

Tracker Certificate ("Tracker") on PURE Carbon

End of subscription 30 January 2026
Maturity 20 February 2029 | Not Listed | Private Placement
ISIN CH1474786139

**SHA256 Issuer SPC, 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 CH1474786139
Registration No. 421360
(as "Issuer")**

BRIEF DESCRIPTION

Tracker Certificates ("Trackers") provide the opportunity to participate in the underlying's performance in a transparent way and with a single transaction. In Switzerland, these financial instruments are considered structured products. Trackers 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.

The Issuer was incorporated on 08 May 2025 as an exempted company with limited liability registered as a segregated portfolio company under the laws of the Cayman Islands with registration number 421360. The registered office of the Issuer is at Floor 2, Willow House, Cricket Square, PO Box 709, Grand Cayman KY1-1107, Cayman Islands

30 March 2026

PARTIES

Issuer/Calculation Agent

The Issuer/Calculation agent is SHA256 Issuer SPC, 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 CH1474786139 (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
Digital/Crypto Exchange	Archax Ltd, 71-75 Shelton Street, London WC2, United Kingdom
Storage Provider	Archax Ltd, 71-75 Shelton Street, London WC2, United Kingdom, registered with the Financial Conduct Authority, reference number 838656
Carbon Registry	UK Carbon Registry Limited, 41 Luke Street, London EC2 United Kingdom

PRODUCT INFORMATION

Description	<p>This Product (hereinafter, also "Certificate", "Note" or "Tracker") is a Tracker Certificate. The Product allows for participation in the performance of the Underlying. The performance of the Certificate is tracked via the calculation of the Underlying performance.</p> <p>The holders of the Product (hereinafter, "Holders of the Product", "Holders of the Certificate" or "Note Holders") have exposure to the performance of the Underlying. However, the Holders of the Product will not be entitled to real assets and have only a claim against the Issuer on the payment of the Redemption Amount on the Redemption Date.</p> <p>Note Holders are exposed to the Management Fees of the Notes, in addition of the applicable Management and Performance fees charged on the Underlying (if any).</p>
Underlying	<p>The Underlying is a basket representing a portfolio (the "Reference Portfolio") of Project Flux Tokens (Token Symbol PURE) issued by the UK Carbon Registry on the Ethereum blockchain (via the Polygon network) (the "Tokens") and cash (the "Cash Position"), which together shall be referred to as the "Portfolio-Components". See Annex 1 for more details. Additionally, the Tokens might be converted into Carbon Credits ("Conversion Event") and become part of the Portfolio-Components.</p>
Certificate Level (t)	<p>Value of the Reference Portfolio on any trading day t, determined by the sum of the prices of each of its Portfolio Components, converted to the Currency of the Product at the prevailing exchange rate(s), less all costs linked to the management of the Certificate 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 incurred in a currency different from the Product Currency will be converted and settled in the Product Currency.</p>
Initial Reference Portfolio Composition	<p>[·] tokens per Note. The initial composition of the Reference Portfolio will be determined as early as possible after Issue Date.</p>
Coupon	<p>10% p.a. (quarterly paid)</p>
Coupon Amount	<p>On Coupon Payment Dates, the Certificates will pay a cash amount equal to Denomination times Coupon times Time Ratio.</p>
Time Ratio	<p>1/4 (quarterly coupon payment)</p>

Coupon Valuation Dates	Ten business days before every Coupon Payment Date
Coupon Payment Dates	30th March, 30th June, 30th September and 30th December in each year, from and excluding the Issue Date to and including the Maturity Date, adjusted as per the Business Day Convention.
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	Any day, 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, at Issuer's choice either (i) a cash amount in the Currency of the Product equal to the Certificate-Level on the Final Valuation Date, or (ii) Ex-Post Carbon Credits, as calculated by the Calculation Agent on Final Valuation Date following a Carbon Conversion Event and the process outlined in section Carbon Credit Settlement.</p> <p>The Issuer, the Calculation Agent and the Paying Agent are not liable to Note Holders or other third parties for any loss or liability arising from a negative performance of the Certificate.</p>
Price of the Portfolio Components	The prices of the Portfolio-Components used as a basis for the calculation of the Certificate-Level are calculated at the sole discretion of the Calculation Agent, based on the values provided by the Storage Provider Digital/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 1 for more details.
Price of the Certificate	The price of one unit of this Product on a specific trading day t is equal to Certificate-Level(t).
Reinvestment of Returns	Any amounts reflecting net dividends paid by the Underlying will be added as a cash component to the Certificate Level and may be either retained to finance the fees linked to the Certificate or paid through to the Certificate holders as a coupon. Any withholding taxes or similar taxes that might be charged on the Underlying by tax authorities will not

be reclaimed and will not be added as cash component to the Certificate Level.

