

# BASE PROSPECTUS

Dated 31 January 2024

for the issuance of

## **SINGLE DIGITAL CURRENCY TRACKER CERTIFICATES & BASKET CERTIFICATES**

under the

**Issuance programme**

of

**XBT Provider AB (publ)**

*(a limited liability company incorporated under the laws of Sweden)*



The Certificates are guaranteed by

**CoinShares Capital Markets (Jersey) Limited**

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## IMPORTANT INFORMATION

This base prospectus (the "**Base Prospectus**") contains information relating to Certificates (as defined below) to be issued under the programme (the "**Programme**"). Under the Base Prospectus, XBT Provider AB (publ) (the "**Issuer**" or "**XBT Provider**") may, from time to time, issue Certificates and apply for such Certificates to be admitted to trading on one or more regulated markets or multilateral trading facilities ("**MTF's**") in Finland, Germany, the Netherlands, Norway, Sweden or, subject to completion of relevant notification measures, any other Member State within the European Economic Area ("**EEA**").

The correct performance of the Issuer's payment obligations regarding the Certificates under the Programme are guaranteed by CoinShares Capital Markets (Jersey) Limited (the "**Guarantor**").

The Certificates are not principal-protected and do not bear interest. Consequently, the value of, and any amounts payable under, the Certificates will be strongly influenced by the performance of the Tracked Digital Currencies (as defined herein) and, unless the certificates are denominated in USD, the USD-SEK exchange rate or, as the case may be, the USD-EUR exchange rate.

***As such, an investment in the Certificates is likely to be highly speculative and volatile.***

Whether the Certificates constitute a suitable investment for a prospective investor has to be assessed in light of each investor's own circumstances. Neither this Base Prospectus, nor any marketing material relating to the Certificates, constitutes (or should be considered to constitute) investment, financial, tax or any other kind of advice to prospective investors. Each investor must make their own assessment as to the suitability (or otherwise) or a potential investment in the Certificates and should, in connection therewith, consult with their own independent professional advisors.

***An investment in the Certificates is only suitable for investors who have sufficient experience and knowledge in order to be able to assess the risks related to such an investment and is only suitable for investors who also have investment objectives which align with the Certificates' exposure, duration and other characteristics, and who have sufficient financial resources in order to be able to bear the risks associated with such an investment.***

This Base Prospectus has been approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the "**SFSA**"), as competent authority under Regulation (EU) 2017/1129 relating to admission to trading on regulated markets or, as the case may be, MTF's, in Finland, Germany, the Netherlands, Norway, Sweden or, subject to completion of relevant notification measures, any other Member State within the EEA.

XBT Provider has not authorised any party to provide any information regarding the Issuer; any other company in the group within which the Issuer is a member (the "**Group**"); or the Certificates; other than such information as is contained in this Base Prospectus. If any other information is provided by a party other than the Issuer and its representatives, the recipient should assume that any such information has not been authorised by the Issuer (or any company within the Issuer's Group) and, consequently, must not rely on such information.

This Base Prospectus must not be distributed to other countries where an offering or admission to trading requires additional prospectuses, translations or filings with national authorities (or other measures beyond those required by Swedish law) or which otherwise are in breach of the laws or rules of such other country. Persons holding this Base Prospectus, or any Certificates issued hereunder, must stay informed of (and observe) any restrictions in such jurisdictions and as contained herein.

The Certificates have not been, and will not be, registered under the Securities Act 1933, as amended of the United States (the "**Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction of the United States and may include securities in bearer form that are subject to United States tax law requirements. The Certificates may not be offered, sold or (in the case of bearer securities)

delivered within the United States or to, or for the account or benefit of, US persons, except pursuant to offers and sales in an offshore transaction that occurs outside the United States in accordance with the applicable provisions of Rule 903 of Regulation S under the Securities Act or pursuant to another available exemption from the registration requirements under the Securities Act.

This Base Prospectus and all T&Cs (as defined herein) shall be governed by, and construed in accordance with, Swedish law. Any dispute arising from information contained within this Base Prospectus and / or within the T&Cs shall, exclusively, be settled by Swedish courts within the District Court of Stockholm (as the court of first instance).

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## CERTAIN TERMS & DEFINITIONS

In this Base Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area (EEA), references to "**EUR**" or "**euro**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended, references to "**SEK**" are to the Swedish kronor and references to "**USD**" are to United States Dollars.

## 1. OVERVIEW OF THE PROGRAMME

*The following overview of the Programme and the Certificates does not purport to be complete and is subject to and qualified by the detailed information contained elsewhere in this Base Prospectus and in the Final Terms in respect of each Series of Certificates. Words and expressions not defined in this overview shall have the meanings given to them elsewhere in this Base Prospectus.*

### Features of the Programme

<b>Issuer</b>	XBT Provider AB (publ).
<b>Guarantor</b>	The due performance of the Issuer's payment obligations regarding the Certificates under the Programme are guaranteed by CoinShares Capital Markets (Jersey) Limited (the " <b>Guarantor</b> ").
<b>The Programme</b>	In 2015 the Issuer established a programme (the " <b>Programme</b> ") for the issuance of Certificates. The Final Terms relating to each Series of Certificates specify the terms applicable to such Series of Certificates.
<b>Base Prospectus</b>	<p>This Base Prospectus has been approved by the Swedish Financial Supervisory Authority (<i>Sw. Finansinspektionen</i>) (the "<b>SFSA</b>"), as competent authority under Regulation (EU) 2017/1129. The SFSA only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the Issuer that is the subject of this Base Prospectus. Such approval should not be considered as an endorsement of the quality of the Certificates that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Certificates.</p> <p>The Base Prospectus contains some hyperlinks to websites. The information on such websites does not form part of the Base Prospectus and has not been reviewed or approved by the SFSA (save for to the extent it relates to information incorporated by reference).</p> <p>The Base Prospectus permits for admission to trading on regulated markets or, as the case may be, MTF's, in Finland, Germany, the Netherlands, Norway, Sweden or, subject to completion of relevant notification measures, any other Member State within the EEA.</p>
<b>Warning regarding expiry and supplement(s)</b>	The Base Prospectus is valid for 12 months after its approval for offers to the public or admissions to trading on a regulated market, provided that it is completed by any supplement required pursuant to Article 23 in the Prospectus Regulation. The Issuer shall prepare a supplement (each, a " <b>Supplement</b> ") to this Base Prospectus or publish a new base prospectus if there is a significant change affecting any matter contained in this Base Prospectus, a significant new matter arises, or if the Base Prospectus contains material mistakes or material inaccuracies, the inclusion of information in respect of which would have been so required if it had arisen when this Base Prospectus was prepared and/or pursuant to Article 23 of the Prospectus Regulation. The obligation to supplement a prospectus in the event of significant

new factors, material mistakes or material inaccuracies does not apply when a prospectus is no longer valid.

**Issuance of Series of Certificates**

Certificates issued under the Programme are issued in series (each, a “**Series**”). Each Series will be documented through Final Terms.

**Terms and Conditions**

Each Series will be subject to the General Terms and Conditions set forth in this Base Prospectus (the “**General Terms and Conditions**”), as so adjusted, supplemented and completed by the relevant Final Terms relating to such Series (together, the “**T&Cs**”).

**The Certificates in general**

The Certificates are non-equity linked securities which synthetically track the performance of the price of the Tracked Digital Currency(ies) less a fee component or, where applicable pursuant to the applicable Final Terms, potentially increased with a shared revenue component. The Certificates will be denominated in SEK, EUR or USD. As regards Certificates denominated in SEK or EUR there will be a foreign exchange rate exposure between USD and the relevant currency which may impact (positively or negatively) the market value and final return from the Certificates.

*The Tracked Digital Currencies*

Fifty-two digital currencies are eligible as underlying exposure(s) for the Certificates (each a “**Tracked Digital Currency**”), as further specified in Section 3.1 *The Programme and certain terms used in the Base Prospectus and the Conditions* below.

*Term and redemption*

The Certificates may be issued as open-ended Certificates without a scheduled maturity date. Certificates may also be issued as fixed-term certificates with a scheduled maturity date. In either case, provisions regarding Issuer Call Option and / or Holder Put Option may result in early redemption.

*Secondary market value of the Certificates*

During the term of the Certificates, the value of the Certificates will depend on a number of factors, such as the observed Relevant Prices for the Tracked Digital Certificates, the foreign exchange rate between USD and SEK or EUR, as the case may be, the level of market interest rates, expected volatility of underlying exposure, supply and demand and the perceived credit risk associated with the Issuer.

The value of a Certificate is calculated as an arithmetic average of the price of the relevant Tracked Digital Currency (or basket thereof) in USD on the three underlying markets (in accordance with the T&Cs). The value is recalculated from USD to SEK or EUR, depending on in which currency the Certificate in question was issued. From the obtained value the accrued product fee is subtracted and/or shared revenue added (as the case may be), and the resulting amount is multiplied with the divisor included in the Final Terms applicable to the Series from which the Certificate was issued. The sum constitutes the value of each Certificate, in relation to the appropriate Tracked Digital Currency (or

basket thereof). This value will thus reflect the amount which investors will receive in return, if they receive such amount, at the sale of the Certificates.

*No capital protection* The Certificates are not principal-protected and the Settlement Amount payable upon redemption may be as low as zero.

*Non-interest bearing* The Certificates do not bear interest.

*Governing Law* The Certificates are governed by and the T&Cs shall be construed in accordance with Swedish law (without reference to the principles of conflicts of law rules). The courts of Sweden have jurisdiction in relation to any disputes in respect of the Certificates.

*Admission to trading* The Issuer may apply for the relevant Series of Certificates to be admitted to trading on one or more regulated markets or MTF's in Finland, Germany, the Netherlands, Norway, Sweden or, subject to completion of relevant notification measures, any other Member State within the EEA.

*Market Maker(s)* The initial Market Maker will be Mangold Fondkommission AB or such other party specified as the Market Maker in the relevant Final Terms.

*Hedging/Collateral Management Agreement* The Issuer has entered into certain agreements with members of the Group to ensure that its payment obligations under the Certificates are constantly and effectively hedged. The Issuer and the Guarantor have also agreed that the Guarantor shall undertake all hedging activities with the aim that the Issuer's exposure under the Certificates (and consequently also the Guarantor's obligations under the Guarantee), shall be hedged through a corresponding holding of the relevant Tracked Digital Currencies from time to time.

**The existing Series of Certificates** At the date of this Base Prospectus the Issuer has four Series of Certificates which have been admitted to trading in Sweden as described below.

Potential investors contemplating to invest in any such Series should note that each such Series has been documented under the base prospectus and final terms applicable at the time of the initial admission to trading. Consequently, potential investors in such Series of certificates must look to such documentation to obtain information about the relevant T&Cs for such Series of Certificates, including but not limited to the calculation of the relevant reference price and Settlement Amount. Said documentation is available on the Issuer's website.

*Bitcoin Tracker One* Bitcoin Tracker One is an open-ended Series linked to Bitcoin (ISIN: SE0007126024). Settlement Currency is SEK. This Series is admitted to trading at Nasdaq First North Stockholm, an MTF operated by Nasdaq Stockholm AB (Bloomberg ticker: COINXBT:SS). This Series was issued under the then applicable base prospectus, dated 24 April 2015, and the Final Terms, dated 11 May 2015.

*Bitcoin Tracker Euro* Bitcoin Tracker One is an open-ended Series linked to Bitcoin (ISIN: SE0007525332). Settlement Currency is Euro. This Series is admitted to trading at Nasdaq First North Stockholm, an MTF operated by Nasdaq Stockholm AB (Bloomberg ticker: COINXBE:SS). This Series was issued under the then applicable base prospectus, dated 24 April 2015, and the Final Terms, dated 4 September 2015.

*Ether Tracker One* Ether Tracker One is an open-ended Series linked to Ether (ISIN: SE0010296574). Settlement Currency is SEK. This Series is admitted to trading at Nasdaq First North Stockholm, an MTF operated by Nasdaq Stockholm AB (Bloomberg ticker: COINETH:SS). This Series was issued under the then applicable base prospectus, dated 14 July 2017, and the Final Terms, dated 27 September 2017.

*Ether Tracker Euro* Ether Tracker Euro is an open-ended Series linked to Ether (ISIN: SE0010296582). Settlement Currency is Euro. This Series is admitted to trading at Nasdaq First North Stockholm, an MTF operated by Nasdaq Stockholm AB (Bloomberg ticker: COINETHE:SS). This Series was issued under the then applicable base prospectus, dated 14 July 2017, and the Final Terms, dated 27 September 2017.

**Selling and Transfer Restrictions** The Certificates are freely transferable, but Holders may be subject to purchase or transfer restrictions regarding the Certificates, as applicable, under local laws to which a Holder may be subject. Each Holder must ensure compliance with such restrictions at its own cost and expense.

**Cautionary statement regarding forward looking statements** Some statements in this Base Prospectus may be deemed to be forward looking statements. Forward looking statements include statements concerning the Issuer's plans, objectives, goals, strategies, future operations and performance and the assumptions underlying these forward looking statements. When used in this Base Prospectus, the words "anticipates", "estimates", "expects", "believes", "intends", "plans", "aims", "seeks", "may", "will", "should" and any similar expressions generally identify forward looking statements. The Issuer has based such forward looking statements on its current view with respect to future events and financial performance. Although the Issuer believes that the expectations, estimates and projections reflected in its forward looking statements are reasonable as of the date of this Base Prospectus, if one or more of the risks or uncertainties materialise, including those identified in the section captioned "*Risk Factors*" or which the Issuer has otherwise identified in this Base Prospectus, or if any of the Issuer's underlying assumptions prove to be incomplete or inaccurate, events relating to the Issuer and the Issuer's actual results may be materially different from those expected, estimated or predicted.

Without prejudice to any requirements under applicable laws and regulations, the Issuer expressly disclaims any obligation or undertaking to disseminate after the date of this Base Prospectus any updates or revisions to any forward looking statements contained herein to reflect any change in expectations thereof or any change in

events, conditions or circumstances on which any such forward looking statement is based.

## 2. RISK FACTORS

*This section contains a number of risk factors, both risks pertaining to the Issuer and pertaining to the Certificates. The assessment of materiality of each risk factor is based on the probability of their occurrence and the expected magnitude of their adverse impact is disclosed by rating the relevant risk as low, medium or high.*

*The risk factors are presented in categories where the most material risk factors in a category is/are presented first under such category. Subsequent risk factors in the same category are not ranked in order of materiality or probability of occurrence. Where a risk factor may be categorised in more than one category, such risk factor appears only once and in the most relevant category for such risk factor.*

*Certain capitalised terms used in this section are defined in the General Terms and Conditions and/or the Final Terms.*

*Investors should read the Base Prospectus in its entirety.*

*Investors should consider, among other things, the following.*

*The attention of the investors is drawn to the fact that they could sustain an entire or partial loss of their investment.*

### **Risk factors relating to the Issuer**

*Risks related to the limited business objective of the Issuer*

The Issuer was formed in January 2015 as a special purpose vehicle meaning that the only business of the Issuer is to issue securities. The issuer will therefore not carry out any other business. As a special purpose vehicle, the Issuer will incur costs in order to get the Certificates admitted to trading and to continue its general operations. Those costs are covered by the management fee, which depends on the amount of funds (AUM) invested in the Certificates. There is a risk that the Issuer will not continue its current levels of AUM, which in turn will impact the Issuer's profitability. If the Issuer becomes unsuccessful in the issuance of securities or the AUM invested in the Certificates drops dramatically, the Issuer may cease its business activities as issuer or ultimately may become insolvent. If the Issuer becomes insolvent, the Issuer may not be able to repay parts of or investors' entire investments.

Risk rating: Low

*The business activities of the Issuer concerns securities related to the Tracked Digital Currencies*

The focus of the Issuer's business activities is issuance of Certificates relating to Digital Currencies or a basket comprising two or more of digital currencies. The protocols for the Tracked Digital Currencies are publicly available and allow for further innovation. If the Tracked Digital Currencies do not become successful or become less successful going forward and if the Issuer and the other companies within the Group cannot adapt to such changed circumstances, the Issuer may be unsuccessful in carrying out its business which may lead to a decrease in the value of the Certificates.

Risk rating: Low

*Credit risk*

Investors are exposed to credit risk in relation to the Issuer. The Issuer's financial position is affected by a number of factors, some of which have been described herein. The Issuer's obligations under the Certificates constitute unsecured and unsubordinated obligations and will rank *pari passu* with the Issuer's other unsecured and unsubordinated obligations. An investor's possibility to obtain payment in accordance with the applicable T&Cs is therefore dependent on the Issuer's ability to meet its payment obligations. Correspondingly, the Issuer's ability to satisfy its payment obligations is dependent on Guarantor's ability to meet its obligations under the Collateral Management Agreement and its ability to meet its obligations as Guarantor.

Risk rating: Low

#### *Operational risk*

Operational risks are risks relating to losses which the Issuer may encounter on grounds of incorrect or insufficient systems and controls, human error as well as legal risks. Operational complexity exists, in particular, around the calculation of the Settlement Amount, the operation of the secondary market and the hedging process with the Issuer's affiliate. The occurrence of such operational risks may adversely affect liquidity in the ETPs and/or, may adversely affect the Issuer's reputation and operating results and/or its ability to continue offering the Certificates.

Risk rating: Low

#### *Risk of conflicts of interest*

Jean-Marie Mognetti is a member of the board of directors of the Issuer and the Guarantor. The Guarantor has responsibility to ensure that the Issuer can meet its payment obligations to investors holding Certificates. As a consequence, situations may arise where conflicts may occur between his fiduciary obligations to the Issuer and his fiduciary obligations to the Guarantor, their creditors and shareholders.

Several legal entities belonging to or affiliated with the same group of companies may from time to time acquire, hold and / or divest any position in Certificates issued by the Issuer. Such entities will act in their respective capacity as purchaser, holder or seller of any such Certificates and not in the interest of any other holders of Certificates.

Risk rating: Low

#### *Counterparty risk*

The Issuer relies on its affiliate, the Guarantor to hedge its liabilities created by the Certificates. Consequently, the Issuer is exposed to the risk that the Guarantor fails to fulfil its obligations under the relevant hedging arrangements or that Guarantor becomes insolvent. Any circumstance under which the Guarantor does not have sufficient capital or is otherwise unable to repay the Issuer could have an adverse effect on the Issuer's business and its financial position and subsequently its ability to repay its liabilities created by the Certificates.

Risk rating: Low

## **Risk factors relating to the Certificates**

### *Market risk due to lack of capital protection under the Certificates*

The amount to be paid by the Issuer on redemption of any Certificate depends on the performance of the relevant Digital Currency price respectively and is calculated in accordance with the Conditions. The Certificates issued under this Base Prospectus are therefore neither fully nor partially capital protected. Investors may lose part or all of their initial investment.

Risk rating: High

### *Secondary market, volatile market rates, tracking error and liquidity risk*

Price determination in the secondary market follows customary market mechanisms relating to the Certificates and their exposure. The market rates in the secondary market may thus become both higher and lower than the price implied by that at which the respective underlying Digital Currency trades. Although price determination in the secondary market is expected to be based on established calculation models, it is dependent on supply and demand as well as development of a liquid secondary market. In the light of the volatility which can be historically observed in the prices for the Tracked Digital Currencies, it seems possible that market prices for the Certificates in the secondary market will be very volatile.

Even if the Certificates are listed on an MTF (or, where applicable, a regulated market) in Finland, Norway or Sweden and therefore are available for trading on those markets, there may be low or no demand for and /or trading in the Certificates. This can result in investors being unable to sell their Certificates at a desired time or at a return which is comparable to similar investments that have an existing and functioning secondary market. A lack of an efficient market place and a liquid secondary market may consequently adversely affect the market value of the Certificates.

Risk rating: High

### *The market maker's obligations are limited*

Although the Certificates are admitted to trading on an MTF (or, as the case may be, on a regulated market), a market maker in the Certificates will only be obliged to provide bid/ask prices under the conditions contained in the rules applicable on the relevant MTF (or, where applicable, a regulated market) and, as applicable, in agreements between the market maker and the Issuer. In general, these conditions entail that the market maker is required to provide rates and prices under normal market conditions and within a certain spread at all times. If the marketplace's market surveillance has declared that there is a so-called Fast Market other further requirements apply regarding spread compared to normal market conditions.

However, the market maker is not obliged to secure a certain minimum level rate, to purchase unlimited numbers of the Certificates or provide any minimum volume of trading in abnormal market conditions or other similar obligations. The marketplace's market surveillance may permit deviations from the requirements that otherwise apply to the market guarantor. Circumstances other than normal market circumstances can, for example, be that market surveillance declares that there is a so-called Fast Market or in the extreme case that a trading halt prevails. Any disruptions to the market maker's presence could in turn impact the efficiency of the secondary market, i.e. that investors may face difficulties in disposing

of their holdings at the prices and/or in the volumes they would have otherwise expected. This could therefore adversely affect the market value of the Certificates.

Risk rating: Medium

#### *Regulatory limits or consequences for investors*

Investments in securities, and particularly in the Certificates in the light of their exposure to Tracked Digital Currencies, must always be assessed by every investor based on the circumstances and legal and regulatory conditions applicable to that investor. An investor governed by such conditions may be subject to limited possibilities to invest in the Certificates and / or experience unforeseeable consequences of a holding in the Certificates.

Risk rating: High

#### *Currency risk*

The Certificates are designed to track the movement of the Tracked Digital Currencies in relation to the Swedish Kroner, Euro or Pound Sterling. However, most trading in the Tracked Digital Currencies occurs in US Dollar. Therefore, in addition to changes in the prices of the Tracked Digital Currencies, the price movements in the exchange rates between the US Dollar and the Swedish Kroner, Euro or US Dollar will also have an impact on the value of the Certificates. Should the exchange rates decline dramatically, investors could lose part of their investment irrespective of the performance of the Tracked Digital Currencies.

Risk rating: Medium

#### *De-listing*

Although the Certificates are admitted to trading on one or more MTFs (or, as the case may be, on a regulated market) or, as the case may be, an MTF, there is a risk that the Issuer may not succeed in maintaining this status for the Certificates. If one or more regulated markets decides that the Certificates should no longer remain admitted to trading, regardless of whether this is due to circumstances assignable to the Issuer, the Certificates, the Tracked Digital Currencies, the market maker(s) and / or changed rules or any other reason, there is a risk that the Issuer will not succeed in having the Certificates admitted to trading on another regulated market, MTF or other marketplace. Such a course of events would probably worsen the liquidity, disposal opportunities and the market value for the Certificates and thus create risks of losses for investors. If a delisting were to occur and no other listing obtained within an appropriate time frame, the Issuer may be required to exercise its right to redeem the Certificates early. Such early Redemption will only occur following a notice period and investors risk that the market price and liquidity as well as the final settlement amount are negatively impacted in such a scenario.

Risk rating: Low

#### *Compulsory Redemption*

The Certificates may be compulsorily redeemed at the Issuer's election in accordance with the Conditions. Redemption at the Issuer's election may cause the Certificates to be Redeemed when the value of the Certificates is lower than the purchase price of the Certificates. This may cause investors to lose part of or their entire investments.

