

Actively Managed Certificate ("AMC")

on Cryptonite Kairon
End of subscription 11 September 2024
Open End | Not Listed | Private Placement
ISIN CH1350769639

SA1 Issuer SPC Limited, an exempted company registered as a segregated portfolio company under the laws of the Cayman Islands acting on behalf of and for the account of Segregated Portfolio CH1350769639 (as "Issuer")

BRIEF DESCRIPTION

Actively Managed Certificates do not constitute collective investment schemes within the meaning of the Swiss Federal Act on Collective Investment Schemes ("CISA") and are therefore neither governed by the CISA nor subject to the supervision by the Swiss Financial Market Supervisory Authority ("FINMA"). Accordingly, holders of this product (the "Product") do not have the benefit of the specific investor protection provided under the CISA. Holders of the Product bear the issuer's credit risk. Furthermore, investors should be aware that AMCs have a dynamic, discretionary structure, which may result in changes to the Product terms and/or the Strategy-Components.

The Issuer was incorporated on 02 January 2024 as an exempted company with limited liability registered as a segregated portfolio company under the laws of the Cayman Islands with registration number 405938. The registered office of the Issuer is at Floor 2, Willow House, Cricket Square, PO Box 709, Grand Cayman KY1-1107, Cayman Islands

26 July 2024

PARTIES

Issuer/Calculation Agent The Issuer/Calculation agent is SA1 Issuer SPC Limited, an exempted company with limited liability registered as a segregated portfolio company under the laws of the Cayman Islands (the "Issuer") acting on behalf of and for the account of Segregated Portfolio CH1350769639 (the "Segregated Portfolio"). The Issuer is not licensed or registered or authorised by the Cayman Islands Monetary Authority ("CIMA") or registered or authorised by CIMA as a collective investment scheme and CIMA has not and will not approve the content or dissemination of this Product or of any other document relating to or in connection with this Product. The Segregated Portfolio is a segregated portfolio of the Issuer

and was created for the specific purpose of issuing the Product, and is operated and controlled by the Directors of the Issuer.

The Issuer is registered as a segregated portfolio company under the Companies Act (as amended) of the Cayman Islands. Pursuant to the relevant provisions of the Companies Act (as amended) of the Cayman Islands:

a) a segregated portfolio company may create one or more segregated portfolios in order to segregate the assets (such assets being "Segregated Portfolio Assets") and liabilities (such liabilities being "Segregated Portfolio Liabilities") of the company held within or on behalf of one segregated portfolio from the assets or liabilities of the company which are held within or on behalf of another segregated portfolio or which are not held within or on behalf of any segregated portfolio;

b) Segregated Portfolio Assets in respect of a segregated portfolio shall only be available and used to meet the Segregated Portfolio Liabilities attributable to that segregated portfolio; and

c) Segregated Portfolio Assets in respect of a segregated portfolio shall not be available or used to meet liabilities, other than the Segregated Portfolio Liabilities attributable to that segregated portfolio, and shall be absolutely protected from, the creditors of a segregated portfolio company who are not creditors in respect of that segregated portfolio and who, accordingly, shall not be entitled to have recourse to the Segregated Portfolio Assets attributable to that segregated portfolio.

The assets of a segregated portfolio company shall be either Segregated Portfolio Assets or general assets of the Issuer which are not attributable to any segregated portfolio. Income, receipts and other property or rights of or acquired by a segregated portfolio company not otherwise attributable to any segregated portfolio shall be applied to and comprised in the Issuer's general assets.

Paying Agent

ISP Securities AG, Switzerland

Custodian / Broker

Swissquote Bank SA, Switzerland

Storage Provider / Crypto Exchange

APLO SAS, France

Payward Ltd, (Kraken), United Kingdom

Strategy-Manager

Criptonite Asset Management SA, Switzerland (the "Strategy-Manager"). The Strategy-Manager is licensed as a portfolio manager by the FINMA and monitored by SO-FIT.

PRODUCT INFORMATION

Description

This Product (hereinafter, also "Certificate", "Note" or "AMC") is an Actively Managed Certificate. The Product allows for participation in the performance of the Underlying (the "Strategy"). The Strategy reflects a notional actively managed portfolio of assets and cash, maintained by the manager (the "Strategy-Manager"). The performance of the Strategy is tracked via the calculation of the Strategy-Level.

