



Invesco Digital Markets plc

(a public limited company incorporated under the laws of Jersey)

SECURED CRYPTOCURRENCY LINKED CERTIFICATES PROGRAMME

This Base Prospectus (this "**Base Prospectus**") has been prepared for the purpose of giving information with regard to the issue of secured, limited recourse certificates ("**Certificates**") by Invesco Digital Markets plc (the "**Issuer**") under the Secured Cryptocurrency Linked Certificates Programme (the "**Programme**") described in this Base Prospectus during the period of twelve months after the date hereof.

Each Series of Certificates issued by the Issuer under this Programme will entitle the holder of a Certificate who is an Authorised Participant, by the exercise of the relevant option, to require the Issuer to redeem such Certificate by transfer of one or more cryptocurrencies specified in the relevant Final Terms (each a "**Specified Cryptocurrency**") in an amount equal to the Delivery Amount in accordance with the Conditions of the Certificates. Unless previously redeemed or cancelled, each Certificate of a Series will be redeemed on the final maturity date specified in the Final Terms relating to each Tranche of that Series of Certificates (the "**Final Maturity Date**"), which shall in any case not be earlier than 30 June 2121 (i.e. after more than 97 years since the approval of the Base Prospectus), at the relevant Cash Amount in US dollars or any other currency specified in the relevant Final Terms (US dollars or such other currency specified in the relevant Final Terms being the "**Specified Currency**"). As at the date of this base prospectus, the sole Specified Cryptocurrency in which Certificates may be redeemed is Bitcoin, but in future the Issuer may issue Series of Certificates giving rise to entitlements to redemption in other Specified Cryptocurrencies, which may either be Bitcoin, Ethereum, Ripple, Bitcoin Cash, Litecoin, or a basket of two or more of the foregoing.

This document constitutes a base prospectus for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and has been approved by the *Bundesanstalt für Finanzdienstleistungsaufsicht* ("**BaFin**"), as competent authority thereunder. BaFin only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or 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.

The validity of the Base Prospectus starts with the approval on 16 November 2023 and will expire on 16 November 2024. The obligation to supplement the Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Base Prospectus is no longer valid.

Application has been made for admission to trading and listing of the first Tranche of Certificates issued under this Base Prospectus on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange.

Application may be made for further Certificates admitted to trading on additional markets (including the regulated market of the Frankfurt Stock Exchange) and to be listed on additional stock exchanges from time to time. There can be no assurance that admission to trading and/or listing on the above named markets or on any other market will be approved.

The Certificates have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") and are subject to United States tax law requirements. The Certificates are being offered outside the United States (as described in "*Subscription and Sale*") in accordance with Regulation S under the Securities Act ("**Regulation S**"), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, US persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Certain Jersey Notices

The investments described in this document do not constitute a collective investment fund for the purpose of the Collective Investment Funds (Jersey) Law 1988, as amended, on the basis that they are investment products designed for financially sophisticated investors with specialist knowledge of, and experience of investing in, such investments, who are capable of fully evaluating the risks involved in making such investments and who have an asset base sufficiently substantial as to enable them to sustain any loss that they might suffer as a result of making such investments. These investments are not regarded by the Jersey Financial Services Commission ("JFSC") as suitable investments for any other type of investor. The JFSC has not confirmed that that issuer falls within the scope of the Collective Investment Funds (Restriction of Scope) (Jersey) Order 2000. Accordingly, the JFSC takes no responsibility should the issuer fail to meet the conditions of the Collective Investment Funds (Restriction of Scope) (Jersey) Order 2000.

The JFSC has given, and has not withdrawn, its consent under Article 4 of the Control of Borrowing (Jersey) Order 1958, as amended, to the issue of securities (i.e. the Certificates) by the Issuer. The JFSC is protected by the Control of Borrowing (Jersey) Law, 1947, as amended, against liability arising from the discharge of its functions under that law. It must be distinctly understood that, in giving that consent, the JFSC takes no responsibility for the financial soundness of the Issuer or for the correctness of any statements made, or opinions expressed, with regard to it.

Prohibition of Sales to UK Retail Investors

The Certificates are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97 (as amended or superseded), where that customer would not qualify as a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Certificates or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Certificates or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

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OVERVIEW OF THE PROGRAMME

This overview should be read as an introduction to this Base Prospectus. Any decision to invest in the Certificates should be based on consideration of this Base Prospectus as a whole by the investor.

Issuer	<p>Invesco Digital Markets plc (the "Issuer").</p> <p>The Issuer is a public limited company with its registered seat in Jersey incorporated with the name Invesco Digital Markets plc in Jersey under the Companies (Jersey) Law 1991 with registered number 135306.</p>
Control of Issuer	<p>All the issued shares of the Issuer are held by Intertrust Nominees (Jersey) Limited and Intertrust Nominees 2 (Jersey Limited) as nominee of and trustee for Intertrust Fiscal Trustee a.r.l. (the "Share Trustee") in its capacity as trustee of the Invesco Digital Markets Charitable Trust under which the Share Trustee holds them on trust for charitable purposes. The Share Trustee has no beneficial interest in and derives no benefit (other than its fees for acting as Share Trustee) from its holding of the shares in the Issuer.</p>
Credit ratings	<p>The Issuer has not been assigned a credit rating and the Certificates will not be rated.</p>
Issuer's principal activities	<p>The Issuer is a special purpose vehicle whose sole business is the issue of asset backed securities. The Issuer has established a programme (the "Programme"), described in the Base Prospectus, under which it can, from time to time, issue series (each, a "Series") of secured certificates (the "Certificates"). Each Series of Certificates will be separate (or "ring-fenced") from each other Series of Certificates.</p>
Admission to trading and listing	<p>Application has been made for admission to trading and listing of the first Tranche of Certificates issued under this Base Prospectus on the regulated market (<i>regulierter Markt</i>) of the Frankfurt Stock Exchange.</p> <p>Application may be made for further Certificates to be admitted to trading on additional markets (including the regulated market of the Frankfurt Stock Exchange) and to be listed on additional stock exchanges from time to time. There can be no assurance that admission to trading and/or listing on the above named markets or on any other market will be approved.</p> <p>The applicable Final Terms will state whether or not the relevant Certificates are to be admitted to trading and/or listed and, if so, on which stock exchanges and/or markets. The Final Terms for the first Tranche of Certificates will state that application has been made for admission to trading and listing of the Certificates on the regulated market (<i>regulierter Markt</i>) of the Frankfurt Stock Exchange.</p>
Clearing System	<p>Euroclear and Clearstream, Luxembourg.</p> <p>In addition, the Issuer may at any time make arrangements with other clearing and settlement systems in any jurisdictions to enable settlements in respect of the Certificates to take place (whether through a nominee or otherwise) in such clearing and settlement systems, in addition to Euroclear and Clearstream, Luxembourg.</p>

Euroclear	Euroclear Bank S.A./N.V.
Clearstream, Luxembourg	Clearstream Banking, <i>société anonyme</i> , Luxembourg
Issuer Adviser	Invesco Asset Management Limited, a private limited company established in England, will act as the adviser to the Issuer (the " Issuer Adviser ") in respect of the Programme. As Issuer Adviser, Invesco Asset Management Limited is principally responsible for providing certain advisory services to the Issuer.
Trustee	Intertrust Trust Corporation Limited will act as trustee in respect of each Series of Certificates (the " Trustee "). The Trustee acts as trustee for the Certificateholders of each Series of Certificates and also as security trustee (holding the benefit of the security granted by the Issuer over certain of its assets (excluding the Issuer's proprietary interest in and to the Underlying Cryptoassets) in respect of a Series on trust for the Certificateholders and other transaction parties in respect of that Series).
Administrator	Northern Trust International Fund Administration Services (Ireland) Limited will act as administrator (the " Administrator ") in respect of each Series of Certificates. As Administrator, it will perform various administrative functions and make various non- discretionary determinations in relation to the Certificates of a Series, including, but not limited to, the implementation of the Per Certificate Entitlement, the administration of the procedure for the transfer, issue and redemption of Certificates, issuing instructions to the Account Bank, Custodian and Execution Agent and the provision of reporting services to the Issuer.
Certificates Settlement Agent	The Northern Trust Company will act as certificates settlement agent (the " Certificates Settlement Agent ") in respect of each Series of Certificates. As Certificates Settlement Agent, it will carry out certain settlement services on behalf of the Issuer in connection with subscriptions and redemptions of the Certificates.
Custodian	Zodia Custody Limited will act as custodian (the " Custodian ") in respect of each Series of Certificates. As Custodian, it will provide custody, safekeeping, asset servicing, settlement, reporting and ancillary services to the Issuer in respect of the Underlying Cryptoassets of each Series, including the provision of one or more depositary wallets on which the Underlying Cryptoassets of a Series will be held (each a " Depositary Wallet ").
Account Bank	<p>The Northern Trust International Banking Corporation will act as account bank (the "Account Bank") in respect of each Series of Certificates.</p> <p>As Account Bank, it will conduct certain money management functions for the Issuer in relation to all Series of Certificates.</p>

Execution Agent	CoinShares Capital Markets (Jersey) Limited (the " Execution Agent ") will perform services in relation to the sale of Underlying Cryptoassets of each Series to realise cash proceeds relating to the Combined Fees (as defined below) and in circumstances where the cash redemption of Certificates is required or permitted.
Registrar and Transfer Agent	Northern Trust International Fund Administration Services (Ireland) Limited will act as registrar (the " Registrar ") in respect of each Series of Certificates. As Registrar, it will provide registrar and transfer agency services to the Issuer in connection with the Certificates.
Authorised Participants	Each entity appointed as an authorised participant under the Programme (each an " Authorised Participant ") is authorised to subscribe for the Certificates issued under the Programme in consideration of the transfer of the relevant Specified Cryptocurrency. A Series of Certificates may have different Authorised Participants to the other Series, and the Authorised Participants for a particular Series will be specified in the Final Terms for that Series.
Listing Agent	If specified in the applicable Final Terms for the issuance of any Tranche of Certificates, ICF BANK AG will be acting as Listing Agent for the admission to trading and listing of the relevant Tranche of Certificates on the regulated market (<i>regulierter Markt, General Standard</i>) of the Frankfurt Stock Exchange and in this capacity assume responsibility for the Base Prospectus and the relevant Final Terms for the issuance of such Tranche of Certificates in addition to the responsibility of the Issuer.
Terms and conditions of the offer	<p>Certificates purchased directly from the Issuer in the primary market can only be purchased with the relevant Specified Cryptocurrency and only by Authorised Participants.</p> <p>Offers and sales of the Certificates to an investor by an Authorised Participant or other entities will be made in accordance with any terms and other arrangements in place between such Authorised Participant and such investor including as to price, allocations and settlement arrangements. Neither the Issuer nor the Issuer Adviser will be a party to any such arrangements with investors and, accordingly, this Base Prospectus and any Final Terms may not contain such information and, in such case, an investor must obtain such information from the relevant Authorised Participant.</p> <p>Further, the Certificates may also be offered by the Issuer or other financial intermediaries as specified in the applicable Final Terms.</p> <p>Prospective investors should however in any case note the following:</p>
Amount of the offer	<p>The number of Certificates subject to the offer will be determined on the basis of the demand for the Certificates and prevailing market conditions and be published as set out in the Final Terms, provided that the aggregate number of all Certificates of any and all Series outstanding from time to time shall not in any event exceed 1,000,000,000 provided that the Issuer may increase such limit from time to time (subject to compliance with the relevant Transaction Documents (as defined in the terms and conditions of the Certificates)) (the "Programme Limit"). In addition, the</p>

aggregate number of Certificates in a particular Series which are outstanding from time to time will not exceed the number specified in the Final Terms for that Series (the "**Maximum Issue Size**").

Offer Price

The offer price per Certificate will be (a) equal to the Issue Price specified in the Final Terms as of the Initial Issue Date or Issue Date (as the case may be) or (b) as otherwise specified in the Final Terms, in each case subject to any applicable fees and commissions of the person offering such Certificate. Thereafter the offer price may be adjusted in accordance with market conditions.

Offer Period

Certificates may be offered to an investor at any time between the Issue Date of the first Tranche of a Series of Certificates and the Final Maturity Date of such Series.

Minimum Denomination

The Certificates are being treated by the Issuer for the purposes of Annexes 14 and 19 of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019, as amended, as having a minimum denomination of less than EUR 100,000.

Description of underlying assets

In order to hedge its obligations to the holders of each Series of Certificates, the Issuer will hold a pool of the relevant Specified Cryptocurrency or Specified Cryptocurrencies relating to that Series of Certificates (the "**Underlying Cryptoassets**"). The Underlying Cryptoassets will be received from the Authorised Participants in consideration for the issue of Certificates, and will be held on trust by the Custodian for the Issuer.

On any date, the pool of Underlying Cryptoassets held by the Custodian is required to comprise an amount of the relevant Specified Cryptocurrency or Specified Cryptocurrencies no less than the aggregate of the Per Certificate Entitlement to such Specified Cryptocurrency or Specified Cryptocurrencies for all outstanding Certificates of such Series.

As at the date of this base prospectus, the Issuer only intends to issue a Series of Certificates backed by Bitcoin, but in future the Issuer may issue Series of Certificates backed by other Underlying Cryptoassets, which may either be Bitcoin, Ethereum, Ripple, Bitcoin Cash, Litecoin or a basket of two or more of the foregoing.

Structure of the transaction

The Issuer may from time to time issue Series of Certificates under the Programme. Only an Authorised Participant may subscribe for the Certificates.

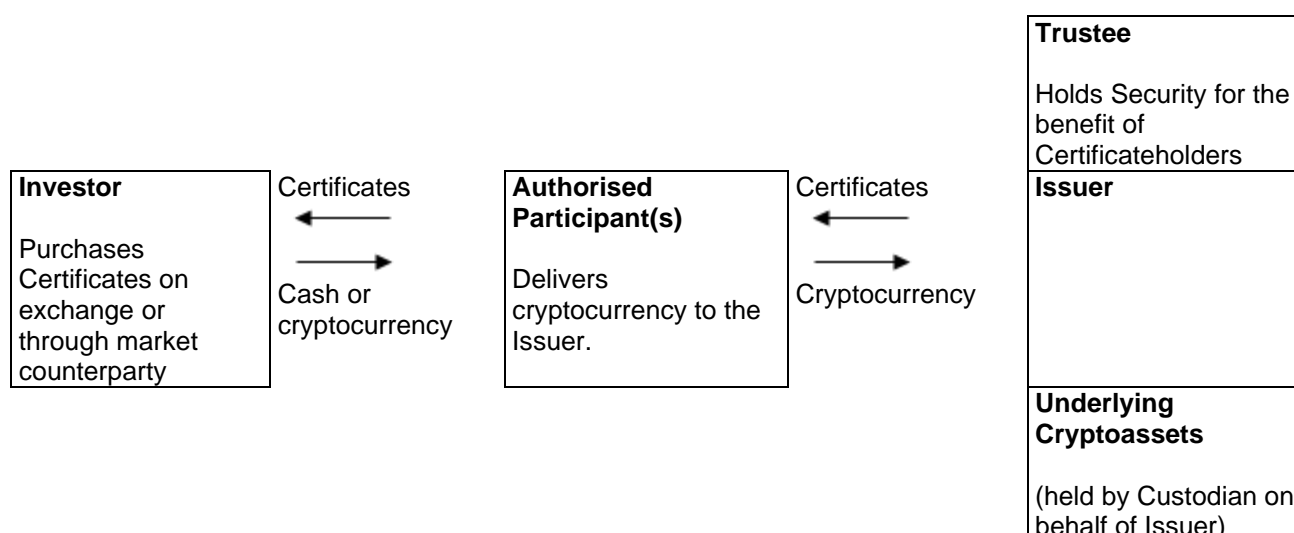
The issue price of the Certificates of a Series will be determined by the Issuer and the relevant Authorised Participants at the time of issue in accordance with prevailing market conditions and will be specified in the relevant Final Terms.

Only Authorised Participants are able to redeem Certificates directly, except where the Issuer has notified Certificateholders that redemption requests from Certificateholders which are not Authorised Participants will be permitted, which it may do at its discretion in cases such as market disruption, absence of a market maker or other circumstances making it impracticable or

impossible for redemptions to be made through Authorised Participants.