Termination Event

The Issuer has 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 Certificate-Level on the Termination Date (“the Termination Amount”) or Ex-Post Carbon Credits if possible.

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 Ex-Post Carbon Credits 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	Tracker-Certificate (Code 1300)
Total Amount	USD 4'240'000
Issue Size	4'240 Certificates (with reopening clause)
Issue Price	USD 1'000 + Distribution Fee (if any)
Distribution Fee	Up to 2.00% times: <ul style="list-style-type: none"> • USD 1'000.00 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 1'000

Quotation Type	In Units
Fees	<p>The sum of the following fees will be deducted daily from the Underlying Performance:</p> <ul style="list-style-type: none">• Management fee: 1.38% p.a.• Administration fee: 0.40% p.a. plus USD 10'000 p.a. <p>The following fees will be deducted from the Certificate Level on the Issue Date:</p> <ul style="list-style-type: none">• Setup Fee: 2.00%
Payment Date / Issue Date	6 February 2026, being the date on which the Products are issued, and the Issue Price is paid.
Final Valuation Date	6 February 2029
Redemption Date	The Redemption Amount shall be due to Noteholders on the tenth business day after the Final Valuation Date, expected to be 20 February 2029.
Maturity Extension Event	The Redemption Date of the product may be postponed to a future date as deemed commercial reasonable by the Issuer to allow for orderly disposal of the Underlying (the Extended Redemption Date), and the Final Valuation Date (the Extended Final Valuation Date), at the Issuers discretion. Notification to Note Holders would be done on or before the Final Valuation Date.
Settlement	Cash settlement or physical settlement, at Issuer's choice. When physical settlement through a delivery of EX-Post Carbon Credits (a "Carbon Credit Settlement") applies, all costs involved with physical settlement will be deducted from the Strategy-Level, as calculated by the Calculation Agent on Final Valuation Date.
Carbon Credit Settlement	<p>Following a Carbon Credit Conversion Event the Issuer has the right but not the obligation to settle the product in Ex-Post Carbon Credits delivered via the Carbon Registry to the Note Holders</p> <p>If a Carbon Credit Settlement applies the Note Holder needs to notify the Carbon Registry that the Note Holder would like to settle the Note in EX-Post Carbon Credits through a delivery to the Note Holder's account at the Carbon Registry a Carbon Credit Settlement Request Notice. Upon the delivery of the Carbon Credit Settlement Request Notice the Issuer will review the request and decide in its own discretion if a Carbon Credit Settlement will apply.</p>

If the Issuer decides on a Carbon Credit Settlement, the custodian bank of the Certificate Holders will need to deliver the Certificates free of payment (FOP) to the Paying Agent and instruct the Paying Agent about the Carbon Account of the Noteholder at the Carbon Registry.

Once the Certificate Holders have instructed the transfer of Certificates through their custodian bank to the Paying Agent. The Paying Agent will redeem the Certificates, and the Issuer will instruct a transfer of the Ex-Post Carbon Credits at the Carbon Registry to the account of the Noteholder at the Carbon Registry. Once the transfer is instructed all claims on the Paying Agent and the Issuer will end. Any error, failure or loss of the carbon credit will not translate to any liability or obligation on the Paying Agent nor the Issuer.

If the Issuer cannot deliver the Ex-Post Carbon Credits within a reasonable time the Issuer has the right to convert the Ex-Post Carbon Credits to cash and deliver this to the Certificate Holders. The Issuer will in such case not be liable for any loss in association with such conversion.

Carbon Credit Settlement Request Notice

A notice from the Noteholder to the Carbon Registry requesting a settlement of the Tracker in Ex-Post Carbon Credits will need to be placed with a one-month notice period contingent on a Carbon Conversion Event has happened. The notice needs to include an account number at the Carbon Registry, basic due diligence of the Noteholder and proof of ownership of the Tracker.

The Notice needs to be sent to the Carbon Registry under the following address:

UK Carbon Registry Limited

41 Luke Street

London EC2A 4DP

United Kingdom

info@carbonregistry.co.uk

Exchange Rate

Applicable Exchange Rates (if any) for conversion of any amount into the relevant settlement currency for the purposes of determining the Certificate-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 Certificate-Level or the Redemption Amount.

