Agent is 529900WG7A1YR02QGB25.

The date of approval of the Prospectus is April 15, 2021 and it was approved by the *Bundesanstalt für Finanzdienstleistungsaufsicht* of the Federal Republic of Germany (**BaFin**), Marie-Curie-Str. 24-28, 60439 Frankfurt am Main, Germany, Telephone: +49 (0) 228 4108-0, E-Mail: poststelle@bafin.de, website: <https://www.bafin.de/>.

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

1.2 KEY INFORMATION ON THE ISSUER

1.2.1 Who is the issuer of the securities?

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

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

1.2.1.1 Principal activities of the Issuer

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

1.2.1.2 Major shareholders

The Issuer is wholly owned by Iconic Funds GmbH. Iconic Funds GmbH is solely owned by Iconic Holding GmbH. Cryptology Asset Group PLC, a limited company under Maltese law, has an option to obtain 50 percent of the shares of the Iconic Funds GmbH from Iconic Holding GmbH.

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.

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.).

1.2.1.3 Key managing directors

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

1.2.1.4 Statutory auditors

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

1.2.1.5 What is the key financial information regarding the Issuer?

The Issuer's financial information is included in the Issuer's audited annual financial statements dated as of and for the financial year ended 31 December 2019 (the **2019 Financial Statements**) and as of and for the financial year ended 31 December 2020 (the **2020 Financial Statements** and together the **Financial Statements**). The Financial Statements have been prepared in accordance with § 317 HGB and comply, in all material respects, with the requirements of International Financial Reporting Standards ("IFRS") as adopted by the European Union.

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

Iconic Funds BTC ETN GmbH

| Income Statement | 31 December 2019 | 31 December 2020 |
|------------------------|------------------|------------------|
| Operating profit/ loss | EUR (14.555,82) | EUR (80.929,12) |
| Balance Sheet | 31 December 2019 | 31 December 2020 |
| Net financial debt | EUR 0 | EUR 0 |
| Cash Flow Statement | 31 December 2019 | 31 December 2020 |

| | | |
|---|-----------------|-----------------|
| Net Cash flow from operating activities | EUR (10.405,82) | EUR (85.956,71) |
| Net Cash flow from financing activities | EUR 25.000 | EUR 75.000 |
| Net Cash flow from investing activities | EUR 0 | EUR 0 |

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

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

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

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

Legal and regulatory risks: The Issuer is subject to a number of legal and regulatory risks including: (i) dependence on the Frankfurt Stock Exchange's authorization and the permissibility under the rules and regulations of Germany to continue listing the Notes, (ii) changes in and compliance with regulatory requirements with respect to the Issuer and its business, (iii) risk of compliance failures with respect to KYC/AML (Know-Your-Customer/ Anti-Money-Laundering) (iv) risks related to the changing regulatory regime with respect to cryptocurrencies, blockchain technology and digital assets.

1.3 KEY INFORMATION ON THE SECURITIES

1.3.1 What are the main features of the securities?

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

The following rights are attached to the Notes:

Security

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

Redemption at the option of the Issuer by termination

The Issuer may at any time terminate the Notes (except for Notes whose redemption has already been demanded by the Holder by notice of termination) in whole, but not in part, at its discretion by notice to the Authorized Participants and

directly or indirectly to the Holders and redeem the Notes at an amount of BTC equal to the Redemption Amount or converted into USD or EUR in accordance with the relevant provisions of the Terms and Conditions.

Redemption at the option of the Holder by termination

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

Procedure for the termination and redemption of the Notes

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

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

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

Extraordinary termination and redemption in an event of default

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

Resolutions of Holders

In accordance with the German Act on Debt Securities of 2009 (*Schuldverschreibungsgesetz – "SchVG"*) the Notes contain provisions pursuant to which Holders may agree by resolution to amend the Terms and Conditions (with the consent of the Issuer) and to decide upon certain other matters regarding the Notes. Resolutions of Holders properly adopted, either in a meeting of Holders or by vote taken without a meeting in accordance with the Terms and Conditions, are binding upon all Holders. Resolutions providing for material amendments to the Terms and Conditions require a majority of not less than 75% of the votes cast. Resolutions regarding other amendments are passed by a simple majority of the votes cast.

1.3.2 Where will the securities be traded?

Applications will be made by the Issuer and the Listing Agent for admission to trading of the Notes on the regulated market (*General Standard*) of the Frankfurt Stock Exchange. An application to the SIX Swiss Exchange for admission to trading of the Notes has been made on April 23, 2021. The Notes were listed on Deutsche Börse Xetra on May 12, 2021, on SIX Swiss Exchange on May 28, 2021 and on Euronext Paris and Amsterdam on July 1st, 2021. The Issuer may decide to list the Notes on such other or further regulated markets and/or arrange for the trading of the Notes on multilateral trading facilities, organised trading facilities or through systematic internalisers, all within the meaning of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments.

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

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

Risks resulting from the structure of the Notes

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

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

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

Termination by the Holder to the Authorized Participant:

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

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

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

Risks related to BTC

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

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

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

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

Risks related to the admission of the Notes to trading

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

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

Risks related to the Security of the Notes

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

Fraud risk arising from third parties. The Issuer is interacting with a number of third parties, including, but not limited to, the Custodian, the Security Trustee, Authorized Participants, the Administrator and exchanges and trading platforms. The Issuer is also relying on its own staff for its operations. As a result, the Issuer is exposed to the risk of misconduct, negligence or fraud by these third parties and its employees. This could result in serious reputational or financial harm or damage to the assets of the Issuer which are pledged as a Security for the Notes and also result in losses for the Holders of the Notes.

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

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

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

Offer to the Public

The Notes will be offered by financial intermediaries (including Authorized Participants) to institutional and retail investors in compliance with applicable selling restrictions. As at the date of the Prospectus, Flow Traders BV, Enigma Securities Ltd., Jane Street Financial Limited, DRW Europe B.V. and Bluefin Europe LLP have been appointed as Authorized Participants. Notes can in the primary market only be bought with USD and EUR and BTC if offered and only by and through Authorized Participants. The offer period is expected to commence on April 15, 2021 and will be open until April 15, 2022 (the expiration date of the Prospectus) subject to shortening the period. As of the date of the Prospectus, the Issuer has entered into agreements with four Authorized Participants. An offer to the public may be made in the country specified under "1.1. Introduction and warnings".

Conditions and technical details of the Offer

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

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

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

Method of determination of the Issue Price

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

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

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

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

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

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

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

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

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

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

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

Expenses

The estimated total expenses of the placement are expected to be up to EUR 640,000.00 net.

Fees to be borne by the Holder

The Issuer will charge an annual Fee of 0.96% (96 bps), accrued daily on the aggregate amount of Notes bought by each Holder denominated in BTC (BTC-under-Management). The Fee is included in the definition of the Issue Price and of the Redemption Price and it is not to be deducted from the BTC entitlement as calculated in the BTC Factor formula. The Issuer has no influence on whether and to what extent a respective Authorized Participant will charge additional fees. These fees may vary depending on the Authorized Participant.

1.3.5 Why is this prospectus being produced?

1.3.5.1 Reasons for the offer or for the admission to trading on a regulated market

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

With the admission to trading on a regulated market, the Issuer wishes to give investors the opportunity not only to redeem Notes through the Authorized Participants vis-à-vis the Issuer but also to trade on a market.

1.3.5.2 Use and estimated net amounts of the proceeds

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

1.3.5.3 Underwriting Agreement

The Issuer has not entered into an underwriting agreement.

1.3.5.4 Material conflicts of interest pertaining to the offer or the admission to trading

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