A Certificateholder which is an Authorised Participant may only require redemption prior to the Final Maturity Date by way of delivery of the Underlying Cryptoasset. Where the Issuer has served notice that redemption requests from Certificateholders which are not Authorised Participants will be permitted, and such notice remains in effect, the holder of a Certificate who is not an Authorised Participant may require the Issuer to redeem the Certificate either in the relevant Specified Currency at the relevant Cash Amount or, if the certain conditions are satisfied, by way of delivery of the Underlying Cryptoasset, in each case in accordance with the Conditions of the Certificates.

On redemption a Certificateholder is entitled to receive, as applicable, a transfer of the Delivery Amount or the Cash Amount (in each case as defined below). A diagrammatic representation of the principal aspects of the structure as currently in place appears below:



In respect of those redemptions settled by delivery of the Underlying Cryptoasset, a Certificateholder will, in respect of a Certificate, receive on a date on or before the third Business Day following the relevant Eligible Redemption Valuation Date (being any Business Day) (in each case the "Settlement Date"):

1. an amount of the Underlying Cryptoasset determined by the Administrator equal to:
 - a. the aggregate Per Certificate Entitlement to the Underlying Cryptoasset at the relevant Valuation Date; less
 - b. an amount of the Underlying Cryptoasset equal in value (as determined by the Administrator by reference to prevailing market conditions) to all expenses, fees and charges incurred or to be incurred in connection with such redemption

(the "**Delivery Amount**")

or, in respect of those redemptions settled in the relevant Specified Currency, a Certificateholder will, in respect of a Certificate, receive:

2. an amount in the Specified Currency determined by the Administrator equal to the amount of cash received by the Issuer in respect of the sale of the relevant amount of the Underlying Cryptoasset in respect of such Certificates less all expenses, fees and charges incurred or to be incurred by the Issuer in respect of such redemption, subject to a minimum of US\$0.01 (the "Cash Amount").

In respect of redemptions settled in the relevant Specified Currency, the Execution Agent will act as the Issuer's agent in relation to the sale of the Underlying Cryptoassets in exchange for the Specified Currency. In relation to any such sale, the Execution Agent has agreed to use reasonable efforts to sell the relevant Underlying Cryptoassets with regard to achieving the Reference Price (as defined in the Conditions of the Certificates). It may, however, be impossible to execute trades against the Specified Currency at the Reference Price. In the event the Execution Agent is unable to achieve the Reference Price, Certificateholders will receive less than the Reference Price, and the Execution Agent will have no other liability to pay the difference to any of the Issuer, the Trustee or any Certificateholder.

Restrictions on free transferability

The distribution of this Base Prospectus and the offering or sale of the Certificates in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer and the Authorised Participants to inform themselves about and to observe any such restrictions. The Certificates have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"). Subject to certain exceptions, Certificates may not be offered, sold or delivered within the United States or to U.S. persons.

Security and status

The Certificates constitute secured, limited recourse obligations of the Issuer. The Certificates of a Series will at all times rank without preference or priority *pari passu* amongst themselves.

The Certificates of each Series will be secured pursuant to the security deed entered into by the Trustee and the Issuer in respect of such Series (each a "**Security Deed**") in favour of the Trustee for itself and for the other parties listed and entitles to payment in the Payment Priorities (the "**Secured Creditors**"), as follows:

- a first fixed charge over all of the Issuer's rights, title and interest in and to the cash account in respect of the Series (the "**Issuer Cash Account**");
- an assignment by way of security of the Issuer's rights, title and interest in and to each of the transaction documents relating to the Programme to the extent that they relate to the Certificates and any sums payable thereunder including the Issuer's rights to any sums held by any other party thereto to meet payments due in respect of the Certificates, but only to the extent that the same relates to the Certificates, but excluding the Issuer's proprietary interest in and to the Underlying Cryptoassets, held on trust by the Custodian for the Issuer under the terms of the Custody Agreement;
- (to the extent not validly and effectively assigned pursuant to the provision described in the immediately preceding item) a first fixed charge over all of the Issuer's rights, title and interest

present and future in and to the assets described in the immediately preceding item; and

- (to the extent not validly and effectively assigned pursuant to the provisions described above or charged by way of fixed charge pursuant to the provisions described above), a first floating charge over all the Issuer's rights, title and interest, present and future, in and to the assets described above

(collectively, the "**Security**").

Order of Priorities

The claims of the Certificateholders and the other Secured Creditors in respect of the Certificates of a Series will rank in accordance with the following order of priorities (the "**Payment Priorities**"):

- *first*, in payment or satisfaction of any taxes and statutory fees owing by the Issuer to any tax authority;
- *second*, in payment or satisfaction of the fees, costs, charges, expenses and liabilities properly incurred by and any indemnity payments owed by the Issuer to the Trustee or any receiver in preparing and executing the trusts created by the Trust Deed and Security Deed relating the relevant Series (including any amounts representing or otherwise in respect of VAT, the costs of realising any Security and the Trustee's remuneration);
- *third*, in payment or satisfaction *pari passu* and rateably of all amounts due and unpaid (including any amounts representing or otherwise in respect of VAT) by the Issuer to the Registrar, the Custodian, the Administrator, the Account Bank, the Execution Agent, the ICSD Paying Agent, any other Paying Agents and the Certificates Settlement Agent in respect of the Certificates;
- *fourth*, in payment or satisfaction *pari passu* and rateably of all amounts due and unpaid (including any amounts representing or otherwise in respect of VAT) by the Issuer to the Issuer Adviser;
- *fifth*, in payment or satisfaction *pari passu* and rateably of all amounts then due and unpaid (including any amounts representing or otherwise in respect of VAT) in respect of the Certificates to the Certificateholders;
- *sixth*, in payment or satisfaction *pari passu* and rateably of all other amounts due and unpaid (including any amounts representing or otherwise in respect of VAT) by the Issuer to any other transaction party in respect of the Certificates; and
- *seventh*, in payment of any balance to the Issuer.

Limited Recourse

In respect of any Series of Certificates, the Certificateholders shall have recourse only to the property of the Issuer which is subject to the Security (the "**Secured Property**") in respect of such Series of Certificates. If the net proceeds of the realisation of the Secured Property are not sufficient to make all payments due in respect of the Certificates and due to each other creditor relating to the Certificates, no other assets of the Issuer will be available to meet such shortfall, the claims of the Certificateholders and any other creditors relating to the Certificates in respect of any such shortfall shall be extinguished. No party will be able to petition for the winding-up of the Issuer as a consequence of any such shortfall.

Interest

The Certificates will not bear interest.

Final Redemption

All Certificates of a given Series that have not been previously redeemed or purchased or cancelled will be redeemed on the date specified in the Final Terms relating to that Series as the final maturity date (the "**Final Maturity Date**") by payment of the relevant Cash Amount (as defined above) in respect of such Certificates.

Events of Default

If any of the following events occurs, the Trustee shall, if so directed and may, at its discretion, give notice to the Issuer that the Certificates are, and they shall immediately become, due and payable:

- the Issuer fails to pay any amounts due in respect of the Certificates or deliver any Underlying Cryptoassets due in respect of the Certificates within 5 business days of the due date for payment or delivery, other than as contemplated by the Conditions of the Certificates;
- the Issuer defaults in the performance or observance of any of its other obligations under the Certificates or any of the other documents relating to the issue of the Certificates or any of the covenants of the Issuer contained in the trust deed between the Issuer, the Trustee and the Issuer Adviser which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not in the opinion of the Trustee remedied within 30 days after notice of such default shall have been given to the Issuer by the Trustee;
- an Insolvency Event (as defined in the Conditions) occurs in relation to the Issuer; or
- it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Certificates or any of the other documents relating to the issue of the Certificates.

Certificateholder Optional Redemption

The Issuer shall, at the option of a Certificateholder who is an Authorised Participant, redeem some or all of the Certificates held by such Certificateholder in respect of any Eligible Redemption Valuation Date by transfer of the relevant Delivery Amount of the relevant Underlying Cryptoasset to the Digital Wallet of the Authorised Participant ("**Physical Settlement**"). Only Authorised Participants are able to redeem Certificates directly, except where the Issuer has notified Certificateholders that redemption requests from Certificateholders which are not Authorised Participants will be permitted, which it may do at its discretion in cases such as market disruption, absence of a market maker or other circumstances making it impracticable or impossible for redemptions to be made through Authorised Participants. If the Issuer has given such a notification and such notification remains in effect, it will at the option of a Certificateholder who is not an Authorised Participant redeem some or all of the Certificates held by such Certificateholder by payment of the relevant Cash Amount ("**Cash Settlement**"), in each case on the relevant Settlement Date, or if certain conditions are satisfied, by way of Physical Settlement at the option of the Certificateholder.

Optional Redemption in whole

The Issuer may redeem all (but not some only) of the Certificates in respect of any Eligible Redemption Valuation Date by Physical Settlement or, if the holder is prevented from receiving the relevant Underlying Cryptoasset due to legal or regulatory reasons, by Cash Settlement, on the relevant Settlement Date, provided the Issuer has given not less than 60 days' notice of its intention to redeem all of the Certificates on such Eligible Redemption Valuation Date to the Trustee, the Certificateholders, other parties to the transaction documents relating to the Programme and any stock exchange on which the Certificates are listed.

Mandatory Redemption

The Issuer may instruct the Execution Agent to sell all of the Secured Property and the Underlying Cryptoassets and apply the sales proceeds (less all expenses, fees and charges) in accordance with the Payment Priorities and redeem each outstanding Certificate by Physical Settlement or, if the holder is prevented from receiving the relevant Underlying Cryptoasset due to legal or regulatory reasons, by Cash Settlement, in the event of:

- changes in tax law which may result in withholding to be applied to payments made by the Issuer in respect of the Certificates, the cost of the Issuer complying with regulation or its obligations in respect of the Programme being materially increased;
- if at any time the Administrator determines and notifies the Issuer that the aggregate number of Certificates outstanding on any day after the first anniversary of the issue date of the first Tranche of Certificates is less than 1,000,000.

The Issuer may also, at any time, without any requirement to state a reason, give notice to a Certificateholder requiring that Certificateholder to certify to the Issuer, no later than the date falling fifteen Business Days following the date on which the Issuer sends or transmits such requirement to that Certificateholder, that the Certificateholder is not in breach of any law or regulation or would risk exposing any Transaction Party to a breach of any law or regulation and to provide evidence satisfactory to the Issuer, acting reasonably, that the Certificateholder is not in breach of any law or regulation or would risk exposing any Transaction Party to a breach of any law or regulation. Absent certification by a Certificateholder to the Issuer to the contrary, the Issuer shall be entitled, to assume that none of the Certificates are held by persons in breach of any law or regulation or would risk exposing any Transaction Party to a breach of any law or regulation.

The Issuer may, in its absolute discretion, at any time give written notice to a Certificateholder that any Certificates held by that Certificateholder are to be redeemed compulsorily by Physical Settlement or, if the holder is prevented from receiving the relevant Underlying Cryptoasset due to legal or regulatory reasons, by Cash Settlement, if the Issuer required the Certificateholder in accordance with the preceding paragraph to certify and provide evidence satisfactory to the Issuer (acting reasonably) that the Certificateholder is not in breach of any law or regulation or would risk exposing any Transaction Party to a breach of any law or regulation and (i) the Certificateholder did not by the date specified in the relevant notice provide such a certification in the form and executed in the manner required or evidence satisfactory to the Issuer; or (ii) the Certificateholder certified that it is in breach of any

law or regulation or would risk exposing any Transaction Party to a breach of any law or regulation; or (iii) the Issuer considers (in its sole discretion) (A) that such Certificates are or may be owned or held directly or beneficially by any person in breach of any law or requirement of any country or by virtue of which such person is not qualified to own those Certificates, or (B) that the ownership or holding or continued ownership or holding of those Certificates (whether on its own or in conjunction with any other circumstance appearing to the Issuer to be relevant) would, in the reasonable opinion of the Issuer, cause a pecuniary or tax disadvantage to the Issuer or any other Certificateholders which it or they might not otherwise have suffered or incurred or (C) that the ownership or holding or continued ownership or holding of those Certificates (whether on its own or in conjunction with any other circumstance appearing to the Issuer to be relevant) would, in the reasonable opinion of the Issuer, expose any Transaction Party to a risk of violation of any law or regulation.

Per Certificate Entitlement

The "**Per Certificate Entitlement**" means the per Certificate entitlement to the underlying Specified Cryptocurrency or Specified Cryptocurrencies specified in the Final Terms (the "**Initial Per Certificate Entitlement**") which is thereafter reduced by the Reduction Percentage.

Expenses chargeable to Certificateholders

The Cash Amount payable or the Delivery Amount deliverable, as applicable, in respect of any redemption is calculated net of all expenses, fees and charges incurred or to be incurred in connection therewith.

From time to time, in respect of Certificates of any particular Series, a portion of the Underlying Cryptoassets equal to the aggregate of the daily amounts by which the Per Certificate Entitlement to such Underlying Cryptoassets has been reduced by the Reduction Percentage over the relevant period (the "**Combined Fees**" for such Series) will be withdrawn from the relevant Depositary Wallet and sold by the Execution Agent on behalf of the Issuer and the proceeds thereof, in the normal course, paid to the Issuer Adviser in consideration for its services as Issuer Adviser and also its agreement to pay the fees and expenses due to the other service providers in connection with the Programme (but not including any indemnities granted in favour of the other service providers).

"**Reduction Percentage**" means the percentage rate specified in the Final Terms by which the Initial Per Certificate Entitlement will reduce on a daily basis on the assumption that the daily rate will be the per annum rate divided by 365 and applied accordingly. The Reduction Percentage may be lowered from time to time by the Issuer on the advice of the Issuer Adviser. Any change to the Reduction Percentage shall be notified to the Certificateholders in accordance with Condition 20.

Withholding Tax

All payments in respect of Certificates will be made free and clear of withholding taxes of the Issuer's jurisdiction, unless the withholding is required by law. In that event, the Issuer, the Trustee, the paying agent(s) or any other agent of the Issuer (as the case may be) shall make such payments after such tax deduction and shall account to the relevant authorities for the amount so withheld or deducted.

Neither the Issuer, the Trustee, the paying agent(s) nor any other agent of the Issuer will be obliged to pay any additional amounts to the Certificateholders as a result of any such tax deduction.

Governing law

The Account Bank Agreement will be governed by the laws of the state of New York. The Administration Agreement will be governed by Irish law. All other transaction documents relating to the Programme will be governed by English law.

Issue Specific Summary

An issue-specific summary prepared in accordance with Article 8 of the Prospectus Regulation will be appended to the Final Terms for each Tranche of Certificates (each an "**Issue Specific Summary**").

RISK FACTORS

The factors described below represent the material and specific risks inherent in investing in the Certificates. The risk factors can be divided into the following categories 1 to 4 (each a **Risk Category**):

1. Risks relating to the Underlying Cryptoassets (Risk Category 1)
2. Risks related to the Certificates (Risk Category 2)
3. Risk related to the Issuer (Risk Category 3)
4. Risks related to conflicts of interest (Risk Category 4)

In each section setting out the risks of a Risk Category, the two most material risk factors are specified first in such section. The risks set out after the most material risks are not further ranked by the Issuer in accordance with their respective degree of materiality. The Issuer has determined the materiality of each risk set out in this section based on the probability of its realisation and the potential magnitude of its negative impact. Each of the risks described herein may occur individually or together with other risks. Where several risks occur concurrently, they may magnify the negative impact of the relevant risks.

1. Risks related to the Underlying Cryptoassets

The two most material risks in this Risk Category 1 (*Risks related to the Underlying Cryptoassets*) are the risks set out under 1.1. (*Risk of adverse price movements in relation to the Underlying Cryptoassets*) and 1.2. (*Political risk in the markets for Cryptocurrencies*). The risks set out after the most material risk or risks are not further ranked by the Issuer in accordance with their respective degree of materiality.

1.1 Risk of adverse price movements in relation to the Underlying Cryptoassets

The Certificates are securities which on redemption entitle holders that are Authorised Participants to receive a transfer of the relevant amount of Underlying Cryptoassets. Each Series of Certificates therefore carries risks linked to the value of the Underlying Cryptoassets relating to that Series in the same way that a direct investment in such Underlying Cryptoassets would, and investors should be aware that substantially all of their investment may be lost. The Certificates are not capital protected, for example through a deposit guarantee or protection scheme, and there is therefore a risk of partial or complete loss of investment. As at the date of this base prospectus, all Certificates in issue are linked to Bitcoin, but in future the Issuer may issue Series of Certificates linked to other cryptocurrencies.