Minimum Trade Size

10 Certificates and multiples of 1 Certificate thereafter

Valoren	147478613
ISIN	CH1474786139
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	<p>Monthly secondary market trading orders are received and processed on a best effort basis on the 15th of the month (or the previous Business Day should the 15th fall on a bank holiday), 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.</p> <p>A Distribution Fee may apply on secondary market buy orders. On Secondary Market transactions, additional transaction fees may apply and are charged to the Certificate-Level.</p>
Clearance Institution / Clearing Code	SIX SIS AG / ISP 116441

MISCELLANEOUS

Selling Restrictions	<p>Russian Federation, Belarus, Canada, Cayman Islands, Guernsey, United States of America, US Persons.</p> <p>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, the Bailiwick of Guernsey sanctions regime, Swiss sanctions framework implemented by SECO or other relevant sanctions authority.</p> <p>In and from Switzerland the Product can only be offered or sold to institutional and professional clients pursuant to the Swiss Financial Services Act.</p>
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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 Regarding investments in the Product, there are several kinds of risks, inter alia:

- The market and liquidity risk with respect to the Underlying.
- * Underlying-related risk linked to Digital and Crypto Assets.
- The counterparty risk with respect to the Issuer.
- Replication error: the composition of the Reference Portfolio may vary during the life of the Product due to a replication slippage that may appear following the execution of a secondary market order. The less liquid the Underlying is, the higher the replication error.
- The currency risk with respect to the Underlying (if any).
- The counterparty risk with respect of the Storage Provider and/or Digital/Crypto Exchange. Amongst other things, Storage Provider and/or Digital/Crypto Exchange 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.

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.

The Note Holders needs to be aware of the inherent conflict of interest arising from the fact that the Underlying is administrated and generated by the Carbon Registry who is also the sponsor and distributor of the product as well as counterparty and issuer of the Underlying, which might lead to a situation where advice from the Carbon Registry is not the most favorable for the Note Holders.

The Note Holders need to be aware of the nature of the underlying being illiquid and not freely tradable. Furthermore, the Note Holders need to be aware of a potential repayment of the Tracker in carbon credits rather than cash and that such carbon credits might not have any value at that time.

In a worst case scenario, Holders of the Product may lose their total investment.

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, gains and losses realised on the Redemption Amount 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.

Publication of notices and adjustments

All notices to investors concerning the product and adjustments to the product terms (e.g. due to corporate actions) are published under the "Product history" of the respective product at <https://myts.to/product-history/CCc3NwfV>

Common Depository

SIX SIS AG

ANNEX 1

Underlying	<p>Project Flux Token, a digital asset (Token Symbol: PURE) issued by UK Carbon Registry Limited on the Ethereum blockchain (via the Polygon network).</p>
Description of the Underlying and its Investment objective	<p>Project Flux is developed by Flowchain with the stated aim to reduce water waste and to reduce carbon dioxide equivalent (“CO₂e”) emissions. Project Flux issues verified carbon credits as tokenized securities, providing regulatory compliance within the Carbon Market where the tokens represent the Ex-Ante Carbon Credit.</p> <p>The underlying project for this Note is an independently verified carbon credit security derived from an environmental scheme which generates carbon mitigation. This Note is designed to operate seamlessly between the carbon market and the existing and emerging compliance markets, in accordance with articles 6.2 and 6.4 of the Paris Agreement, a legally binding international treaty on climate change which came into force on 4 November 2016</p> <p>Given increasing market convergence, and the rising use of high-quality = credits within compliance regimes, regulated entities may invest in this Note to support carbon mitigation compliance and reporting.</p>
Ex-Ante Carbon Credit	<p>A unit representing a projected quantity, equal to one tonne of CO₂e emissions, expected to be reduced, removed, avoided or mitigated by the implementation of Project Flux, over a defined future period, but which has not yet been verified by an independent third-party verifier in accordance with the applicable carbon standards. For the avoidance of doubt, an Ex-Ante Carbon Credit is not eligible for retirement unless and until they are converted into an Ex-Post Carbon Credit.</p>
Ex-Post Carbon Credit	<p>A unit representing one tonne of CO₂e emissions which has been reduced, removed, avoided or mitigated by the implementation of Project Flux, as quantified and verified by an independent third party in accordance with the applicable carbon standards.</p>
Carbon Credit Conversion Event	<p>On any calendar day, and subject to the verification and quantification by an independent third party (in accordance with the applicable carbon standards) of the actual CO₂e emission reduced, removed, avoided or mitigated by the implementation of Project Flux as at such relevant day, the conversion of one or more Ex-Ante Carbon Credits into Ex-Post Carbon Credits by the UK Carbon Registry (a “Carbon Credit Conversion Event”). By the Carbon Credit Conversion Event the Token representing the Ex-Ante Carbon Credits will be converted to Ex-Post</p>

Carbon Credit registered with the UK Carbon Register and the token will be burned and cease to exist.