Risk rating: Low

*Early redemption on the investor's initiative (Holder's Put Option)*

The investors may require the Certificates to be redeemed early. If the investor requires redemption of some or all Certificates, the investor must give prior notice to the Issuer. The value of the Certificates will be determined by the Issuer on a later date, subsequent to the receipt of the notice. The determination of the value of the Certificates on such later date will expose the investor to the volatility of the Certificates, meaning that the value of the Certificates may decrease until the valuation day which may cause an investor to lose part of or the entire investment.

Risk rating: Low

*The exposure is synthetic and there are no collateral or other assets against which Holders can make any claims*

An investment in the Certificate means that an investor has a payment obligation from the Issuer to pay a redemption amount calculated in accordance with the applicable T&Cs. This amount is principally calculated with reference to prices of the Tracked Digital Currencies in relation to USD, which causes a so-called synthetic exposure to the Tracked Digital Currencies and USD. An investment in the Certificates however does not mean that an investor may direct claims toward the Issuer or anyone else to deliver (or hold) assets which are fully or partially equivalent to the underlying exposure. Investors will thus always be exposed to the credit risk associated with the Issuer and the Guarantor.

Risk rating: Low

*The return may be less than what a hypothetical return would have been if an investment was made directly in the underlying asset*

The Certificates include a management fee that is 2.5% of the total outstanding notional. Furthermore, as mentioned above, prices for the Certificates may differ from the implied value of the underlying Tracked Digital Currencies. As a result, the potential return on the Certificates may be less than a comparable investment that is made directly into the underlying asset. In such a scenario, a direct investment in the underlying asset could provide an investor a better option to receive the full benefit of any appreciation or depreciation, as the case may be, in the value of the Tracked Digital Assets.

Risk rating: Low

*Market price divergences in relation to other price sources*

In the calculation of any amounts that shall be paid by the Issuer under the Certificates, which therefore affects the pricing in the secondary market, the Calculation Agent relies on the price sources included in the applicable T&Cs, including the fall-back provisions that exist in case there is a lack of necessary sources. As a result, there is a risk that the price of the Tracked Digital Currencies in USD or in other currencies may be higher or lower on other sources of information, including sources of information used by individual investors when making their investment decisions.

Risk rating: Low

*Differences in hedging purposes*

Any return on the Certificates is calculated in accordance with the applicable T&Cs which also affects the price determination in the secondary market. As other exposures to the Tracked Digital Currencies (through direct holdings or in any other way) are subject to other conditions, there is a risk that the differences in conditions result in an investment in the Certificates not providing an adequate hedge in respect of other exposures to the Tracked Digital Currencies that an investor may have from time to time.

Risk Rating: Low

### **Risk factors relating to Tracked Digital Currencies**

#### *Valuation*

Tracked Digital Currencies do not represent an underlying claim on income or profits, nor do they represent a liability that must be repaid. Their value is a function of the perspective of the participants within the market place (or specific, given, market place) and supply and demand. As a result, the value of Tracked Digital Currencies may be more speculative and more volatile than traditional assets representing claims on income, or profits or debts.

Risk rating: High

#### *Amendments to a digital currency's protocol and "forking"*

Digital currency protocols are open source, consensus based technologies. This means that the digital currency community (generally a group of core developers but it may also include other members such as miners and digital currency holders) are unofficially responsible for the periodic releases of updates to the protocol's source-code. It also means that various members of the protocol may make proposals for a wide variety of updates and changes to the digital currency protocol's code.

Such updates and changes are only effective if accepted by users, miners, wallets and companies which collectively have a prescribed majority of the processing power on the network at the relevant time. Disputes arounds such updates and changes can and do arise. If a change is not accepted by the community, then it is possible that those proposing the change can copy the protocol's records at the time of the change and use that to run a new network with their proposed changes. This is known as a 'fork' in the digital currency network, whereby one network (and the coins associated with it) will run the pre-modification source-code and the other network (and its associated coins) will run the modified source-code.

Holders of the underlying digital currency before a forking event will technically own each of the resulting coins, which shared a common transaction history before the fork. Which of such resulting coins may henceforth be recognised by the community as being (the true or real) can often be difficult to determine for a period of time following such fork. Bitcoin Exchanges have a particularly significant function to play in the determination in such regard. A new coin resulting from a fork may also change the speed at which new blocks are added to the Blockchain, which can result in a distortion of the consensus mechanism with which each coin is created subsequent to the fork.

Forks can create significant uncertainty around the functioning of both the existing and the new network (as well as around the value of the digital currencies associated with those networks.) which results in the creation of a new coin can presents a number of operational difficulties, and can even jeopardise the functioning of the protocol. Such uncertainty can affect the ability of the underlying network to function

as well as the price discovery of both the existing and new digital currency. As a result, a fork may affect the listing and price in any relevant class of the Certificates.

Furthermore, the Issuer has discretion over whether and how to distribute the proceeds of any fork that may arise from the receipt of the new digital asset associated with the fork; it may not be practical or possible for the Issuer to distribute such proceeds to investors.

Risk rating: High

*The value of a digital currency can change quickly and could even drop to zero*

The price of Bitcoin and other Tracked Digital Currencies is volatile and may be affected by a variety of factors. Should demand for a Digital Currency decrease or should it fail to achieve adoption among the digital asset community or should it suffer technological or coding failures or hacks, for example, then its value could drop sharply and permanently, even to zero. Such precipitous drop would have an adverse impact on the value of the Certificates. It is likely that the more well-known and established Tracked Digital Currencies can show greater resilience against such cases compared to less well-known Tracked Digital Currencies, but even the more well-known and established Tracked Digital Currencies are exposed to significant volatility and the risk can therefore not be ruled out.

Risk rating: High

*Liquidity risk in the market for digital currencies*

Exchanges for Tracked Digital Currencies are not only new, but they are also unregulated. As a result, there is a risk of delay or failure of liquidity in the markets for Tracked Digital Currencies. Market closures or liquidity failures can affect both the price and tradability of underlying Tracked Digital Currencies and by extension, the Certificates. In such an event, the price of Tracked Digital Currencies may decline or be more volatile and price determination for a Certificate may become more difficult. This may in turn reduce the ability of investors to trade the Certificates and/or adversely affect their price.

Risk rating: High

*Political risk in the market of digital currencies*

The legal status of digital currencies and *inter alia* the Tracked Digital Currencies varies between different countries and is very much in transition. There exists a lack of regulatory consensus concerning the regulation of Tracked Digital Currencies in Europe. Future regulatory or political developments could adversely affect markets for Tracked Digital Currencies, their adoption and ultimately, their prices.

Risk rating: High

*Development of the Digital Currency protocols*

The protocols for Tracked Digital Currencies are publicly available and under development. Further development and acceptance of the protocols may be dependent on a number of factors. The development of any of these digital currencies may be prevented or delayed, should disagreements between participants, developers and members of the network arise. New and improved versions of the source code will be "voted" in by a majority of the members of the network carrying out the changes in their nodes, meaning upgrading their nodes to the latest version of the code. Should a situation arise

where it is not possible to reach a majority in the network regarding the implementation of a new version of the protocol, this may mean that, among other things, the improvement of that protocol's scalability may be restrained. Should the development of one of the Digital Currency protocols be prevented or delayed, this may adversely affect the value of the Digital Currency.

Further, as the structure of the protocols for the Tracked Digital Currencies are public, a kind of direct compensation for the developers of the respective protocol is missing, which could lead to decreased incentives for continuous development of the protocols. As protocols develop and mature and adoption increased among developers, this reduces both the probability that this risk would occur and the magnitude of the consequences if this risk would occur. Although this risk is largely conceptual, it cannot be wholly discounted. Should protocols not develop further, the value of the associated Digital Currency will decrease, which in turn would affect the value of the Certificates negatively.

The risk rating is assessed to be low. In relation to Tracked Digital Currencies with the largest market capitalisation the risk rating is assessed to be even lower thanks to the large number of developers. The fewer active developers that participates in the development of a given Digital Currency, which often correlated to a low market capitalisation relative other Tracked Digital Currencies, the risk rating is instead increased successively to low.

Risk rating: Low

#### *Errors in the Tracked Digital Currencies' codes or protocols*

The source code of Tracked Digital Currencies is public and may be downloaded and viewed by anyone. Despite this, there may be errors in the respective codes that may jeopardise the integrity and security of one or more of these networks. Although this risk is largely conceptual, it cannot be wholly discounted. Errors in the protocols of Tracked Digital Currencies that have larger user bases, wider adoption and more developers are more likely to be identified and corrected. Errors for new protocols or those with fewer developers or lower adoption rates are more likely to face this risk. Conversely, errors regarding Tracked Digital Currencies with new protocols, such that have fewer developers or less adoption, are more likely to face this risk. Should any such material error occur and be hard to overcome and/or easy to exploit improperly, the value of the associated Digital Currency will decrease, which in turn would affect the value of the Certificates negatively.

Risk rating: Low

#### *Risk for loss of confidence for the protocols of the Digital Currency protocols and their networks*

The protocols for Tracked Digital Currencies rely on confidence of the community, ranging from miners/validators to investors. Should confidence in those protocols diminish dramatically, whether because miners/validators no longer register completed transactions, investors no longer believe in the future value of the associated digital currency or the protocols suffer from hacking or other technological issues, the value of the Tracked Digital Currency could be severely affected, which would in turn impact the value of the Certificates. Previous events with digital currencies such as Luna and UST show such a loss of confidence can happen quickly, resulting in significant losses.

Risk rating: Medium

#### *Risk of 51% attacks*

The decentralised global P2P-network (peer-to-peer) of nodes making up the network for any particular Digital Currency should, to achieve high security, be spread across several participants. Should one participant control over 50% of all capacity to verify transactions in the network, there is a risk that such participant will be able to verify 100% of all transactions and thus earn all the rewards in the network. As private keys are needed to create transactions, the participant should not be able to create new transactions, however, the participant may in certain circumstances delete recent transactions. In practice, this would be impossible to accomplish without being discovered and it is difficult to see a scenario in which the participant would be able to achieve a financial profit. As protocols develop and mature and adoption increased among developers, this concentration risk diminishes. Although this risk is largely conceptual, it cannot be wholly discounted., Such a scenario would however be likely to materially damage confidence in the Digital Currency concerned and Tracked Digital Currencies in general and adversely affect their prices, which in turn would adversely affect the value of the Certificates.

Risk rating: Low

#### *Risk of 'Cancerous' Nodes*

This form of attack involves one or more malicious actors propagating "cancer nodes" to isolate certain users from the legitimate Digital Currency network. If a targeted user is surrounded by such cancer nodes they may be placed on a separate "network," allowing the malicious actor(s) to relay only blocks created by the separate network in order to open the target to the risk of double-spending attacks or to cut them off from the relevant Digital Currency community entirely by not relaying any new blocks. Software programs exist to make such attacks more difficult to achieve through limitation of the number of outbound connections through which a user may be connected to the Digital Currency network. Although this risk is largely conceptual, it cannot be wholly discounted. Should the risk occur, this would damage confidence in the relevant Digital Currencies and thereby reduce the value of the relevant Digital Currencies, which in turn would adversely affect the value of the Certificates.

Risk rating: Low

#### *Risk of Double-Spending*

Digital currency protocols are meant to be an immutable and final record of transactions; this in turn ensures holders of the digital currency that transactions are accurate and verifiable. For many digital currency protocols, especially those like Bitcoin that rely on limited supply of coins or like Ethereum that use the coins to pay for transactions on the protocol, this accuracy further supports the value of the underlying digital currency. Double-spending is essentially a violation of the promise of immutable, accurate and verifiable transactions, as it effectively allows an actor to hack the protocol by creating a transaction without it being appropriately validated.

Although this risk is largely conceptual, it cannot be wholly discounted. There are no know cases where this risk has occurred. An event regarding Bitcoin in January 2020 was initially highlighted as a double-spending situation, but after closer analysis it emerged that this was not the case (more information regarding this specific event is available at <https://coinshares.com/research/why-there-was-no-double-spend-on-the-bitcoin-blockchain>). While double spending is expensive and difficult to achieve, significant amounts of double spending could materially jeopardise confidence in an underlying digital currency protocol, which in turn could damage confidence in the relevant Digital Currencies and thereby reduce

the value of the relevant Digital Currencies, which in turn would adversely affect the value of the Certificates. Due to the potential adverse consequences, the risk rating is set at low.

Risk rating: Low

### 3. GENERAL INFORMATION ON THE PROGRAMME

#### 3.1 The Programme and certain terms used in the Base Prospectus and the Conditions

The Programme described in this Base Prospectus enables XBT to continuously issue Certificates and apply for certificates to be admitted to trading on one or more regulated markets including MTF's. The Certificates will be governed by Swedish law.

The Certificates are freely transferable and the Issuer will apply for admittance to trading on the regulated markets in Finland, Norway, the UK or Sweden including MTF, however, no guarantee can be made that the Certificates are admitted to trading on any of the mentioned markets. The Certificates will have the Tracked Digital Currencies as the primary synthetic underlying exposure. The possible return that an investor will obtain will depend on the development of such underlying exposure and the USD relative to the currency in which the Certificates are subscribed.

The Certificates that may be issued under this Base Prospectus are non-equity linked certificates issued in distinct series (each, a **“Series”**), which may comprise of one or more tranches. Each Series will synthetically track the performance of the price of a Tracked Digital Currency or a Basket of Tracked Digital Currencies, less a fee or, where applicable pursuant to the applicable Final Terms, potentially increased with a shared revenue component. The eligible Tracked Digital Currencies consist of the following fifty-two Tracked Digital Currencies (each a **“Tracked Digital Currency”**):

<b>Digital Asset</b>
Cardano (ADA)
Solana (SOL)
Dogecoin (DOGE)
Stellar (XLM)
THETA (THETA)
Filecoin (FIL)
TRON (TRX)
Monero (XMR)
Polygon (MATIC)
Terra (LUNA)
Neo (NEO)
Internet Computer (ICP)
IOTA (MIOTA)
Klaytn (KLAY)
Bitcoin SV (BSV)
Cosmos (ATOM)
Ethereum Classic (ETC)
Algorand (ALGO)
Avalanche (AVAX)
Kusama (KSM)
Creditcoin (CTC)
Elrond (EGLD)
NEM (XEM)
Dash (DASH)
Terra USD (UST)
Counos X (CCXX)

Zcash (ZEC)
Decred (DCR)
Theta Fuel (TFUEL)
Hedera Hash Graph (HBAR)
Decentraland (MANA)
Stacks (STX)
Zilliqa (ZIL)
The Graph (GRT)
Waves (WAVES)
VeChain (VET)
XinFin Network (XDC)
Ravencoin (RVN)
Flow (FLOW)
Harmony (ONE)
NEAR Protocol (NEAR)
Ethereum (ETH)
Binance Coin (BNB)
XRP Coin (XRP)
Tezos (XTZ)
Dogecoin (EOS)
Polkadot (DOT)
Litecoin (LTC)
Bitcoin Cash (BCH)
ECash (XEC)
Tether Gold (XAUT)
USD Coin (USDC)

There are over 3000 digital currencies traded in the market, of which the Issuer has included the fifty-two Digital Currencies as eligible underlyings under this Base Prospectus. Although there may be some similarities between certain protocols and their digital currencies, there are equally as many differences. Investors can find more information on each of the digital currencies, including information on founders, developers, protocols, market and trading dynamics and price history from websites such as [www.coinmarketcap.com](http://www.coinmarketcap.com).

Each Series of Certificates referring to a single Traced Digital Currency, e.g. “Bitcoin Certificate”, is a Series of Certificates providing exposure, as described in this Base Prospectus, to such single Tracked Digital Asset and each Series of Certificates linked to a Basket of Digital Currencies is a “**Basket Certificate**” (and jointly the “**Certificates**” or the “**Tracker Certificates**”).

As indicated above, the Series of Basket Certificates synthetically track the performance of a basket of Tracked Digital Currencies, less a fee component. The Certificates of all other Series are “**Single-Tracked Digital Currency Certificates**”, which track their respective Tracked Digital Currency, less a fee component.

The Certificates will be cleared and settled through the dematerialised book-entry registration system and clearing system operated by Euroclear Sweden AB or, as the case may be, other similar clearing system in Finland, Norway and / or the UK. Trade in Certificates may also be subject to clearing through central counterparties (a so-called CCP-solution).

Each Series of Certificates issued under this Programme shall be subject to the terms and conditions contained in Section 9 of this Base Prospectus (the "**General Conditions**"). In addition, for each Series of Certificates final terms ("**Final Terms**") will be prepared, adjusting, supplementing and completing the General Conditions in respect of the particular Series concerned. The form of Final Terms is contained in Section 10. (The General Conditions as so adjusted, supplemented and completed for a particular Series by its Final Terms, are referred to herein as the "**T&Cs**").

The Issuer does not intend to extend any offer to the public in any jurisdiction. Certificates will be available for purchase through market participants acting on the regulated market or MTF where Certificates have been admitted to trading.

### 3.2 General description of Certificates

The Certificates are non-equity linked securities which synthetically track the performance of the price of the Tracked Digital Certificates less a fee component or, where applicable pursuant to the applicable Final Terms, potentially increased with a shared revenue component. The Certificates will be subscribed in SEK, EUR or USD. As regards Certificates denominated in SEK or EUR there will be a foreign exchange rate exposure between USD and the relevant currency which may impact (positively or negatively) the market value and final return from the Certificates.

The Certificates may be issued as open-ended Certificates without a scheduled maturity date. Certificates may also be issued as fixed-term certificates with a scheduled maturity date. In either case, provisions regarding Issuer Call option and / or Holder Put Option may result in early redemption.

The Certificates are not principal-protected and the Settlement Amount payable upon redemption may be as low as zero. The Certificates do not bear interest.

During the term of the Certificates, the value of the Certificates will depend on a number of factors, such as the observed Relevant Prices for the Tracked Digital Certificates, the foreign exchange rate between USD and SEK or EUR, as the case may be, the level of market interest rates, expected volatility of underlying exposure, supply and demand and the perceived credit risk associated with the Issuer.

The value of a Certificate is calculated as an arithmetic average of the price of the relevant Tracked Digital Currency (or basket thereof) in USD on the three underlying crypto exchanges (in accordance with the T&Cs). The value is recalculated from USD to SEK or EUR, depending on in which currency the Certificate in question was issued. From the obtained value the accrued product fee is subtracted and/or the shared revenue is added (as the case may be), and the resulting amount is multiplied with the divisor included in the Final Terms applicable to the Series from which the Certificate was issued. The sum constitutes the value of each Certificate, in relation to the appropriate Tracked Digital Currency (or basket thereof). This value will thus reflect the amount which investors will receive in return, if they receive such amount, at the sale of the Certificates.

### 3.3 Type of underlying exposure

The Issuer will, subject to market conditions and legal requirements, issue further Certificates in the form of Certificates linked to a single Tracked Digital Currency or Basket Certificates. Each type of Certificate will provide a synthetic underlying exposure to the value of the relevant Tracked Digital Currency.

The Tracked Digital Currencies are all globally available which means that a global supply and demand along with other factors mentioned under "General description of the Certificates" (Section 3.2 above) may affect their value.

### 3.4 Digital Currencies

#### *What is a Digital Currency?*

Digital currencies represent a new phenomenon. As a result, there have been numerous attempts to define and classify them but very little consensus. For purposes of this prospectus, the Issuer defines a digital currency as: a digital representation of value that is cryptographically secured, verified and recorded on a blockchain or other form of distributed ledger.

#### *Examples of Digital Currencies*

Although there were potentially earlier examples, for many, Bitcoin represents the first digital currency; or at least, the first to show true independence and centralisation (and to gain popular, wide-scale adoption). Launched by the pseudonymous Satoshi Nakamoto, Bitcoin was developed to allow for decentralised, secure transfer of value on a peer to peer basis. Decentralisation meant, inter alia, that Bitcoin's fixed supply schedule could not be altered by a central authority, a key feature for many who shared fears of government devaluation of fiat currencies. Property rights were ensured through encryption protocols based on recognised principles from cryptography, and transaction immutability (which refers to the ability of any one party to unilaterally cancel, amend or alter the details of a transaction) was secured through permissionless economic incentive structures and game theory.

Launched in January 2009, Bitcoin eventually saw exponential usage adoption, unit price and transaction immutability levels: for example;

- Since inception, the Bitcoin monetary system has settled an estimated USD 40.7 trillion worth of economic transaction value on USD 120 trillion worth of total transaction value (as of November 2023, source: Glassnode). The difference between the two results from Bitcoin's transaction structure, which is similar to paper bills, in the sense that 'coins' (of arbitrary denomination) must be spent in full, leaving the spender with 'change' at the end of each transaction.

One of the most popular wallet providers, [blockchain.com](https://blockchain.com), reported more than 85m unique wallets created on their platform (as of November 2022, source: Statista). A 2023 meta-study by CoinShares found as many as 270m bitcoin owners, and as many as 115m ether owners, globally (source: CoinShares Research). On the back of Bitcoin's success and the exponential growth in interest in digital currencies, a number of new digital currencies were introduced to the market, such as: Ethereum, Ripple, Litecoin, Bitcoin Cash, Binance Coin, Tether, EOS, and many more.

## *Cryptography behind Digital Currencies*

Digital currencies use cryptography as the basis for their security. In particular, digital currencies make heavy use of public key cryptography and hashing algorithms.

Public key cryptography is an asymmetric cryptography system where information is encrypted and decrypted using a pair of different, but mathematically related keys. The private key is a very large random number (making it infeasible to guess), and the public key is a mathematical derivation of the private key. Whilst the public key can be derived from the private key, the opposite is not true—it is a one-way or trapdoor function. One of these keys, the public key, is broadcast to everyone, whereas the other, the private key, is kept secret.

Information which is encrypted using the public key, can only be decrypted by the private secret key. This enables users to create encrypted messages which can only be decrypted by the intended recipient and no one else. Relatedly, a message which has been encrypted with a private key can be decrypted by its corresponding public key, this allows anyone who is aware of the public key to know that the message must have been encrypted by the holder of the private key. This is referred to as a digital signature.

Hashing algorithms are scrambling functions which can take inputs of arbitrary length, and output random-looking outputs of a fixed length. The same input will always give the same output, but it is infeasible to tell which input created a certain output, or what the output of a certain input will be before running it through the function. Hashing algorithms are also one-way or trapdoor functions—they are very easy to calculate in one direction, but very hard to calculate in the opposite direction.

In digital currencies, public key pairs are used to safeguard funds and authorise spending, enabling enforcement of property rights in the absence of an arbiter. Currency is sent to addresses derived from public keys and can only be spent from its corresponding private key via a digital signature. This makes the private keys controlling the spending of currency units akin to a bearer instrument.

### *Digital Currency Ecosystem*

The success of digital currencies has created entirely novel industries. The most relevant for investors are: miners, exchanges and custodians/storage.

#### Miners

Digital currencies are created via a technological process colloquially referred to as mining. Mining is the process whereby the participants in a digital currency network arrives at distributed consensus—that is, how they agree on a shared transaction history in the absence of a central clearing party. The rule determining which ledger is the true ledger is simple—it is the ledger which was the costliest one to produce.

Miners prove that they have incurred real world cost through proof-of-work. In essence, a proof-of-work is an output of a hashing algorithm which fits certain stringent criteria. Remembering that outputs of hashing algorithms cannot be predicted from its input, finding such an output

proves that the miner must have expended a certain amount of processing power, and therefore electricity, searching for the output.