The value of the Certificates of a particular Series will be affected by movements in the price of the Underlying Cryptoassets relating to such Series. The price of Bitcoin, and other cryptocurrencies, can fluctuate widely and may be affected by factors beyond the Issuer's control including:

- *Global or regional political conditions and economic, financial and political, regulatory or judicial events* - global or regional political conditions and economic, financial and political, regulatory or judicial events can affect markets generally and may affect the price of the Bitcoin and/or any other cryptocurrency relating to a Series;
- *Regulatory events or statements by the regulators* - there is lack of consensus regarding the regulation of cryptocurrencies, including Bitcoin, and uncertainty regarding their legal and tax status. Regulation of cryptocurrencies continues to evolve across different jurisdictions worldwide. During the validity period of this Base Prospectus, Regulation (EU) 2023/1114 on markets in cryptoassets, and amending Regulations (EU) No 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937 ("MiCA") are expected to come into force in the EU, though the extent of the effect of MiCA will not be known until after the publication of this Base Prospectus. However, any change in regulation in any particular jurisdiction may impact the supply and demand in that

specific jurisdiction and other jurisdictions due to the global network of exchanges for cryptocurrencies, as well as composite prices used to calculate the underlying value of such cryptocurrencies (if any), as the data sources span multiple jurisdictions. See also "*Political risk in the markets for cryptocurrencies*".

- *Investment trading, hedging or other activities by a wide range of market participants which may impact the pricing, supply and demand for cryptocurrencies* - markets for cryptocurrencies are local, national and international and include a broadening range of products and participants. Significant trading may occur on any system and platform, or in any region, with subsequent impacts on other systems, platforms and regions.
- *Forks in underlying protocols* - Bitcoin (as with many other cryptocurrencies) is an open source project. As a result, any individual can propose refinements or improvements to a network's source code through one or more software upgrades that could alter the protocols governing the Bitcoin network and the properties of Bitcoin. When a modification is proposed and a majority of users and miners consent to the modification, the change is implemented and the network remains uninterrupted. However, if less than a majority of the users and miners consent to the proposed modification, the consequence could become what is known as a "fork" (i.e. a "split") of the network (and the blockchain), with one part running the pre-modified software and the other running modified software. The effect of such a fork would be the existence of two versions of the network running in parallel, and the creation of a new digital asset which lacks interchangeability with its predecessor. Additionally, a fork could be introduced by an unintentional, unanticipated software flaw in multiple versions of otherwise compatible software users run. The circumstances of each fork are unique, and their relative significance varies. It is not possible to predict with accuracy the impact that any anticipated fork could have in terms of pricing, valuation and market disruption. Newly-forked assets in particular may have less liquidity than more established assets, resulting in greater risk. See also below "*Split of the Bitcoin chain*".
- *Disruptions to the infrastructure or means by which Bitcoin (or other cryptocurrencies, as the case may be) is produced, distributed and stored, which are capable of causing substantial price movements in a short period of time* - Bitcoin infrastructure operators or 'miners' who use computers to solve mathematical problems to verify transactions are rewarded for these efforts by increased Bitcoin supply. Other cryptocurrencies may make use of similar or equivalent mechanics. The computers that make up the infrastructure supporting Bitcoin are decentralised and belong to a combination of individuals and large corporations. Should a significant subset of this pool choose to discontinue operations, pricing, liquidity and the ability to transact in Bitcoin could be limited. As Bitcoin is designed to have a finite supply pool of approximately 21 million Bitcoin, this finite supply pool will eventually be fully mined at some point in the future. This makes mining unsustainable since block rewards would no longer be available to miners, thereby leading to a reduction in the number of miners. This may trigger the collapse of the network as no miners would want to validate blocks without any economic incentive. Also, as block rewards decrease at a rate that was built into the network at its inception (as a consequence of the finite supply pool), the economic incentives for miners of Bitcoin may not be sufficient to match their costs of validating blocks, potentially leading to miners transitioning to other networks, in turn slowing transaction validation and usage. This can adversely impact the price of Bitcoin. Other critical infrastructure which may be adversely affected includes storage solutions, exchanges and custodians for Bitcoin. For example, the potential for instability of cryptocurrency exchanges and the closure or temporary shutdown of exchanges due to business failure or malware could impact the liquidity of, demand for, and supply of Bitcoin (and other cryptocurrencies). In addition, volatility in the pricing of Bitcoin leads to increased opportunities for speculation and arbitrage, which, in turn, contributes to price fluctuations.
- *Execution risk* – In connection with any cash redemption of the Certificates, the Execution

Agent has agreed to use reasonable efforts to sell the Underlying Cryptoassets with regard to achieving a price similar to the Reference Price. It may, however, be impossible to execute trades for Bitcoin against the Specified Currency at the Reference Price. In the event the Execution Agent is unable to achieve the Reference Price, Certificateholders will receive less than the Reference Price, and the Execution Agent will have no other liability to pay the difference to any of the Issuer, the Trustee or any Certificateholder.

Some or all of these factors may influence the price investors will receive if an investor sells or redeems Certificates. For example, investors may have to sell or redeem certain Certificates at a substantial loss if the market price or value of the Underlying Cryptoassets is at, below, or not sufficiently above the initial market price or value.

1.2 *Political risk in the markets for cryptocurrencies*

The legal status of Bitcoin, and many other cryptocurrencies, varies between different countries. The lack of consensus concerning the regulation of cryptocurrencies and how cryptocurrencies shall be handled tax wise causes insecurity regarding the legal status of cryptocurrencies. As cryptocurrencies are an unregulated asset class in many jurisdictions, there is a risk that politics and future regulations will affect the market for cryptocurrencies and companies operating in such market.

Exactly how politics and future regulations may affect the market is impossible to know or predict. However, future regulations and changes in the legal status of cryptocurrencies are political risks which may affect the price of cryptocurrencies. If the Issuer fails to comply with potential future regulations, this may lead to the Issuer incurring losses and it may also have an adverse impact on the Issuer's ability to carry out its business and on its ability to perform its obligations in respect of the Certificates.

1.3 *Valuation of cryptocurrencies*

The market value of Bitcoin, and many other cryptocurrencies, is not related to any specific company, government or asset. The valuation of these assets depends on future expectations for the value of the network, number of transactions and the overall usage of the asset. This means that a significant amount of the value in Bitcoin, and many other cryptocurrencies, is speculative and could lead to increased volatility. Investors could experience significant gains, losses and/or volatility depending on the valuation of Bitcoin, and any other linked cryptocurrencies, through the exposure to Certificates. Due to the speculative nature of an investment in cryptocurrencies, the prices of cryptocurrencies may fluctuate for any reason and such fluctuations may not be predictable.

Momentum pricing of Bitcoin has previously resulted, and may continue to result, in speculation regarding future appreciation or depreciation in the value of such assets, further contributing to volatility and potentially inflating prices at any given time. As a result, pricing of Bitcoin may change due to shifting investor confidence in future outlook of the asset class. These dynamics may impact the value of an investment in the Certificates and the value of any receipt in respect of any Physical Settlement or Cash Settlement in relation to a redemption of the Certificates.

1.4 *Potential for market abuse*

Markets for Bitcoin, and many other cryptocurrencies, are growing rapidly. These markets are local, national and international and include a broadening range of products and participants. Significant trading may occur on systems and platforms and with minimum predictability. Any sudden, rapid change in demand and supply of Bitcoin, or other cryptocurrency, could cause significant price volatility. In addition, Bitcoin (in common with many other cryptocurrencies) is not backed by any central government and different regulatory standards apply across countries and in regions. The characteristics of Bitcoin and underlying infrastructure could be used by certain market participants to exploit market abuse opportunities such as front-running, spoofing, pump-and-dump and fraud across different systems, platforms or geographical locations. As a result of reduced oversight,

these schemes may be more prevalent in the crypto asset market than in the general market for financial products. Potential for market abuse in the form of such schemes may impact market conditions of Bitcoin (or other cryptocurrencies), thereby impacting the value of the relevant cryptocurrency linked to the Certificates and thereafter the value of an investment in the Certificates.

1.5 Split of the Bitcoin chain

The discussion below is focussed on Bitcoin since a number of so-called ‘hard forks’ have occurred in this protocol. However, the risks exist for almost all cryptocurrencies.

A group of developers known as ‘Core Developers’ are unofficially responsible for the periodic releases of updates to the Bitcoin Network’s source-code. Such updates are only effective if accepted by users, miners, wallets and bitcoin-based companies which collectively have a prescribed majority of the processing power on the Bitcoin Network at the relevant time. If not so accepted, a ‘fork’ in the Bitcoin Network will take place, with one network (and the coins associated with it) running the pre-modification source-code and the other network (and its associated coins) running the modified source-code. Indeed, multiple ‘forks’ can occur simultaneously. Holders of Bitcoin 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 Bitcoin community as being (the true or real) ‘Bitcoin’ 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 cumulative proof of work which each coin has subsequent to the fork.

‘Forks’ within the Bitcoin Network are not an uncommon occurrence and notice of a forthcoming fork is typically commonly obtained well in advance. The circumstances of each fork are unique and their relative significance varies. It is possible that a particular fork may result in a significant disruption to the underlying asset and, potentially, may result in a market disruption event should pricing become problematic following the fork. It is not possible to predict, with accuracy, the impact which any anticipated fork could have or for how long any resulting disruption may exist.

There is a distinction to be drawn between ‘hard forks’ and ‘soft forks’. A ‘soft fork’ is a backwards-compatible, temporary, split in the blockchain that occurs when rules are implemented to adjust wallet software. The original blockchain contains blocks from non-upgraded nodes but will also accept blocks generated by upgraded nodes. The new (‘forked’) blockchain contains blocks only from upgraded nodes. Whether the new blockchain survives is determined by whether the upgraded nodes reach a clear majority. If that is achieved, the new software rules for wallets are implemented across the entire Bitcoin Network (the original and new blockchains). Any non-upgraded nodes on the original blockchain will be re-hashing invalid information, generating and gaining nothing. The upgraded nodes are thereafter recognized as the strongest (truest) chain of events.

In contrast, a ‘hard fork’ involves a change in a software rule, which is not backwards-compatible, and which results in a permanent diversion in the blockchain from the moment when such new rules are implemented. Following a ‘hard fork’, both the original and new (‘forked’) blockchains run in parallel to each other, each following a different set of software rules and code. Consequently, users on one chain will not be able to transfer its coins to the other chain. A hard fork can either increase value or decrease value. A hard fork can potentially cause changes to the adoption, use or confidence in the underlying protocol and should such a loss of confidence in the underlying protocol occur, the value of the associated digital currency will decrease, which in turn would affect the value of any Certificates relating to that digital currency.

Furthermore a fork which results in the creation of a new coin presents a number of operational difficulties. A provider of custodian services may not have the IT-infrastructure to cater for the new coin and its particular characteristics. Indeed, “wallets” may also not have the requisite software in order to receive the new coin. The new coin(s) may not readily be sellable (indeed, providers of

custodial services have often been keen to either not release the new coin or to do so only at certain, perhaps a single, moments, in order to protect the security of their custodial systems). If and when a sale does become possible, the degree of market activity at that time in the relevant new coin can have a significant suppressant effect upon its price.

Price discovery in respect of the coins which result from a fork is not typically problematic but there may be an impact upon the Issuer's creation and redemption processes (specifically, the timescales involved in connection therewith for transactions which have not yet settled, including transactions that have already been initiated) as a consequence of the foregoing operational considerations. Furthermore, there is no obligation on the Custodian to support any post-fork path in respect of any Underlying Cryptoasset, and the Custodian has the right to terminate its services in respect of any non-supported fork.

Furthermore, there can be no assurance that the new protocol or coin will have adoption or use or have any value assigned to it by investors.

1.6 *Airdrops*

An airdrop occurs when the issuer of a new cryptocurrency declares to the holder of another specified cryptocurrency that they will be entitled to claim for free a quantity of the new cryptocurrency because they are holding the specified cryptocurrency. If an airdrop occurs which is intended to benefit holders of an Underlying Cryptoasset, then the ability of a holder of Certificates relating to such Underlying Cryptoasset to participate in the airdrop will depend on the support of the Custodian. There is no obligation on the Custodian to support any airdrop or hold the airdropped digital asset and so there is no certainty that holders of Certificates will be able to obtain any airdropped digital assets or realise any value from them. As a consequence, Certificateholders may not benefit from airdrops and therefore the return on the Certificates may not reflect the return if the investor had actually owned the relevant Underlying Cryptoassets and held such investment for a similar period.

1.7 *Exchange rate risks and failure of crypto-exchange platforms*

Certificateholders who are Authorised Participants may redeem their Certificates through Physical Settlement by the transfer of the relevant Delivery Amount of the relevant Underlying Cryptoasset to their Digital Wallet. If the Certificateholder intends to exchange the relevant cryptocurrency or cryptocurrencies into fiat currencies, such as Bitcoin into USD or EUR, there is a risk of insufficient liquidity in the market. It is not possible to predict whether a market for the relevant cryptocurrency or cryptocurrencies will exist and whether such market will be liquid or illiquid and how cryptocurrencies can be traded in such market. Among other things, this can lead to very volatile exchange rates. With the change from cryptocurrency into fiat currency – such as USD or EUR – the Certificateholder may incur transaction costs and fees. The Certificateholder also bears the risk that no such change is possible at all and that no market is available for this purpose.

The historical market price of a cryptocurrency, including Bitcoin, or its exchange rate is not an indicator of its future development. It is not possible to predict whether the market price of a cryptocurrency will rise in relation to another currency or fall. As a consequence, the market price of the Certificates might develop differently than anticipated by Certificateholders.

1.8 *Transactions in cryptocurrencies may be misused for criminal activities, including money laundering*

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

1.9 Development of the Bitcoin protocol

The Bitcoin protocol (the "**Protocol**") is publicly available and under development. Further development and acceptance of the Protocol is dependent on a number of factors. The development of the Protocol may be prevented or delayed, should disagreements between participants, developers and members of the network arise. New and improved versions of the source code are accepted if the majority of members of the network implement relevant changes in their nodes, meaning upgrading their software to the latest version of the 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 Bitcoin's scalability may be restrained. Should the development of the Protocol be prevented or delayed, this may adversely affect the value of Bitcoin. Further, as the structure of the Protocol is public, any kind of direct compensation for the developers of the Protocol is missing, which could lead to decreased incentives for continuous development of the Protocol. Should the Protocol not develop further, the value of Bitcoin will decrease, which in turn would affect the value of any Certificates linked to Bitcoin.

1.10 Technical risks related to Bitcoin including 51 percent attacks

Bitcoin miners earn ("mine") Bitcoin by confirming transactions and reaching consensus, and a predefined number of Bitcoin is distributed between the miners proportional to their utilised computing ("hashing") power. The results of the reached consensus defined by the Protocol is the public ledger known as the blockchain. If an attacker succeeds in providing more than 50 percent of the blockchain miners computing power in a so-called "51 percent attack", it can manipulate what is designed (by the Protocol) to be a blockchain version reached by consensus to a certain extent (in particular, such an attacker will be able to 'roll back' or exclude valid transactions from the blockchain). Such an attack, in particular, enables perpetrators to 'double-spend' Bitcoin by a way of exchanging some pre-existing Bitcoin for some other value (either other Bitcoin, other cryptocurrency or fiat currency), and then rolling-back the transaction where such perpetrators surrender their Bitcoin without rolling back the transactions (if any) where they receive any value in exchange for their Bitcoin. Such an attack is in principle also possible with less than 51 percent of the mining power. The attacker could also block others' transactions by denying them confirmation. The value of Bitcoin as well as the investment in the Certificates would be negatively affected by such attacks, and the Issuer can become insolvent with some or total loss of value for the Certificateholders if it becomes a victim of a 'double-spending' attack, where a fraudulent party will subscribe to the Certificates using Bitcoin, but then roll-back the transaction which deposits Bitcoin to the Depositary Wallet. Similar concerns may also apply to other cryptocurrencies to which the Certificates may be linked.

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

1.11 Bugs in the Protocol

The source code of Bitcoin is public and may be downloaded and viewed by anyone. There may be one or more bugs in the code which are yet to be found and repaired, or which will occur in the development of the Protocol, which may jeopardize the integrity and security of the Bitcoin network. Similar concerns may also apply to other cryptocurrencies to which the Certificates may be linked. These dynamics may impact the value of an investment in the Certificates and the value of any receipt following any Physical Settlement or Cash Settlement in relation to the Certificates.