The holders of the Product (hereinafter, "Holders of the Product", "Holders of the Certificate" or "Note Holders") have exposure to the same performance a real portfolio would have, if it was actually managed according to the Strategy. However, the Holders of the Product will not be entitled to real assets in a real portfolio and have only a claim against the Issuer on the payment of the Redemption Amount based on the Strategy-Level at the Final Valuation Date.

Underlying

The Underlying is a basket representing a notional, actively managed portfolio (the "Reference Portfolio") of assets including cash in the Currency of the Product (the "Strategy-Components"). The basket is selected and managed by the Strategy-Manager in accordance with this termsheet ("Termsheet"), the "Investment Strategy" referred to here below as well as the investment universe (the "Investment Universe"), the guidelines (the "Strategy-Guidelines") and the investment restrictions (the "Investment Restrictions"), as per Annex 1.

Investment Strategy

The investment objective of the AMC is to achieve long-term capital growth by investing in high potential growth tokens and at the same time following a momentum trading strategy

Reinvestment of Returns

Any amounts reflecting net dividends and/or interest rates in a real portfolio consisting of the Strategy-Components will be added to the cash component of the Underlying. Any withholding taxes or similar taxes that might be charged on any of the Strategy-Components by tax authorities will not be reclaimed and will not be added to the cash component of the Underlying.

Initial Weighting of the Strategy-Components

The Strategy-Manager starts to implement the Strategy at the first possible trading day after Payment Date according to this Termsheet, the Investment Strategy, the Investment Universe, the Strategy-Guidelines and the Investment Restrictions. The Initial Strategy-Components will depend on the market conditions at the time the Strategy-Manager starts to implement the Strategy.

Strategy-Level (t)	Sum of the value of each of the Strategy-Components on any trading day t, converted to the Currency of the Product at the prevailing exchange rate(s), less all costs linked to the management of the Strategy including (but not limited to) fees, expenses, hedging and transaction costs, storage fees and taxes (if any), and divided by the sum of outstanding Certificates on such trading day t, as calculated by the Calculation Agent. Any costs associated with the addition of the new counterparty will be deducted from the value of the Reference Portfolio.
Early Redemption Event	The Issuer has the right to partially or fully early redeem the Note by a cash amount ("the Partial/Full Early Redemption Amount") on any Early Payment Date. Note holders would be notified on the corresponding Early Valuation Date.
Early Payment Dates	Anyday, from and including the Issue Date to and including the Final Valuation Date, adjusted as per the Business Day Convention.
Early Valuation Dates	Ten business days before the Early Payment Date.
Redemption Amount	<p>On Redemption Date, the Certificates will redeem a cash amount in the Currency of the Product equal to the Strategy-Level on the Final Valuation Date, as calculated by the Calculation Agent.</p> <p>The Strategy Manager, as appointed by the Issuer, is responsible for the Strategy. No party, including the Paying Agent, is therefore liable to any party for any loss in connection with the investment, nor for the performance of the Strategy. A Noteholder's entitlement is limited at all times to the Redemption Amount at Final Valuation Date. In a worst case scenario, the Redemption Amount may be zero. Noteholders should be aware that positive performance of the Strategy cannot be guaranteed.</p>
Prices of the Strategy-Components	The prices of the Strategy-Components used as a basis for the calculation of the Strategy-Level are calculated at the sole discretion of the Calculation Agent, based on the values provided by the Custodian / Broker, Storage Provider / Crypto Exchange, as applicable, or any other third party source that the Calculation Agent may deem appropriate to determine the fair value of the component. See Annex 3 for more details.
Price of the Certificate	The price of one unit of this Product on a specific trading day t is equal to Strategy-Level(t).
Selection / Adjustments / Rebalancing of the Strategy-Components	Adjustments of the Strategy-Components are actively made by the Strategy-Manager.

Termination Event	The Issuer and the Strategy-Manager have the right to terminate the Product at any time ("the Termination Date") without a specific reason, by notifying the Holders of the Certificate on the earliest possible date.
Consequences of a Termination Event	Following a Termination Event, the Certificates will redeem accordingly to the Settlement either a cash amount in the Currency of the Product equal to the Strategy-Level on the Termination Date ("the Termination Amount"). Investors should be aware that the Termination Amount may be, due to unfavorable market conditions, considerably lower than the Issue Price or the last valuation of the Product before the Termination Event. The Issuer has the right to reduce the Termination Amount or number of share delivery considerably (including to zero) in certain situations This may include, but is not limited to illiquidity or insolvency of an underlying asset(s) distressed situations related to or impacting an underlying asset.