As a reward for expending electricity finding the proof-of-work, miners are rewarded with freshly minted digital currency units. Mining is therefore both the process of arriving at distributed agreement on the transaction history of the currency ledger, and the creation of new currency units.

### ***Validators and Proof of Consensus***

Some digital currencies (such as Polkadot, Tezos, Stellar and Ada) do not rely on proof-of-work or miners to arrive at a distributed consensus. Rather, they rely on a different method, known as “proof of stake,” to agree, approve and document transactions on the network.

Whereas proof of work requires real world cost in the form of energy and computational effort, proof of stake requires holders of a protocol’s digital currency to use their holdings to validate the network and its transactions. Whereas with proof of work, the network relies on the miner who solves the computational problem the quickest, a proof of stake network effectively selects the largest pool of the protocol’s digital currency. As with proof of work protocols, the validator of a transaction in a proof of stake protocol also earns a reward in the protocol’s digital currency. Individual holders can contribute their assets to create large pools to share in those rewards. This is known as “staking”.

Staking generally involves contributing a protocol’s digital currency to a pool of assets held by validators, who operate the nodes. Staking can be custodial – which means a holder must deliver the staked coins to a different wallet and non-custodial, whereby holders can contribute the digital currency to the pool of assets without transferring the coin (i.e. the coins can remain in the holder’s wallet). Holders nominate a validator, who runs the node, and in general, the higher the number of coins staked, the higher the probability that a given validator will be asked to validate a transaction on the protocol.

As with proof of work, validation of a transaction on a proof of stake protocol earns an award in that protocol’s coins. All participants of a pool share in the award, which is distributed by the validator. Validators who do not follow protocol rules can be penalised, either in the form of reduced rewards or in actual loss of a portion of the staked coins.

### **Exchanges**

There are now a number of exchanges, spread across a variety of jurisdictions, that provide access to digital currencies to investors globally. Very few of these exchanges are regulated in a manner similar regulated markets in Europe. Furthermore, the exchanges can often differ in terms of liquidity, cost, and most importantly, security. They also differ in terms of exposure offered, with some exchanges allowing up to 100x leverage on major digital currencies. Some of the most widely used crypto exchanges for digital currencies, in no particular order, are: Coinbase, Kraken, Binance, Huobi, OKEx, bitFlyer, Bitstamp, Liquid, Upbit, Poloniex, Gemini and Bitfinex.

### **Custodians/Storage**

Digital currencies are, in essence, bearer instruments. Proof of ownership is not maintained by a centralized authority; rather, it is evidenced by control of the private key, which, when paired with the public key, can be used to transfer ownership of digital currencies.

As a result, storage or custody of digital currencies is primarily concerned with maintaining secure and private ownership of the private key. Custody storage technology and the resulting methods for storage continue to evolve, but generally comprise elements of:

- (i) “hot” storage, where the private key is maintained in a system or “wallet” that is online and readily accessible for use. A “hot” wallet is akin to an online bank account, traditionally maintained by a third party who allows the user to open an account, which in turn is connected to the wallet that “holds” the key and the underlying digital currency.
- (ii) “cold” storage, where the private key is held offline, inaccessible unless provided by the holder of the key. Key’s held in cold storage are generally held in hardware wallets that are not connected to the internet. A cold wallet is more akin to storing gold or bearer bonds in a physical vault, and often, the private keys in cold storage are indeed stored in vaults.

Further security for safeguarding currency units can come from placing them in “multi-signature” transaction structures, whereby the currency units require more than one private key to enable spending. This can be done in any  $n$  of  $m$  fashion, where  $n$  is the necessary number of keys required to spend the currency units and  $m$  is the total number of keys. In addition, single private keys can be broken up into several parts, requiring some or all (depending on the cryptographic technique employed) fragments to be reassembled for the key to work.

#### Price formation and valuation:

- Digital currency prices are influenced by both supply and demand, with the major exchanges serving as venues for price discovery. Given the somewhat fragmented nature of crypto market, liquidity and efficiency of any given exchange can also impact the price for that exchange. As a result, exchanges can often show different prices, although for the major exchanges, such variations are generally limited. As a result, crypto exchanges can often show different prices, although for the major crypto exchanges, such variations tend to be limited. In general, order depth and volume for most digital currencies cryptocurrencies is lower than for more established asset classes; this can result in higher volatility (which is observed from historical price action).
- Digital currencies incorporate, among other things, new innovative technologies, nascent but rapidly growing networks and digital assets that represent a store of value, a unit of account, and a medium of exchange. There have been multiple academic proposals for crypto asset valuation models. The issuer makes no recommendation or judgement on the advantages or disadvantages of any of them, but we list them nonetheless: Pagnotta & Burashci 2018 [1], Li & Wang 2016 [2], and Wheatley et. al [3]. from Imperial College London, City University of Hong Kong, and ETH Zurich, respectively. These models all use fundamentals external to the existing price of Bitcoin and can therefore be used to model value based on forward expectations.
- As other non-academic examples, Fidelity uses a mixed approach [4], Johnny Antos and Reuben McCreanor [5] employ an Efficient-Markets Valuation Framework for Cryptoassets using Black-Scholes Option Theory and John Pfeffer [6] uses a mixed methodology including the Equation of Exchange to value crypto assets Apart from these valuation models, there exists a host of price indicators using various fundamental metrics in some relation to asset prices to give investors insights regarding current asset prices as compared to a variety of correlated benchmarks. Among many we mention Realised Capitalisation [7], Delta Capitalisation [8], Thermo-Capitalisation [9],

Network Value to Transactions (NVT) Ratio [10], NVT Signal (Kalitchkin’s NVT) [11], Mayer Multiple [12], Difficulty Ribbon [13], and Bitcoin Network Momentum [14]. *Market Volatility*  
 Digital currencies represent one of the most volatile asset classes, even higher than Small Cap Equities, emerging market equities or energy futures. Annualised volatility has frequently reached over 100%. Those high volatility levels are in turn caused by fluctuations in supply and demand driven predominantly by short term trading sentiment. The Issuer expects digital currencies to continue to show high levels of volatility in the short and medium term.

### 3.5 Examples of returns on the Certificates

For the purpose of explaining the calculation of the value of the Certificates, an illustrative chart is included below. The chart below exemplifies the calculation of a Bitcoin Certificate. Calculation of the value of other single Tracked Digital Currency linked Certificates is done according to the same principles, though based on the appropriate digital currency rates. Investors should be aware that the Certificates may trade at a different price than the value implied by the calculated reference price.

#### *Illustrative calculation of the Certificates reference price where providing a short exposure*

The below illustrative calculation provides an example of performance for a short exposure – i.e., for an exposure that benefits from a decline in the price of the underlying Digital Currency (in this example, Bitcoin).

In order to calculate the Certificates’ value, we need to get the previous day’s asset level in SEK given on the website (or in EUR in case of the EUR denominated Certificate).

We then calculate the average traded price of Bitcoin expressed in USD on the underlying Eligible Market Places acting in the absolute discretion to obtain the best executed price based on volume.

The average price in USD is multiplied by the current exchange rate for USD/SEK (or USD/EUR in case of the EUR denominated Certificates).

We then calculate the performance of the asset level in SEK versus the previous level, by dividing the last asset level in SEK by the average traded price in SEK. To get the relative performance, we subtract one from this ratio and multiply the result by -1, which is the Leverage Factor.

We add one and then subtract the Capital Adjustment to calculate the net performance of the Certificate.

We finally multiply the result with the Certificate previous reference price to get the last reference price of the Certificate.

#### **Day One (Short exposure)**

1.	Preceding asset level (BTC/SEK)	46763
2.	Last traded (BTC/USD): 3 Eligible Market Places	4995 4996 4997
3.	Average traded price of Bitcoin (BTC/USD)	$(4995+4996+4997)/3 = 4996$
4.	Current exchange rate for USD/SEK	9.3

5.	Average traded price of Bitcoin (BTC/SEK)	46462.8
6.	Performance ratio	$46462.8 / 46763 = 0.99358$
7.	Percentage performance	$0.99358 - 1 = -0.0064196$
8.	Relative performance	$-1 \times (-0.0064196) = 0.0064196$
9.	Add 1 to the relative performance	$1 + 0.0064196 = 1.0064196$
10.	Capital Adjustment 2.5%/360	0.00006944
11.	Net performance of the Certificate	$1.0064196 - 0.00006944 = 1.00635$
12.	Previous Certificate reference price	1000
13.	Certificate's reference price	$1000 \times 1.00635 = 1006.35$

**Day Two (Short Exposure)**

1.	Preceding asset level (BTC/SEK)	46462.8
2.	Last traded (BTC/USD): 3 Eligible Market Places	5004 5005 5006
3.	Average traded price of Bitcoin (BTC/USD)	$(5004+5005+5006)/3 = 5005$
4.	Current exchange rate for USD/SEK	9.3
5.	Average traded price of Bitcoin (BTC/SEK)	46546.5
6.	Performance ratio	$46546.5 / 46462.8 = 1.001801$
7.	Percentage performance	$1.001801 - 1 = 0.001801$
8.	Relative performance	$-1 \times (0.001801) = -0.001801$
9.	Add 1 to the relative performance	$1 - 0.001801 = 0.998198$
10.	Capital Adjustment 2.5%/360	0.00006944
11.	Net performance of the Certificate	$0.998198 - 0.00006944 = 0.998129$
12.	Previous Certificate reference price	1006.35
13.	Certificate's reference price	$1006.35 \times 0.998129 = 1004.47$

*Illustrative calculation of the Certificates reference price where providing a long exposure*

The below illustrative calculation provides an example of performance for a long exposure – ie., for an exposure that benefits from an increase in the price of the underlying Digital Currency (in this example, Bitcoin).

As per the above but the last sentence of the fourth paragraph is amended as follows: To get the relative performance, we subtract one from this ratio and multiply the result by 1, which is the Leverage Factor.

#### Day One (Long exposure)

1.	Preceding asset level (BTC/SEK)	46763
2.	Last traded (BTC/USD): 3 Eligible Market Places	4995 4996 4997
3.	Average traded price of Bitcoin (BTC/USD)	$(4995+4996+4997)/3 = 4996$
4.	Current exchange rate for USD/SEK	9.3
5.	Average traded price of Bitcoin (BTC/SEK)	46462.8
6.	Performance ratio	$46462.8 / 46763 = 0.99358$
7.	Percentage performance	$0.99358 - 1 = -0.0064196$
8.	Relative performance	$1 \times (-0.0064196) = -0.0064196$
9.	Add 1 to the relative performance	$1 + (-0.0064196) = 0.99358$
10.	Capital Adjustment 2.5%/360	0.00006944
11.	Net performance of the Certificate	$0.99358 - 0.00006944 = 0.99351$
12.	Previous Certificate reference price	1000
13.	Certificate's reference price	$1000 \times 0.99351 = 993.51$

#### Day Two (Long Exposure)

1.	Preceding asset level (BTC/SEK)	46462.8
2.	Last traded (BTC/USD): 3 Eligible Market Places	5004 5005 5006
3.	Average traded price of Bitcoin (BTC/USD)	$(5004+5005+5006)/3 = 5005$
4.	Current exchange rate for USD/SEK	9.3
5.	Average traded price of Bitcoin (BTC/SEK)	46546.5
6.	Performance ratio	$46546.5 / 46462.8 = 1.001801$
7.	Percentage performance	$1.001801 - 1 = 0.001801$
8.	Relative performance	$1 \times (0.001801) = 0.001801$
9.	Add 1 to the relative performance	$1 + 0.001801 = 1.001801$
10.	Capital Adjustment 2.5%/360	0.00006944
11.	Net performance of the Certificate	$1.001801 - 0.00006944 = 1.001732$
12.	Previous Certificate reference price	993.51
13.	Certificate's reference price	$993.51 \times 1.001732 = 995.23$

The below illustrative calculation provides an example of performance for a long basket exposure – ie., for an exposure that benefits from an increase in the price of a basket of two or more underlying Digital Currencies (in this example, Bitcoin and Ethereum).

### Day One (Long exposure)

1.	Basket Weighting (BTC:Ethereum)	1:1
2.	Preceding asset level for the basket (BTC+ETH/SEK)	46763
3.	Last traded (BTC+ETH/USD): 3 Eligible Market Places	4995 4996 4997
4.	Average traded price of Bitcoin+ETH (BTC/USD)	$(4995+4996+4997)/3 = 4996$
5.	Current exchange rate for USD/SEK	9.3
6.	Average traded price of Bitcoin + Ethereum (BTC/SEK)	46462.8
7.	Performance ratio	$46462.8 / 46763 = 0.99358$
8.	Percentage performance	$0.99358 - 1 = -0.0064196$
9.	Relative performance	$1 \times (-0.0064196) = -0.0064196$
10.	Add 1 to the relative performance	$1 + (-0.0064196) = 0.99358$
11.	Capital Adjustment 2.5%/360	0.00006944
12.	Net performance of the Certificate	$0.99358 - 0.00006944 = 0.99351$
13.	Previous Certificate reference price	1000
14.	Certificate's reference price	$1000 \times 0.99351 = 993.51$

### Day Two (Long Exposure)

1.	Basket Weighting (BTC:Ethereum)	1:1
2.	Preceding asset level (BTC/SEK)	46462.8
3.	Last traded (BTC/USD): 3 Eligible Market Places	5004 5005 5006
4.	Average traded price of Bitcoin (BTC/USD)	$(5004+5005+5006)/3 = 5005$
5.	Current exchange rate for USD/SEK	9.3
6.	Average traded price of Bitcoin (BTC/SEK)	46546.5
7.	Performance ratio	$46546.5 / 46462.8 = 1.001801$
8.	Percentage performance	$1.001801 - 1 = 0.001801$
9.	Relative performance	$1 \times (0.001801) = 0.001801$
10.	Add 1 to the relative performance	$1 + 0.001801 = 1.001801$
11.	Capital Adjustment 2.5%/360	0.00006944
12.	Net performance of the Certificate	$1.001801 - 0.00006944 = 1.001732$
13.	Previous Certificate reference price	993.51
14.	Certificate's reference price	$993.51 \times 1.001732 = 995.23$

### 3.6 Comparison with index-linked investments

Strategy: Through the Certificates, investors are exposed to Bitcoin (or another Tracked Digital Currency or to the combination of the foregoing comprised within the relevant basket). There is no investment strategy or investment policy of the kind that is normally included in an index, instead the exposure to a single underlying asset priced in USD stays constant during the entire duration. Selection process and weighting: As described in Section 3.6 above, the price information is collected from three sources and the arithmetic average is used in the calculation. However, only one underlying asset (the appropriate Tracked Digital Currency(ies)) is included which is priced in USD. The purpose of using three sources is to reach an increased reliability compared to the use of only one price source. Calculation method: The method and the formula to make the relevant calculations under the Certificates have been described under Section 3.6 above and are stated in detail in the General Terms as these are complemented by the Final Terms issued in respect of a particular Series. Adjustment rules: In the event of a price source not fulfilling the criteria of an "Eligible Marketplace" in accordance with the T&Cs, this price source will be excluded. Should there not be a sufficient number of other Eligible Marketplaces, the number of price sources used may decrease. The T&Cs further contain regulations of the effect of a Disruption Event (see the definition of "Disruption Event" and Condition 5.4 of the General Terms in Section 9 of this Base Prospectus). Calculation agent: The Calculation Agent decides whether a Disruption Event has occurred, criteria are fulfilled and makes the calculation in accordance with the T&Cs. Re-weighting frequency: The exposure is fixed during the duration of the Certificates and does not change. Type: The exposure contains a reduction for cost components and may therefore be said to be of the character of excess return. Currency: The price determination of the underlying asset is made in USD. As the liquidation currency is SEK or EUR, a recalculation is made from USD to SEK or, as applicable, to EUR in order to confirm the amount to be effected under the Certificates. Further, Basket Certificates involve more than one Tracked Digital Currency but do not track an index in the traditional meaning of the term.

### 3.7 Application for admission to trading on regulated markets and multilateral trading facilities (MTF)

Subject to regulatory requirements, the Issuer may apply for the Certificates to be admitted to trading on a regulated market or any other market place, such as an MTF, in Finland, Norway, and /or Sweden and, subject to completion of relevant notification measures, any other Member State within the EEA. No guarantee can, however, be given to investors that the Certificates will be admitted to trading on any regulated market or Multilateral Trading Facilities or that any such admission will be maintained.

### 3.8 Secondary market

Mangold Fondkommission AB ("**Mangold**") currently acts as market-maker and will under normal market conditions maintain a secondary market for the Issuer's existing Certificates. If the issuer issues additional Certificates and if the application for admission to trading is approved by the relevant regulated market, Mangold (or such other market maker as the Issuer may appoint) will maintain a secondary market by providing bid and, where possible, offer prices. These prices may be significantly lower than the initially invested amount and during abnormal market conditions the secondary market can be illiquid. The commitment means that Mangold under normal

market conditions shall quote prices during at least 85 % of regular trading hours. The obligation covers at least SEK 5,000 on each buying and selling side and with a deviation between buying and selling prices of a maximum of 6 %. In the event of an extraordinary market situation or if the marketplace has announced that a so-called Fast Market prevails, deviations from the previous requirements are allowed. The Issuer may appoint Mangold or one or more other parties to act as market-maker in relation to other relevant regulated markets, MTF's or other market places.

### 3.9 No possibility to withdraw from a purchase of the Certificates

It is normally not possible to regret a purchase or a sale of the Certificates. The applicable T&Cs of the Certificates and the purchase or sale transaction is affected by changes to the financial market which makes the otherwise normal right to cancel a purchase inapplicable. However, if the Issuer publishes a supplement to this Base Prospectus during an offer period, an investor has the right to withdraw any subscription made with the Issuer. The right of cancellation is only valid for two business days from the publication of the prospectus supplement. In case the prospectus supplement is published at another time, it is not possible for investors to withdraw their subscriptions. Any right to withdraw subscriptions does not however extend to purchase or sale transactions made on a regulated market or otherwise than through a subscription with the Issuer.

Prospectus supplements are always published on the Issuer's website <https://coinshares.com/etps/xbt-provider> and may be ordered free of charge from the Issuer's address XBT Provider AB (publ), Artillerigatan 6, SE-114 51 Stockholm, Sweden. The prospectus supplements; if any, are also available on the Swedish Financial Supervisory's website [www.fi.se](http://www.fi.se).

### 3.10 No administrator under the Benchmark Regulation

The Reference Price is not a benchmark subject to Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 Regulation (the "**Benchmark Regulation**").

The Issuer is not an administrator included in the register referred to in Article 36 of the Benchmark Regulation. Nor is any administrator registered in said register participating in the calculation of the Reference Price or any other value or amount made pursuant to the terms and conditions of the Certificates.

## 4. THE ISSUER

### 4.1 Persons responsible for the Base Prospectus

The Issuer has obtained all necessary resolutions, authorisations and approvals required in connection with the Certificates and the performance of its obligations relating thereto. The issue of the Certificates was authorised by resolutions of the Board of Directors of the Issuer on 28<sup>th</sup> January, 2015, 26<sup>th</sup> April, 2018 and 11<sup>th</sup> March 2019.

The Issuer accepts responsibility for the information given in this Base Prospectus and declares that the information contained in this Base Prospectus is, to the best of the Issuer's knowledge, in accordance with the facts and contains no omission likely to affect its import. The Board of Directors of the Issuer is, to the extent provided by Swedish law, responsible for the information given in this Base Prospectus and declares that the information in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. The board of directors consist of Mr. Daniel Masters (Member of the Board and Chairman), Mr. Jean-Marie Mognetti (Member of the Board) and Mr. Jean-Charles Dudek (Member of the Board and Managing Director).

Information contained in the Base Prospectus which is stated as information coming from third parties has been accurately reproduced and, as far as the Issuer is aware and can assess on the basis of other information published by the relevant third party, no information has been omitted that would make the reproduced information incorrect or misleading.

### 4.2 The Issuer in brief

XBT was formed on 22<sup>nd</sup> January, 2015 as a limited liability company in Sweden having its statutory seat in Stockholm, Sweden. The Issuer operates under Swedish law. The Issuer is registered at the Swedish Companies Registration Office (*Bolagsverket*) under registration number 559001-3313. The registered company name of XBT is XBT Provider AB (publ) and its trading name is XBT Provider. The Issuer has a share capital of SEK 500,000 comprised of 5,000 shares in a single class, each of which is fully-paid. The Issuer's address is: Artillerigatan 6, SE-114 51 Stockholm, Sweden. The Issuer's phone number is +46 (0)8 519 72 535. It is also possible to call the Group's office in Jersey on +44 1 534 513 100. The Issuer's legal entity identifier or LEI is: 549300HGWKR2Q5T8GK64.

The Issuer's website is available at <https://coinshares.com/etps/xbt-provider>. This website does not form part of this Base Prospectus (other than where information has been explicitly incorporated by reference into this Base Prospectus).

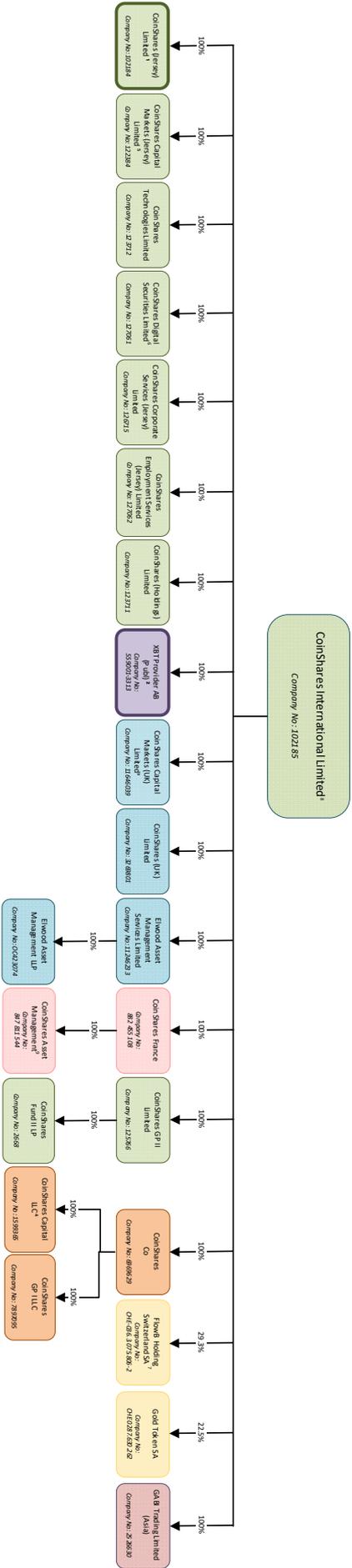
The Issuer is a wholly-owned subsidiary of CoinShares International Limited ("**CSIL**"), which is the parent company of the CoinShares group (the "**Group**"). XBT was formed as a special purpose vehicle to issue synthetic securities which reference Bitcoin and other crypto-currencies as the underlying. The Issuer's vision was to be the first company in the world to do the foregoing and to become world-leading in such arena. The Issuer intends that its Certificates be issued to both private and professional investors. The Issuer will also engage in hedging activities relating to its issued Certificates via the Guarantor's hedging activities.

According to section 3 in the Issuer's articles of association, the business object is to issue financial instruments and other business related thereto.