1.12 **Internet disruptions**

The functionality of crypto asset networks such as the Bitcoin network (and the network of many other cryptocurrencies) relies on the internet. A significant disruption of internet connectivity (i.e. affecting a large number of users or geographic regions) could prevent the functionality and operations of such network until the internet disruption is resolved. An internet disruption could adversely affect an investment in the Certificates and the ability of the Issuer to operate.

1.13 **Risk of losing cryptocurrency in a Digital Wallet due to fraud, accident or similar**

In order for Certificateholders who are Authorised Participants to receive the relevant Delivery Amount of the Underlying Cryptoassets in connection with the redemption of Certificates through Physical Settlement, they will need to have their own digital cryptocurrency wallet (a "**Digital Wallet**"). Certificateholders receiving cryptocurrency as a result of a redemption of the Certificates should be aware of the risk of losing that cryptocurrency when they hold or deposit that cryptocurrency in a Digital Wallet. Digital Wallets have a public key, and a private key or password that allows their owners to access them. However, Digital Wallets are not impervious to hacking. Similar to conventional wallets, money may therefore be stolen from Digital Wallets. Cases have been reported of consumers losing cryptocurrency in excess of 1 (one) million USD, with little prospect of having it returned. In addition, loss of the key or password to a Digital Wallet (which includes unauthorised copy of the key or the password or part of it), may result in cryptocurrency stored on the Digital Wallet being lost forever. There are no central agencies that record passwords or issue replacement ones. The Certificateholders may lose all, or part, of their cryptocurrency as a result of these factors.

1.14 **Hacks of Digital Wallets**

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

- While the Custodian takes significant measures to prevent a hack of the Depositary Wallet including private key stores with independently certificated capability and conducting multiple rounds of independent ethical hacking activities to validate the security, it is not possible to entirely exclude this risk. In addition, the Custody Agreement only requires the Custodian to meet a certain standard of care in the provision of its services, and the Custodian also benefits from certain limitations on its liability which are likely to limit the recourse of the Issuer against the Custodian in circumstances where a hack of a Depositary Wallet results in the loss of Underlying Cryptoassets. For further detail, see the description of the Custody Agreement in the "*Overview of the Transaction Documents*" section. A hack of a Depositary Wallet could result in the loss of the main body of the Underlying Cryptoassets backing one or more Series of Certificates. Such a hack could thus result in a loss of value of the Certificates for all the Certificateholders of the affected Series. Certificateholders of the affected Series would risk losing their entire investment.
- A hack of a Certificateholder's Digital Wallet into which the redemption proceeds of the Certificates of a particular Certificateholder are transferred, would only result in a loss of value for that particular Certificateholder. Such a hack would not affect the position of other Certificateholders. In this respect, please also refer to "*Risk of losing Bitcoin in a Digital Wallet due to fraud, accident or similar*".

1.15 *Competition between Cryptocurrencies*

Different cryptocurrencies compete with each other. If other cryptocurrencies see more innovation to reach competitive advantages, the importance of the Underlying Cryptoassets linked to a particular Series of Certificates may be reduced which will decrease the value of those Underlying Cryptoassets and the Certificates.

1.16 *Large-scale sales of Bitcoin*

Political or economic events, either domestically or in foreign jurisdictions, may motivate large-scale purchases or sales of Bitcoin. Large-scale sales of Bitcoin may result in a decline in the price of Bitcoin, which will adversely affect an investment in Certificates linked to Bitcoin.

There are some substantial holdings of Bitcoin on publicly-known digital wallets which have not been involved in transactions on the network for a substantial period of time. Market consensus is that the owners of such digital wallets have lost access to them and / or to corresponding private keys. Thus, market consensus is that Bitcoin "locked" in such digital wallets is effectively excluded from circulation. In the event that Bitcoin holdings deemed locked up forever enter circulation, it might severely affect the price of Bitcoin by increasing the supply. Additionally, even if such Bitcoin holdings are not actually sold, any indication that corresponding private keys are not lost (by any means, including but not limited to registering any transaction signed by needed keys, no matter how small and not even necessarily on the Bitcoin blockchain), market expectations with regard to total Bitcoin supply can change dramatically and it can negatively affect the price of Bitcoin, which will adversely affect an investment in Certificates linked to Bitcoin.

1.17 *Actions by early Bitcoin adopters*

There is no registry showing which individuals or entities own Bitcoin or the quantity of Bitcoin owned by any particular person or entity. It is possible, and in fact, reasonably likely, that a small group of early Bitcoin adopters hold a significant portion of Bitcoin that have been created ("mined") so far. There are no regulations in place that would prevent a large holder of Bitcoin from selling his Bitcoin. Such a sale of Bitcoin may adversely affect the price of Bitcoin and an investment in Certificates linked to Bitcoin.

1.18 *Potential decline in the adoption of Bitcoin and cryptocurrencies*

As with all new assets and technological innovation, the cryptocurrency industry is subject to a high degree of uncertainty. Further adoption of Bitcoin in particular will require (i) growth in its acceptance as currency for payments and/or (ii) growth in the use of blockchain applications based on Bitcoin. Adoption of cryptocurrencies such as Bitcoin also requires an accommodating regulatory environment. The Issuer does not, and will not have any strategy related to the development of Bitcoin and any applications for the Bitcoin blockchain. Lack of expansion in the usage of Bitcoin and Bitcoin blockchain could adversely affect the price of Bitcoin and an investment in Certificates linked to Bitcoin.

In addition, there is no assurance that Bitcoin will maintain its value over the long term (see also "*Valuation of cryptocurrencies*"). The value of Bitcoin is subject to risks related to its usage. Even if growth in the usage and/or acceptance of cryptocurrencies such as Bitcoin occurs in the near or medium-term, there is no assurance that cryptocurrency usage will continue to grow over the long-term. Contraction in the use of cryptocurrencies may result in increased volatility or a reduction in the price of cryptocurrencies, including Bitcoin, which would adversely impact the value of the Certificates.

Additionally, it is possible that cryptocurrencies as an asset class are widely adopted and successful, but Bitcoin (or another cryptocurrency to which a Series is linked) in particular becomes obsolete and is replaced by a new generation of cryptocurrencies, this could negatively affect the relevant cryptocurrency and consequently the price of the Certificates linked to it.

1.19 *Transaction costs may vary depending on network load*

Charges apply when transferring Bitcoin in connection with any redemption of the Certificates where either Physical Settlement or Cash Settlement applies, and similar charges may also apply to other cryptocurrencies. In relation to Bitcoin specifically, the amount of fees required to maximise the chances of a reasonably fast confirmation of the transaction does not depend on the value of the Bitcoin transferred. The transferring participant can determine the transaction fees he is willing to pay himself. The higher this value is, the faster the transaction will be confirmed. When miners form new blocks, they are economically incentivised to select those transactions from the pool of unconfirmed transactions (known as the "**Mempool**") that have the highest transaction fee. Such selection is necessary because the number of transactions which can be included in any particular block is limited by the Bitcoin protocol specification. The transaction costs required to be paid in order to maximize the chances of timely processing of any transaction, are thus not constant over time, but depend on the size of the Mempools and on the proposed fees of transactions posted by other participants. Furthermore, miners may collude in an anticompetitive manner in order to reject low transaction fees, forcing users to pay higher transaction fees. Due to the reasons outlined above, the level of transaction fees required to maximise the chances of prompt transfer instruction processing, as well as the actual timing of any transaction is therefore unpredictable and Certificateholders might receive the Delivery Amount or the Cash Amount (as the case may be) later than anticipated, or in extreme cases, not receive at all.

1.20 *Tracking Error and Liquidity Risk*

At any time, the price at which the Certificates of any Series trade on any exchange to which they may be admitted from time to time may not reflect accurately the price of the Underlying Cryptoassets represented by such Series of Certificates. Investors should be aware that the market value of the Certificates does not exclusively depend on the prevailing price of the relevant Underlying Cryptoassets and changes in the prevailing price of the Underlying Cryptoassets may not necessarily result in a comparable change in the market value of the Certificates. The performance of the Certificates may differ significantly from direct holdings of the Underlying Cryptoassets as a result of fees and charges, in addition to the negative effect of any other risks described herein. The return on the Certificates may not reflect the return if the investor had actually owned the relevant Underlying Cryptoassets and held such investment for a similar period.

1.21 *Risks relating to sale of Underlying Cryptoassets in connection with any Cash Settlement*

In circumstances where Certificates are to be redeemed in cash, the Execution Agent will act as the Issuer's agent in relation to the sale of the Underlying Cryptoassets in exchange for the Specified Currency. In relation to any such sale, the Execution Agent has agreed to use reasonable efforts to sell the relevant Underlying Cryptoassets with regard to achieving the Reference Price (as defined in the Conditions of the Certificates). It may, however, be impossible to execute trades against the Specified Currency at the Reference Price. In the event the Execution Agent is unable to achieve the Reference Price, Certificateholders will receive less than the Reference Price, and the Execution Agent will have no other liability to pay the difference to any of the Issuer, the Trustee or any Certificateholder.

In addition, the Execution Agent is not a bank and, if it loses any cash or Underlying Cryptoassets in a connection with any Cash Settlement for any reason (including in the case of its insolvency), there is no specific legal protection, for example through a deposit guarantee scheme, that would cover the Issuer for losses arising from any such loss of cash or Underlying Cryptoassets.

1.22 *Risk in connection with a Physical Settlement or a Cash Settlement*

Where Physical Settlement applies in connection with any redemption of the Certificates, the Administrator will instruct the Custodian on behalf of the Issuer to effect a transfer of the Underlying Cryptoassets of the Certificates being redeemed to the Certificateholders.

In addition, where Cash Settlement applies in connection with any redemption of the Certificates,

the Administrator will instruct the Custodian on behalf of the Issuer to effect a transfer of the Underlying Cryptoassets of the Certificates being redeemed to the Execution Agent, for the purpose of the onward sale of the Underlying Cryptoassets by the Execution Agent in exchange for the Specified Currency.

In either case, there may be circumstances in which a Custodian fails to effect such a transfer at all, or fails to effect such a transfer in accordance with such instructions. In particular, but without limitation, under the terms of the Custody Agreement the Custodian is entitled to suspend or limit its services in circumstances including a network outage or a failure, outage, hack or other malfunction of a relevant cryptocurrency or its underlying protocol. Such transfers are also subject to the Custodian's policies and procedures which stipulate the eligible counterparties for these transfers. If the receiving counterparty for a transfer does not meet the requirements in the Custodian's policies and procedures, it will not be effected. Failure to effect such a transfer may result in the Certificateholder losing some or all of its investment. In addition, the Custody Agreement only requires the Custodian to meet a certain standard of care in the provision of its services, and also contains certain limitations on the liability of the Custodian which may serve to limit the recourse of the Issuer against the Custodian in circumstances where the Issuer suffers a loss as a result of the Custodian non-performance. For further information, see the description of the Custody Agreement in the "Overview of the Transaction Documents" section.

1.23 *Storage risk in relation to Underlying Cryptoassets*

Cryptocurrencies reside on the public blockchain in a distributed ledger, which means it is not held by a central authority at a single location, but rather distributed among a network of users. The ledger in public blockchains is transparent and available for everyone to view how many coins are available to spend from each address in the blockchain. However, to spend the coins from a particular address and transfer them to another address requires the use of a private key. Securing the private keys that enable assets to be transferred is therefore crucial to safeguarding the assets. Physical storage of blockchain private keys in paper or electronic form, where the keys are generated from an offline system, is a popular solution. Investors who independently store private keys directly in this way risk losing access to their digital assets. This could be either through forgetting encryption passwords to access keys or losing the recovery seed to hardware wallets. Alternatively, investors may underestimate the requirement to ensure effective backups of keys, risking the loss of their investments if the medium used to physically store the private keys was to fail, rendering the digital assets inaccessible and incapable of being realised. Instances of investors losing access to digital assets may adversely affect levels of adoption and use of digital assets, as well as investor sentiment towards them. This could adversely affect the price of cryptocurrencies and consequently the value of an investment in the Certificates.

The Issuer will partner with the Custodian to minimise the risk of loss of assets. Institutional custodian solutions may vary in their specific security implementation and process. However, they often will offer high security values for safekeeping of private keys with elaborate security protocols surrounding access to the secure enclave in which the private keys are stored and withdrawals from addresses associated with the private keys stored or encrypted in the secure enclave. Such arrangements offer high levels of security by comparison to other ways of holding cryptocurrencies. However, there is no assurance that these arrangements fully protect from loss of assets. Furthermore, such elaborate security protocols often introduce intentional friction and delays to accessing assets, which means that in some instances assets may not be accessible and their value may not be realisable immediately, which may result in a loss in cases where the prices of the relevant cryptocurrencies moves adversely. The jurisdiction or geography in which private keys are stored by the custodian firm, in case they are stored physically or on paper, may also affect the ability to withdraw assets in instances where regulation changes.

Use of a custodian may result in the Issuer not being able to access the Underlying Cryptoassets for a period of time (or possibly indefinitely) should the custodian enter into an insolvency procedure or experience any kind of systematic failure relating to technology, process or people. In addition, the Custody Agreement only requires the Custodian to meet a certain standard of care in the provision of its services, and also contains certain limitations on the liability of the Custodian which

may serve to limit the recourse of the Issuer against the Custodian in circumstances where the Issuer suffers a loss as a result of any failure relating to the Custodian. For further information, see the description of the Custody Agreement in the "Overview of the Transaction Documents" section.

1.24 Risk of late settlement

Owing to the security measures associated with storing cryptocurrencies, large redemptions can result in longer than standard settlement periods. The delay in the redemption process can lead to settlement delays in the secondary market. This increases that the risk that the price of Certificates at the time the decision is taken to redeem them differs the price at the time the related Underlying Asset is delivered to the redeeming Certificateholder or, as applicable, the proceeds from its sale transferred to it.

1.25 Irreversible Transactions

Transactions within the blockchain are generally irreversible. Any errors in the transfer of assets may not be recoverable and may cause a partial or total loss to investors. This is a consequence of the distributed nature of blockchains and the lack of a central authority in many blockchains where investors do not have recourse to raise and resolve transaction disputes.

2. Risks related to the Certificates

The two most material risks in this Risk Category 2 (*Risks related to the Certificates*) are the risks set out under 2.1 (*There may not be an active trading market for the Certificates*) and 2.2. (*Certificateholders will be exposed to, amongst other risks, the credit and operational risk of the Issuer, the Custodian, the Administrator, the Account Bank, the Execution Agent, the ICSD Paying Agent, the Certificates Settlement Agent, the Issuer Adviser and other service providers*). The risks set out after the most material risk or risks are not further ranked by the Issuer in accordance with their respective degree of materiality.

2.1 There may not be an active trading market for the Certificates

If Certificates are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon the market for similar securities and general economic conditions. The market for trading of Certificates of one Series may differ from the market, if any, of any other Series of Certificates and the performance of one Series of Certificates may not be indicative of how any other Series of Certificates will perform.

Although the Issuer intends to obtain admission of the Certificates to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange, there is no assurance that such application will be accepted or that an active trading market will develop. Once listed, it is not assured that the Certificates will remain listed and the trading of the Certificates on the relevant regulated market may be suspended. Accordingly, there is no assurance as to the development or liquidity of any trading market for any Series of Certificates. Any change to the listing requirements, the regulation of the Certificates, or acceptance of cryptocurrencies as underlying assets could adversely impact the Issuer, the value of the Certificates and investors in the Certificates.

Even if a market develops, no specific level of liquidity can be assured, or it may be discontinued at any time. Therefore, investors may not be able to sell their Certificates easily or at prices that will provide them with a yield or return comparable to similar investments that have a developed secondary market or if they had invested in the Underlying Cryptoassets directly. The Certificates are especially sensitive to currency and market risks and are designed for specific investment objectives or strategies. The Certificates will generally have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Certificates and the price at which the Certificates will be traded may not reflect the price of the Underlying Cryptoassets represented by such Certificates.

If one or more regulated markets decide that the Certificates no longer should be so admitted to trading, regardless of whether this is due to circumstances assignable to the Issuer, the Certificates,

the Underlying Cryptoassets, and the Authorised Participants, a change to regulation 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 likely worsen the liquidity, disposal opportunities and the market value for the Certificates and thus create risks of losses for investors.