GENERAL TERMS

Structured Product Type per Swiss Derivative Map	Dynamic Tracker-Certificate (Code 1300)
Total Amount	USD 3'963'717
Issue Size	6'203 Certificates (with reopening clause)
Issue Price	USD 639 + Distribution Fee (if any)
Distribution Fee	Up to 5.00% times: <ul style="list-style-type: none">• USD 639 for the purpose of the Issue Price definition• the Price of the Certificate for the purpose of the Secondary Market definition
Currency	USD
Denomination	USD 639
Quotation Type	In Units
Fees	The sum of following fees will be deducted daily from the Strategy-Level: <ul style="list-style-type: none">• Management fee: 2.00% p.a.

- Administration fee: 0.50% p.a. plus CHF 9'000 p.a.

The following fees will be deducted from the Strategy-Level on Issue Date:

- Set up fees: a fixed cost of CHF 19'000

Performance Fee

- 20% above Hurdle Rate with annual reset of High Watermark
- Hurdle Rate: 1.25% (quarterly observed, according to the Performance Fee Observation Dates as defined in Annex 2)

See Annex 2 for more details on Performance Fee Entitlement, Performance Fee Calculation and Performance Fee Observation Dates.

Broker Fee Schedule

See Annex 2.

Payment Date / Issue Date

16 September 2024, being the date on which the Products are issued, and the Issue Price is paid.

Final Valuation Date

Termination Date

Redemption Date

The Redemption Amount shall be due to Noteholders on the tenth business day after the Final Valuation Date.

Settlement

Cash settlement.

Exchange Rate

Applicable Exchange Rates (if any) for conversion of any amount into the relevant settlement currency for the purposes of determining the Strategy-Level or the Redemption Amount, may be sourced from the Crypto brokerage/Storage provider (if applicable), or from public sources like Bloomberg (BFIX), Reuters, Telekurs, etc. Relevant is the rate at the time or near the time of the determination of the Strategy-Level or the Redemption Amount.

Minimum Trade Size

10 Certificates and multiples of 1 Certificate thereafter

Valoren

135076963

ISIN

CH1350769639

Listing

Not listed

Business Day Convention

Following

Business Day Shall mean any day other than a Saturday, Sunday, or public holiday on which banks are open for business in Guernsey and Switzerland

Secondary Market Weekly secondary market trading orders are received and processed on a best effort basis on the last Business Day of the week, with a bid offer spread of 1% under normal market conditions. Acceptance of an order cannot be guaranteed and is subject to, amongst other things, sufficient liquidity. Orders must be placed with the Paying Agent before 16:30 for same day trading. Orders after 16:30 will be executed on the next trading day.

A Distribution Fee may apply on secondary market buy orders. On Secondary Market transactions, additional transaction fees may apply and are charged to the Strategy-Level.

Clearance Institution / Clearing Code SIX SIS AG / ISP 116441

MISCELLANEOUS

Selling Restrictions Russian Federation, Belarus, Canada, Cayman Islands, Guernsey, United States of America, US Persons and any other jurisdiction indicated in Annex 4 as restricted.

Under no circumstances may the product be distributed to any sanctioned person, entity or country identified by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, the United Nations Security Council, the European Union, His Majesty's Treasury of the United Kingdom, Bailiwick of Guernsey sanctions regime, Swiss sanctions framework implemented by SECO or other relevant sanctions authority.

In and from Switzerland the Product can only be offered or sold to institutional and professional clients pursuant to the Swiss Financial Services Act.

The Product shall be distributed only by way of private placement; public distribution is not permitted. The Product may not be offered out of, or into Guernsey and/or to any person domiciled in Guernsey.

No offer or invitation, whether directly or indirectly, may be made to the public in the Cayman Islands to subscribe for the Product and no such invitation is made hereby. The public in the Cayman Islands will not be invited to subscribe for the Product.

For jurisdiction-specific tax and any regulatory considerations, investors should consult their independent advisors.