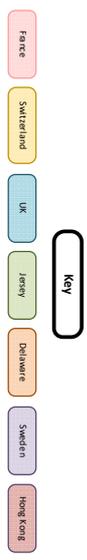
#### 4.3 The Issuer & the ownership and operational structure in brief

The Issuer is a wholly-owned subsidiary of CSIL, a public company whose share capital is listed for trading on Nasdaq First North Growth Market. A chart with the group structure is set out on the following page.

# CoinShares Group Structure



- 1. Regulated by the F S C for AIFM, FSB, (a activities, and regulated by NFA
- 2. Product listed on NASDAQ and NEM. The basic prospectus has been approved by the SFA
- 3. Appointed Representative of Strain Global Limited with FIA as a broker-dealer
- 4. Regulated by the FIA as a leverage firm and SEC as a broker-dealer
- 5. Licensed as a virtual currency exchange with the JSC
- 6. Product listed in Stockholm, Stuttgart, Zurich, Paris and Amsterdam
- 7. Voting right equal to 32.06%
- 8. Used on NASDAQ and NEM
- 9. Regulated by the AMF



In some cases, intermediate holding companies may not be shown.

CSIL can exercise a material influence over the Issuer. However, in certain respects, the provisions in the Swedish Companies Act (Sw. aktiebolagslagen (2005:551)) regarding powers and responsibilities of different corporate bodies of the Issuer and regarding creditor protection rights limit the influence of CSIL.

Like the Issuer, the Guarantor is wholly-owned by CSIL. The Guarantor is regulated in Jersey, Channel Islands by the Jersey Financial Services Commission. The Guarantor is, therefore, affiliated to and a sister company of the Issuer. The Guarantor will continue to guarantee the Issuer's obligations under the Certificates (including those not yet in existence). (Please refer to Section 6 of this Base Prospectus, below, for further detail in connection with the Guarantor).

The Issuer has entered a agreement with the Guarantor to ensure that its payment obligations under the Certificates are constantly and effectively hedged (the "**Collateral Management Agreement**"). Pursuant to the Collateral Management Agreement, the Issuer and the Guarantor have agreed that the Guarantor shall undertake all hedging activities with the aim that the Issuer's payment obligations under the Certificates (and, consequently, also the Guarantor's obligations under the Guarantee), shall be hedged through a corresponding holding of the relevant Digital Currencies from time to time. Pursuant to this agreement, the Issuer has issued all its outstanding Certificates to the Guarantor, who holds such Certificates as agent for the Issuer. Such Certificates held by the Guarantor are not considered "in issuance" and do not represent liabilities of the Issuer until such time as the Guarantor sells them to investors in the secondary market. The funds received for such secondary market sales are used by the Guarantor to buy the relevant Tracked Digital Currencies, in physical or derivative form.

The Collateral Management Agreement sets out certain restrictions pertaining the percentage of the hedge that may be held in derivative form. Key terms include: (i) a stipulation that 100% of the Issuer's liabilities must be hedged at all times; (ii) a requirement that a minimum of 75% of the hedge must be held directly in digital assets with the remaining 25% to be held in derivatives or cash; (iii) a limit of 35% on the amount of digital asset the Guarantor may lend and (iv) obligations on the part of the Guarantor to report daily on its compliance with the CMA. Accordingly, the Issuer is dependent on the Guarantor performing these hedging activities appropriately and the Issuer continuously has an exposure against the Guarantor corresponding to its own exposure under the Certificates.

In addition to the foregoing, the Guarantor has provided a guarantee for the payment and completion of all of the Issuer's obligations in respect of its Certificates, including those not yet in existence (the "**Guarantee**"), which is part of the risk-management and compliance framework of the Group.

Otherwise than in respect of the aforementioned hedging and Guarantee, the Issuer is not dependent on any other entities in the Group for its daily operations.

The Guarantor typically carries a balance sheet surplus in excess of its obligations to XBT pursuant to the Collateral Management Agreement and applies robust internal controls and risk-

management processes in connection with the monitoring of its daily exposures and risk parameters.

#### 4.4 Selected financial information

The information below constitutes selected financial information. The Issuer's annual reports for the financial year-ended 31<sup>st</sup> December, 2022 and 31<sup>st</sup> December, 2021, respectively, have been prepared in accordance with the Swedish Accounting Act and the Swedish Financial Reporting Board's Standard No. 2. Such report has been prepared on the basis of historical costs, with the exception of financial assets and debts, which have been valued at fair value over the profit and loss statement.

##### *Information from audited financial statements*

The information below reflects audited information in relation to the Issuer's financial periods ended 31<sup>st</sup> December, 2022 and 31<sup>st</sup> December, 2021 (respectively):

<b>Income statement</b>	<b>Note</b>	<b>1 Jan. 2022- 31 Dec. 2022</b>	<b>1 Jan. 2021- 31 Dec. 2021</b>
<b>Operating income</b>	3		
Net sales	4	4 023 921	4 220 702
		<b>4 023 921</b>	<b>4 220 702</b>
<b>Operating costs</b>			
Administration costs	5, 6, 7	-3 189 333	-4 035 550
Other operating expenses		-679 822	-22 818
		<b>-3 869 155</b>	<b>-4 058 368</b>
<b>Operating profit/loss</b>		<b>154 766</b>	<b>162 334</b>
<b>Profit/loss from financial items</b>			
Other interest income and similar profit/loss items	4, 8	28	0
Interest expenses and similar profit/loss items	4, 9	-1 147	-63
Value changes, certificates/currencies	10	0	0
		<b>-1 119</b>	<b>-63</b>
<b>Profit/loss after financial items</b>		<b>153 647</b>	<b>162 271</b>
<b>Profit/loss before tax</b>		<b>153 647</b>	<b>162 271</b>
Tax on the year's results	11	-36 954	-34 437
<b>Net profit/loss for the year</b>		<b>116 693</b>	<b>127 834</b>

#### **Report over profit/loss and Other comprehensive income**

The Company reports no items in Other comprehensive income which implies that the carrying amount of the year's results agrees with the net profit/loss for the year.

<b>Net profit/loss for the year</b>	<b>116 693</b>	<b>127 834</b>
<b>Total comprehensive income</b>	<b>116 693</b>	<b>127 834</b>

<b>Balance sheet</b>	<b>Note</b>	<b>31 Dec. 2022</b>	<b>31 Dec. 2021</b>
	1, 2		
<b>ASSETS</b>			
<b>Fixed assets</b>			
<i>Financial assets</i>			
Other non-current receivables	12	1 856	1 856
		<b>1 856</b>	<b>1 856</b>
<b>Total fixed assets</b>		<b>1 856</b>	<b>1 856</b>
<b>Current assets</b>			
<i>Current receivables</i>			
Receivables from Group companies	13, 14	10 971 535 689	38 525 185 048
Other receivables		23 713	57 808
Prepaid expenses and accrued income	15	132 600	132 600
		<b>10 971 692 002</b>	<b>38 525 375 456</b>
<i>Cash and cash equivalents</i>			
	22	394 924	128 536
<b>Total current assets</b>		<b>10 972 086 926</b>	<b>38 525 503 992</b>
<b>TOTAL ASSETS</b>		<b>10 972 088 782</b>	<b>38 525 505 848</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<i>Restricted equity</i>			
Share capital	16, 17	500 000	500 000
		<b>500 000</b>	<b>500 000</b>
<i>Non-restricted equity</i>			
Retained earnings or losses		2 730 315	2 602 481
Profit/loss for the year		116 693	127 834
		<b>2 847 008</b>	<b>2 730 315</b>
<b>Total equity</b>		<b>3 347 008</b>	<b>3 230 315</b>
<b>Untaxed reserves</b>	18	980 000	980 000
<b>Current liabilities</b>			
Accounts payable		0	1 985
Current tax liabilities		5 772	3 054
Other liabilities	19	10 966 874 720	38 520 400 358
Accrued expenses and deferred income	20	881 282	890 135
<b>Total current liabilities</b>		<b>10 967 761 774</b>	<b>38 521 295 532</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10 972 088 782</b>	<b>38 525 505 848</b>

## Statement of changes in equity

	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total equity</b>
<b>Opening balance, 1 Jan. 2021</b>	<b>500 000</b>	<b>2 602 481</b>	<b>3 102 481</b>
Profit/loss for the year		127 834	127 834
<b>Closing balance, 31 Dec. 2021</b>	<b>500 000</b>	<b>2 730 315</b>	<b>3 230 315</b>
Profit/loss for the year		116 693	116 693
<b>Closing balance, 31 Dec. 2022</b>	<b>500 000</b>	<b>2 847 008</b>	<b>3 347 008</b>

<b>Cash flow analysis</b>	<b>Note</b>	<b>1 Jan. 2022- 31 Dec. 2022</b>	<b>1 Jan. 2021- 31 Dec. 2021</b>
<b>Ongoing operations</b>			
Profit/loss after financial items		153 647	162 271
Adjustments for items not included in cash flow	21	678 442	20 307
Tax paid		-34 236	-30 674
<b>Cash flow from ongoing operations before changes in working capital</b>		<b>797 853</b>	<b>151 905</b>
<b>Cash flow from change in working capital</b>			
Change in current receivables		1 397 178	187 383
Change in current liabilities		-1 250 201	-867 259
<b>Cash flow from ongoing operations</b>		<b>944 829</b>	<b>-527 971</b>
<b>Cash flow for the year</b>		<b>944 829</b>	<b>-527 971</b>
<b>Liquid funds at the beginning of the year</b>	22		
Liquid funds at the beginning of the year		128 536	676 815
<b>Exchange rate differences, liquid funds</b>			
Exchange rate differences, liquid funds		-678 442	-20 307
<b>Liquid funds at the end of the year</b>		<b>394 924</b>	<b>128 536</b>

*Information from unaudited interim financial statements*

The information below reflects audited information in relation to the Issuer's financial periods ended 30<sup>th</sup> June 2023 and 30<sup>th</sup> June 2022 (respectively):

<b>Income Statement</b>	<b>Note</b>	<b>01/01/2023 -30/06/2023</b>	<b>01/01/2022 -30/06/2022</b>	<b>01/01/2022 -31/12/2022</b>
(Amounts in thousands of Swedish kronor)				
<b>Operating revenues</b>				
Net turnover		2 172	1 808	4 024
		<b>2 172</b>	<b>1 808</b>	<b>4 024</b>
<b>Operating costs</b>				
General administrative expenses		-2 069	-1 720	-3 189
Other operating expenses		-19	-18	-680
		<b>-2 088</b>	<b>-1 738</b>	<b>-3 869</b>
<b>Operating profit/loss</b>		<b>84</b>	<b>70</b>	<b>155</b>
<b>Profit/loss from financial items</b>				
Interest expense and similar profit/loss items		0	-1	-1
Value changes, certificates/currencies	2	0	0	0
		<b>0</b>	<b>-1</b>	<b>-1</b>
<b>Profit/loss after financial items</b>		<b>84</b>	<b>69</b>	<b>154</b>
<b>Pre-tax profit/loss</b>		<b>84</b>	<b>69</b>	<b>154</b>
Tax on profit for the period		-23	-18	-37
<b>Net profit/loss for the period</b>		<b>61</b>	<b>51</b>	<b>117</b>

<b>Balance Sheet</b>	<b>Note</b>	<b>30/06/2023</b>	<b>30/06/2022</b>	<b>31/12/2022</b>
<i>(Amounts in thousands of Swedish kronor)</i>				
<b>ASSETS</b>				
<b>Fixed assets</b>				
<i>Financial assets</i>				
Other long-term receivables	3	2	2	2
		2	2	2
<b>Total fixed assets</b>		<b>2</b>	<b>2</b>	<b>2</b>
<b>Current assets</b>				
<i>Current receivables</i>				
Receivables from group companies	4	20 058 786	11 907 697	10 971 535
Other receivables		21	41	24
Deferred expenses and accrued income		0	133	133
		<b>20 058 807</b>	<b>11 907 870</b>	<b>10 971 692</b>
<i>Cash on hand and in bank</i>		192	238	395
<b>Total current assets</b>		<b>20 058 998</b>	<b>11 908 108</b>	<b>10 972 087</b>
<b>TOTAL ASSETS</b>		<b>20 059 000</b>	<b>11 908 110</b>	<b>10 972 089</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
<i>Restricted reserves</i>				
Share capital		500	500	500
		<b>500</b>	<b>500</b>	<b>500</b>
<i>Non-restricted equity</i>				
Retained earnings or losses		2 847	2 730	2 730
Profit/loss for the period		61	51	117
		<b>2 908</b>	<b>2 782</b>	<b>2 847</b>
<b>Total equity</b>		<b>3 408</b>	<b>3 282</b>	<b>3 347</b>
<b>Untaxed reserves</b>		<b>980</b>	<b>980</b>	<b>980</b>
<b>Current liabilities</b>				
Current tax liabilities		10	4	6
Other liabilities	5	20 053 766	11 903 011	10 966 875
Accrued expenses and deferred income		836	833	881
<b>Total current liabilities</b>		<b>20 054 612</b>	<b>11 903 848</b>	<b>10 967 762</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>20 059 000</b>	<b>11 908 110</b>	<b>10 972 089</b>

### Statement of changes in equity

*(Amounts in thousands of Swedish kronor)*

	<b>Share capital</b>	<b>Non-restr. equity</b>	<b>Total equity</b>
Opening equity 01/01/2023	500	2 847	3 347
Profit/loss for the period		61	61
Closing equity 30/06/2023	500	2 908	3 408
Opening equity 01/01/2022	500	2 730	3 230
Profit/loss for the period		51	51
Closing equity 30/06/2022	500	2 782	3 282
Opening equity 01/01/2022	500	2 730	3 230
Profit/loss for the year		117	117
Closing equity 31/12/2022	500	2 847	3 347

## Cash Flow Analysis

(Amounts in thousands of Swedish kronor)

Note	01/01/2023 -30/06/2023	01/01/2022 -30/06/2022	01/01/2022 -31/12/2022
<b>Current activities</b>			
Profit/loss after financial items	84	70	154
Adjustments for items not included in the cash flow	15	17	678
Tax paid	-19	-17	-34
<b>Cash flow from operating activities before change in working capital</b>	<b>80</b>	<b>69</b>	<b>798</b>
<b>Cash flow from change in the working capital</b>			
Change in current receivables	-223	1 355	1 397
Change in current liabilities	-45	-1 298	-1 250
<b>Cash flow from operating activities</b>	<b>-188</b>	<b>126</b>	<b>945</b>
<b>Annual cash flow</b>	<b>-188</b>	<b>126</b>	<b>945</b>
<b>Liquid assets, opening balance</b>			
Liquid assets, opening balance	395	129	129
<b>Exchange rate differences for liquid assets</b>			
Exchange rate differences for liquid assets	-15	-17	-678
<b>Liquid assets, closing balance</b>	<b>192</b>	<b>238</b>	<b>395</b>

### 4.5 Developments & Information on Trends

There has been no material adverse change in the Issuer's prospects since 31 December 2022, being the date of the latest published audited financial report of the Issuer, and no significant change in the financial performance of the Issuer since 30 June 2023, being the date of the latest published financial report of the Issuer. Save as set out above, there are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for the current financial year.

### 4.6 Material changes to the financial position of the Issuer

There has been no significant change in the financial position of the Issuer since 30<sup>th</sup> June 2023.

### 4.7 No credit rating

The Issuer has not been assigned any credit rating at its request or with the cooperation of the Issuer in the rating process.

### 4.8 Borrowing and funding structure

There have been no material changes to the Issuer's funding or borrowing since the last financial year.

The Issuer is a special purpose company established for the sole purpose of issuing exchange traded notes. Its sole business activities involve the issuance of such notes and hedging the liabilities created by such notes. As a result, the Issuer has limited funding and financing requirements. To the extent required, its activities are primarily financed by the fees earned from the issuance of the exchange traded notes, and, where necessary, equity capital from its shareholders.

#### 4.9 Information on material investments

The Issuer has not made any material investments since 31st December 2022.

The Issuer has not decided on any future material investments as of the day of this Base Prospectus.

#### 4.10 Information on material events affecting the solvency of the Issuer

Since 31st December 2022, there have been no recent events particular to the Issuer and which are to a material extent relevant to an evaluation of the Issuer's solvency.

#### 4.11 Board of Directors & Executive Management

##### (a) Board of Directors

The Issuer's Board of Directors consists of:

##### **Mr. Daniel Masters, Member of the Board & Chairman**

During the period 1999-2018 Mr. Masters was a Director of the Guarantor and its predecessor companies. From February, 1994 to February, 1999 Mr. Masters was employed by Morgan Guaranty Trust Company ("MGT") in New York. His last position there was Head of the Global Energy Trading business. In this capacity he directed trading strategies and was responsible for risk-management for a group of some 30 individuals. Mr. Masters' business mandate spanned all actively traded energy bases including physical markets, forward transactions, swaps, options and exotic derivative products. Mr. Masters was also responsible for directing research into methods of profiting systematically from the price, political and fundamental information available in the energy markets. From July, 1987 to January, 1994, Mr. Masters was employed by the Phibro Energy Division of Salomon, Inc. ("Phibro"). Latterly, his responsibilities at Phibro included several trading and risk-management functions. He was involved in the establishment of the UK natural gas and electricity markets, transacting some of the first electricity forward agreements and some newly structured options-related physical natural gas deals. Prior to this, Mr. Masters held a senior trading position in the Zug, Switzerland, office of Phibro, where Mr. Masters ran a speculative forward, physical and futures book focused on the Atlantic basin region, including Brent, WTI, Dubai and several other physical grades. He also was an original and subsequently very active participant in the Contract for Difference ("CFD") market in Europe, trading based on price relationships between physical crude and corresponding futures. Mr. Masters' first employment, from September, 1985 to June, 1987, was with Shell International Trading Company in London, UK, one of the largest physical oil trading companies in the world. During this period he had experience as a physical oil trader in the European and Mediterranean region, an energy risk manager and a coordinator of a portfolio of physical North Sea crude oils. Mr. Masters earned a Bachelor of Science (Honours) in Physics from Exeter University, UK in 1984, and followed that with a Masters in Management Science and Operational Research from Imperial College, London, UK in 1985.

##### **Mr. Jean-Marie Mognetti, Member of the Board**

Mr. Mognetti has been an employee of the CoinShares Group since 2011 and a director of the Guarantor since 2013. From November 2009 to December 2011, Mr. Mognetti worked at Hermes Commodities Fund Managers where he was employed as a commodities quantitative strategist. At Hermes Mr Mognetti delivered a number of quantitative projects designed to enhance the firm's trading activities, including quantitative analysis and modelling. Throughout his academic career Mr Mognetti also held a number of short-term positions including Exotics Trader Assistant at Lehman Brothers in London (2008); Financial Analyst for SN Brussels Airlines in Paris (2007) and Sales Analyst for Sony Computer Entertainment Europe in Paris (2005). Mr Mognetti holds an MSc in Mathematical Trading and Finance from the Sir John Cass Business School, London (2009), an MSc in Bank-Finance-Insurance (2008) and a Degree (BSc) in Economics & English (2007) from the University Paris X, France. Mr Mognetti is fluent in French, English and Spanish.

**Jérôme Castille, Member of the Board and Managing Director**

Mr. Castille is the Head of Compliance & Regulatory Affairs - France at CoinShares since January 2022 and the Managing Director of CoinShares Asset Management SASU - an alternative investment fund manager ("AIFM") authorised by the Autorité des Marchés Financiers in France. Before joining CoinShares, Mr. Castille worked 8 years at Agama Group, an independent Compliance Outsourcing firm in France and Luxembourg, as the Head of the "Complex and alternative asset management" division. Mr. Castille holds a Master's degree in Banking and Finance Law from the Université Toulouse Capitole (France).

- (b) The executive management of the Issuer:

The executive management of the Issuer consists of:

**Mr. Daniel Masters** (details as above in (a))

**Mr. Jean-Marie Mognetti** (details as above in (a))

**Jérôme Castille, Member of the Board and Managing Director** (details as above in (a))

4.12 Conflicts of interest

Save as set out below, none of the members of the Board of Directors has a private interest or other duties resulting from their directorship of other companies, enterprises, undertakings or otherwise, that may be in conflict with the interests of the Issuer.

**Mr. Daniel Masters**

Mr Masters is a Director and shareholder of CSIL, the parent company for the CoinShares Group and the ultimate beneficial owner of the Issuer. Mr Master is a Director of CoinShares Capital Markets (Jersey) Limited, the entity which acts as the guarantor for the Certificates issued by the Issuer provides hedging services to the Issuer under the CMA.

**Mr. Jean-Marie Mognetti**

Mr Mognetti is a Director and shareholder in CSIL, the parent company of the CoinShares Group and the ultimate beneficial owner of the Issuer. Mr Mognetti is a Director of CoinShares Capital Markets (Jersey) Limited, the entity which acts as the guarantor for the Certificates issued by the Issuer provides hedging services to the Issuer under the CMA.

Whilst the Issuer recognises the potential conflicts above, the Issuer does not believe that the appointments and interests referred to constitute an actual conflict of interest between the relevant person's duties to the Issuer and their duties to the entities to which they are otherwise appointed.

As referred to in Section 4.3 above, although not obliged to do so, the Issuer has entered into certain arrangements with members of the Group to ensure that its payment obligations under the Certificates are constantly and effectively hedged. In addition to the foregoing, it should be noted that several legal entities belonging to or affiliated with the same group of companies may from time to time acquire, hold and / or divest any position in Certificates issued by the Issuer. Such entities will act in their respective capacity as purchaser, holder or seller of any such Certificates and not in the interest of any other holders of Certificates.

4.13 Business model overview

The objective of the Issuer is to issue financial instruments and to engage in thereto related operations. The Issuer's business aims at enabling an easy and secure way to invest in the Tracked Digital Currencies (or a basket comprised thereof). The Issuer aims to eliminate the boundaries that previously prevented investors from actively investing in the Tracked Digital Currencies, which the Issuer believes are the currencies of the future.

The Issuer's strategic resources are built around specialised competences. The Group's highly educated employees, industry knowledge of the Tracked Digital Currencies and comprehensive financial experience represent strategic assets prized by the Issuer. With these strategic assets, the Issuer strives to offer investors a cost-effective and service-oriented product.

At the core of the Issuer's business model is the client relationship, which is considered essential. To keep investors and potential investors informed, the Issuer will continuously update the website with information and prices related to issued products.

To the best of the Issuer's knowledge, the Issuer was one of the first issuers of exchange-traded certificates referenced to the price of Bitcoin. The Board of the Issuer remains confident that, currently, there are only a few direct competitors to the Issuer's offering of Bitcoin Tracker Certificates. It is believed that there are ever fewer direct competitors in respect of the Issuer's offering of its other Certificates.

#### 4.14 Overview of the Issuer's business activities

The Issuer's operation consists of issuing financial instruments, particularly structured products, in Sweden. The Issuer's operations particularly consist of issuing Certificates related to Tracked Digital Currencies with the aim of meeting as much of the current and future demand for certificates related to the Tracked Digital Currencies as may exist from time to time and in respect of which it is able to do so.