2.2 *Certificateholders will be exposed to, amongst other risks, the credit and operational risk of the Issuer, the Custodian, the Administrator, the Account Bank, the Execution Agent, the ICSD Paying Agent, the Certificates Settlement Agent, the Issuer Adviser and other service providers*

The Certificates of each Series constitute secured, limited recourse obligations of the Issuer and of no other person. The ability of the Issuer to meet its obligations under the Certificates of a Series and the Transaction Documents relating thereto will be dependent, where applicable, upon the Custodian, the Administrator, the Account Bank, the Execution Agent, the ICSD Paying Agent, the Certificates Settlement Agent, the Issuer Adviser and any other service providers to the Issuer in respect of the Certificates making the relevant payments and/or deliveries to, or on behalf of, the Issuer and upon all parties to the Transaction Documents (other than the Issuer) performing their respective obligations thereunder.

Furthermore, the EU Bank Recovery and Resolution Directive (2014/59/EU) (collectively with secondary and implementing EU rules, and national implementing legislation, the "**BRRD**") equips national authorities in EU Member States (the "**Resolution Authorities**") to intervene in the failure of credit institutions and significant investment firms (collectively, "**relevant institutions**"). In particular, liabilities of relevant institutions arising out of the Transaction Documents not otherwise subject to an exception, could be subject to the exercise of "bail-in" powers of the relevant Resolution Authorities. If the relevant Resolution Authority decides to "bail-in" the liabilities of a relevant institution, then subject to certain exceptions set out in the BRRD, the liabilities of such relevant institution could, among other things, be reduced, converted or extinguished in full. As a result, the Issuer and ultimately the Certificateholders may not be able to recover claims owed by such an entity to the Issuer. In addition, a relevant Resolution Authority may exercise its discretions in a manner that produces different outcomes amongst institutions resolved in different EU Member States.

2.3 *Risk of delay and suspensions in relation to redemptions at the option of Certificateholders prior to the Final Maturity Date*

The Conditions of the Certificates contain provisions allowing for Certificateholder which is an Authorised Participant to request the redemption of such Certificate(s) prior to their Final Maturity Date in accordance with the Conditions. In connection with any Physical Settlement, there is a minimum time lag of one Business Day following such a request until the Delivery Amount is due to be delivered to the Digital Wallet designated by such holder. However, such delay could be significantly longer, particularly in the case of a delay arising from the existence of a Market Disruption Event or a Settlement Disruption Event at any relevant time. Furthermore, a Certificateholder which is not also an Authorised Participant may only redeem its Certificates if the Issuer has notified the Certificateholders that redemption requests from Certificateholders which are not Authorised Participants will be permitted, which it may do at its discretion in cases such as market disruption, absence of a market maker or other circumstances making it impracticable or impossible for redemptions to be made through Authorised Participants. In those circumstances, a Certificateholder which is not an Authorised Participant may only require redemption by way of Cash Settlement.

In addition, Certificateholder Optional Redemptions in respect of a Series of Certificates shall be suspended: (i) from the occurrence of any event or events in respect of that Series of Certificates which may result in a Mandatory Redemption, for as long as such Mandatory Redemption may still occur; and (ii) from the occurrence of an Event of Default or a Potential Event of Default in respect of that Series of Certificates, for as long as such Event of Default or Potential Event of Default is continuing.

The amount of the Cash Amount or the Delivery Amount, as applicable, could decrease or increase from what it would have been but for such delay or suspension.

The failure to deliver any certifications or notices required by the Conditions could result in the loss or inability to receive payments or deliveries otherwise due under the Certificates.

Prospective investors should review the Conditions to ascertain how such provisions apply to the Certificates.

2.4 *Certificates may be redeemed at the option of the Issuer prior to the Final Maturity Date or as a result of a Mandatory Redemption, and acceleration may occur upon an Event of Default*

The Issuer may, at its option, redeem the Certificates of any Series in whole prior to their Final Maturity Date at any time, provided the relevant period of notice is given to the relevant Certificateholders in accordance with the Conditions.

On the occurrence of certain events set out in Condition 7.10 (*Mandatory Redemption*) (including, for example, certain tax events or the aggregate number of outstanding Certificates of that particular Series falling below a specified level), the Certificates of such Series will be redeemed in whole prior to their Final Maturity Date.

Following the occurrence of an Event of Default and the delivery of an Enforcement Notice by the Trustee in respect of any Series, the Certificates of such Series will be accelerated and the Security relating to such Series will become enforceable.

Redemption at the option of the Issuer, Mandatory Redemption or acceleration would occur irrespective of the then current price of the price of the Underlying Cryptoassets. Consequently, the affected Certificates may be redeemed or accelerated at a time when the value of the Underlying Cryptoassets is low, thus the amounts payable in respect of each relevant Certificate on such redemption may be low, and investors may suffer a substantial loss on their investment.

2.5 *The Per Certificate Entitlement to the Underlying Cryptoassets reduces on a daily basis*

From time to time in respect of Certificates of any particular Series, an amount of the Underlying Cryptoassets equal to the Combined Fees will be withdrawn from the relevant Depositary Wallet and sold by or on behalf of the Issuer and the proceeds thereof, in the normal course, paid to the Issuer Adviser in consideration for its services as Issuer Adviser in relation to that Series and also its agreement to pay to the Issuer or to its order, the fees and expenses due to the other service providers in respect of the Programme.

The accrual and payment of the Combined Fees will be reflected in the Per Certificate Entitlement for each cryptocurrency, which will reduce on a daily basis at the Reduction Percentage specified in the relevant Final Terms. Assuming a constant value of the relevant cryptocurrency from the date of issue of each Series of Certificates linked to such cryptocurrency the value of the Certificates of such Series would therefore gradually decline as the Per Certificate Entitlement to such cryptocurrency in respect of the Series declines. Therefore amounts payable to Certificateholders in respect of the Certificates may not be comparable to the yields which could be earned if Certificateholders had invested directly in the relevant cryptocurrency.

2.6 *Cost of trading the Certificates*

Investors buying or selling the Certificates in the secondary market will incur brokerage commissions or other charges. Brokerage commissions are often a fixed amount and may be a significant proportional cost for investors seeking to buy or sell relatively small amounts of Certificates. In addition, an investor trading the Certificates on a secondary market may not be able to sell the Certificates at the same or a higher price at which the Certificates were bought. The difference in bid and ask prices ("**bid/ask spread**") will vary from time to time based on trading volume and market liquidity. Bid/ask spread generally decreases if the Certificates have high

trading volume and market liquidity and increases if the Certificates have low trading volume, market liquidity and market volatility. Due to such trading costs and movements in bid/ask spread, investors intending to trade the Certificates frequently, or in relatively small amounts may incur significant trading costs and therefore impact the return on the investment in the Certificates.

2.7 Secondary market risk

The market prices in the secondary market will become both higher and lower than the rate to which investors have purchased their Certificates. The market prices in the secondary market may not accurately reflect the Reference Price or the price of the Underlying Cryptoassets. The bid/offer prices in the secondary market may thus become either higher or lower than the price at which the respective Underlying Cryptoassets trade. In the event that a Certificate trades at a significant premium or discount (i.e. +/- 2 per cent. or more for seven consecutive trading days) to the expected price for such Certificate based on prevailing market prices for the specified Underlying Cryptoassets, the Issuer will make disclosure of such premium or discount on its website (etf.invesco.com) and provide a discussion of the factors that are reasonably believed to have materially contributed to the premium or discount (as applicable). Although the price determination in the secondary market is based on established calculation models, it is dependent upon the underlying development of the market and the market's conception of the Issuer's credit status, the Certificates' probable remaining duration and the sales opportunities on the secondary market. In the light of the volatility which can be historically observed in the prices for the Underlying Cryptoassets, it is possible that the price determination of the Certificates in the secondary market will be very volatile.

2.8 Reference Price risk

Whilst Certificates are redeemed by the Issuer by transfer of the Delivery Amount (where Physical Settlement applies) or by payment of the Cash Amount (where Cash Settlement applies), a theoretical cash value in US Dollars may be attributed to the Certificates on a particular day using the Reference Price on that day. The Reference Price has a limited operating history and Certificateholders using the Reference Price as a way of valuing their Certificates may find that the Reference Price may among other things (i) not behave over time like it has historically (ii) be based on procedures and subject to regulation and oversight that may change significantly (iii) not be widely accepted (iv) not be a reliable indicator of the cash value of Underlying Cryptoassets in actual transactions of (v) otherwise prove unreliable. If the Reference Price proves unreliable, Certificateholders using the Reference Price to calculate the cash value of their Certificates may find that the cash value is negatively impacted and/or is not representative of the value that can be obtained for the Certificates in secondary market trading or on redemption in the limited circumstances where Cash Settlement may be applicable.

2.9 Certificateholders have no proprietary interest in the Underlying Cryptoassets

Certificateholders have no proprietary interest in the Underlying Cryptoassets and do not benefit from a direct or indirect security interest in the Underlying Cryptoassets. Excluded from the Security held by the Trustee the Issuer's proprietary interest in and to Underlying Cryptoassets themselves, including but not limited to any proprietary interest in and to the Underlying Cryptoassets, which are held on trust by the Custodian for the Issuer under the terms of the Custody Agreement. Certificateholders have no independent right to enforce or sell the Underlying Cryptoassets and must rely on the Trustee to do so through the assignment by way of security of the Issuer's contractual rights under the Custody Agreement only. Certificateholders may not receive amounts otherwise owed to them.

2.10 Security granted to secure the Certificates may be unenforceable or enforcement of the Security may be delayed.

The Security comprises, *inter alia*, an assignment by way of security of the Issuer's contractual rights under the Custody Agreement.

The Security arrangements may not be sufficient to protect the Certificateholders in the event of the Issuer's or the Custodian's bankruptcy or liquidation for various reasons. The Security may not provide effective recourse to the Underlying Cryptoassets, and the enforcement of the Security may be delayed. Certificateholders may therefore not or not in a timely manner receive amounts otherwise owed to them.

2.11 *Passive investment risk*

The Certificates cannot be considered as an actively managed investment and may be affected by a general decline in the value of the relevant Underlying Cryptocurrency (see also "*Risks related to the Underlying Cryptoassets*"). Neither the Issuer nor any other party will actively manage the Underlying Cryptocurrency or the Certificates. As a result, the Issuer will not take any action to attempt to reduce the risk of loss resulting from price decreases. As a result, Certificateholders bear the risk of a loss of part or all of their investment.

2.12 *Changes in regulation of cryptocurrencies*

The Certificates are linked to one or more cryptocurrencies. A potential investor has, therefore, to consider that the regulation of cryptocurrencies is subject to change. Therefore, it cannot be ruled out that the regulatory treatment of cryptocurrencies by national authorities and courts or international standard setting bodies could be subject to changes in the future. As a result of such changes, the purchase and/or direct or indirect investment in cryptocurrencies, including with respect to the Certificates may be prohibited or otherwise restricted. Furthermore, if an investment in cryptocurrencies is prohibited, Certificateholders may not redeem and receive cryptocurrencies pursuant to the Conditions. Moreover, changes in the regulation of cryptocurrencies, including with respect to the Certificates, may adversely impact the Issuer and the value of the Certificates. As a result, Certificateholders bear the risk of a loss of part or all of their investment.

2.13 *The Certificateholder is responsible for choosing an appropriate Digital Wallet (an inadequate or inappropriate Digital Wallet can lead to the loss of cryptocurrency).*

If Certificates are terminated or redeemed either by the Issuer or the Certificateholder pursuant to the Conditions and the Certificateholder is entitled to receive payment in the relevant cryptocurrency through Physical Settlement, the cryptocurrency must be transferred to the Certificateholder's Digital Wallet. If this transfer occurs to an inadequate or inappropriate Digital Wallet (which includes, but is not limited to, a Digital Wallet to which the Certificateholder does not have the corresponding private cryptographic key or keys, or which the Certificateholder cannot operate due to any other limitation, technical or otherwise), the Certificateholder will may not be able to access and dispose of the relevant cryptocurrency. For the Certificateholder, this means a total loss of his investment. The decision on choosing the correct compatible Digital Wallet lies solely with the Certificateholder. The Certificateholder is also entirely responsible for the secure storage of the private key of his Digital Wallet in order to receive and dispose of the relevant cryptocurrency. The loss or theft of the private key (which includes an unauthorised copy of all or part of the key or keys) can result in a total loss of all the assigned cryptocurrency within the Digital Wallet.

2.14 *Change of law*

The Account Bank Agreement will be governed by the laws of the state of New York. The Administration Agreement will be governed by Irish law. All other transaction documents relating to the Programme, including the Conditions of the Certificates and the terms of the Trust Deed, will be governed by English law. In each case, the documents are based on the relevant law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change of law or administrative practice after the date of this Base Prospectus.

Certificateholders may face detrimental changes in law which negatively impact their rights under the Certificates, which in turn may result in a Certificateholder's loss of the investment in the Certificates.

2.15 **Taxation**

Each Certificateholder will assume and be solely responsible for any and all taxes of any jurisdiction or governmental or regulatory authority, including, without limitation, any state or local taxes or other like assessment or charges that may be applicable to any payment to it in respect of the Certificates. In particular, the taxation of Bitcoin and associated companies can vary significantly by jurisdiction and is subject to significant revisions. The status of Bitcoin remains undefined.

Accordingly, the way in which Bitcoin is taxed varies from country to country. Before making a decision to invest in the Certificates, investors should consult their local tax advisor on matters of taxation. The Issuer will not pay any additional amounts to Certificateholders to reimburse them for any tax, assessment or charge required to be withheld or deducted from payments in respect of the Certificates by the Issuer or any Paying Agent or any other person or suffered by the Issuer in respect of the Underlying Cryptoassets or any disposal thereof or any tax, assessment or charge suffered by the Issuer. This Base Prospectus is not intended to provide the basis of any evaluation of the taxation issues relevant to an investment in the Certificates. No information in relation to taxation is provided by the Issuer in this Base Prospectus. Each prospective investor must consider any relevant taxation matters based on its own independent review and such professional advice as it deems appropriate.

3. **Risks related to the Issuer**

The two most material risks in this Risk Category 2 (Risks related to the Issuer) are the risks set out under 3.1 (*Limited recourse*) and 3.2 (*The Issuer is a Special Purpose Vehicle*). The risks set out after the most material risk or risks are not further ranked by the Issuer in accordance with their respective degree of materiality.

3.1 ***Limited recourse***

All amounts due from the Issuer to the Secured Creditors (including the Certificateholders) in relation to any given Series under the Transaction Documents or the Conditions in relation to such Series and the other Secured Obligations shall be equal to the lesser of the principal amount of such obligations and the actual amount received or recovered by or for the account of the Issuer in respect of the Secured Property applicable to that Series net of any sums which the Issuer certifies to the Trustee that it is or may be obliged by law to pay to any person in priority to the Certificateholders or other Secured Creditors in accordance with Condition 5 (*Security and Payment Priorities*). Accordingly, all payments to be made by the Issuer under the Transaction Documents or the Conditions in respect of any Secured Obligations for any given Series may only be satisfied by recourse to the sums received or recovered by or on behalf of the Issuer or the Trustee in respect of the Secured Property for such Series (net as aforesaid) (the "**Available Amount**"). The Secured Creditors (including the Certificateholders) shall look solely to the Available Amount for payments to be made by the Issuer, the obligation of the Issuer to make payments will be limited to the Available Amount (which shall be applied in accordance with the applicable Payments Priorities) and the Secured Creditors (including the Certificateholders) will have no further recourse to the Issuer in respect thereof. In the event that the amount due and payable by the Issuer to the Secured Creditors (including the Certificateholders) exceeds the Available Amount, the right of any person to claim payment of any amount exceeding the Available Amount shall be extinguished and none of the Secured Creditors (including the Certificateholders) may take any further action to recover such amounts.

3.2 ***The Issuer is a Special Purpose Vehicle***

The Issuer is a newly incorporated special purpose vehicle established for the purpose of establishing the Programme and issuing one or more series of asset backed securities, holding the Underlying Cryptoassets for each Series, through the Custodian, and entering into, and performing its obligations under, agreements related to the foregoing, and this is the sole business of the Issuer. Certificateholders should look solely to the Secured Property for recourse as the Issuer will

not have any other available assets from which to pay investors.

Because it has been recently incorporated, the Issuer has only limited operating history or track record for a prospective investor to consider in making its decision to invest in the Certificates.