Product Representation	Products to be represented by Intermediated Securities (Bucheffecten)
United States IRC Section 871(m)	Out of scope
Applicable Law / Place of Jurisdiction	Swiss Law under exclusion of the Swiss Private International Law Act and of the CISG / City of Zurich
Risks	<p>Regarding investments in the Product, there are several kinds of risks, inter alia:</p> <ul style="list-style-type: none">• The market, credit and liquidity risk with respect to the Strategy-Components.• * Underlying-related risk linked to Crypto Assets.• The counterparty risk with respect to the Issuer.• The currency risk with respect to the Strategy-Components which are not denominated in the Currency of the Product (if any).• The risk of sub-optimal adjustments of the Strategy-Components by the Strategy-Manager.• The counterparty risk with respect to the Custodian / Storage Provider. Amongst other things, Custodian / Storage Provider default could generate loss of Strategy-Components impacting the Strategy-Level. Furthermore, operational failure of such party can affect the ability to transfer the Strategy-Components to FIAT currency to the Paying Agent and hence negatively affect the liquidity of the product in respect of redemptions and secondary market trades. <p>The Issuer is registered as a segregated portfolio company. As a matter of Cayman Islands law, the assets of one Segregated Portfolio will not be available to satisfy the liabilities of another. However, the Issuer is a single legal entity which may operate or have assets held on its behalf or be subject to claims in other jurisdictions which may not necessarily recognise such segregation. There can be no guarantee that the courts of any jurisdiction outside the Cayman Islands will respect the limitations on liability associated with segregated portfolio companies.</p> <p>In a worst case scenario, Holders of the Product may lose their total investment.</p>
Limitation of Transferability	The Certificate can only be sold back to the Issuer.
Tax Treatment in Switzerland	For individuals holding the Product for private investment purposes with tax domicile in Switzerland the portion of income realised on the underlying Strategy-Level attributable to their respective portion in the

underlying Strategy-Level will be subject to Swiss income taxes on an annual basis (by financial year end) or upon redemption. Gains and losses realised on the Strategy-Level as well as gains and losses derived from the sale of the Product should be considered as income tax-free private capital gains and non-tax deductible private capital losses respectively.

The Product is not subject to the Swiss withholding tax. The Product may be subject to Swiss stamp duty of up to 0.15% on the primary as well as the secondary market. There is no Swiss stamp duty upon redemption of the Product. For Swiss paying agents, payments under the Product are not subject to the EU savings tax.

Investors and other interested parties are advised to consult their tax advisors to determine the special tax consequences of the purchase, ownership or disposition of the Product before any commitment/investment is made.

Common Depository

SIX SIS AG

ANNEX 1

It is the sole responsibility of the Strategy-Manager to ensure that the Strategy and the Strategy-Components as well as the investments correspond to the Investment Universe, the Strategy-Guidelines, and the Investment Restrictions. Neither the Issuer, nor the Paying Agent, nor the Custodian / Broker, nor the Storage Provider / Crypto Exchange, nor the Calculation Agent, nor any other involved party apart from the Strategy-Manager carries out any supervision in that regard.

In the event that the Strategy-Manager deviates from the Strategy-Components as described in the Investment Universe and Strategy Guidelines, the Note Holder is still entitled to the Redemption Amount that is outlined in this Termsheet.

Investment Universe

The Investment Universe consists of the following asset / asset classes and represents the basis for the selection, adjustment and rebalancing of the Strategy-Components by the Strategy-Manager. The Investment Universe may be amended by the Strategy-Manager at any time and in its sole discretion.

Asset Class	Range allocation (% of total portfolio value)	Permitted Instruments
Digital Assets	Min 0% - Max 100%	Cryptocurrencies
Cash	Min 0% - Max 49%	Cash in the Product Currency (max 49 %)

Strategy Guidelines

The Strategy-Components are selected, adjusted and rebalanced by the Strategy-Manager in accordance with the following guidelines (the "Strategy-Guidelines"):

- Listed tokens on exchanges accessible through Aplo (excluding stable coins)

Investment Restrictions

The following Investment Restrictions are applicable for the Strategy-Manager:

- Short selling of any asset
- Leverage through credit raising, short selling, or derivatives
- Long positions in US dividend-paying stocks

ANNEX 2

Broker Fees

Average Broker Transaction Fee: As per fee schedule of the respective Custodian / Broker or Storage Provider / Crypto exchange.

Performance Fee**High Watermark**

Applicable with reset feature. For the first Performance Fee Observation Date ($t=1$), the High Watermark is equal to the Issue Price less the Distribution Fee (if any). Thereafter, if the Strategy-Level (t) on the Performance Fee Observation Date (t) is higher than the previous High Watermark, the High Watermark is set to that level after deduction of the Performance Fee Amount and any Coupon Amount and/or Partial Redemption Amount paid from and excluding Observation Date ($t-1$) to and including Observation Date (t).