#### 4.15 Market overview

Since the Issuer operates on a market for structured products in Sweden, the Issuer competes with other issuers of structured products and other financial products in Sweden. The market for financial products in Sweden is characterised by high levels of competition and, accordingly, maintaining compliance with the applicable laws and regulations in Finland, Norway and Sweden is vital. Non-compliance by the Issuer with such applicable laws and regulations may be detrimental to the operations of the Issuer and to its market position where it presently enjoys a competitive advantage as the first issuer, to the Issuer's knowledge, of certificates such as its Certificates referenced to Bitcoin, Ethereum and the other Tracked Digital Currencies.

#### 4.16 Compliance with legislation relating to corporate governance

The Issuer endeavours to act at all times in accordance with prevailing with prevailing law and regulation, including in respect of corporate governance matters.

#### 4.17 Audit & Auditor

The Issuer's auditor is Baker Tilly Rådek AB of Rademachergatan 5, 6321 9 Eskilstuna, Sweden with Johan Rudengren as the lead audit partner. He is an authorised auditor and member of FAR (the Swedish Institute for Authorised and Approved Public Accountants).

The Issuer's auditor in relation to the financial year which ended 31<sup>st</sup> December 2021 was Öhrlings PricewaterhouseCoopers AB, of Torsgatan 21, 113 21 Stockholm, Sweden with Johan Engstam as the lead audit partner. He is an authorised auditor and member of FAR (the Swedish Institute for Authorised and Approved Public Accountants).

The Issuer's annual reports for the financial years-ended 31<sup>st</sup> December, 2022 and 31<sup>st</sup> December, 2021, respectively, have been prepared in accordance with the Swedish Accounting Act and the Swedish Financial Reporting Board's Standard No. 2. Financial information within this Base Prospectus extracted from those two annual reports has been reviewed by the Issuer's auditor, respectively, as part of their audit of the relevant financial statements. Apart from the aforementioned financial information, the information in this Base Prospectus has not been reviewed by the Issuer's respective auditor.

#### 4.18 Legal and arbitration proceedings etc.

The Issuer is not a party to, and has, at the date of this Base Prospectus, never been a party to any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during the previous 12 months which may have, or have had in the recent past significant effects on the Issuer's financial position or profitability.

#### 4.19 Interest of natural and legal persons involved in the issuance

As referred to in Section 4.10 above, whilst the Issuer recognises the potential conflicts referred to within such Section, the Issuer does not believe that the appointments and interests referred to constitute an actual conflict of interest between the relevant person's duties to the Issuer and their duties to the entities to which they are otherwise appointed.

Accordingly, the Issuer does not believe that there are any actual conflicts of interest on the part of individuals which are material in the context of the issuance of the Certificates. The Issuer considers that the same is true in respect of (non-natural) legal persons involved in such issuances.

#### 4.20 Material Contracts

The Board of the Issuer is satisfied that there are no material contracts outside the ordinary course of business of the Group which may result in a Group company incurring rights or obligations which would materially negatively affect the Issuer's ability to perform its obligations to investors under the Conditions attached to the Certificates.

As earlier referenced herein, although not obliged to do so, the Issuer has entered into certain arrangements with members of the Group to ensure that its payment obligations under the Certificates are constantly and effectively hedged.

In addition to the foregoing, the Guarantor has provided a guarantee, in favour of the holders from time to time of the Certificates, for the payment and completion of all of the Issuer's obligations in respect of its Certificates, including those not yet in existence (the "**Guarantee**"), which is part of the risk-management and compliance framework of the Group.

#### 4.21 Admission to Trading

The Issuer currently has two Series of Bitcoin Tracker Certificates and two Series of Ethereum Tracker Certificates admitted to trading on the MTF Nasdaq First North Stockholm, operated by Nasdaq Stockholm AB. Further the Issuer has two Series of XRP Tracker Certificates and two Series of Litecoin Tracker Certificates admitted to trading on the Nordic MTF, operated by Nordic Growth Market NGM AB.

The Issuer intends to apply for admission to trading of any further Series of its Certificates on a regulated market, an MTF or other appropriate market.

#### 4.22 Use of proceeds

The Issuer intends to use the net proceeds from each issue of Certificates for hedging purposes and for general corporate purposes.

#### 4.23 Post-issuance information

The Issuer does not intend to provide any post-issuance information in relation to any of the Certificates.

#### 4.24 Information incorporated by reference

The following parts of the documents below are incorporated into this Base Prospectus by reference (and should be regarded as constituting integral components of this Base Prospectus):

<b>No.</b>	<b>Information</b>	<b>Incorporated part</b>	<b>Page</b>
1	Interim (unaudited) report for the Issuer's financial period-ended 30 <sup>th</sup> June 2023.	- Statement of Comprehensive Income	3
		- Statement of Financial Position	4
		- Statement of changes in equity	5
		- Cash flow statement	6
2	Annual (audited) report for the Issuer's financial period-ended 31 <sup>st</sup> December, 2022.	- Notes	7-9
		- Statement of Comprehensive Income	12
		- Statement of Financial Position	13
		- Statement of changes in equity	14
3	Audit report regarding the Issuer's financial period ended 31 <sup>st</sup> December 2021.	- Cash flow statement	15
		- Notes	16-28
		- Entire document	1-4
		- Statement of Comprehensive Income	12
4	Annual (audited) report for the Issuer's financial period-ended 31 <sup>st</sup> December, 2021.	- Statement of Comprehensive Income	12

		- Statement of Financial Position	of 13
		- Statement of changes in equity	of 14
		- Cash flow statement	15
		- Notes	16-30
5	Audit report of 28 <sup>th</sup> April 2022 regarding the Issuers financial period ended 31 <sup>st</sup> December 2021.	- Entire document	1-2
6	The Issuer's base prospectus dated 24 <sup>th</sup> April, 2015 and the Issuer's prospectus supplement dated 8 <sup>th</sup> May, 2015.	- General Terms & Conditions	53-61
7	The Issuer's base prospectus dated 14 <sup>th</sup> July, 2017.	- General Terms & Conditions	64-73
8	The Issuer's base prospectus dated 17 <sup>th</sup> May 2018.	- General Terms & Conditions	81-93
9	The Issuer's base prospectus dated 17 <sup>th</sup> May 2019.	- General Terms & Conditions	82-93
10	The Issuer's base prospectus dated 15 <sup>th</sup> May 2020.	- General Terms & Conditions	50-62
11	The Issuer's base prospectus dated 31 <sup>st</sup> August 2021.	- General Terms & Conditions	48-60
12	The Issuer's base prospectus dated 25 <sup>th</sup> November 2021.	- General Terms & Conditions	52-68

The documents listed above are available in electronic format at the Issuer's website <https://etp.coinshares.com/documents>. The parts of the documents above that have not been incorporated by reference is either not relevant for the investor or is covered by other parts of this Base Prospectus.

## 5. DOCUMENTS ON DISPLAY CONCERNING THE ISSUER

Copies of the following documents are electronically available at the Issuer's website <https://etp.coinshares.com/documents>. Paper copies of documents are also available at the Issuer's office at Artillerigatan 6, SE-114 51 Stockholm, Sweden, during the period of validity of this Base Prospectus:

- The most recent Articles of Association of the Issuer and the Certificate of Registration for the Issuer;
- Interim report (unaudited) for the financial period ended 30<sup>th</sup> June 2023;
- Annual report (audited) for the financial period ended 31st December 2022;
- Annual report (audited) for the financial period ended 31st December 2021; and
- The Guarantee, between the Guarantor and the Issuer.

## 6. THE GUARANTOR & THE GUARANTEE

### 6.1 The Guarantee

In July 2021 CoinShares Capital Markets (Jersey) Limited (the "**Guarantor**") entered into a guarantee with the Issuer, in favour of the holders from time to time of the Certificates, in respect of the Issuer's payment obligations to the holders from time to time of its Certificates (including those yet to be issued) (the "**Guarantee**").

Pursuant to the Guarantee, the Guarantor has undertaken to perform and complete all of the Issuer's obligations under the Programme, should the Issuer, for any reason, fail to do so.

### 6.2 The Guarantor (in brief)

The Guarantor was incorporated in Jersey, Channel Islands on 24 October 2016, with registered number 122384, as a private limited liability company. The Guarantor is registered in the Registry held by Jersey Financial Services Commission (the "**JFSC**"). The registered office address of the Guarantor is 2<sup>nd</sup> Floor, 2 Hill Street, St. Helier, Jersey, JE2 4UA, Channel Islands. The Guarantor's registered company name is CoinShares Capital Markets (Jersey) Limited. The Guarantor operates under the laws of Jersey. The telephone number of the Guarantor is: + 44 (0) 1534 513100. The Guarantor's legal entity identifier or LEI is: 549300XGLVZM5QOG2M52.

The Guarantor's issued share capital of GBP 1 is comprised of 100 ordinary shares of GBP 0.01 each (each of which is fully-paid).

According to section 3 in the Articles of Association of the Issuer, the Guarantor may operate any business and business branch deemed appropriate by the Board of Directors. The Board of Directors may also end or not start a certain business or business branch if such decision is deemed appropriate by the Board of Directors.

The Guarantor has been registered with and supervised by the JFSC since 14 May 2018 to carry on the business of a virtual currency exchange and providing the services as described in paragraph 7 of Part B of Schedule 2 of the Proceeds of Crime (Jersey) Law 1999, as amended ("**PCJL**").

The Guarantor serves as the primary entity for the Group's asset management businesses.

### 6.3 The Guarantor's position within the Group (in brief)

The Guarantor is affiliated to the Issuer by virtue of being part of the Group which includes the Issuer. Like the Issuer, the Guarantor is wholly-owned by CSIL. The Issuer and the Guarantor are, therefore, sister companies as illustrated in the following structure chart: I section 4.3 above.

## 6.4 Selected financial information

The Guarantor's annual reports for the financial year-ended 31<sup>st</sup> December, 2022 and 31<sup>st</sup> December 2021, respectively, have been prepared in accordance with Financial Reporting Standard 102, the applicable financial reporting standard in Great Britain and Ireland and which is also compliant with the Companies (Jersey) Law 1991, and on the basis of historical costs.

### *Information from audited financial statements*

The information below reflects audited information in relation to the Guarantor's financial periods ended 31<sup>st</sup> December, 2022 and 31<sup>st</sup> December, 2021 (respectively):

#### **CoinShares Capital Markets (Jersey) Limited Statement of Comprehensive Income**

For the year ended 31 December 2022

		31 December 2022	31 December 2021
Income	Note	USD	USD
Management fees	2e	56,984,830	107,595,266
Interest income		15,954,454	14,619,777
Other income	3	7,206,546	9,340,749
<b>Total Income</b>		<b>80,145,830</b>	<b>131,555,792</b>
<b>Expenses</b>			
Net intercompany collateral income/(expense)	4	2,713,884,259	(3,297,705,786)
Net gains on perpetual and futures contracts through profit and loss	4	21,272,208	30,466,882
Net gains on derivatives	4, 12	10,931,448	-
Fair value losses on digital assets	4, 22	(1,411,434,976)	-
Net movements on financial instruments	4, 12	(1,129,517,306)	29,573,831
Service fees	5	(20,270,290)	(56,308,744)
Audit fees		(128,798)	(207,103)
Bank charges		(47,469)	(73,609)
Commissions paid		(323,750)	(1,051,458)
Legal and professional fees		(6,318)	(62,889)
IT expenses		(22,336)	(46,628)
Trading fees		(3,127,289)	(3,702,595)
Custody fees		(1,104,138)	(3,931,563)
Issuer expenses		(401,538)	(451,425)
Interest expense		(7,729,045)	(9,336,365)
General expenses		(5,164)	(71,952)
<b>Total income/(expense)</b>		<b>171,969,498</b>	<b>(3,312,909,403)</b>
<b>Other operating income</b>			
Other digital asset income	2e, 4	9,917,542	4,564,502
Airdrop income	2e, 4	3,860,835	5,340,856
<b>Profit/(loss) before taxation</b>		<b>265,893,705</b>	<b>(3,171,448,253)</b>
<b>Taxation</b>	6	-	-
<b>Profit/(loss) for the year after taxation</b>		<b>265,893,705</b>	<b>(3,171,448,253)</b>
<b>Other comprehensive income</b>			
Fair value (losses)/gains on digital assets	4, 22	(233,817,239)	3,290,574,544
Fair value (losses)/gains on SAFT agreements		(751,397)	146,078
Impairment loss on amounts held at exchange	7	(31,429,617)	-
<b>Total other comprehensive (loss)/income</b>		<b>(265,998,253)</b>	<b>3,290,720,622</b>
<b>Total comprehensive (loss)/income for the year</b>		<b>(104,548)</b>	<b>119,272,369</b>

All results are derived from continuing operations

The notes on pages 16 to 46 form an integral part of these financial statements

**CoinShares Capital Markets (Jersey) Limited**  
**Statement of Financial Position**

As at 31 December 2022

<b>Assets</b>	<b>Note</b>	<b>31 December 2022</b>	<b>31 December 2021</b>
		<b>USD</b>	<b>USD</b>
<b>Non-current assets</b>			
Digital assets	8	135,500	3,637,192
<b>Total non-current assets</b>		<b>135,500</b>	<b>3,637,192</b>
<b>Current assets</b>			
Digital assets	9	756,902,817	3,112,023,958
Cash at bank	10	28,568,393	6,796,418
Due from brokers	10	193,915,497	158,644,432
Due from exchanges	11	12,188,097	20,858,471
Other assets and receivables	12	458,279,124	1,812,334,132
Digital asset receivables	13	9,214,584	15,726,203
<b>Total current assets</b>		<b>1,459,068,512</b>	<b>5,126,383,614</b>
<b>Non-current liabilities</b>			
Loans and borrowings	14	(26,805,835)	-
<b>Total non-current liabilities</b>		<b>(26,805,835)</b>	<b>-</b>
<b>Current liabilities</b>			
Intercompany liability	15	(1,051,447,951)	(4,272,436,617)
Creditors and accruals	16	(217,607)	(342,677)
Due to brokers	10	(163,823,714)	(395,941,801)
Due to exchanges	11	-	(36,972,933)
Other liabilities	17	(17,663,784)	(187,783,021)
Digital asset liabilities	18	(10,922,789)	(48,116,877)
<b>Total current liabilities</b>		<b>(1,244,075,845)</b>	<b>(4,941,593,926)</b>
<b>Net assets</b>		<b>188,322,332</b>	<b>188,426,880</b>
<b>Equity</b>			
Share capital	19	1	1
Revaluation reserve		-	521,399,302
Retained earnings/(deficit)		188,322,331	(332,972,423)
<b>Total equity</b>		<b>188,322,332</b>	<b>188,426,880</b>

**CoinShares Capital Markets (Jersey) Limited**  
**Statement of Changes in Equity**

For the year ended 31 December 2022

	Ordinary Shares USD	Revaluation Reserve USD	Retained (Deficit)/Surplus USD	Total equity USD
<b>At 1 January 2021</b>	1	1,655,001,882	(1,585,847,372)	69,154,511
Loss for the financial year	-	-	(3,171,448,253)	(3,171,448,253)
Other comprehensive income	-	3,290,720,622	-	3,290,720,622
Transfer of revaluation reserve upon disposal of digital assets	-	(4,424,323,202)	4,424,323,202	-
<b>Total comprehensive income</b>	-	(1,133,602,580)	1,252,874,949	119,272,369
<b>At 31 December 2021</b>	1	521,399,302	(332,972,423)	188,426,880
<b>At 1 January 2022</b>	1	521,399,302	(332,972,423)	188,426,880
Profit for the financial year	-	-	265,893,705	265,893,705
Other comprehensive loss	-	(233,817,239)	(32,181,014)	(265,998,253)
Transfer of revaluation reserve upon disposal of digital assets	-	(287,582,063)	287,582,063	-
<b>Total comprehensive loss</b>	-	(521,399,302)	521,294,754	(104,548)
<b>At 31 December 2022</b>	1	-	188,322,331	188,322,332
			<b>31 December 2022</b> USD	<b>31 December 2021</b> USD
Net asset value per ordinary share			1,883,223.32	1,884,268.80

## CoinShares Capital Markets (Jersey) Limited

### Statement of Cash Flows

For the year ended 31 December 2022

		31 December 2022	31 December 2021
	Note	USD	USD
Net payments under collateral agreement	15	(442,845,537)	(1,178,249,877)
Net receipts on digital assets		722,929,701	2,719,557,089
Management fee income		56,984,830	107,595,266
Interest income		15,954,454	14,619,777
Net payments on exchanges		(28,302,559)	(21,302,817)
Net receipts/(payments) on other assets		241,229,372	(1,718,852,123)
Net (payments)/receipts from other liabilities		(180,507,490)	229,931,052
Other operating cash flows		(105,386,937)	(332,273,301)
<b>Net cash inflow/(outflow) from operating activities</b>		<b>280,055,834</b>	<b>(178,974,934)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>280,055,834</b>	<b>(178,974,934)</b>
Cash and cash equivalents at the beginning of the year	10	(230,500,951)	(61,076,833)
Exchange gain on foreign exchange		9,105,293	9,550,816
<b>Cash and cash equivalents at the end of the year</b>	10	<b>58,660,176</b>	<b>(230,500,951)</b>
Cash and cash equivalents are broken down as follows:			
Cash at bank		28,568,393	6,796,418
Amounts due from broker		193,915,497	158,644,432
Amounts due to broker		(163,823,714)	(395,941,801)
		<b>58,660,176</b>	<b>(230,500,951)</b>

#### Analysis of changes in net debt

	As at 1 January 2022 USD	Cash flows USD	Non-cash changes USD	As at 31 December 2022 USD
<b>Cash and cash equivalents</b>				
Cash at bank	6,796,418	22,140,350	(368,375)	28,568,393
Due from brokers	158,644,432	29,389,955	5,881,110	193,915,497
Due to brokers	(395,941,801)	228,525,529	3,592,558	(163,823,714)
	(230,500,951)	280,055,834	9,105,293	58,660,176
Other liabilities (note 17)	(187,783,021)	169,857,417	261,820	(17,663,784)
	(187,783,021)	169,857,417	261,820	(17,663,784)
<b>Total</b>	<b>(418,283,972)</b>	<b>449,913,251</b>	<b>9,367,113</b>	<b>40,996,392</b>

Non-cash changes represent foreign exchange movements and movements in digital assets.

The notes on pages 16 to 46 form an integral part of these financial statements

*Information from unaudited interim financial statements*

The information below reflects audited information in relation to the Guarantor's financial periods ended 30<sup>th</sup> June 2023 and 30<sup>th</sup> June 2022 (respectively):

**CoinShares Capital Markets (Jersey) Limited**  
**Statement of Comprehensive Income**

For the period ended 30 June 2023

		1 January 2023 to 30 June 2023	1 January 2022 to 30 June 2022
	Note	USD	USD
<b>Income</b>			
Management fees		22,438,577	37,922,069
Interest income		5,701,424	11,282,193
Other income	4	687,401	5,736,405
<b>Total Income</b>		<b>28,827,402</b>	<b>54,940,667</b>
<b>Expenses</b>			
Net intercompany collateral (expense)/income	5	(881,113,897)	2,759,903,756
Net gains/(losses) on perpetual and futures contracts through profit and loss	5	21,166,474	(29,998,488)
Net gains on derivatives	5	23,798,818	-
Net gains on digital assets	5	508,222,292	-
Net movements on financial instruments	5	198,492,300	(1,075,345,891)
Unrealised gain on investments		133,713	-
Service fees	6	(9,910,825)	(12,377,039)
Audit fees		(16,079)	(8,659)
Bank charges		(44,246)	(32,496)
Commissions paid		(39,833)	(177,843)
Legal and professional fees		(3,804)	(6,318)
IT expenses		(19,873)	(11,093)
Trading fees		(840,736)	(1,999,744)
Custody fees		(500,823)	(738,170)
Issuer expenses		(207,689)	(192,722)
Interest expense		(3,490,197)	(5,901,237)
General expenses		(3,898)	(5,099)
<b>Total (expenses)/income</b>		<b>(124,378,303)</b>	<b>1,633,109,157</b>
<b>Other operating income</b>			
Other digital asset income	5	11,654,608	6,074,715
Airdrop income	5	105,949	438,788
<b>(Loss)/Profit before taxation</b>		<b>(83,790,344)</b>	<b>1,694,563,307</b>
<b>Taxation</b>		<b>-</b>	<b>-</b>
<b>(Loss)/Profit for the period after taxation</b>		<b>(83,790,344)</b>	<b>1,694,563,307</b>
<b>Other comprehensive income</b>			
Fair value gains/(losses) on digital assets	5	111,962,780	(1,682,815,305)
Fair value gains/(losses) on SAFT investments		18,663	(485,638)
<b>Total other comprehensive income/(loss)</b>		<b>111,981,443</b>	<b>(1,683,300,943)</b>
<b>Total comprehensive income for the period</b>		<b>28,191,099</b>	<b>11,262,364</b>

All results are derived from continuing operations

The notes on pages 11 to 23 form an integral part of these financial statements

CoinShares Capital Markets (Jersey) Limited  
Statement of Financial Position

As at 30 June 2023

	Note	30 June 2023 USD	31 December 2022 USD
<b>Assets</b>			
<b>Non-current assets</b>			
Digital assets	8	284,109	135,500
<b>Total non-current assets</b>		<b>284,109</b>	<b>135,500</b>
<b>Current assets</b>			
Digital assets	9	1,577,270,431	756,902,817
Cash at bank	10	53,885,035	28,568,393
Due from brokers	10	145,926,673	193,915,497
Due from exchanges	11	4,234,527	12,188,097
Other assets and receivables	12	437,556,129	458,279,124
Digital asset receivables		97,267,339	9,214,584
Investments	13	10,907,633	-
<b>Total current assets</b>		<b>2,326,847,767</b>	<b>1,459,068,512</b>
<b>Non-current liabilities</b>			
Loans and borrowings	14	(27,684,589)	(26,805,835)
<b>Total non-current liabilities</b>		<b>(27,684,589)</b>	<b>(26,805,835)</b>
<b>Current liabilities</b>			
Intercompany liability	15	(1,856,036,768)	(1,051,447,951)
Creditors and accruals		(251,404)	(217,607)
Due to brokers	10	(177,708,982)	(163,823,714)
Other liabilities		(22,600,581)	(17,663,784)
Digital asset liabilities		(26,336,121)	(10,922,789)
<b>Total current liabilities</b>		<b>(2,082,933,856)</b>	<b>(1,244,075,845)</b>
<b>Net assets</b>		<b>216,513,431</b>	<b>188,322,332</b>
<b>Equity</b>			
Share capital	16	1	1
Revaluation reserve		111,962,780	-
Retained earnings		104,550,850	188,322,331
<b>Total equity</b>		<b>216,513,431</b>	<b>188,322,332</b>

**CoinShares Capital Markets (Jersey) Limited**  
**Statement of Changes in Equity**

For the period ended 30 June 2023

	Ordinary Shares USD	Revaluation Reserve USD	Retained (Deficit)/Surplus USD	Total equity USD
<b>At 1 January 2022</b>	1	521,399,302	(332,972,423)	188,426,880
Profit for the period	-	-	1,694,563,307	1,694,563,307
Other comprehensive loss	-	(1,683,300,943)	-	(1,683,300,943)
Transfer of revaluation reserve upon disposal of digital assets	-	328,651,659	(328,651,659)	-
<b>Total comprehensive income</b>	-	(1,354,649,284)	1,365,911,648	11,262,364
<b>At 30 June 2022</b>	1	(833,249,982)	1,032,939,225	199,689,244
<b>At 1 January 2023</b>	1	-	188,322,331	188,322,332
Loss for the period	-	-	(83,790,344)	(83,790,344)
Other comprehensive income	-	111,962,780	18,663	111,981,443
<b>Total comprehensive income</b>	-	111,962,780	(83,771,681)	28,191,099
<b>At 30 June 2023</b>	1	111,962,780	104,550,650	216,513,431
			<b>30 June 2023</b>	<b>30 June 2022</b>
			USD	USD
Net asset value per ordinary share			2,165,134.31	1,998,892.44

The notes on pages 11 to 23 form an integral part of these financial statements

## CoinShares Capital Markets (Jersey) Limited

### Statement of Cash Flows

For the period ended 30 June 2023

	Note	30 June 2023 USD	30 June 2022 USD
Net payments under collateral agreement	15	(55,965,065)	(376,363,242)
Net (payments)/receipts on digital assets		(142,836,122)	508,326,946
Management fee income		22,438,577	37,922,069
Interest income		5,701,424	11,282,193
Net receipts/(payments) on exchanges		7,953,570	(35,876,866)
Net receipts on other assets		131,181,203	277,704,914
Net receipts/(payments) from other liabilities		21,228,883	(142,869,003)
Other operating cash flows		(16,411,834)	20,301,678
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(26,709,364)</b>	<b>300,428,689</b>
Cash flows from investing activities		(10,773,920)	-
<b>Net cash outflow from investing activities</b>		<b>(10,773,920)</b>	<b>-</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(37,483,284)</b>	<b>300,428,689</b>
Cash and cash equivalents at the beginning of the period	10	58,660,176	(230,500,951)
Exchange gain/(loss) on foreign exchange		725,834	(14,344,882)
<b>Cash and cash equivalents at the end of the period</b>	<b>10</b>	<b>21,902,726</b>	<b>55,583,056</b>
Cash and cash equivalents are broken down as follows:			
Cash at bank		53,685,035	11,313,694
Amounts due from broker		145,926,673	196,068,458
Amounts due to broker		(177,708,982)	(151,799,096)
		21,902,726	55,583,056

#### Analysis of changes in net debt

	As at 1 January 2023 USD	Cash flows USD	Non-cash changes USD	As at 30 June 2023 USD
<b>Cash and cash equivalents</b>				
Cash at bank	11,313,694	42,375,786	(4,445)	53,685,035
Due from brokers	196,068,458	(50,244,327)	102,542	145,926,673
Due to brokers	(151,799,096)	(26,537,623)	627,737	(177,708,982)
	55,583,056	(34,406,164)	725,834	21,902,726
<b>Other liabilities</b>				
	(17,663,784)	4,430,013	(9,366,810)	(22,600,581)
	(17,663,784)	4,430,013	(9,366,810)	(22,600,581)
<b>Total</b>	<b>37,919,272</b>	<b>(29,976,151)</b>	<b>(8,640,976)</b>	<b>(697,855)</b>

Non-cash changes represent foreign exchange movements and movements in digital assets.