3.3 Data

The Issuer and its agents (including, but not limited to, the Administrator) will maintain significant amounts of data surrounding subscriptions to and redemptions of the Certificates. For every subscription or redemption, the Issuer and its agents may receive and maintain in relation to each subscribing or redeeming investor the following data: (i) proof of identity and/or incorporation documents; (ii) residence or incorporation address; (iii) certain bank and securities accounts details; (iv) blockchain digital wallets information; (v) contact information; (vi) such other information requested by the Issuer from time to time. A significant data breach may have wide reaching adverse effects, including trading losses and reputational damage, which may adversely impact the Issuer's core business and could therefore have a negative impact on the Issuer's profitability, creditworthiness and fundraising capacity. These dynamics may impact the value of an investment in the Certificates.

3.4 Compliance

Pursuant to the regulatory framework which is currently applicable to the Issuer, it faces relatively low compliance requirements, as it is, for example, not directly responsible for "know your client" ("**KYC**") checks or anti-money laundering ("**AML**") checks of end investors. Any breach of the compliance processes of the Issuer, Authorised Participants or service providers could have a material adverse effect on the Issuer's core business, including reputational damage and significant legal and financial impact. These dynamics may impact the value of an investment in the Certificates.

3.5 No Regulation of the Issuer by any Regulatory Authority

The Issuer is not required to be licensed, registered or authorised under any current securities, insurance or banking laws of its jurisdiction of incorporation and will operate without supervision by any authority in any jurisdiction. There is no assurance, however, that regulatory authorities in one or more jurisdictions would not take a contrary view regarding the applicability of that jurisdiction's laws to the Issuer. The taking of a contrary view by such regulatory authority could have an adverse impact on the Issuer or the Certificateholders as a result of additional obligations, requirements or restrictions being applied to the Issuer and/or the Certificates.

3.6 Risks related to regulation of blockchain technologies and digital assets

The Certificates are linked to cryptocurrencies (including Bitcoin) and the regulatory regime governing Bitcoin and other cryptocurrencies is currently undeveloped and likely to evolve rapidly. Various legislative and executive bodies in Jersey and in other countries may in the future, adopt laws, regulations, guidance, or other actions, which may severely impact the development and growth of the Certificates and the adoption and/or utility of the Certificates. During the validity period of this Base Prospectus, the MiCA regulations are expected to come into force in the EU, though the extent of the effect of MiCA will not be known until after the publication of this Base Prospectus. Failure by the Issuer or certain investors to comply with any laws, rules and regulations, some of which may not exist yet or are subject to interpretation and may be subject to change, could result in a variety of adverse consequences, including civil penalties and fines and may negatively affect the rights of investors under the Certificates.

3.7 Insolvency

The Issuer has agreed not to engage in activities other than the issue of Certificates and related and incidental matters. Any issue of Certificates must be on terms that provide for the claims of the Certificateholders and Transaction Parties in respect of such Certificates to be limited to the proceeds of the assets on which such Certificates are secured (see "*Risks related to Issuer* -

Limited recourse obligations" above). In addition, there are restrictions on the Certificateholders and Transaction Parties bringing insolvency proceedings against the Issuer. If such provisions are upheld, it would be unlikely that the Issuer could become insolvent.

However, notwithstanding the restrictions described in Condition 5 (*Security and Payments Priorities*) and the limited recourse and non-petition provisions, should the Issuer have outstanding liabilities to third parties which it is unable to discharge or should the limited recourse or non-petition provisions be found to be non-enforceable in a particular jurisdiction and as a result the Issuer becomes or is declared insolvent according to the law of any country having jurisdiction over it or any of its assets, the insolvency laws of that country may determine the validity of the claims of Certificateholders and may prevent Certificateholders from enforcing their rights or delay such enforcement. In particular, depending on the jurisdiction concerned and the nature of the assets and security, the Security created in favour of the Trustee may be set aside or ranked behind certain other creditors and the assets subject to such security may be transferred to another person free of such Security.

In addition, certain jurisdictions have procedures designed to facilitate the survival of companies in financial difficulties. In such jurisdictions the rights of the Trustee to enforce the Security under each Security Deed or to enforce the Issuer's rights under any other document may be limited or delayed by such procedures.

4. Risk factors related to conflicts of interest

The two most material risks in this Risk Category 4 (Risks related to conflicts of interest) are the risks set out under 4.1 (*Conflict of Interests in relation to the Execution Agent*) and 4.2 (*Conflicts of interest in relation to the Authorised Participants*).

4.1 Conflict of Interests in relation to the Execution Agent

As at the date of the Base Prospectus, the Execution Agent is also an Authorised Participant and may therefore from time to time acquire, hold or divest themselves of positions in the Certificates. When doing so, the Execution Agent will act in its own interests, rather than with regard to the interests of the Issuer or other Certificateholders. In addition, situations may arise where there is a conflict between the role of the Execution Agent acting in that capacity and its capacity as Certificateholder. The Execution Agent may make decisions that negatively affect the value of an investment in the Certificates.

4.2 Conflicts of interest in relation to the Authorised Participants

The trading activities of the Authorised Participants and/or their affiliates, including their trading in the Underlying Cryptoassets may influence the value of the Underlying Cryptoassets, which could impact the amount payable on the relevant Certificates and thus adverse to the interests of the Certificateholders. None of the Authorised Participants or any of their affiliates has any obligation to the Issuer to take the needs of any buyers, sellers or Certificateholders into consideration at any time. The Authorised Participant may make decisions that negatively affect the value of an investment in the Certificates.

IMPORTANT NOTICES

Each Tranche (as defined herein) of Certificates will be issued on the terms set out herein under "*Terms and Conditions of the Certificates*" (the "**Conditions**") as completed by the relevant Final Terms. Any references in this Base Prospectus to "Final Terms" shall be construed as a reference to final terms for the purposes of the Prospectus Regulation. This Base Prospectus must be read and construed together with any amendments or supplements hereto and, in relation to any Tranche of Certificates, must be read and construed together with the relevant Final Terms.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or any Authorised Participant.

In this Base Prospectus and in relation to any Tranche, references to the "relevant Authorised Participant" are to whichever of the Authorised Participants enters into an agreement for the issue of the Certificates of such Tranche, as described in "*Subscription and Sale*" below and references to the "relevant Final Terms" are to the Final Terms relating to such Tranche.

Neither the Authorised Participants nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Certificate shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Certificates in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer and the Authorised Participants to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Certificates and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Certificates, see "*Subscription and Sale*".

In particular, no Certificates have been and no Certificates will be registered under the Securities Act. Subject to certain exceptions, Certificates may not be offered or sold within the United States or to U.S. persons.

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Certificates and should not be considered as a recommendation by the Issuer or the Authorised Participants or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Certificates. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

In this Base Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area and references to "**US\$**", "**US dollars**" or "**dollars**" are to United States dollars.

If the Final Terms in relation to any Series of Certificates specify that an offer of those Certificates may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Member State (a "**Non-exempt**

Offer"), the Issuer consents to the use of this Base Prospectus, and accepts responsibility for the content of this Base Prospectus, with respect to subsequent resale or final placement by way of public offer of the Certificates in those Public Offer Jurisdictions which are specified in those Final Terms and by the financial intermediaries specified in those Final Terms. Such consent applies to any such resale or final placement by way of public offer during the Offer Period specified in those Final Terms unless such consent is withdrawn prior to that date by notice published on the website of the Issuer Adviser (etf.invesco.com). As at the date of this Base Prospectus, no financial intermediary has been designated by the Issuer and in the event of a public offer the Issuer shall be the offeror.

The Issuer may (i) give consent to one or more additional financial intermediaries after the date of the relevant Final Terms, (ii) discontinue or change the offer period after the date of the relevant Final Terms, and/or (iii) remove or add conditions after the date of the relevant Final Terms, and if it does so, such information in relation to the relevant Certificates will be published by way of notice which will be available on the Issuer's website (etf.invesco.com). The consent relates only to offer periods occurring within 12 months from the date of this Base Prospectus.

In the event of an offer being made by a financial intermediary, this financial intermediary will provide information to investors on the terms and conditions of the offer at the time the offer is made. Any financial intermediary using this Base Prospectus for the purposes of the offering must state on its website that it uses this Base Prospectus in accordance with the consent given and the conditions attached thereto.

Except as specified above, the Issuer has not consented to the use of this Base Prospectus by any other person with respect to the subsequent resale or final placement by way of public offer of the Certificates and no action has been taken by the Issuer, the Issuer Adviser or the Trustee which is intended to permit a public offering of any Certificates or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required.

The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

Words and expressions defined in the "Terms and Conditions of the Certificates" below or elsewhere in this Base Prospectus have the same meanings in each section of this Base Prospectus.

This document contains the information which the Issuer believes is necessary to enable prospective investors to make an informed assessment of an investment in Certificates. However, a prospective investor should, without any reliance on the Issuer, the Issuer Adviser, any Authorised Participant, any other Transaction Party or any of their Affiliates, conduct its own thorough analysis (including its own accounting, legal, regulatory, financial and tax analysis) prior to deciding whether to invest in any Certificates issued under the Programme. Any evaluation of the suitability for an investor of an investment in Certificates issued under the Programme depends upon that prospective investor's particular financial and other circumstances, as well as on the specific terms of the relevant Certificates.

If a prospective investor is in any doubt as to whether the Certificates are a suitable investment for it, it should consult with appropriate advisers prior to deciding whether or not to make an investment in the Certificates.

This document is not, and does not purport to be, investment advice, and none of the Issuer, the Issuer Adviser, any Authorised Participant or any other Transaction Party, or any of their Affiliates, makes any recommendation as to the suitability of the Certificates as an investment. The provision of this document to prospective investors is not based on any prospective investor's individual circumstances and should not be relied upon as an assessment of suitability for any prospective investor of the Certificates, even if the Issuer, the Issuer Adviser, any Authorised Participant or any other Transaction Party, or any of their Affiliates, possesses information as to the objectives of any prospective investor in relation to any transaction, series of transactions or trading strategy. Any trading or investment decisions a prospective investor takes are in reliance on its own analysis and judgment and/or that of its advisers.

None of the Issuer, the Issuer Adviser, any Authorised Participant or any other Transaction Party nor any Affiliate of such persons has or assumes responsibility for the lawfulness of the acquisition of the Certificates by a prospective purchaser of the Certificates (whether for its own account or for the account of any third party), whether under the laws of the jurisdiction of its incorporation or any jurisdiction in which it operates (if different), or for compliance by that prospective purchaser (or any such third party) with any law, regulation or regulatory policy applicable to it.

Investment activities of certain investors are subject to investment laws and regulations or review or regulation by certain authorities. Each prospective investor in the Certificates must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Certificates:

- is fully consistent with its (or, if it is acquiring the Certificates in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition;
- complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (and, if it is acquiring the Certificates in a fiduciary capacity, the beneficiary);
- is not a breach of any legal, contractual or regulatory restrictions applicable to it; and
- is a fit, proper and suitable investment for it (or, if it is acquiring the Certificates in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Certificates.

Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Certificates under any applicable risk-based capital or similar rules.

UK MiFIR Product Governance / Target Market

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

A determination will be made in relation to each Series of Certificates about whether, for the purpose of the UK MiFIR Product Governance Rules, any Authorised Participant subscribing for any Certificates is a manufacturer in respect of such Certificates, but otherwise neither the Authorised Participants nor any of their affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

The PRIIPs Regulation

The directors of the Issuer will ensure that a key information document is issued in respect of each Series of Certificates, pursuant to the PRIIPs Regulation (as defined below), as may be amended from time to time (the "**KID**"), for EEA retail investors. EEA retail investors can refer to the KID for the relevant Certificates for details of, principally, the purposes of the Certificates, the summary risk indicator performance scenarios, the summary cost indicator and recommended holding period for the relevant Certificates in accordance with Regulation (EU) No. 1286/2014 on key information documents for packaged retail and insurance-based investment products (as may be amended from time to time, the "**PRIIPs Regulation**").

DESCRIPTION OF THE UNDERLYING CRYPTOASSETS

The following is a description of the Underlying Cryptoassets, which may be used in respect of Certificates issued by the Issuer under the Programme. Investment decisions should not be made solely on the basis of this description.

The information in this section consists only of extracts from, publicly available information (including on Bitcoin.org, Stellar.org, Ethereum.org, BitcoinCash.org, Litecoin.org, Block.one, and Ripple.com). Such publicly available information was not prepared in connection with the offering of the Certificates.

The Issuer accepts responsibility for the accurate reproduction of such information. As far as the Issuer is aware and is able to ascertain from information published by each of the relevant sources, no facts have been omitted which would render such reproduced information inaccurate or misleading.

The Development of Blockchain Technology

Following the launch of Bitcoin, there have been a growing number of other blockchains, which have been developed for a range of purposes from file storage to payments. Most but not all cryptocurrencies are based on the original code of either the Bitcoin or the Ethereum blockchain.

Bitcoin was the first blockchain ever developed. In 2008, Satoshi Nakamoto, a pseudonym for an individual (or possibly a group of individuals), published a research paper describing a new digital currency called Bitcoin. Shortly thereafter, in 2009, this individual mined the first 50 Bitcoins, known as the genesis block. To date, no individual or group has been reliably identified as the creator of the Bitcoin Network and these creators disappeared shortly after the mining of the genesis block.

Initially, the network was formed by a small group of initial participants and only began to gain traction after the first year of operations. It has since evolved into a vast peer to peer payments network with no centralised authority.

Today the Bitcoin Network is maintained by a growing number of miners, developers, Wallet Providers, software companies, and account holders. Since Bitcoin is, at its core, an open source project, there is no official organisation or authority that governs the codebase (a computer programme). However, there are a number of groups who unofficially promote and maintain the network.

Ethereum was created later and initially released on in 2015, based on an initial description of the project by programmer Vitalik Buterin in 2013. Bitcoin lacks a scripting language and is therefore considered by some to be an imperfect platform for writing decentralised applications. After failing to add scripting to Bitcoin, Ethereum was built as a platform for this application development capability and was initially funded through a crowd sale where participants bought the currency Ether (ETH) with Bitcoin (BTC) in 2014. Ethereum has been used as a platform powering numerous decentralised applications, smart contracts, and initial coin offerings.

Since the code behind Bitcoin is open-source, companies and individuals are able to use its codebase to create a new project, in what is called a fork. This has happened multiple times with numerous recorded Bitcoin forks. There have been two major Bitcoin forks:

- In 2011, Charlie Lee changed three key parameters of the Bitcoin code increasing the total supply of the currency to 84 million Litecoins (LTC) from Bitcoin's 21 million, reducing target block confirmation time to 2.5 minutes, and implementing an ASIC (application-specific integrated circuit)-resistant memory-hard Proof of Work algorithm (which reduced the risk of centralised mining) creating Litecoin.
- In 2017, a group of Bitcoin developers forked Bitcoin, this time creating a replica of the blockchain (a hard fork), in an attempt to resolve perceived problems with Bitcoins scalability, as transaction times were taking a long time, making the currency unattractive for small transactions. This new currency was called Bitcoin Cash and is mostly distinguished by a block size limit of 8 megabytes (as opposed to Bitcoins 1 megabyte) as well as a difficulty adjustment algorithm. The block rewards,

target block time, and supply limit are identical to Bitcoin, 12.5, 10 minutes, and 21 million respectively.

For further information about forks and their possible consequences, including for Certificateholders, see "*Split of the Bitcoin chain*" above.

Ripple refers to both an open payments network and the cryptocurrency (also referred to as XRP) associated with it. In this way, Ripple is all of a real-time gross settlement system (RTGS), currency exchange, remittance network, and crypto currency. The Ripple protocol is built on top of an open source and distributed consensus ledger (a blockchain) using the decentralised digital currency XRP. While this was created and is today maintained by Ripple Labs Inc., an American corporation, the network can operate without Ripple Labs Inc. XRP is an example of a pre-mined digital asset.

While, for example, Bitcoin is a mined digital asset, XRP is pre-mined in the sense that every single unit of the currency that will ever exist has already been created at the beginning of the network with a grand total of one hundred billion XRP. Most are owned by Ripple (55 billion of which was placed in escrow for supply predictability, so that the maximum supply that can enter the market can be mathematically verified and the rest held by companies and individuals). Ripple also is much faster than Bitcoin in terms of transaction speeds: 3-5 seconds for Ripple; 10 minutes to an hour for Bitcoin. It is also much cheaper than Bitcoin: A transaction costs about USD 0.0002 on RippleNet.

Banks, payment providers and digital asset exchanges process and provide liquidity for payments on RippleNet, creating new, competitive cross-border payments services for their customers.