Likewise, on the first business day of each year, the High Watermark will be reset to the level of the Certificate observed on the most recent December performance fee observation date after deduction of the Performance Fee. There is a risk that the High Watermark may be reset downwards to a level which may be lower than the Issue Price.

Performance Fee Entitlement

A Performance Fee Amount is paid to the Strategy-Manager if the performance of the Certificate with respect to the High Watermark on the relevant Performance Fee Observation Date exceeds the Hurdle Rate, i.e.:

$$\left(\frac{\text{Strategy-Level}(t)}{\text{High Watermark}} - 1 \right) > \text{Hurdle Rate}$$

Performance Fee Calculation

Performance Fee Amount is equal to:

$$\begin{aligned} & \text{High Watermark} \times \\ & \times \left(\left(\frac{\text{Strategy-Level}(t)}{\text{High Watermark}} - 1 \right) - \text{Hurdle Rate} \right) \times \\ & \times \text{Performance Fee} \end{aligned}$$

where:

- **Strategy-Level(t)** is the value of the Certificate on the Performance Fee Observation Date (t), before deduction of the Performance Fee.
- **High Watermark** is the highest level of the Certificate on any of the previous Performance Fee Observation Dates ($i < t$) after deduction

of the Performance Fee, except for the first period of the year as defined in the High Watermark definition above.

The Performance Fee Amount cannot be a negative number.

**Performance Fee
Observation Dates**

Quarterly on the last business day of March, June, September and December, from and including the Issue Date to and including the Final Valuation Date.

ANNEX 3

Valuation of Strategy-Components

The value of the Strategy-Components on a specific date t is based on the most current asset level of each Strategy-Component at the time the API call is made. Changes in the prices of the Strategy-Components that occur afterward can lead to differences at the Strategy-Level for the same end-of-day portfolio statements.

ANNEX 4

Additional Restricted Jurisdictions

The Products for which the Swissquote Bank SA acts as Custodian/Broker may not be subscribed by investors located in the below countries:

- Albania
- Barbados
- Cambodia
- Canada
- Colombia
- Guernsey
- Haiti
- Iran
- Jamaica
- Myanmar
- Nicaragua
- North Korea
- Pakistan
- Syria
- Ukraine
- United States of America (incl. US Persons)
- Vanuatu

- Venezuela
- Yemen
- All African countries except Mauritius and South Africa
- All countries of the Commonwealth of Independent States

* UNDERLYING-RELATED RISK LINKED TO CRYPTO ASSETS

General risks for Crypto Assets

Crypto Assets are not currently recognized as official currencies or legal tender, and they are not a commonly accepted means of payment. Crypto Assets may have no underlying value in any form and do not represent anything of value. They may or may not have a value purely as a consequence of the fact that there is actual and imminent demand for their acquisition. In the absence of such demand the value of a Crypto Asset is nil. In order for crypto trading platforms or exchanges (“Exchange” or “Exchanges”) to have an offer and a demand, there must be a market. There may or may not be a market for a Crypto Asset. In the absence of a market, demand for a specific Crypto Asset may not meet a respective offer and there is no trade. In the absence of a market, and despite a demand, the value of a Crypto Asset is nil. Markets for Crypto Assets are not regulated.

Investors who engage with Crypto Assets (and by extension, those who invest in products that derive their value from Crypto Assets) are exposed to elevated risks of fraudulent activities, theft, and cyber assaults. Multiple Crypto Asset markets have previously faced closures, either due to mandated suspensions or as a result of internal or external breaches, further compounding the associated vulnerabilities.

Market risks for Crypto Assets

The market value of Crypto Assets may or may not be related to any specific company, government, or asset. The valuation of Crypto Assets depends on future expectations for the value of the network and the number of transactions and the overall usage of the Crypto Asset, among other things. This means that a significant amount of the value in Crypto Assets is speculative and could lead to increased volatility. Investors could experience significant gains, losses and/or volatility depending on the valuation of Crypto Assets through the exposure to Underlyings or Underlying Components by the Products.

The market risks with regard to Crypto Assets are in general higher than for traditional assets in terms of market price volatility. In Crypto Assets price movements can be large and fast. Furthermore, the market capitalization of Crypto Assets is in general small compared to traditional assets and thus the liquidity of Crypto Assets might be limited that might increase the volatility as well as the risk that a limited number of people may drive the price of the Crypto Asset up or down.