The notes on pages 11 to 23 form an integral part of these financial statements

## 6.5 Developments & Information on Trends

There has been no material adverse change in the Guarantor's prospects since 31 December 2022, being the date of the latest published audited financial report of the Issuer, and no significant change in the financial performance of the Guarantor since 30 June 2023, being the date of the latest published financial report of the Guarantor. Save as set out above, there are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Guarantor's prospects for the current financial year.

## 6.6 Material changes to the financial position of the Guarantor

There has been no material change in the financial position of the Guarantor since 30<sup>th</sup> June 2023.

## 6.7 No credit rating

The Guarantor has not been assigned any credit rating at its request or with the cooperation of the Guarantor in the rating process.

#### 6.8 Borrowing and funding structure

There have been no material changes in Guarantor's borrowing and funding structure since the last financial year. There exists no long term borrowings.

The Guarantor's activities are funded predominantly by the revenue it generates from its share of the net management fee generated by the Certificates in addition to the various trading activities it undertakes. Thus, the Guarantor is dependent upon the Issuer.

#### 6.9 Information on material investments

The Guarantor has not made any material investments since 31<sup>st</sup> December 2022.

The Guarantor has not decided on any future material investments as of the day of this Base Prospectus.

#### 6.10 Information on material events affecting the solvency of the Guarantor

Since 31<sup>st</sup> December 2022, there have been no recent events particular to the Guarantor and which are to a material extent relevant to an evaluation of the Issuer's solvency.

#### 6.11 Board of Directors & Executive Management

##### (a) Board of Directors

The Guarantor's Board of Directors consists of:

***Mr. Jean-Marie Mognetti, Director***

Please refer to the information provided in Section 4.11(a) above.

***Mr. Daniel Masters, Director***

Please refer to the information provided in Section 4.11(a) above.

Mr. Luc Guillou, Director

Mr Guillou started his career with Ernst & Young LLP, qualifying as a Chartered Accountant with the Institute of Chartered Accountants of Scotland. Prior to joining CoinShares in 2020, Mr Guillou was Portfolio Manager at Bletchley Park Asset Management, which was awarded Best cryptocurrency/Blockchain emerging manager hedge fund at the 2019 HFR European performance awards. Mr Guillou holds a Bachelor of Arts (Honours) in Intellectual History from the University Sussex. Mr Guillou also holds the CFA Society of the UK's Investment Management Certificate and has completed the Series 3 exam.

***Ms. Jeri-Lea Brown, Director***

Ms. Brown has been employed as the Group Company Secretary of the CoinShares Group since April 2018 and is responsible for developing and maintaining corporate governance standards across all jurisdictions. From August 2011 to April 2018, Ms. Brown was

employed by Moore Management Limited in Jersey. Her last position there was Senior Administrator – Alternative Fund Administration. In this capacity, Ms. Brown was responsible for the management and oversight of a portfolio of over 28 entities of varying structures, asset classes and regulations. Ms. Brown’s main responsibilities included ensuring proper corporate governance, compliance with regulations and client relationship management for her portfolio of clients. Ms. Brown is currently studying with the Chartered Governance Institute to qualify as a Chartered Secretary.

The office address of the board is 2<sup>nd</sup> Floor, 2 Hill Street, St. Helier, Jersey, JE2 4UA, Channel Islands.

(b) The executive management of the Guarantor:

The executive management of the Guarantor consists of:

***Mr. Jean-Marie Mognetti, Chief Executive Officer of the CS Group (details as above in 4.11(a))***

The Finance, HR and Company Secretarial services are undertaken by the operational management team in Jersey, which includes the Head of Finance, Company Secretary and HR Consultant.

#### 6.12 Conflicts of interest

Save as set out below, none of the members of the Guarantor’s Board of Directors has a private interest or other duties resulting from their directorship of other companies, enterprises, undertakings or otherwise, that may be in conflict with the interests of the Guarantor.

***Mr. Jean-Marie Mognetti***

Please refer to the information provided in Section 4.12 above.

***Mr. Daniel Masters***

Please refer to the information provided in Section 4.11(a) above.

***Mr. Luc Guillou***

Please refer to the information provided in Section 6.11(a) above.

***Ms. Jeri-Lea Brown***

Please refer to the information provided in Section 6.11(a) above.

Ms Brown is a director of CoinShares Digital Securities Limited, another CS group entity that issues exchange traded products similar to the Issuer’s Certificates.

The largest indirect shareholders in the Guarantor through CSIL are Mr. Masters and Mr. Mognetti, both Directors of the Guarantor (and CSIL). It is conceivable that, in the future, situations may occur, or circumstances transpire, such that the interests of the Guarantor and CSIL may not be wholly aligned. In such a case, the decision-making process, and the position

ultimately adopted by the Guarantor, could be affected by the conflicting interests. The office address of the board is 2<sup>nd</sup> Floor, 2 Hill Street, St. Helier, Jersey, JE2 4UA, Channel Islands.

#### 6.13 Overview of the Guarantor's business activities

Like the Issuer, the Guarantor is wholly-owned by CSIL. The Guarantor is, therefore, affiliated to and a sister company of the Issuer. The Guarantor's financial results and position have been and will continue to be affected by the level of trading and investment activities related to Bitcoin and the future development of digital currencies as an asset class.

#### 6.14 Compliance with legislation relating to corporate governance

The Guarantor endeavours to act at all times in accordance with prevailing law and regulation, including in respect of corporate governance matters.

#### 6.15 Audit & Auditor

The Guarantor's auditor is Baker Tilly Channel Islands Limited of 1st Floor Kensington Chambers, 46/50 Kensington Pl, St Helier JE4 0ZE, Jersey, Channel Islands. They are a chartered accountancy practice registered with the Institute of Chartered Accountants in England and Wales (ICAEW) and recognised auditors by the regulators in both Jersey and Guernsey.

The Guarantor's annual report for the financial year-ended 31st December, 2022 respectively 31st December 2021 has been prepared in accordance with Financial Reporting Standard 102, the applicable financial reporting standard in Great Britain and Ireland and which is also compliant with the Companies (Jersey) Law 1991, and on the basis of historical costs.

Financial information within this Base Prospectus is extracted from the annual report of the financial year 2022 respectively the financial year 2021 and has been audited by the Guarantors auditor within the scope of their regular audit of the financial information.

Apart from the aforementioned financial information, the information in this Base Prospectus has not been reviewed by the Guarantor's auditor.

#### 6.16 Legal and arbitration proceedings etc.

The Guarantor is not a party to, and has, at the date of this Base Prospectus, never been a party to any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Guarantor is aware), during the previous 12 months which may have, or have had in the recent past significant effects on the Guarantor's financial position or profitability.

## 6.17 Material Contracts

The Board of the Guarantor is satisfied that there are no material contracts outside the ordinary course of business of the Group which may result in a Group company incurring rights or obligations which would materially negatively affect the Guarantor's ability to perform its obligations pursuant to the Guarantee.

As earlier referenced herein, although not obliged to do so, the Issuer has entered into certain arrangements with members of the Group to ensure that its Certificates are constantly and effectively hedged. The Jersey incorporated and resident affiliate responsible for provision of the hedge is subject to annual audit and holds the majority of its coins from time to time in secure cold storage. In addition to the foregoing, the Guarantee is also part of the risk- management and compliance framework of the Group.

## 6.18 Information incorporated by reference

The following parts of the documents below are incorporated into this Base Prospectus by reference (and should be regarded as constituting integral components of this Base Prospectus):

No.	Information	Incorporated part	Page
1	Swedish language translation of the interim (unaudited) report for the Guarantor's financial period-ended 30 <sup>th</sup> June 2023.	- Statement of Comprehensive Income	7
		- Statement of Financial Position	8
		- Statement of changes in equity	9
		- Cash flow statement	10
		- Notes	7-9
2	Swedish language translation of the annual (audited) report for the Guarantor's financial period-ended 31 <sup>st</sup> December, 2022.	- Statement of Comprehensive Income	12
		- Statement of Financial Position	13
		- Changes in Equity	14
		- Cash flow statement	15
		- Notes	16-46
3	Swedish language translation of the annual (audited) report for the Guarantor's financial period-ended 31 <sup>st</sup> December, 2021.	- Audit report	9-11
		- Statement of Comprehensive Income	11

- Statement of Financial Position	12
- Changes in Equity	13
- Cash flow statement	14
- Notes	15-43
- Audit report	8-10

The documents listed above are available in electronic format at the Issuer's website <https://etp.coinshares.com/documents>. The parts of the documents above that have not been incorporated by reference is either not relevant for the investor or is covered by other parts of this Base Prospectus.

## **7. DOCUMENTS ON DISPLAY CONCERNING THE GUARANTOR**

Copies of the following documents are electronically available at the Issuer's website <https://etp.coinshares.com/documents>. Paper copies of documents are also available at the Issuer's office at Artillerigatan 6, SE-114 51 Stockholm, Sweden, during the period of validity of this Base Prospectus:

- The most recent Memorandum & Articles of Association of the Guarantor;
- Interim report (unaudited) for the financial period ended 30<sup>th</sup> June 2023;
- Annual report (audited) for the financial period ended 31st December, 2022;
- Annual report (audited) for the financial period ended 31st December, 2021; and
- The Guarantee, between the Guarantor and the Issuer.

## **8. TAXATION**

Warning: The tax laws of the investor's Member State and of the issuer's Member State of incorporation might have an impact on the income received from the Certificates. Every investor must be aware that investing in Certificates with digital currencies as underlying assets may have tax implications, such as income tax, capital gains tax and/or other taxes. Every investor must investigate individually whether or not tax consequences may occur in their respective country.

## 9. THE GENERAL CONDITIONS GOVERNING THE CERTIFICATES

### Terms & Conditions

These terms and conditions and conditions ("**General Conditions**") shall apply to any and all certificates issued by XBT Provider AB (publ) (reg. no. 559001-3313) (the "**Issuer**") under this Programme. The Certificates will be issued in the form of transferable securities (collectively for each Series, the "**Certificates**"). Depending on the Relevant CSD Rules the Certificates will be issued in Swedish kronor ("**SEK**"), euro ("**Euro**") or United States dollar ("**USD**"). Each Series will be allocated an individual series number ("**Series Number**") in the relevant Final Terms (as defined below).

In addition to the General Conditions, for each Series of Certificates final terms ("**Final Terms**") will be prepared, adjusting, supplementing and completing the General Conditions in respect of the particular Series concerned. (The General Conditions as so adjusted, supplemented and completed for a particular Series by its Final Terms, are referred to herein as the "**T&Cs**").

#### 1. Definitions

1.1 In addition to the defined terms set forth in the above introductory paragraphs of these General Conditions, the following terms and expressions shall have the meaning stipulated below.

"**Account Operator**" means, in relation to any Swedish Certificates, bank or other institute authorised to act as an account operator (Sw. *kontoförande institut*) in accordance with the Swedish Financial Instruments Accounts Act (Sw. *lag (1998:1479) om kontoföring av finansiella instrument*) through which that the relevant Holder has opened a CSD Account for the Certificates;

"**Asset Disruption Event**" means the occurrence of one or more of the following events: if (A) one or more Primary Market Places and / or the FX Source do not publish market quotations as of the Valuation Time due to (i) the introduction of limited trading hours, (ii) closure for public holidays, (iii) irregular trading activities, (iv) technical breakdown in the systems or means of communication used by such Primary Market Place or FX Source or (v) due to any other reason not attributable to the Issuer and (B), in the determination of the Calculation Agent, this would have a material impact on the Calculation Agent's ability to accurately and in a timely manner determine the level of the constituents for the calculation of the Settlement Amount in accordance with the provisions in Condition 5 (Settlement Amount);

"**Asset Level**" has the meaning attributed to the term in Condition 5 (Settlement Amount);

"**Basket**" has the meaning attributed to the term in Condition 5 (Settlement Amount);

"**Basket Reference Price**" has the meaning attributed to the term in Condition 5 (Settlement Amount);

"**Business Day**" means a day in Sweden other than a Sunday or other public holiday in Sweden and / or, in relation to any Finnish certificates, in Finland and or, in relation to any Norwegian Certificates, in Norway. Saturdays, Midsummer Eve (*midsommarafton*), Christmas Eve (*julafton*)

and New Year's Eve (*nyårsafton*) shall for the purpose of this definition and the Conditions be deemed to be public holidays;

"**CAI,t**" has the meaning attributed to the term in Condition 5 (Settlement Amount);

"**Calculation Agent**" means Compass Financial Technologies SA or such other party as may be specified in the Final Terms applicable to the relevant Series of Certificates;

"**Call Date**" means the date on which the Issuer is entitled to redeem all issued Certificates under one, several or all Series provided that the Issuer has exercised the Issuer Call Option in respect of the relevant Series;

"**Capital Adjustment**" has the meaning attributed to the term in Condition 5 (Settlement Amount);

"**Certificate**" means a transferable security in the form of non-principal protected certificates issued in dematerialised form by the Issuer pursuant to these T&Cs;

"**Converted and Averaged Digital Currency Price**" has the meaning attributed to the term in Condition 5 (Settlement Amount);

"**CSD**" means: (i) in relation to any Finnish Certificates, the Finnish CSD; (ii) in relation to any Norwegian Certificates, the Norwegian CSD; or (iii) in relation to any Swedish Certificates, the Swedish CSD; #, as applicable for the relevant Series of Certificates;

"**CSD Account**" means an account with the CSD in which a Holder's Certificates are registered;

"**Digital Currency**" means the relevant digital currency specified as such in the Final Terms applicable to the relevant Series of Certificates.

"**Digital Currency Basket Level**" has the meaning attributed to the term in Condition 5 (Settlement Amount);

"**Digital Currency Price**" has the meaning attributed to the term in Condition 5 (Settlement Amount);

"**Divisor**" has the meaning attributed to the term in Condition 5 (Settlement Amount);

"**EFI**" has the meaning attributed to the term in Condition 5 (Settlement Amount);

"**Eligible Market Places**" has the meaning attributed to the term in Condition 5 (Settlement Amount);

"**Fee**" has the meaning attributed to the term in Condition 5 (Settlement Amount);

"**Final Fixing Date**" means the earlier of: (i) the Issuer Call Fixing Date; (ii) the Holder Put Fixing Date; (iii) the relevant Final Fixing Date in respect of the Scheduled Maturity Date, each as applicable to the relevant Series of Certificates pursuant to the Final Terms applicable to such Series of Certificates; or (iv) in each case, if such date is not a Business Day, the immediately following Business Day;

"**Finnish Certificates**" has the meaning attributed to the term in Condition 2.1;

"**Finnish CSD**" means Euroclear Finland Oy, P.O. Box 1110, FI-00101 Helsinki, Finland, the Finnish central securities depository or any successor or replacement thereto;

"**Finnish CSD Rules**" means the legislation, regulations, rules and operating procedures applicable to and / or issued by the Finnish CSD, from time to time, including but not limited to the Finnish Act on the Book-Entry System and Clearing Operations (in Finnish: *laki arvo-osuusjärjestelmästä ja selvitystoiminnasta (749/2012)*, as amended) and the Finnish Act on Book Entry Accounts (in Finnish: *laki arvo-osuustileistä (827/1991)*, as amended);

"**FX Rate**" has the meaning attributed to the term in Condition 5 (Settlement Amount);

"**Holder**" means each holder of Certificates registered as such on any relevant date in respect of a Certificate in the records of CSD, including also: (i) any nominee authorised as such by the CSD registered as the nominee holder in respect of any Certificate; and (ii) any such other person who is registered with in the records of the CSD on the relevant date as being entitled to receive the relevant payment;

"**Holder Put Fee**" has the meaning attributed to the term in Condition 8 (Holder Put Option);

"**Holder Put Fixing Date**" has the meaning attributed to the term in Condition 8 below;

"**Holder Put Option**" means the optional right for the Issuer to redeem one or more Series of Certificates pursuant to Condition 8 below;

"**Holder Put Request Date**" has the meaning attributed to the term in Condition 8 below;

"**Holder Put Settlement Date**" has the meaning attributed to the term in Condition 8 below;

"**i**" has the meaning attributed to the term in Condition 5 (Settlement Amount);

"**Initial Fixing Date**" means: (i) the date specified as such in the Final Terms applicable to the relevant Series of Certificates or, if no such date is specified in such Final Terms; (ii) the Issue Date; or (iii) in each case, if such date is not a Business Day, the immediately following Business Day;

"**Issue Date**" the date of issue for the relevant Series of Certificates as specified in the applicable Final Terms;

"**Issuer Call Fixing Date**" has the meaning attributed to the term in Condition 7 below;

"**Issuer Call Option**" means the optional right for the Issuer to redeem one or more Series of Certificates pursuant to Condition 7 below;

"**Issuer Call Request Date**" has the meaning attributed to the term in Condition 7 below;

"**Issuer Call Settlement Date**" has the meaning attributed to the term in Condition 7 below;

"**li,t**" has the meaning attributed to the term in Condition 5 (Settlement Amount);

"**li,t-1**" has the meaning attributed to the term in Condition 5 (Settlement Amount);

**"Norwegian Certificates"** has the meaning attributed to the term in Condition 2.1;

**"Norwegian CSD"** means Verdipapirsentralen ASA, Biskop Gunnerus Gate 14A, P.O. Box 4, N-0051 Oslo, Norway, the Norwegian central securities depository or any successor or replacement thereto;

**"Norwegian CSD Rules"** means the legislation, regulations, rules and operating procedures applicable to and / or issued by the Norwegian CSD, from time to time, including but not limited to, the Norwegian Securities Register Act (in Norwegian: *lov om registrering av finansielle instrumenter av 2002 5. juli nr. 64*);

**"Notional Amount"** means the Notional Amount specified in the Final Terms applicable, if any, to the relevant Series of Certificates;

**"Number of Digital Currencies"** has the meaning attributed to the term in Condition 5 (Settlement Amount);

**"Pi,t"** has the meaning attributed to the term in Condition 5 (Settlement Amount);

**"Pi,t-1"** has the meaning attributed to the term in Condition 5 (Settlement Amount);

**"Paying Agent"** means the entity or entities specified as such in item 27 of the applicable Final Terms;

**"Primary Eligible Market Place"** has the meaning attributed to the term in Condition 5 (Settlement Amount);

**"Record Date"** means, in relation to the relevant Series of Certificates: (i) in respect of Finnish Certificates, the record date designated by the Finnish CSD Rules for Certificates denominated in the relevant Settlement Currency; (ii) in respect of Norwegian Certificates, the record date designated by the Norwegian CSD Rules for Certificates denominated in the relevant Settlement Currency; and (iii) in respect of Swedish Certificates, the record date designated by the Swedish CSD Rules for Certificates denominated in the relevant Settlement Currency;;

**"Reference Price"** has the meaning attributed to the term in Condition 5 (Settlement Amount);

**"Relevant CSD Rules"** means: (i) in relation to any Finnish Certificates, the Finnish CSD Rules; (ii) in relation to any Norwegian Certificates, the Norwegian CSD Rules; and (iii) in relation to any Swedish Certificates, the Swedish CSD Rules;;

**"Relevant Digital Price"** has the meaning attributed to the term in Condition 5 (Settlement Amount);

**"Scheduled Maturity Date"** is, where applicable, the date specified in the Final Terms applicable to the relevant Series of Certificates or, if such date is not a Business Day, the immediately following Business Day;

**"Settlement Amount"** has the meaning attributed to the term in Condition 5 (Settlement Amount);

"**Settlement Amount for Issuer Call Option**" has the meaning attributed to the term in Condition 7 (*Issuer Call Option*);

"**Settlement Currency**" means the currency specified as such in the Final Terms applicable to the relevant Series of Certificates;

"**Settlement Date**" means the earlier of: (i) the Issuer Call Settlement Date; (ii) the Holder Put Settlement Date; (iii) the Scheduled Maturity Date, each as applicable to the relevant Series of Certificates pursuant to the Final Terms applicable to such Series of Certificates; or (iv) in each case, if such date is not a Business Day, the immediately following Business Day;

"**Swedish Certificates**" has the meaning attributed to the term in Condition 2.1;

"**Swedish CSD**" means Euroclear Sweden AB, registration number 556112-8074, registered address: Klarabergsvidadukten 63, Box 191, SE-101 23 Stockholm, the Swedish central securities depository or any successor or replacement thereto;

"**Swedish CSD Rules**" means the legislation, regulations, rules and operating procedures applicable to and / or issued by the Swedish CSD, from time to time, including but not limited to, the Swedish Central Securities Depository and Financial Instruments Accounts Act (in Swedish: *lag (1998:147) om centrala värdepappersförvarare och kontoföring av finansiella instrument*);

"**t**" has the meaning attributed to the term in Condition 5 (Settlement Amount);

"**t-1**" has the meaning attributed to the term in Condition 5 (Settlement Amount);

"**Transformation Event**" means any form of event which affects one or more of the Tracked Digital Currencies by splitting a Tracked Digital Currency into two or more digital currencies, adding a new digital currency, including but not limited to so-called 'forks', 'airdrops' and / or other similar events transforming the nature of the original Tracked Digital Currency.