There are a number of different blockchains, including the ones that powers Bitcoin, Ethereum, Ripple, Monero, and others. These chains may be more centralised and may not feature all of the characteristics described above. New chains may be created at any time, which may differ significantly in terms of their underlying technology.

Mining

As more participants join or leave the network and the number of transactions rises, the network itself cannot verify and confirm transactions anymore, which would result in an information gap in the transaction chain and thus undermine the idea of the network. In order to solve this problem, the blockchain codebase provides for blocks of a given size (e.g., Bitcoins 1 megabyte) and allocates a computationally complex numeric problem (a hash, which is a 64-digit hexadecimal number) to each block. The mining process involves compiling recent transactions (which vary in size) into the blocks and trying to solve the numeric problem, once the block reaches its fixed size. Solving the numeric problem requires great computing power. For that matter, it is the computing power that gives legitimacy to the information chain of the transactions and thus stability to the cryptocurrency. The miner who first solves the numeric problem gets to place the next block on the blockchain and claim the rewards for successfully completing a block and confirming the transactions contained in the block. Therefore, mining is the process by which transactions are verified and confirmed, reaching consensus in the network (distributed consensus), and, as a result of this agreement, displayed on the public ledger, which is the blockchain, and also the means through which new coins are released into circulation, meaning that new coins are constantly created by huge datacentres processing complex numeric problems, or "proof of work".

The rewards incentivise mining. Rewards may be both transaction fees associated with the transactions compiled in the block as well as newly released coins (provided for in the blockchain codebase).

Cryptocurrency miners earn cryptocurrencies by confirming transactions and reaching consensus as a compensation for their computing power.

Furthermore, mining can also give voting power when changes are proposed in the blockchain codebase. In other words, a successful miner has influence on the decision-making process on such matters as forking.

Pre-mined cryptocurrencies (e.g., Ripple), on the other hand, means that (unlike e.g., Bitcoin or Ethereum) there are no miners that validate transactions in exchange for transaction fees and newly created units. All

of the units that will ever be created are already in existence. Therefore, a pre-mine is where a developer allocates a certain limited amount of currency credit to a particular address before releasing the source code to the open community.

Pre-mined cryptocurrencies are placed in a cryptographically-secured escrow account to create certainty of supply at any given time. By securing the cryptocurrencies in escrow, it is possible to mathematically verify the maximum supply that can enter the market. This lockup eliminates the concern of flooding the market. Escrow allows a sender of cryptocurrencies to put conditions on exactly when a payment can be completed, so the payment remains cryptographically locked until the due date.

Due to the absence of the complex mining process, transactions in pre-mined cryptocurrencies are also much faster.

Uses of cryptocurrencies

The use cases of cryptocurrencies can include:

- data on the global market;
- exchange market;
- goods and services; and/or
- peer to peer transactions;

Although some financial supervisory authorities across Europe may restrict trading in cryptocurrencies and/or categories of market participants which may deal with cryptocurrencies, the Issuer is currently not required to be licensed, registered or authorised under any securities, commodities or banking laws of its jurisdiction of incorporation or operation and operates without supervision by any authority in any jurisdiction. However, the regulatory authorities in one or more other jurisdictions relevant to the Issuer's business may determine that the Issuer is required to be licensed, registered or authorised under the securities, commodities or banking laws of such jurisdiction and there can be no guarantee that legal or regulatory requirements with respect thereto will not change in the future. Any such requirement or change could require the Issuer to obtain licenses, registrations or authorisations or even make it impossible for the Issuer to perform its current business. The Issuer may not be granted such licenses, registrations or authorisations and/or it may face severe financial implications.

The regulatory regime governing Bitcoin is currently undeveloped and likely to evolve rapidly. Various legislative and executive bodies in Germany and in other countries may in the future, adopt laws, regulations, guidance, or other actions, which may severely impact the development and growth of the Certificates and the adoption and/or utility of the Certificates. Failure by the Issuer or certain investors to comply with any laws, rules and regulations, some of which may not exist yet or are subject to interpretation and may be subject to change, could result in a variety of adverse consequences, including civil penalties and fines.

Pursuant to the regulatory framework which is currently applicable to the Issuer, it faces relatively low compliance requirements, as it is, for example, not directly responsible for "know your client" ("**KYC**") checks or anti-money laundering ("**AML**") checks of end investors. However, the Issuer takes reasonable efforts to establish the nature of counterparty and customer activities and to try to ascertain the legitimacy of counterparty funds. In this respect the Issuer relies on its Authorised Participants to perform checks on the sources of funds. It should be stressed that performing KYC/AML checks in respect of transactions related to Bitcoin is new and challenging and even though Authorised Participants are regulated entities, there is risk of compliance failures with respect to KYC/AML. Any breach of the compliance processes of the Issuer, Authorised Participants or service providers could have a material adverse effect on the Issuer's core business, including reputational damage and significant legal and financial impact.

Safety & Security: How are cryptocurrencies stored?

After purchase, cryptocurrencies regularly are stored in a digital wallet on a computer, laptop or smartphone. Digital wallets, similar to a bank account, identify the participant and allow transactions. These digital wallets

are usually protected by a private key or password. Digital wallets also usually have a public key and a private key or a password, which allows access and thus authority to dispose of the cryptocurrencies.

Exchanges and Liquidity

There are several trading venues for cryptocurrencies. This list is not exhaustive but gives a sense of the range of available options. All of these exchanges meet the following criteria: (a) the cryptocurrencies can be traded against fiat currencies, (b) there is transparency by the publication of prices, and (c) the trading venue has an application programming interface and the website is in the English language at least.

- Bitcoin: Coinbase Pro, Bitstamp, Kraken, Gemini
- Ethereum: Coinbase Pro, Bitstamp, Kraken, Gemini
- Ripple: Bitstamp, Kraken, Korbit
- Bitcoin Cash: Coinbase Pro, Bitstamp, Kraken, Bithumb, Korbit
- Litecoin: Coinbase Pro, Bithumb, Bitstamp

Information on past performance is available on any of these company websites (among others) free of charge:

- Pro.Coinbase.com
- Bitstamp.com
- Kraken.com
- Coinbase.com
- CoinMarketCap.com
- CryptoCompare.com

The Issuer does not take responsibility for the contents of these websites, nor are they incorporated by reference herein.

The Reference Price(s)

As at the date of this base prospectus, the sole Specified Cryptocurrency in which Certificates may be redeemed is Bitcoin, and the Reference Price for those Certificates is The CoinShares Bitcoin Hourly Reference Rate. Further information regarding the methodology for the CoinShares Bitcoin Hourly Reference Rate may be found at The CoinShares Group website (www.coinshares.com) and on Compass Financial Technologies website (www.compassft.com).

In future the Issuer may issue Series of Certificates giving rise to entitlements to redemption in other Specified Cryptocurrencies, and will specify the Reference Price for such Series in the relevant Final Terms.

Description of the Certificates

The Certificates allow the holder thereof to benefit from an unlimited participation in any positive performance of the relevant Underlying Cryptoasset(s). Each Certificate represents an entitlement to the Underlying Cryptoasset(s) which is reduced by the Reduction Percentage on a daily basis as specified in the Conditions. Therefore, if the Underlying Cryptoasset(s) perform(s) positively, an investment in the Certificates directly reflects the positive performance of the Underlying(s) and will result in higher Sale Proceeds (if Cash Settlement is applicable), a higher value Delivery Amount (if Physical Settlement is applicable) (in each case subject to a reduction by all expenses, fees and charged incurred or to be incurred in connection with such redemption) or higher sale proceeds (if the Certificates are sold via an exchange). Likewise, if the Underlying Cryptoasset(s) perform(s) negatively, an investment in the Certificates directly reflects the negative

performance of the Underlying Crypto Asset(s) and will result in lower Sale Proceeds (if Cash Settlement is applicable), a lower value Delivery Amount (if Physical Settlement is applicable) (in each case subject to a reduction by all expenses, fees and charges incurred or to be incurred in connection with such redemption) or lower sale proceeds (if the Certificates are sold via an exchange).

As a result, the risk associated with an investment in the Certificates is comparable to the risk associated with a direct investment in the Underlying Cryptoasset and a total loss of the amount invested in Certificates is possible.

On the Final Maturity Date (which is scheduled for 30 June 2121; i.e. after more than 97 years since the approval of the Base Prospectus), a Certificate will be redeemed at the Cash Amount which will be equal to the amount of cash received by the Issuer in respect of the sale of the relevant amount of the Underlying Cryptoasset in respect of such entitlement less all expenses, fees and charges incurred or to be incurred by the Issuer in respect of such redemption, subject to a minimum of US\$0.01. If the Certificates are linked to a basket of Underlying Cryptoasset(s), the performance of each Underlying Cryptoasset is taken into account in accordance with its weighting for purposes of determining the Cash Amount.

The Certificates also provide for a Certificateholder Optional Redemption (i.e. a Certificateholder may exercise its right to require the Issuer to redeem the Certificate before the Final Maturity Date at the option of the Certificateholder either by payment of the Cash Amount (if Cash Settlement is applicable) or by delivery of the Delivery Amount (if Physical Settlement is applicable) on the applicable Settlement Date), **provided however that** Certificateholders who are not Authorised Participants shall only be entitled to require the Issuer to redeem Certificates in exceptional circumstances prior to the Final Maturity Date as further specified in the Conditions.

As long as the Certificates are listed on the Frankfurt Stock Exchange or any other exchange, it is expected that Certificateholders may redeem their Certificates by selling them on such exchange for the then current market price.

FORM OF THE CERTIFICATES

Certificates of each Series will be represented by a Global Certificate which will be registered in the name of a nominee for, and deposited with, the common depositary for Euroclear and Clearstream, Luxembourg. Citibank Europe plc as ICSD Paying Agent has agreed to act as paying agent in respect of the Certificates for so long as they are represented by Global Certificates.

Each Global Certificate will become exchangeable in whole, but not in part, for Individual Certificates if (a) the Global Certificate is held (directly or indirectly) on behalf of Euroclear and/or Clearstream, Luxembourg or an alternative clearing system and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or in fact does so or (b) any of the circumstances described in Condition 11 (*Events of Default*) have occurred and are continuing.

Whenever the Global Certificate is to be exchanged for Individual Certificates, such Individual Certificates will be issued in an aggregate number equal to the number of Certificates represented by the Global Certificate within five business days of the delivery, by or on behalf of the registered holder of the Global Certificate, Euroclear and/or Clearstream, Luxembourg, to a person designated by the Issuer for such purpose of such information as is required to complete and deliver such Individual Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Certificates are to be registered and the number of Certificates of each such person's holding) against the surrender of the Global Certificate at the Specified Office of the person designated by the Issuer for such purpose. Such exchange will be effected without charge to any Certificateholder or the Trustee, but against such indemnity as the person designated by the Issuer may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

In addition, each Global Certificate will contain provisions that modify the Terms and Conditions of the Certificates as they apply to the Certificates evidenced by the Global Certificate. The following is a summary of certain of those provisions:

Notices: Notwithstanding Condition 20 (*Notices*), so long as the Global Certificate is held on behalf of

Euroclear, Clearstream, Luxembourg, notices to Holders of Certificates represented by the Global Certificate may be given by delivery of the relevant notice to Euroclear or Clearstream, Luxembourg and shall be deemed to be given to the Holders of Certificates on the same date as such notice is delivered to Euroclear or Clearstream, Luxembourg.

In addition, indirect interests in Securities may be delivered, held and settled via the CREST Depository Interest (CDI) mechanism in Euroclear UK and Ireland (CREST).

TERMS AND CONDITIONS OF THE CERTIFICATES

The following is the text of the terms and conditions of the Certificates of each Tranche, as completed by the Final Terms applicable to that Tranche.

1. Introduction

- 1.1 Invesco Digital Markets plc (the "**Issuer**") has established a Secured Cryptocurrency Linked Certificates Programme (the "**Programme**") for the issuance of secured, limited recourse certificates (the "**Certificates**"). The aggregate number of Certificates outstanding at any one time under the Programme will not exceed the Programme Limit. In addition, the aggregate number of Certificates in a particular Series which are outstanding at any one time will not exceed the Maximum Issue Size for that Series.
- 1.2 Certificates will be issued in series (each, a "**Series**") and each Series may comprise one or more tranches (each, a "**Tranche**") of Certificates issued on different issue dates. Each Tranche will be the subject of a Final Terms (the "**Final Terms**"). Each Certificate of such Tranche will have identical terms or terms which are identical except that the Issue Date, the Issue Price and the Initial Per Certificate Entitlement for such Tranche may be, as of the respective Issue Dates of such Tranches, different. Should any Series of Certificates be issued in one or more Tranches, the Initial Per Certificate Entitlement for each Tranche shall be the Per Certificate Entitlement for the Initial Tranche and any subsequent Tranche forming part of the Series as at the Issue Date of such further Tranche. The terms and conditions applicable to any particular Tranche of Certificates are these Conditions as completed by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.
- 1.3 The Certificates will be constituted by, subject to and have the benefit of the terms of the Trust Deed.
- 1.4 In connection with the Certificates, the Issuer has entered into or will enter into each of the following agreements:
 - 1.4.1 the Trust Deed, under which, amongst other things, the Trustee is appointed by the Issuer as trustee in respect of the Certificates;
 - 1.4.2 a Security Deed relating to each Series of Certificates, under which, amongst other things, the Issuer grants certain Security Interests over the Transaction Documents in favour of the Trustee for itself and as trustee for and on behalf of the Secured Creditors in respect of that Series, including, without limitation, an assignment by way of security of the Issuer's contractual rights under the Custody Agreement relating to that Series of Certificates, provided that there shall be excluded from the security created by the Security Deed any of the Issuer's proprietary interest in and to Underlying Cryptoassets themselves, including but not limited to any proprietary interest in and to the Underlying Cryptoassets held on trust by the Custodian for the Issuer under the terms of the Custody Agreement;
 - 1.4.3 the Custody Agreement under which, amongst other things, the Custodian is appointed by the Issuer to carry out certain custody services in connection with the Underlying Cryptoassets;
 - 1.4.4 the ICSD Paying Agency Agreement, under which, amongst other things, the ICSD Paying Agent is appointed by the Issuer as a paying agent in respect of the Certificates for so long as they are represented by a Global Certificate which is registered in the name of a nominee for, and deposited with, the common depositary for a Clearing System;
 - 1.4.5 one or more Authorised Participant Agreements under which, amongst other things, the Authorised Participants are appointed by the Issuer as authorised participants in respect of the Certificates;
 - 1.4.6 the Administration Agreement, under which, amongst other things, the Administrator is appointed by the Issuer to carry out certain calculations and determinations in respect of the Certificates and

- the Registrar is appointed to carry out certain registration and transfer agency services;
- 1.4.7 the Execution Agency Agreement, under which, amongst other things, the Execution Agent will perform services in relation to the sale of Underlying Cryptoassets of each Series to realise cash proceeds relating to the Combined Fees (as defined below) and in circumstances where the cash redemption of Certificates is required or permitted;
 - 1.4.8 the Settlement Services Agreement, under which, amongst other things, the Certificates Settlement Agent is appointed by the Issuer to carry out certain settlement services in connection with subscriptions and redemptions of the Certificates;
 - 1.4.9 the Advisory Agreement, under which, amongst other things, the Issuer Adviser is appointed by the Issuer to provide advice in certain circumstances in respect of the Certificates;
 - 1.4.10 the Account Bank Agreement, under which, amongst other things, the Account Bank shall be instructed to establish and maintain an Issuer Cash Account per Series of Certificates; and
 - 1.4.11 the Fees and Expenses Agreement, under which, amongst other things, arrangements are put in place in relation to the fees and expenses of the Issuer in connection with the Programme and the Certificates.
- 1.5 Certain provisions of these Conditions are summaries of the Trust Documents, the ICSD Paying Agency Agreement, the Authorised Participant Agreements, the Custody Agreement, the Administration Agreement, the Advisory Agreement, the Execution Agency Agreement, the Settlement Services Agreement and the Account Bank Agreement and are subject to their detailed provisions. The Certificateholders are bound by the terms of the Trust Documents, and are deemed to have notice of all the provisions of the Trust Documents, the ICSD Paying Agency Agreement, the Authorised Participant Agreements, the Custody Agreement, the Administration Agreement, the Advisory Agreement, the Execution Agency Agreement, the Settlement Services Agreement and the Account Bank Agreement.
- 1.6 Copies of the Trust Documents are available for inspection by Certificateholders during normal business hours at the Specified Offices of the Registrar and each of the Paying Agents (the Specified Offices of which are set out below) and the office for the time being of the Issuer Adviser (being at the date hereof Perpetual Park, Perpetual Park Drive, Henley-On-Thames, England, RG9 1HH, United Kingdom).
- 1.7 All subsequent references in these Conditions to "**Certificates**" are, unless otherwise stated, to the Tranche of Certificates which are the subject of the relevant Final Terms and subsequent references in these Conditions to "**Certificateholders**" or "**holders of the Certificates**" are, unless otherwise stated, to the "Certificateholders" or the "holders of the Certificates" which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for viewing and copies may be obtained from, in each case during normal business hours, the registered office for the time being of the Issuer (being at the date hereof 44 Esplanade, St Helier, Jersey JE4 9WG) the Specified Offices of the Registrar and each of the Paying Agents (the Specified Offices of which are set out below) and the office for the time being of the Issuer Adviser (being at the date hereof Perpetual Park, Perpetual Park Drive, Henley-On-Thames, England, RG9 1HH, United Kingdom).