The absence of centralized and regulated Exchanges for Crypto Assets exposes crypto markets to additional risks. The lack of centralized oversight and regulation heightens the susceptibility to market abuses perpetrated by select market participants, including but not limited to practices such as insider trading, market manipulation, front running, spoofing, and ramping. These activities can distort market dynamics and impair fair trading practices, subsequently amplifying the inherent risks associated with Crypto Assets.

Technical risks related to Crypto Assets

There are a number of technical risks to which investors in Crypto Assets are exposed, including, but not limited to, the following:

- Flaws in the code – Crypto Assets are often built on open-source code available to the general public. This makes the underlying source code of these Crypto Assets visible publicly to anyone, anywhere. While the top Crypto Assets sometimes have dedicated teams of contributors, it is often the case that they are unpaid and not full-time employees or contractors. For these reasons, it is possible that flaws or mistakes in the released and public source code could lead to catastrophic damage to the underlying technology, Crypto Assets, and networks. It is further possible that a dedicated team or a group of contributors or other technical group may attack the code, directly leading to serious damage. In any of these situations, the value of the Crypto Assets can be severely and detrimentally affected.
- Double Spending and 51% attacks – Crypto Assets miners earn Crypto Assets by confirming transactions and reaching consensus. The results of this consensus are displayed on the respective distributed public ledger. If a single miner, or a group of miners acting in concert, controls (even temporarily) a majority of the network mining power (known as hash power) of a particular distributed ledger network, they could use this control to undertake harmful acts. Such an attack is called a 51% attack. For example, an individual or group controlling a majority of a Crypto Asset network could prevent transactions from posting accurately, or at all, on the distributed ledger network. Furthermore, they could allow for their coin in a Crypto Assets to be spent on multiple occasions and would, in this scenario, have enough network control to confirm and post these transactions to the distributed ledger network, in an attack referred to as double spending. In a double spending situation, the related record of the transaction, posted on the public distributed ledger, would become falsified. This could have a detrimental effect on both sides of a transaction. There are several ways a nefarious cybercriminal could attempt a double-spend, including, but not limited to, sending two conflicting transactions to the network, and creating one transaction but sending the Crypto Assets before releasing that associated block to the distributed ledger network, which would invalidate it. On an Exchange with multiple currency trading pairs, it would be possible for a person or individual controlling the majority of a distributed ledger network to double-spend the coins in the Crypto Assets they control and then subsequently trade them for other currency pairs and transfer them off the Exchange to their own private wallet(s). This scenario is more likely to happen with "smaller" Crypto Assets (by measure of market capitalization) because of the reduced computing power threshold required to control a majority of the network, and has been documented happening multiple times, targeting Crypto Assets such as Bitcoin Gold and Verge. It is theoretically possible, even if it is sometimes computationally expensive, to mount a similar 51% or double spending attack on a "large" Crypto Asset (by measure of market capitalization), including Ethereum and Bitcoin. The Underlying(s) may also be negatively affected by technical risks such as a 51% attack or double spend.
- Infrastructure and ecosystem – The infrastructure and ecosystem that power Crypto Assets are developed by different parties, including affiliated and non-affiliated engineers, developers, miners, platform developers, marketers, Exchange operators and other companies based around a service regarding a Crypto Asset, each of whom may have different motivations, drivers, philosophies, and incentives. There is, accordingly, a risk that these parties disagree on the future direction of these technologies, which may impede or otherwise negatively affect the development of the technology and, in turn, lead to losses with respect to an investor's investment into Certificates with Crypto Assets as an Underlying.

- Internet disruptions – The functionality of Crypto Asset networks relies on the internet. A significant disruption of Internet connectivity (i.e., affecting large numbers of users or geographic regions) could prevent the functionality and operations of such networks until the Internet disruption is resolved. An Internet disruption could adversely affect an investment in the Certificates with Crypto Assets as Underlying.
- Security risks of scaling solution – Implementation of scaling solutions for the network underlying the Crypto Assets could adversely affect an investment in the Certificates. By the implementation of scaling solutions, the logistics of technological implementation, incentives structures, and network security must be closely monitored. For example, a misalignment of network fees could result in reduced profitability for the validators and a less secure network. This could adversely impact an investment in the Certificates.
- Risks of proof-of-stake solution (e.g., unilateral acts due to centralisation of staking capacity in the network) – Distributed ledger networks that use "proof-of-stake" may be subject to certain unique risks, such as malicious unilateral actions by actors who have a significant share of the total available Crypto Assets in the distributed ledger network. In this scenario, the malicious unilateral actions that may be possible include double-spending, forking, stopping & rejecting transactions and preventing new transactions from being confirmed on the distributed ledger network. This could adversely impact an investment in the Certificates.