"**Valuation Time**" has the meaning attributed to the term in Condition 5 (Settlement Amount);

"**WDF**" has the meaning attributed to the term in Condition 5 (Settlement Amount);

"**Weighted Level**" has the meaning attributed to the term in Condition 5 (Settlement Amount);  
and

"**Weighting**" has the meaning attributed to the term in Condition 5 (Settlement Amount).

1.2 Unless a contrary indication appears, any reference in the Conditions to:

- (a) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
- (b) a provision of law, regulation, rule or operating procedure is a reference to that such as amended or re-enacted; and
- (c) a time of day is a reference to Stockholm time.

## 2. **Form of Certificates**

- 2.1 Certificates may be issued in uncertificated and dematerialised form, and in some cases immobilized cleared form. Certificates may, depending on the designation made in the Final Terms applicable to the relevant Series of Certificates, be issued and registered with: (i) the Finnish CSD in accordance with the Finnish CSD Rules (such Certificates being "**Finnish Certificates**"); (ii) the Norwegian CSD in accordance with the Norwegian CSD Rules (such Certificates being "**Norwegian Certificates**"); or (iii) the Swedish CSD in accordance with the Swedish CSD Rules (such Certificates being "**Swedish Certificates**"). Each Certificate will be issued in dematerialised book-entry registration form pursuant to and in accordance with the Relevant CSD Rules. All Certificates will be registered in Euroclear Sweden Accounts or such other accounts that may be relevant purpose to the Relevant CSD Rules on behalf of the respective Holders. No securities in physical form will be issued in respect of the Certificates in dematerialised book-entry form.
- 2.2 A request for book-entry registration measures concerning any Certificate shall be made to the relevant Account Operator (or such other party designated for such purposes pursuant to the Relevant CSD rules).
- 2.3 Those who pursuant to assignment, security, the provisions of the Swedish Parental Code (Sw. *Föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Swedish Certificate shall register their entitlements to receive payment in accordance with the Swedish CSD Rules.
- 2.4 The Issuer and, to the fullest extent permissible under the Relevant CSD Rules, the relevant Issuing Agent, shall be entitled to obtain information from the records of the CSD in accordance with the Relevant CSD Rules.

## 3. **Status of Certificates**

- 3.1 The Certificates constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves.
- 3.2 The Certificates are freely transferable, but Holders may be subject to purchase or transfer restrictions with regard to the Certificates, as applicable, under local laws to which a Holder may be subject. Each Holder must ensure compliance with such restrictions at its own cost and expense.
- 3.3 No action is being taken in any jurisdiction that would or is intended to permit an offering to the public or admission to trading of any Certificate or the possession, circulation or distribution of any document or other material relating to the Issuer and / or the Certificates in any jurisdiction (other than admission to trading in a limited number of jurisdictions), where any action for any such purpose is required. Each Holder must inform itself about, and comply with, any such applicable restrictions.

## 4. **Open-ended Certificates and fixed-term Certificates**

Each Series of Certificates can either be issued as open-ended Certificates without a scheduled settlement date or as fixed-term Certificates falling due on the relevant Scheduled Maturity Date.

The Final Terms applicable to the relevant Series of Certificates will specify whether the relevant Series of Certificates are open-ended Certificates or fixed-term Certificates and, where applicable, the Scheduled Maturity Date.

5. **Settlement Amount for Certificates etc.**

Single Digital Currency Certificates

5.1 Unless the Certificates have been previously redeemed or purchased and cancelled, the Issuer shall redeem the relevant Certificates on the relevant Settlement Date at the relevant Settlement Amount.

The settlement amount shall be an amount, as determined by the Calculation Agent in the applicable Settlement Currency (the "**Settlement Amount**"), equal to (i) the Divisor multiplied with (ii) the Reference Price of such Certificate on the Final Fixing Date (subject to a minimum of zero (0) and rounded-down to the nearest transferable unit of the Settlement Currency).

The Reference Price of a Certificate on a particular day is based on (i) the percentage change between the relevant Asset Level on that day and the relevant Asset Level on the previous day, multiplied by the relevant nature of exposure and adjusted by the applicable fees and is calculated by the Calculation Agent in accordance with the following formula (the "**Reference Price**"):

$$P_{i,t} = P_{i,t-1} \times \{1 + CA_{i,t} + EFi \times (l_{i,t}/l_{i,t-1} - 1)\}$$

where:

"**P<sub>i,t</sub>**" is the Reference Price of a Certificate of the relevant Series on the day in respect of which the Reference Price is being calculated;

"**i**" refers to the relevant Series of Certificates;

"**t**" refers to the day in respect of which the Reference Price is being calculated;

"**t-1**" refers to the calendar day prior to day t;

"**P<sub>i,t-1</sub>**" is the Reference Price of a Certificate of the relevant Series on the previous day and, where t is the first day immediately following the Initial Fixing Date, reference price of a Certificate of the relevant Series on the Initial Fixing Date;

"**CA<sub>i,t</sub>**" is the Capital Adjustment which applied to the relevant Series on the day in respect of which the Reference Price is being calculated;

"**EF<sub>i</sub>**" is the exposure factor applicable to the relevant Series of Certificates representing the nature of exposure the relevant Series of Certificates provides to the daily percentage change in the level of the relevant Asset Level. For Certificates with short exposure,  $EF_i = -1$ , and for Certificates with long exposure,  $EF_i = +1$ ;

"**l<sub>i,t</sub>**" is the level of the Asset Level which the relevant Series of Certificates references on the day in respect of which the Reference Price is being calculated; and

"**li,t-1**" is the level of the Asset Level which the relevant Series of Certificates references on the previous day;

and where:

"**Asset Level**" means the Converted and Averaged Digital Currency Price (being the arithmetic mean of the Digital Currency Prices quoted on the Primary Eligible Market Places and expressed in the relevant Settlement Currency, as determined by the Calculation Agent pursuant to the provisions this Condition 5.1;

"**Capital Adjustment**" is an adjustment factor equal to (i) the accrued Revenue Sharing (if applicable) minus the Fee (if applicable) divided by (ii) 360 and multiplied (iii) by the WDF;

"**Converted and Averaged Digital Currency Price**" means the Relevant Digital Currency Price as re-calculated and determined by the Calculation Agent to:

- a) in respect of any Series of Certificates where the Settlement Currency is other than USD, convert the Digital Currency Price from USD into the Settlement Currency, at the mid-price of the USD/Settlement Currency exchange rate as of the Valuation Time, as determined by the Calculation Agent using the FX Rate, and then
- b) in respect of any Series of Certificates, divide the sum of the Relevant Digital Prices with three (3) (or, if the number of Primary Eligible Market Places is lower than three, such lower number),

and the resultant figure shall constitute the Converted and Averaged Digital Currency Price for all purposes;

"**Digital Currency Price**" means the respective latest paid price for one unit of the relevant Digital Currency quoted in USD on the relevant Eligible Market Places as published by the relevant Eligible Market Place as of the Valuation Time on the relevant Initial Fixing Date or, as the case may be, the relevant Final Fixing Date;

"**Divisor**" will have the meaning attributed to the term in the Final Terms applicable to the relevant Series of Certificates. The divisor will be set by the Calculation Agent for the purpose of reflecting an initial notional investment of 100% of the relevant Notional Amount at the relevant Asset Level;

"**Eligible Market Places**" means the market places stipulated in the Final Terms applicable to the relevant Series of Certificates (as of the date of this Base Prospectus expected to be, depending on the relevant Digital Currency, regarding Bitcoin: OKCoin, Kraken, Bitstamp, Bitfinex, ItBit, Gemini and GDAX; regarding Bitcoin Cash: Bitfinex, Poloniex, BitTrex, Kraken and OKCoin; regarding Ethereum: Poloniex, Kraken, Bitfinex, GDAX and Gemini; regarding Ethereum Classic: Bitfinex, BitTrex, Poloniex and Kraken; regarding Litecoin: GDAX, Bitfinex, Poloniex, Bitstamp, BitTrex and Kraken; regarding XRP: Bitfinex, Poloniex, BitTrex and Kraken; regarding Neo: Bitfinex, BitTrex, HitBTC and, following a determination by the Issuer, acting in its own and absolute discretion, any successor, new, replacing or other additional market place for the relevant Digital Currency (in USD), which meet the following criteria:

- (a) The market place must on a continuous basis or a regular scheduled basis, publish: (i) a bid-offer spread for an immediate sale (offer) and an immediate purchase (bid); and (ii) last paid prices, all in USD;
- (b) The operations of the market place relating to the trades in and / or publication of prices in the relevant Digital Currency, must not have been declared unlawful by any governmental authority or agency with jurisdiction over the relevant market place;
- (c) The market place must represent at least 5% of the total 30-day cumulative volume for all of the crypto exchanges included in the Asset Level; and
- (d) Fiat currency and transfers in the relevant Digital Currency (whether deposits or withdrawals) must be settled by the market place within seven and two local business days, respectively.

Following a determination by the Issuer to change the composition of the Eligible Market Places, the new composition shall take effect on the third Swedish Business Day following the Issuer's dispatch of a notice to the Holders regarding the change of Eligible Market Places in accordance with the provisions in Condition 13 (Notices).

**"Fee"** means the fee level specified in the in the Final Terms applicable to the relevant Series of Certificates (or such lower fee which the Issuer in its sole and absolute discretion may apply, from time to time, with respect to all Certificates in one or more Series of Certificates);

**"FX Rate"** means the Bloomberg FX Fixing for: (i) in relation to Certificates where the Settlement Currency is SEK, USDSEK; and (ii) in relation to Certificates where the Settlement Currency is EUR, USDEUR, in each case as of 4:00 PM (London time) as published on the following website <http://www.bloomberg.com/markets/currencies/fx-fixings/> or such other successor website as may be designated such fixings in the future;

**"Primary Eligible Market Places"** means the three (3) Eligible Market Places which, in the determination of the Calculation Agent, has the largest trading volume in the relevant Digital Currency (in USD) during the period of 30 trading days preceding the relevant Initial Fixing Date or, as the case may be, the relevant Final Fixing Date, except for in circumstances where the Calculation Agent determines that the number of Eligible Market Places is lower than three, in which case the number of Primary Eligible Market Places shall correspond to such lower number of Eligible Market Places;

**"Relevant Digital Currency Price"** means each Digital Currency Price quoted on the Primary Eligible Market Places;

**"Revenue Sharing"** is, where applicable pursuant to the relevant Final Terms, an amount equal to the specified portion of net revenues actually earned and realised by the Issuer from staking and/or lending transactions pursued by the Issuer from time to time in relation to the relevant Series of Certificates, if any;

**"Valuation Time"** means the Valuation Time(s) specified in the Final Terms applicable to the relevant Series of Certificates; and

“**WDF**” is the week day factor which is equal to 1 except where there is more than 1 trading day between quotes (for example, in the case of weekends or exchange holidays) in which case the factor shall correspond to the actual number of days.

Basket Certificates

5.2 The provisions in this Condition 5.2 (*Basket Certificates*) shall apply to any Series of Basket Certificates.

The settlement amount shall be an amount, as determined by the Calculation Agent in the applicable Settlement Currency (the "**Settlement Amount**"), equal to (i) the Divisor multiplied with (ii) the Basket Reference Price of such Certificate on the Final Fixing Date (subject to a minimum of zero (0) and rounded-down to the nearest transferable unit of the Settlement Currency).

The basket reference price of a Certificate on a particular day is based on (i) the percentage change between the relevant Asset Level on that day and the relevant Asset Level on the previous day, multiplied by the relevant nature of exposure and adjusted by the applicable fees and is calculated by the Calculation Agent in accordance with the following formula (the "**Basket Reference Price**"):

$$P_{i,t} = P_{i,t-1} \times \{1 + CA_{i,t} + EFi \times (I_{i,t}/I_{i,t-1} - 1)\}$$

where:

“**P<sub>i,t</sub>**” is the Basket Reference Price of a Certificate of the relevant Series on the day in respect of which the Price is being calculated;

“**i**” refers to the relevant Series of Certificates;

“**t**” refers to the day in respect of which the Basket Reference Price is being calculated;

“**P<sub>i,t-1</sub>**” is the Basket Reference Price of a Certificate of the relevant Series on the previous day and, where t is the first day immediately following the Initial Fixing Date, the basket reference price of a Certificate of the relevant Series on the Initial Fixing Date;

“**CA<sub>i,t</sub>**” is the Capital Adjustment which applied to the relevant Series on the day in respect of which the Basket Reference Price is being calculated;

“**EF<sub>i</sub>**” is the exposure factor applicable to the relevant Series of Certificates representing the nature of exposure the relevant Series of Certificates provides to the daily percentage change in the level of the relevant Asset Level. For Certificates with short exposure,  $EF_i = -1$ , and for Certificates with long exposure,  $EF_i = +1$ ;

“**I<sub>i,t</sub>**” is the level of the Digital Currency Basket Level which the relevant Series of Certificates references on the day in respect of which the Basket Reference Price is being calculated;

“**I<sub>i,t-1</sub>**” is the level of the Digital Currency Basket Level which the relevant Series of Certificates references on the previous day;

and where, in addition to the terms defined in Condition 5.1 (*Single Digital Currency Certificates*) above:

"**Basket**" means the basket of Digital Currencies specified in the Final Terms applicable to the relevant Series of Certificates;

"**Digital Currency Basket Level**" means the sum of the Weighted Level of each Digital Currency in the Basket divided by the Number of Digital Currencies in the Basket;

"**Number of Digital Currencies**" means the total number of Digital Currencies set forth in the Digital Currencies Basket table in the Final Terms applicable to the relevant Series of Certificates;

"**Weighted Level**" means, in relation to a Digital Currency, the Converted and Averaged Digital Currency Price *multiplied* with the Weighting applicable to such Digital Currency; and

"**Weighting**" means, in relation to a Digital Currency, the Weighting specified for such Digital Currency in the Final Terms applicable to the relevant Series of Certificates.

*No principal protection and no interest*

- 5.3 The Certificates are not principal-protected and do not bear any interest.

*Disruption events*

- 5.4 If the Calculation Agent determines that an Asset Disruption Event has occurred or is existing at the Valuation Time on the Initial Fixing Date, the Final Fixing Date or on any other relevant date, the Calculation Agent shall postpone the calculation of the Settlement Amount and / or the determination and calculations of the constituents in the formula in Condition 5.1 above, to the first immediately following Business Day on which an Asset Disruption Event is not existing as of the Valuation Time on such date. If such calculations and determinations have been postponed for more than eight Business Days or, if earlier, up to the Business Day prior to the last date on which instructions regarding the Settlement Amount must be given to the CSD pursuant to the Relevant CSD Rules, the Calculation Agent shall be entitled to calculate the Settlement Amount using its determinations and calculations of the constituents on the basis of such publicly available market data it in its sole and absolute discretion deems relevant and appropriate.

*Forks, airdrops and other transformation events*

- 5.5 If the Calculation Agent determines that one or more Tracked Digital Currencies are, or in the immediate future are likely to become, subject to a Transformation Event, then the Calculation Agent shall as soon as reasonably practicable and in no event not later than 90 Business Days from the occurrence of the relevant Transformation Event, determine, in its sole and absolute discretion,
- (a) where required due to the nature of the Transformation Event, designate which Tracked Digital Currency(ies) shall continue to be or be the successor Tracked Digital Currency(ies);
  - (b) whether or not such Termination Event shall result in any modification of the T&Cs of the relevant Series of Certificates in order to take into consideration such Transformation Event; and / or
  - (c) whether or not any consideration in cash, in kind or by way of new Certificates will be due to Holders of the relevant Series of Certificates affected by the Transformation Event.

When making the determinations pursuant to the provisions in this Condition 5.5, the Calculation Agent will take into account all relevant factors, including but not limited to, the ability to afford equal treatment to all Holders of the relevant Series of Certificates and any other applicable legal and regulatory requirements, the feasibility from an operational, technical, resource and practical perspective of any potential remedial, corrective or compensatory actions, any and all external and internal costs and expenses potentially incurred therewith and the potential net resulting benefits for individuals Holder, if any, and the relative proportions of any quantities involved. Consequently, there can be no assurance that the Holders of the relevant Series of Certificates will: (i) benefit from any actual or perceived value creation resulting from and / or in connection with the Transformation Event; or (ii) be able to avoid or reduce any losses associated with such Transformation Event.

## 6. **Payments in respect of the Certificates**

6.1 Each Certificate will be redeemed on the relevant Settlement Date for each Series of Certificates, or, as the case may be, where any Holder's Put Option has been exercised, the relevant Settlement Date for the relevant Certificates of such exercising Holder.

6.2 Any payment of any amount due under any Certificate shall be made to such person who is registered as a Holder on the relevant Record Date prior to the relevant due date.

6.3 If a Holder has registered, through an Account Operator, that any such amounts shall be credited to a specified bank account, such credit will be effected by the CSD on the relevant Settlement Date. In other cases, payments will be transferred by the CSD to the Holder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or for any other reason, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who were registered as Holders on the relevant Record Date as soon as possible after such obstacle has been removed. Notwithstanding the foregoing, cash settlement on the relevant Settlement date will always occur in accordance with the procedures detailed in the Relevant CSD Rules. Where required pursuant to the Relevant CSD Rules, payments may be made through the Paying Agent specified in the applicable Final Terms.

6.4 If the relevant Settlement Date is not a Business Day, then payments shall be effected as aforesaid on the first immediately following Business Day. No default interest or other compensation shall accrue provided payments are so effected.

## 7. **Issuer Call Option**

7.1 The Issuer may, at its own discretion, exercise the Issuer's right to redeem all, but not only some, Certificates of each relevant Series (the "**Issuer Call Option**") early.

7.2 The Issuer may at any time exercise the Issuer Call Option by giving the Holders of the relevant Series of Certificates not less than 10 Business Days and not more than 20 Business Days prior notice before the Settlement Date set for the redemption (the "**Issuer Call Settlement Date**"). Such notice shall be validly given by the Issuer when dispatched in accordance with the provisions in Condition 13 (Notices) (the "**Issuer Call Request Date**").

7.3 The Certificates shall be redeemed at the settlement for the Issuer Call Option (the “**Settlement Amount for the Issuer Call Option**”), which shall be, as determined by the Calculation Agent, an amount in the applicable Settlement Currency equal to (i) the Divisor multiplied with (ii) the Reference Price of such Certificate on the Final Fixing Date (subject to a minimum of zero (0) and rounded-down to the nearest transferable unit of the Settlement Currency).

The Reference Price of a Certificate on a particular day is based on (i) the percentage change between the relevant Asset Level on that day and the relevant Asset Level on the previous day, multiplied by the relevant nature of exposure and adjusted by the applicable fees and is calculated by the Calculation Agent in accordance with the following formula (the “**Reference Price**”):

$$P_{i,t} = P_{i,t-1} \times \{1 + CA_{i,t} + EFi \times (l_{i,t}/l_{i,t-1} - 1)\}$$

where:

“**P<sub>i,t</sub>**” is the Reference Price of a Certificate of the relevant Series on the day in respect of which the Reference Price is being calculated;

“**i**” refers to the relevant Series of Certificates;

“**t**” refers to the day in respect of which the Reference Price is being calculated;

“**t-1**” refers to the calendar day prior to day t;

“**P<sub>i,t-1</sub>**” is the Reference Price of a Certificate of the relevant Series on the previous day and, where t is the first day immediately following the Initial Fixing Date, reference price of a Certificate of the relevant Series on the Initial Fixing Date;

“**CA<sub>i,t</sub>**” is the Capital Adjustment which applied to the relevant Series on the day in respect of which the Reference Price is being calculated;

“**EFi**” is the exposure factor applicable to the relevant Series of Certificates representing the nature of exposure the relevant Series of Certificates provides to the daily percentage change in the level of the relevant Asset Level. For Certificates with short exposure, EFi = -1, and for Certificates with long exposure, EFi = +1;

“**l<sub>i,t</sub>**” is the level of the Asset Level which the relevant Series of Certificates references on the day in respect of which the Reference Price is being calculated; and

“**l<sub>i,t-1</sub>**” is the level of the Asset Level which the relevant Series of Certificates references on the previous day;

and where:

“**Asset Level**” means the Converted and Averaged Digital Currency Price (being the arithmetic mean of the Digital Currency Prices quoted on the Primary Eligible Market Places and expressed in the relevant Settlement Currency, as determined by the Calculation Agent pursuant to the provisions this Condition 5.1;

“**Capital Adjustment**” is an adjustment factor equal to ((i) the accrued Revenue Sharing (if applicable) minus the Fee (if applicable) divided by (ii) 360 and multiplied (iii) by the WDF ;

**"Converted and Averaged Digital Currency Price"** means the Relevant Digital Currency Price as re-calculated and determined by the Calculation Agent to:

- c) in respect of any Series of Certificates where the Settlement Currency is other than USD, convert the Digital Currency Price from USD into the Settlement Currency, at the mid-price of the USD/Settlement Currency exchange rate as of the Issuer Call Valuation Time, as determined by the Calculation Agent using the FX Rate, and then
- d) in respect of any Series of Certificates, divide the sum of the Relevant Digital Prices with three (3) (or, if the number of Primary Eligible Market Places is lower than three, such lower number),

and the resultant figure shall constitute the Converted and Averaged Digital Currency Price for all purposes;

**"Digital Currency Price"** means the respective latest paid price for one unit of the relevant Digital Currency quoted in USD on the relevant Eligible Market Places as published by the relevant Eligible Market Place as of the Issuer Call Valuation Time on the relevant Initial Fixing Date or, as the case may be, the relevant Final Fixing Date;

**"Divisor"** will have the meaning attributed to the term in the Final Terms applicable to the relevant Series of Certificates. The divisor will be set by the Calculation Agent for the purpose of reflecting an initial notional investment of 100% of the relevant Notional Amount at the relevant Asset Level;

**"Eligible Market Places"** means the market places stipulated in the Final Terms applicable to the relevant Series of Certificates (as of the date of this Base Prospectus expected to be, depending on the relevant Digital Currency, regarding Bitcoin: OKCoin, Kraken, Bitstamp, Bitfinex, ItBit, Gemini and GDAX; regarding Bitcoin Cash: Bitfinex, Poloniex, BitTrex, Kraken and OKCoin; regarding Ethereum: Poloniex, Kraken, Bitfinex, GDAX and Gemini; regarding Ethereum Classic: Bitfinex, BitTrex, Poloniex and Kraken; regarding Litecoin: GDAX, Bitfinex, Poloniex, Bitstamp, BitTrex and Kraken; regarding XRP: Bitfinex, Poloniex, BitTrex and Kraken; regarding Neo: Bitfinex, BitTrex, HitBTC and, following a determination by the Issuer, acting in its own and absolute discretion, any successor, new, replacing or other additional market place for the relevant Digital Currency (in USD), which meet the following criteria:

- (d) The market place must on a continuous basis or a regular scheduled basis, publish: (i) a bid-offer spread for an immediate sale (offer) and an immediate purchase (bid); and (ii) last paid prices, all in USD;
- (e) The operations of the market place relating to the trades in and / or publication of prices in the relevant Digital Currency, must not have been declared unlawful by any governmental authority or agency with jurisdiction over the relevant market place;
- (f) The market place must represent at least 5% of the total 30-day cumulative volume for all of the crypto exchanges included in the Asset Level; and

- (e) Fiat currency and transfers in the relevant Digital Currency (whether deposits or withdrawals) must be settled by the market place within seven and two local business days, respectively.