Investors should note that the total number of Ex-Post Carbon Credits issued by the UK Carbon Registry (if any) may be less than the total number of Ex-Ante Carbon Credits issued, meaning that some Ex-Ante Carbon Credits may not be converted into Ex-Post Carbon Credits.

Valuation of the Underlying The tokens will be valued at cost.

ANNEX 2

Broker Fees

Average Broker Transaction Fee: As per fee schedule of the respective Storage Provider/Crypto Exchange (as applicable).

*** UNDERLYING-RELATED RISK LINKED TO DIGITAL AND CRYPTO ASSETS**

General risks for Digital and Crypto Assets

Digital and Crypto Assets are not currently recognized as official currencies or legal tender, and they are not a commonly accepted means of payment. Digital and 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 Digital and 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 Digital and Crypto Asset. In the absence of a market, demand for a specific Digital and/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 Digital and/Crypto Asset is nil. Markets for Digital and Crypto Assets are not regulated.

Investors who engage with Digital and Crypto Assets (and by extension, those who invest in products that derive their value from Digital and/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 Digital and Crypto Assets

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

The market risks with regard to Digital and Crypto Assets are in general higher than for traditional assets in terms of market price volatility. In Digital and Crypto Assets price movements can be large and fast. Furthermore, the market capitalization of Digital and Crypto Assets is in general small compared to traditional assets and thus the liquidity of Digital and 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 Digital/ and Crypto Asset up or down.

The absence of centralized and regulated Exchanges for Digital and Crypto Assets exposes digital and 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 Digital and Crypto Assets.

Technical risks related to Digital and Crypto Assets

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

- **Flaws in the code** – Digital and Crypto Assets are often built on open-source code available to the general public. This makes the underlying source code of these Digital and Crypto Assets visible publicly to anyone, anywhere. While the top Digital and 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, Digital and /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 Digital and Crypto Assets can be severely and detrimentally affected.
- **Double Spending and 51% attacks** – Digital and Crypto Assets miners earn Digital and 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 Digital and 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 Digital and 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 Digital and 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 Digital and 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" Digital and 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 Digital and 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" Digital and 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 Digital and 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 Digital and 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 Digital and Crypto Assets as an Underlying.

- Internet disruptions – The functionality of Digital and Crypto Asset networks rely 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 Digital and Crypto Assets as Underlying.
- Security risks of scaling solution – Implementation of scaling solutions for the network underlying the Digital and 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 Digital/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 Digital and Crypto Assets is subject to change. It cannot, therefore, be ruled out that the regulatory treatment of Digital and Crypto Assets or products linked to Digital and 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, Digital and Crypto Assets, or certain Digital and Crypto Assets, including with respect to the Underlying or Products may be prohibited or otherwise restricted.

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

Changes in the regulation of Digital and Crypto Assets can also adversely impact the ability for Storage Providers and/or Crypto Exchanges to convert Digital and Crypto Assets into fiat currency. Moreover, changes in the regulation of Digital and Crypto Assets, or certain Digital and 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

Digital and Crypto Assets can be used anonymously and purchased directly from an owner or an Exchange. These Exchanges are generally not regulated. Digital and Crypto Assets do not have to be traded through government institutions or banks. Trades on Exchanges can be unrelated to transfers of the Digital and 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 Digital and Crypto Assets held which such counterparty might be blocked or even lost and hence negatively affect the performance of the Certificate.

Digital and 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, Digital and Crypto Assets can be stolen from a virtual wallet as well. Thefts and hacker attacks can have a negative impact on the reputation of Digital and 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. Digital and Crypto Assets can be used anonymously, and Digital and Crypto Assets do not have to be traded through government institutions or banks. Digital/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 Digital and Crypto Assets via the Underlying. In order for the Issuer to pay the Redemption Amount or process any Secondary Trade, there might be Digital and Crypto Assets as part of a hedge transaction that must be converted into fiat currency. There are several risks associated with converting Digital and 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.

Indicative Termsheet

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