Change of Law and Regulatory risks

The regulation of Crypto Assets is subject to change. It cannot, therefore, be ruled out that the regulatory treatment of Crypto Assets or products linked to Crypto Assets by legislative bodies, 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 certain of the Products, Crypto Assets, or certain Crypto Assets, including with respect to the Underlying or Products may be prohibited or otherwise restricted.

Changes in the regulation of Crypto Assets may in some cases make it illegal for the Issuer to hold or trade Crypto Assets resulting in a termination of the Product or the need for the Issuer to change the Products.

Changes in the regulation of Crypto Assets can also adversely impact the ability for Storage Providers and/or Crypto Exchanges to convert Crypto Assets into fiat currency. Moreover, changes in the regulation of Crypto Assets, or certain Crypto Assets, including with respect to the Underlying, may adversely impact the Issuer, the value of the Products, the value of any of the Underlying. As a result, Investors bear the risk of a loss of part or all their investment.

Counterparty risk of service providers

Crypto Assets can be used anonymously and purchased directly from an owner or an Exchange. These Exchanges are generally not regulated. Crypto Assets do not have to be traded through government institutions or banks. Trades on Exchanges can be unrelated to transfers of the Crypto Assets between users via the respective crypto network if the Exchange co-mingles funds and does not offer a unique wallet address for each customer. For example, comingling refers to a lack of segregation of customer assets and is a common practice among many Exchanges. Exchanges might not provide a unique wallet for each user and as a result, might have one or more large Wallets composed of the assets of several users, comingled. This results in a centralization of a large amount of assets in a single location and could therefore increase the amount of damage or theft that can be done from a negative situation such as a hack, operational failure, or fraud. In the case of fraud, theft and cyber-attacks on the positions held with the Storage Provider or Exchange, the Issuer, may exercise its Termination Right and early redeem the

Certificate. Moreover, a termination of a hedge position in the Underlying (including, but not limited to, any loss realized by the Issuer resulting from fraud, theft and cyber-attacks relating to the Storage Provider or Exchange and/ or Reference Portfolio price source(s) of the Issuer) could lead to a considerably decreased Redemption Amount including a possible total loss.

Service providers such as Storage Providers, Crypto Exchanges or Trusted Third Party (if applicable) can among other things default, suffer operational failures or become illegal, in such cases the Crypto Assets held which such counterparty might be blocked or even lost and hence negatively affect the performance of the Certificate.

Crypto Assets can be stolen from Storage. After purchase, Crypto Assets are regularly stored in a "virtual wallet", either hosted in custodial with a third party or in non-custodial wallets. These virtual wallets are usually protected by a private key or password. Virtual wallets also usually have a public key and a private key or a password for access. However, virtual wallets are not fully protected from hackers. Just as with physical wallets, Crypto Assets can be stolen from a virtual wallet as well. Thefts and hacker attacks can have a negative impact on the reputation of Crypto Assets or the respective marketplace and thus affect the market price of Crypto Assets. Through the Product, investors would indirectly participate to such a negative performance, it is possible that it could lead to a total loss. Crypto Assets can be used anonymously, and Crypto Assets do not have to be traded through government institutions or banks. Crypto Assets can be purchased directly from an owner or an Exchange. These Exchanges are generally not regulated. Thus, investors face increased risk of the Issuer identifying occurrence of a hedging disruption involving the loss risks outlined herein.

Conversion and Settlement Risk

The products are traded and settled in fiat currency but are linked to Crypto Assets via the Underlying. In order for the Issuer to pay the Redemption Amount or process any Secondary Trade, there might be Crypto Assets as part of a hedge transaction that must be converted into fiat currency. There are several risks associated with converting Crypto Assets into fiat currency, including but not limited to failure of the Storage Provider and/or Exchange to find a bank that is willing to transfer the fiat currency from the Exchange to the Issuer's paying agent account. Failure of the Exchange to meet its payment obligation in fiat currency due to insufficient liquidity or assets to back the claim.

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