Following a determination by the Issuer to change the composition of the Eligible Market Places, the new composition shall take effect on the third Swedish Business Day following the Issuer's dispatch of a notice to the Holders regarding the change of Eligible Market Places in accordance with the provisions in Condition 13 (Notices).

**"Fee"** means the fee level specified in the in the Final Terms applicable to the relevant Series of Certificates (or such lower fee which the Issuer in its sole and absolute discretion may apply, from time to time, with respect to all Certificates in one or more Series of Certificates);

**"FX Rate"** means the Bloomberg FX Fixing for: (i) in relation to Certificates where the Settlement Currency is SEK, USDSEK; and (ii) in relation to Certificates where the Settlement Currency is EUR, USDEUR, in each case as of 4:00 PM (London time) as published on the following website <http://www.bloomberg.com/markets/currencies/fx-fixings/> or such other successor website as may be designated such fixings in the future;

**"Issuer Call Valuation Time"** means the Valuation Time(s) specified in the Final Terms applicable to the Issuer Call option for a relevant Series of Certificates; and

**"Primary Eligible Market Places"** means the three (3) Eligible Market Places which, in the determination of the Calculation Agent, has the largest trading volume in the relevant Digital Currency (in USD) during the period of 30 trading days preceding the relevant Initial Fixing Date or, as the case may be, the relevant Final Fixing Date, except for in circumstances where the Calculation Agent determines that the number of Eligible Market Places is lower than three, in which case the number of Primary Eligible Market Places shall correspond to such lower number of Eligible Market Places;

**"Relevant Digital Currency Price"** means each Digital Currency Price quoted on the Primary Eligible Market Places;

**"Revenue Sharing"** is, where applicable pursuant to the relevant Final Terms, an amount equal to the specified portion of net revenues actually earned and realised by the Issuer from staking and/or lending transactions pursued by the Issuer from time to time in relation to the relevant Series of Certificates, if any;

**"WDF"** is the week day factor which is equal to 1 except where there is more than 1 trading day between quotes (for example, in the case of weekends or exchange holidays) in which case the factor shall correspond to the actual number of days.

- 7.4 The notice shall contain information regarding the: (i) the Series of Certificates in respect of which the Issuer's Call Option is exercised; (ii) the relevant Final Fixing Date in respect of the Issuer Call Settlement Date (the **"Issuer Call Fixing Date"**); and (iii) the relevant Issuer Call Settlement Date.

## 8. **Holder Put Option**

- 8.1 Each Holder may, individually and at its own discretion, exercise its right to have all or only some of such Holder's Certificates of the relevant Series of Certificates, redeemed early by the Issuer (the "**Holder Put Option**").
- 8.2 Each Holder may exercise the Holder Put Option by giving the Issuer written notice not later than on the last Business Day in each calendar month (each an "**Holder Put Request Date**") as long as the relevant Certificates are outstanding. In order for such notice to become effective the written notice must: (i) be given by the relevant Holder to the Issuer in accordance with the provisions in Condition 13 (Notices); (ii) state the relevant Series of Certificates and the number of Certificates in respect of which the Holder Put Option is exercised; and (iii) accompanied within five Business Day from the relevant Holder Put Request Date by the requesting Holder's transfer of all of the relevant Certificates to the CSD Account designated for such purpose by the Issuing Agent and blocked for further transfer and registrations. Should such transfer not occur within such period, the relevant notice shall automatically be deemed null and void. If a notice has been duly given and the transfer has been so completed, the holder put final fixing date shall be the last Business Day in the calendar month immediately following the Holder Put Request Date (the "**Holder Put Final Fixing Date**") and the relevant Certificates shall be redeemed by the Issuer on the tenth Business Day following the Holder Put Final Fixing Date (the "**Holder Put Settlement Date**").
- 8.3 Upon a Holder's exercise of the Holder Put Option the Settlement Amount shall be determined by the Calculation Agent in accordance with the provisions in Condition 5 (Settlement Amount) but such Settlement Amount shall also be reduced with an early exit charge of 2% (the "**Holder Put Fee**") which is calculated by multiplying the Settlement Amount with a factor of 0.02.

## 9. **Further issuance, purchase and cancellation or sale**

- 9.1 The Issuer may at any time and in its discretion, issue more Certificates that are fully fungible with any existing Series of Securities.
- 9.2 The Issuer and any affiliated entities of the Issuer may at any time purchase Certificates over a regulated market or through a private transaction. Any Certificates purchased may be sold over a regulated market or through a private transaction or cancelled and de-registered in accordance with the Relevant CSD Rules.

## 10. **Limitation of liability**

- 10.1 The Issuer shall not be liable to compensate Holders for any loss that the Holders have incurred, when the Issuer has acted with care. The Issuer will not be liable to compensate any indirect losses incurred by Holders unless the Issuer has been grossly negligent.
- 10.2 The Issuer shall not be liable to compensate Holders for any losses incurred by *force majeure* such as strikes, blockades, acts of war, lockout or other similar circumstances. In case the Issuer is prevented from taking measures under these T&Cs due to occurrences of events that qualifies as force majeure, such measures may be postponed until such event has ceased.
- 10.3 No CSD shall have any liability towards any Holder, unless, and then only to the extent, any such liability exist by virtue of the Relevant CSD Rules.

11. **Prescription**

The right to payment under the Certificates will be prescribed ten years after the relevant Settlement Date. If the prescription period becomes disrupted a new prescription period will run in accordance with the Swedish Act (1981:130) on Prescription (*Sw. Preskriptionslag*).

12. **Application for admission to trading**

Where admission to trading is applicable pursuant to the Final Terms applicable to the relevant Series, the Issuer will apply for such Certificates to be admitted to trading on the regulated or other market specified in the Final Terms applicable to the relevant Series of Certificates. The Issuer will also take all reasonable steps to ensure that the admission to trading of such Series is maintained until the last possible trading date prior to the relevant Settlement Date.

13. **Notices**

13.1 Any notice or other communication to be made:

- (a) if to the Issuer, shall be given in writing at the address registered with the Swedish Companies Registration Office, from time to time; and
- (b) if to the Holder, shall be given in writing at their addresses as registered with the CSD, on the relevant date pursuant to the Relevant CSD Rules, and by either courier delivery or letter.

13.2 Any notice or other communication made by one person to another under or in connection with the Base Prospectus, these General Conditions or the Final Terms shall be sent by way of courier, personal delivery or letter and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 13.1 or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the relevant address stipulated in Clause 13.1. Failure to send a notice or other communication to any Holder(s) or any defect in it shall not affect its sufficiency with respect to other Holder(s).

14. **Modifications**

*Modifications without Holder consent*

14.1 The Issuer may from time to time modify and amend the Certificates (including the T&Cs) in each case without the consent of the Holders in accordance with, respectively, this General Condition 14, in such manner as the Issuer deems necessary or desirable, if the modification or amendment:

- (a) is of a formal, minor or technical nature; or
- (b) is made to cure a manifest or proven error; or
- (c) is made to cure any ambiguity, or is made to correct or supplement any defective provisions of the Certificates (as applicable); or
- (d) is made to correct an error or omission such that, in the absence of such correction, the terms of the Certificates would not otherwise represent the intended terms of the Certificates on which the Certificates were sold and have since traded; or

(e) will not materially and adversely affect the interests of the Holders of the Certificates in respect of the Certificates.

14.2 Any such modification or amendment shall take effect in accordance with its terms and be binding on the Holders and shall be notified to the Holders in accordance with General Condition 13 (Notices) as soon as practicable (but failure to give such notice, or non-receipt thereof, shall not affect the validity of such modification or amendment).

*Modifications with Holder consent*

14.3 The Issuer may convene a meeting or call for a written decision-making procedure among the Holders at any time. Holders representing at least twenty-five (25) percent of the total outstanding number of Certificates of a particular Series at the time are entitled to request from the Issuer that such notice be given. Such request shall be made in writing to the Issuer with (i) an indication of the matters to be dealt with and (ii) supporting documents showing the relevant Holders' holdings. If the Issuer has established that the request has been duly received, the Issuer shall, no later than within twenty (20) Business Days of receipt of such request, convene a meeting or call for a written decision-making procedure. However, such obligation does not exist if, in the Issuer's opinion, (i) the proposal requires approval by the Issuer and/or the Guarantor and the Issuer or the Guarantor, respectively, does not intend to give such approval, (ii) the proposal is not compatible with applicable law or (iii) it appears clearly unlikely that the proposal will receive approval (in light of the meeting or written decision-making procedure already conducted).

14.4 Notice shall be given by notice to the Holders in accordance with General Condition 13 above and shall be given no later than ten (10) Business Days and not earlier than thirty (30) Business Days prior to the meeting or the last response date. The notice shall state (i) the time of the meeting or the last day of response, (ii) the location of the meeting or reply address, (iii) the agenda of the meeting, (iv) the date on which the Holder shall be entered as owner, or in the case of nominee registration and such opportunity is provided by the relevant CSD, voting through the relevant CSD's facilities and (v) what is otherwise required for a Holder to be entitled to attend the meeting. The Issuer shall determine the contents of the notice and provide a power of attorney form in paper or electronic form or, in the case of a written procedure, a decision form with current decision options.

14.5 Decisions are taken by vote at a meeting (or, in the case of a written procedure, by summation). Each Holder shall have (1) vote per Certificate held by such Holder. Certificates held by the Issuer or an entity belonging to the same group of companies as the Issuer, shall not carry voting rights or be taken into account when calculating whether the required majority has been achieved in any respect in accordance with these General Conditions. The decision of the Holders shall be deemed to be the meaning representing the largest proportion of the number of outstanding Certificates of the given Series.

14.6 However, in the following questions, the qualified majority of the votes cast and the answers received below is required for a decision to be considered as validly adopted ("**Qualified Majority**"):

(i) two-thirds in the event of a change of the provisions of this General Condition 14 except in cases referred to in (ii) below;

- (ii) three-quarters in the case of (a) a known reduction of Settlement Amount, the Settlement Amount for Issuer Call or any other amount payable by the Issuer pursuant to the T&Cs, (b) deferral of any Settlement Date or other due date in respect of any such amount(s) and (c) for amendment of the provisions of subsection (ii) of this Condition 14.6.
- 14.7 In the event of a tie, the opinion that, in the opinion of the chairman of the meeting (or, in the case of written procedure, the Issuer's assessment) is most favorable to the Issuer, applies.
- 14.8 A quorum exists only if the Holders representing at least one-fifth of the total when the outstanding number of Certificates of the relevant Series duly attends the meeting (or, in the case of a written procedure, responds). If a quorum is not reached by attendance within fifteen (15) minutes of the scheduled meeting time (or, in the case of written procedure, by the response time received at the end of the response time), the meeting shall be adjourned (or, in the case of written procedure, the response time extended) to the day falling on the fifth Business Day thereafter. Notice of the time and place of continued meeting (or, in the case of written procedure, extended response time) shall be promptly provided to the Holders in accordance with General Condition 13. At a continuing meeting (or, in the case of a written procedure, in the case of a new count), decisions may be made by simple majority by the Holders entitled to vote regardless of the share of the Certificates represented.
- 14.9 The Issuer, the Guarantor and the Calculation Agent and their respective representatives, agents and assistants may attend the meeting. The meeting may decide that additional persons may attend. The meeting is opened by a person appointed and present by the Issuer and is chaired by that person until the present and represented Holders have appointed a chairman. The minutes of the meeting shall be kept by the Chairperson, listing the persons entitled to vote, the other persons present, what has been discussed, how the votes have been taken and what decisions have been taken. The minutes shall be signed by the Chairman and by at least one person appointed by the meeting. In the case of a written procedure, the Issuer shall arrange for the summation and draw up minutes of the summation. The Issuer may request additions and clarifications regarding the answers received but has no obligation to do so and may disregard unclear or illegible answers. The Issuer shall disregard answers that do not follow the stated answer options or where voting rights are not stated in material provided by the Holder or the relevant CSD. The Issuer, the Guarantor and the Calculation Agent may be present at the summation. Minutes shall be prepared promptly and made available to Holders.
- 14.10 If the Issuer deem it appropriate, a meeting may be combined with the Holders being given the opportunity to respond according to a written decision form as an alternative to being present or represented by proxy.
- 14.11 Decisions taken at a meeting or written procedure duly convened and conducted shall be binding on all Holders whether they have been present or represented at the meeting or participated in the written procedure and irrespective of how and whether they have voted.
15. **Governing law & Jurisdiction**
- 15.1 The Conditions shall be governed by and construed in accordance with Swedish law. Notwithstanding the foregoing, Finnish law will apply in respect the registration of any Series Finnish Certificates with the Finnish CSD, Norwegian law will apply in respect the registration of any Series Norwegian Certificates with the Norwegian CSD.

- 15.2 Any dispute arising from the Certificates, the Conditions and / or the Base Prospectus shall exclusively be settled by Swedish courts, with the District Court of Stockholm as the court of first instance.

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The Issuer confirms that the T&Cs are binding upon it.

Stockholm, 31 January 2024

**XBT PROVIDER AB (publ)**

## 10. FORM OF FINAL TERMS

### FORM OF FINAL TERMS

*The form of Final Terms that will be issued in respect of each Tranche is set out below:*

**Final Terms dated [ • ]**

**under the issuance programme of**

**XBT PROVIDER AB (publ)**

**[Open-ended]**

**[[SINGLE ASSET] / BASKET]**

**TRACKER CERTIFICATES**

**([SHORT]/[LONG] EXPOSURE)**

**[due [ • ]]**

**(the "Certificates")**

These Final Terms have been prepared under the Issuer's base prospectus, dated 31 January 2024, [as supplemented by the prospectus supplement[s], dated [ • ],] (the "**Base Prospectus**"). The General Conditions applicable to the Certificates consist of the General Conditions set forth in [the Base Prospectus / the Issuer's base prospectus, dated [24 April 2015 / 14 July 2017 / 17 May 2018 / 17 May 2019 / 15 May 2020 / 31 August 2021 / 25 November 2022] and any supplements thereto and, consequently, terms used herein shall have the same meaning as in said applicable General Conditions]. This document constitutes the Final Terms for the Certificates described herein and these Final Terms have been drafted in accordance with Article 8 of the Prospectus Regulation (EU) 2017/1129 and must be read in conjunction with the Base Prospectus. An issue specific summary of the Certificates is annexed to these Final Terms. Full information on the Issuer and the Certificates is only available on the basis of the combination of these Final Terms and the Base Prospectus (as supplemented). The Base Prospectus and any supplements to the Base Prospectus are available from [ • ] and in electronic form on the Issuer's website ([www.xbtprovider.com](http://www.xbtprovider.com)).

*[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should either: (i) remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs; or (ii) be revised based on the deletion of all individual paragraphs that are "Not Applicable". Italics denote guidance for completing the Final Terms.]*

#### **General terms applicable to the Certificates**

**1** Series No.: [ • ]

- 2 Tranche No.: [ • ] / This Tranche is fungible with all other Tranches of this Series / Not applicable.]
- 3 ISIN and other codes: [ISIN: [•] ]/[CFI: [•] ]/[FISN: [•] ]/[EUSIPA: [•] ]
- 4 Settlement Currency: [Swedish Kronor ("SEK") / Euro ("EUR") / United States Dollar ("USD")]
- 5 Number of Certificates: [ • ]
- 6 Issue Price: [[ • ] % of the Notional Amount / [ • ]].
- 7 Issue Date: [ • ]

#### Open-ended Certificates

- 8 Open-ended certificates: [Not applicable / Applicable, the Certificates are open-ended without a scheduled maturity date].

#### Fixed-term Certificates

- 9 Fixed-term Certificates: [Not applicable / Applicable, the Certificates will be redeemed on [ • ] (the "**Scheduled Maturity Date**")].

#### Payout terms applicable to the Certificates

- 10 Single Digital Currency Certificates:
- (a) Single Digital Currency Certificate: [Not applicable / Applicable. The provisions in General Condition 5.1 apply to the Certificates].
- (b) Digital Currency: [•] (the "**Digital Currency**")
- (c) Exposure: The Certificates provide a [short]/[long] exposure towards the Digital Currency.
- (d) Fee: [0.025]/[•]/[Not Applicable]
- (e) Revenue Sharing: [Not applicable]/[•] per cent. ([•]%) of the realized net income subject to Revenue Sharing].
- 11 Basket Certificates:
- (a) Basket Currency Certificates: [Not applicable / Applicable. The provisions in General Condition 5.1 apply to the Certificates].

- (b) Table of Digital Currencies: The following Digital Currencies comprise the basket (the "Basket"):

NUMBER	DIGITAL CURRENCY	WEIGHTING
1	[•]	[•]
[2]	[•]	[•]
	(each a "Digital Currency")	
<i>(repeat as required)</i>		

- (c) Exposure: The certificates provide a [short]/[long] exposure towards the Basket.

- (d) Fee: [0.025]/[•]/[Not Applicable]

- (e) Revenue Sharing: [Not applicable]/[•] per cent. ([•]%) of the realized net income subject to Revenue Sharing].

- 12 Notional Amount: [SEK [ten (10.00) / [•]] / EUR [one (1.00) / [•]] / [USD [one (1.00) / [•]] per Certificate / Not applicable].

- 13 Divisor: [•].

- 14 Initial Fixing Date: [[The Issue Date] / [•]].

- 15 Final Fixing Date: *[insert for open-ended Certificates: The Final Fixing Date will be determined in accordance with General Condition 7 [insert where Holder Put Option is applicable: or, as the case may be for the relevant Certificates, General Condition 8].*

*[insert for fixed-term certificates: The scheduled Final Fixing Date will be [•] [insert where Issuer Call Option is applicable: or, such earlier date, that may be determined in accordance with General Condition 7 [insert where Holder Put Option is applicable: or, as the case may be for the relevant Certificates, General Condition 8].*

- 16 Valuation Time(s): Valuation Time means [[4:00 pm (London time)] on each relevant date for exchange rate, and for [specify relevant Digital Currency / Basket] [08.00-12.00 (London Time)], where the value is calculated as the unweighted average price between the [specify relevant Digital Currency / Basket] exchanges of the weighted average price for the period of each underlying

exchange (separately). / [[•] / *[specify for each date and source, if different]*].

- 17** Issuer Call Valuation Time(s): Issuer Call Valuation Time means [[4:00 pm (London time)] on each relevant date for exchange rate, and for *[specify relevant Digital Currency / Basket]* [08.00-12.00 (London Time)], where the value is calculated as the unweighted average price between the *[specify relevant Digital Currency / Basket]* exchanges of the weighted average price for the period of each underlying exchange (separately). / [[•] / *[specify for each date and source, if different]*].
- 18** Initially Eligible Market Places: [Each of *[insert for Bitcoin: OKCoin; Kraken; Bitstamp; Bitfinex; ItBit; Gemini; and GDAX]* / *[insert for Bitcoin Cash: Bitfinex, Poloniex, BitTrex, Kraken and OKCoin]* / *[insert for Ethereum: Poloniex, Kraken, Bitfinex, GDAX and Gemini]* / *[insert for Ethereum Classic: Bitfinex, BitTrex, Poloniex and Kraken]* / *[insert for Litecoin: GDAX, Bitfinex, Poloniex, Bitstamp, BitTrex and Kraken]* / *[insert for XRP: Bitfinex, Poloniex, BitTrex and Kraken]* / *[insert for Neo: Bitfinex, BitTrex, HitBTC]* / *[insert for Basket of two or more of the foregoing]* / [ • ]].
- 19** Past performance and volatility: Information regarding the past and further performance and volatility of the underlying exposures can be obtained from the following web sites:

[ • ] - [ • ]

*(repeat as required)*

#### **Admission to trading**

- 20** Regulated or other market: The Issuer [has applied / will apply] for the Series of Securities to be admitted for trading on the [regulated market NDX [Finland/Sweden] / [Nordic MTF] *[specify other]* of Nordic Growth Market NGM AB / [the MTF Nasdaq First North Stockholm operated by Nasdaq Stockholm AB] / *[specify other regulated market or MTF or other relevant market place in Finland, Germany, the Netherlands, Norway, Sweden, or other relevant jurisdiction]*].

There can be no assurance given that the application will be accepted or that it will be possible to maintain a granted admission to trading to the relevant Settlement Date.

- 21** Market-maker: [Mangold Fondkommission AB / [ • ]] is expected to act as market-maker at the above market but the identity of the

market-maker may vary over time at the initiative of the market-maker or the Issuer.

22 Spread: [Maximum [4] / [ • ] % during normal market conditions.]

23 Trading lot: [Minimum one (1) Certificate / [ • ]].

24 First day of trading: Expected to be [•].

**Operational information**

25 Calculation Agent: [Compass Financial Technologies SA / Mangold Fondkommission AB / [ • ]].

26 Form of Certificates: The Certificates are [Finnish Certificates] / [Norwegian Certificates] / [Swedish Certificates] (*retain only the one applicable form of certificates*) and the provisions in the General condition applicable to such Certificates shall apply.

27 Clearing System: [*for Finnish Certificates:* Euroclear Finland Oy] / [*for Norwegian Certificates:* Verdipapirsentralen ASA] / [*for Swedish Certificates:* Euroclear Sweden AB] [ • ] [ • ] [*where required under the relevant CSD Rules, insert paying agent(s):* [•] ([the/each an] “**Paying Agent**”).

28 Issuing Agent: [Mangold Fondkommission AB / [ • ]].

29 ECB: The Certificates are [not] expected to be eligible at ECB.

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Signed Stockholm, [ • ]

on behalf of

**XBT PROVIDER AB (publ)**

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**ANNEX – ISSUE SPECIFIC SUMMARY**

[Issue specific summary of the Certificates as per Article 7 of the Prospectus Regulation to be inserted]

## 11. ADDRESSES

*The Issuer*

**XBT PROVIDER AB (publ)**

Artillerigatan 6  
SE-114 51 Stockholm  
Sweden

*The Guarantor*

**COINSHARES CAPITAL MARKETS (JERSEY) LIMITED**

3rd Floor  
2 Hill Street  
St. Helier  
Jersey, JE2 4UA  
Channel Islands  
+44 1534 513 100

*Swedish legal advisor  
to the Issuer & Guarantor*

**AG ADVOKAT KB**

Regeringsgatan 38  
Box 3124  
SE-103 62 Stockholm

*For secondary-market transactions*

**MANGOLD FONDKOMMISSION AB**

Engelbrektsplan 2  
SE-114 34 Stockholm  
Sweden  
+46 (08) 503 01 550