2. Definitions

2.1 In these Conditions the following defined terms have the meanings set out below:

"Account Bank" means The Northern Trust International Banking Corporation in its capacity as account bank in accordance with the terms of the Account Bank Agreement, or any successor or additional account bank appointed from time to time in connection with the Certificates;

"Account Bank Agreement" means the Account Opening Agreement and the Multi-Party Account Agreement;

"Account Opening Agreement" means the agreement so named pursuant to which the Issuer Cash Accounts are being opened by the Account Bank on behalf of the Issuer;

"Administration Agreement" means the agreement so named to be dated on or prior to the date of the issuance of the first Tranche of Certificates between the Issuer, the Administrator and the Trustee;

"Administrator" means Northern Trust International Fund Administration Services (Ireland) Limited in its capacity as administrator in accordance with the terms of the Administration Agreement, or any successor or additional administrator appointed from time to time in connection with the Certificates;

"Advisory Agreement" means the agreement so named dated to be dated on or prior to the date of the issuance of the first Tranche of Certificates between the Issuer, the Trustee and Issuer Adviser;

"Affiliate" means, in relation to any person which is a company or corporation, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company;

"Authorised Participants" means each entity appointed as an authorised participant under the Programme or any other person or persons identified as such in the relevant Final Terms and being a person who:

- (a) is a securities house or other market professional approved by the Issuer (in its absolute discretion);
- (b) is an Authorised Person, an Exempt Person or an Overseas Person, and is supervised by a financial supervisory authority, including for money laundering purposes, in a member state of the European Economic Area, the United Kingdom, Jersey, Canada, Australia, Singapore, New Zealand, Japan, Switzerland, Hong Kong (SAR) or any member country of the OECD; and
- (c) is not a UCITS Fund;;

"Authorised Participant Agreements" means the agreements so named to be dated on or prior to the date of the issuance of the first Tranche of Certificates between the Issuer, the Issuer Adviser and the authorised participants named therein, and any other agreements so named between the Issuer, the Issuer Adviser and the Authorised Participant named therein and entered into in relation to the Programme;

"Authorised Person" means a person authorised by the FCA for the purposes of FSMA;

"Business Day" means, in respect of a Series of Certificates, each day (other than a Saturday or a Sunday) on which commercial banks are generally open for business in London;

"Cash Amount" means, in respect of a redemption of any Certificate where Cash Settlement applies, an amount in the Specified Currency determined by the Administrator equal to the relevant

Per Certificate Sale Proceeds for that Certificate, provided that the Cash Amount shall not be less than the Minimum Principal Amount;

"Cash Settlement" means, in respect of a redemption of any Certificate, settlement by payment of the relevant Cash Amount in accordance with Condition 7 (*Redemption, Purchase and Cancellation*) and Condition 9 (*Payments*);

"Certificateholder" and **"holder of Certificates"** means each person who is for the time being a holder of the Certificates (being each person who is for the time being shown in the Register as the holder of a particular number of Certificates or, in the case of a joint holding, the person first named in the Register) save that, in respect of the Certificates of any Series, for so long as such Certificates are represented by a Global Certificate deposited with a common depositary for, and registered in the nominee name of, a common depositary for Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg, as applicable) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular number of the Certificates shall be deemed to be the holder of such number of Certificates (and the registered holder of such Global Certificate shall be deemed not to be the holder) for all purposes other than with respect to (a) the payment of principal, premium (if any) or interest (if any) and (b) the Provisions for Meetings of Certificateholders;

"Certificateholder Optional Redemption" has the meaning given in Condition 7.2 (*Redemption prior to the Final Maturity Date at the option of Certificateholders*);

"Certificates Settlement Agent" means The Northern Trust Company in its capacity as certificates settlement agent in accordance with the terms of the Settlement Services Agreement, or any successor or additional certificates settlement agent appointed from time to time in connection with the Certificates;

"Clearing System" means each ICSD and any other clearing system through which interests in the Certificates are held or are proposed to be held;

"Clearing System Business Day" means a day on which the relevant Clearing System is open for the purpose of effective settlement of Certificates of a relevant Series;

"Clearstream, Luxembourg" means Clearstream Banking, société anonyme, Luxembourg;

"Combined Fees" means, on any Combined Fees Calculation Date, an amount of Underlying Cryptoasset (rounded to the Rounding Amount), as determined by the Administrator equal to the aggregate of the Daily Fee Accrual for the Combined Fees Calculation Period;

"Combined Fees Calculation Date" means each Business Day selected as such by the Issuer (taking into account any recommendation by the Issuer Adviser) and with notification to the Trustee, provided that the last Combined Fees Calculation Date shall be the earlier to occur of (a) the date of the delivery of an Enforcement Notice by the Trustee and (b) the Valuation Date in respect of a redemption of the Certificates in whole in accordance with the Conditions;

"Combined Fees Calculation Period" means, in respect of any Combined Fees Calculation Date, the period from and including the immediately preceding Combined Fees Calculation Date or, in respect of the first Combined Fees Calculation Date to occur after the Initial Issue Date, the Initial Issue Date, to and excluding such Combined Fees Calculation Date;

"Conditions" means, in relation to the Certificates, these terms and conditions of the Certificates, as may from time to time be completed by the Final Terms and any reference to a particular numbered Condition shall be construed accordingly;

"Custodian" means Zodia Custody Limited in its capacity as custodian in accordance with the terms of the Custody Agreement, or any successor or additional custodian appointed from time to time in connection with the Certificates;

"Custody Agreement" means the agreement so named to be dated on or prior to the date of the issuance of the first Tranche of Certificates between the Issuer and the Custodian;

"Cut-Off Time" means, in respect of a redemption of any Certificate:

- (a) if Cash Settlement applies, 12 p.m. (London time); or
- (b) if Physical Settlement applies, 4.30 p.m. (London time);

"Daily Fee Accrual" means, on each Business Day an amount of cryptocurrency (rounded to the Rounding Amount) as determined by the Administrator equal to the amount of the Underlying Cryptoassets by which the Per Certificate Entitlement to such Underlying Cryptoassets has reduced since the immediately preceding Business Day multiplied by the number of Certificates outstanding in the Series as at such Business Day;

"Delivery Amount" means, in respect of a redemption of any Certificate where Physical Settlement applies, an amount of the Underlying Cryptoassets determined by the Administrator equal to:

- (a) the aggregate Per Certificate Entitlement to the Underlying Cryptoasset as at the relevant Valuation Date; less
- (b) an amount of the Underlying Cryptoasset equal in value (as determined by the Administrator by reference to prevailing market conditions) to all expenses, fees and charges (including, without limitation, any Taxes) incurred or to be incurred by or on behalf of the Issuer in connection with such redemption (to the extent not covered by the relevant proportion of any applicable Redemption Notice Fee),

rounded down to the nearest whole multiple of the Rounding Amount;

"Digital Wallet" means the digital wallet of a Certificateholder held by a custodian in the name of the Certificateholder and which is used to receive or send the Specified Cryptocurrency.

"Eligible Redemption Valuation Date" means each Business Day;

"Enforcement Notice" means a notice delivered by the Trustee to the Issuer in accordance with Condition 11 (*Events of Default*) which declares the Certificates of a Series to be immediately due and payable;

"Euroclear" means Euroclear Bank S.A./N.V.;

"Event of Default" means any one of the events specified in Condition 11 (*Events of Default*);

"Execution Agency Agreement" means the agreement so named to be dated on or prior to the date of the issuance of the first Tranche of Certificates between the Issuer, the Trustee and the Execution Agent;

"Exempt Person" means a person who, in entering into and performing its obligations under an Authorised Participant Agreement, is acting in the course of a business comprising a regulated activity in relation to which it is exempt from the need to be an Authorised Person as a result of a provision of FSMA or associated secondary legislation;

"Extraordinary Resolution" means a resolution passed at a Meeting duly convened and held in accordance with the Provisions for Meetings of Certificateholders by a majority of not less than three quarters of the votes cast;

"FCA" means the Financial Conduct Authority of the United Kingdom;

"Fees and Expenses Agreement" means the agreement so named to be dated on or prior to the date of the issuance of the first Tranche of Certificates between the Issuer, the Trustee and the Issuer Adviser;

"Final Discharge Date" means the date on which the Trustee notifies the Issuer and the Secured Creditors that it is satisfied that all the Secured Obligations and/or all other moneys and other liabilities due or owing by the Issuer have been paid or discharged in full;

"Final Maturity Date" means the final maturity date specified in the Final Terms;

"FSMA" means the Financial Services and Markets Act 2000 (as amended) of the United Kingdom;

"Holding Company" means in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary;

"ICSD" means each of Euroclear and Clearstream, Luxembourg;

"ICSD Paying Agency Agreement" means the agreement to be dated on or prior to the date of the issuance of the first Tranche of Certificates between the Issuer, the ICSD Paying Agent and the Trustee;

"ICSD Paying Agent" means Citibank Europe plc in its capacity as paying agent in accordance with the terms of the ICSD Paying Agency Agreement, or any successor or additional paying agent appointed from time to time in connection with the Certificates;

"Initial Issue Date" means the Issue Date in respect of the first Tranche of the Certificates if issued in more than one Tranche to be issued under the Programme;

"Initial Per Certificate Entitlement" means the initial per certificate entitlement with respect to the Underlying Cryptoassets, as specified in the Final Terms;

"Initial Tranche" means, in respect of a particular Series of Certificates, the first Tranche of Certificates of that Series to be issued under the Programme;

"Insolvency Event" in respect of a company means:

- (a) such company is unable or admits its inability to pay its debts as they fall due (after taking into account any grace period or permitted deferral), or suspends making payments on any of its debts; or
- (b) the value of the assets of such company is less than the amount of its liabilities, taking into account its contingent and prospective liabilities; or
- (c) a moratorium is declared in respect of any indebtedness of such company; or
- (d) the commencement of negotiations with one or more creditors of such company with a view to rescheduling any indebtedness of such company other than in connection with any refinancing in the ordinary course of business; or
- (e) any corporate action, legal proceedings or other procedure or step is taken in relation to:
 - (i) the appointment of an Insolvency Official in relation to such company or in relation to the whole or any part of the undertaking or assets of such company, including in respect of Jersey company in relation to an application for a declaration of desastre in respect of such company's assets; or
 - (ii) an encumbrancer (excluding, in relation to the Issuer, the Trustee or any Receiver) taking possession of the whole or any part of the undertaking or assets

of such company; or

- (iii) the making of an arrangement, composition, or compromise (whether by way of voluntary arrangement, scheme of arrangement or otherwise) with any creditor of such company, a reorganisation of such company, a conveyance to or assignment for the creditors of such company generally or the making of an application to a court of competent jurisdiction for protection from the creditors of such company generally other than in connection with any refinancing in the ordinary course of business; or
 - (iv) any distress, execution, attachment or other process being levied or enforced or imposed upon or against the whole or any part of the undertaking or assets of such company (excluding, in relation to the Issuer, by the Trustee or any Receiver); or
 - (v) the winding-up, liquidation, examinership or discontinuance of the Issuer; or
- (f) in respect of a company that is a Jersey company, it becomes “bankrupt” as such term is defined in Article 8 of the Interpretation (Jersey) Law 1954; or
- (g) any procedure or step is taken, or any event occurs, analogous to those set out in (a) to (e) above, in any jurisdiction including, without limitation, in connection with any of the events referred to in Article 8 of the Interpretation (Jersey) Law 1954;

"Insolvency Official" means, in relation to a company, a liquidator, (except, in the case of the Issuer, a liquidator appointed for the purpose of a solvent merger, reorganisation or amalgamation the terms of which have previously been approved either in writing by the Trustee or by an Extraordinary Resolution of the Certificateholders) provisional liquidator, examiner, administrator, administrative receiver, receiver, receiver or manager, compulsory or interim manager, nominee, supervisor, trustee, conservator, guardian or other similar officer (including, in Jersey, the Viscount of the Royal Court of Jersey) in respect of such company or in respect of any arrangement, compromise or composition with any creditors or any equivalent or analogous officer under the law of any jurisdiction;

"Issue Date" means the date specified as such in the Final Terms;

"Issue Price" means the price specified as such in the Final Terms;

"Issuer Cash Account" means, in respect of a Series of Certificates, the cash account being maintained by the Account Bank for the Issuer in respect of such Series of Certificates under the terms of the Account Bank Agreement;

"Issuer Covenants" means the covenants of the Issuer set out in the Trust Deed;

"Issuer Jurisdiction" means Jersey or such other jurisdiction in which the Issuer or any Issuer substitute (as contemplated by Condition 18 (*Substitution of Issuer*)) is incorporated and/or subject to taxation;

"Liabilities" means, in respect of any person, any losses, damages, costs, charges, expenses, actions, proceedings, claims, demands, awards, judgments or other liabilities whatsoever including (without limitation legal costs and expenses) and any Taxes and penalties incurred by that person, together with any VAT charged or chargeable, or otherwise incurred by that person, in respect of any of the sums referred to in this definition;

"Mandatory Redemption" means a redemption of all Certificates of a Series pursuant to Condition 7.10 (*Mandatory Redemption*);

"Market Disruption Event" means, in the determination of the Issuer Adviser, any of the following:

- (a) (A) the failure of the Price Source to announce or publish the relevant Reference Price (or the information necessary for determining such Reference Price) or (B) the temporary or permanent discontinuance or unavailability of the Price Source ("**Price Source Disruption**");
- (b) the material suspension of, or the material limitation imposed on, trading in the Underlying Cryptoassets to which the Certificates are linked on the relevant exchange or principal trading market which is material in relation to the Certificates ("**Trading Disruption**"); or
- (c) (A) the disappearance of, or of trading in, the Underlying Cryptoassets to which the Certificates are linked or (B) the disappearance or permanent discontinuance or unavailability of the relevant Reference Price, notwithstanding the availability of the Price Source or the status of trading in such Underlying Cryptoassets ("**Disappearance of Reference Price**");

"Maximum Issue Size" means, in relation to each Series, the number of Certificates specified in the Final Terms for that Series;

"Meeting" means a meeting of Certificateholders (whether originally convened or resumed following an adjournment);

"Minimum Principal Amount" means, in respect of each Certificate denominated in US dollars, US\$0.01 or, in the case of Certificates denominated in a Specified Currency other than US dollars, the lowest amount of the relevant currency that is available as legal tender in the country of such currency;

"Minimum Trading Amount" means the minimum number of Certificates that may be traded in a single transaction as specified in the applicable Final Terms;

"Multi-Party Account Agreement" means the agreement so named in relation to the Issuer Cash Account to be dated on or prior to the date of the issuance of the first Tranche of Certificates between the Issuer, the Trustee and the Account Bank pursuant to which the Trustee is granted certain control rights in relation to the Issuer Cash Account;

"Net Proceeds" has the meaning given to it in Condition 7.10 (*Mandatory Redemption*);

"Notices Condition" means Condition 20 (*Notices*);

"Obligations" means all of the obligations of the Issuer created by or arising under the Certificates and the Transaction Documents;

"Original Settlement Date" has the meaning given in Condition 7.7 (*Settlement Disruption*);

"outstanding" means, in relation to the Certificates, all the Certificates other than:

- (a) those which have been redeemed in full and cancelled in accordance with the Conditions;
- (b) those in respect of which the date for redemption, in accordance with the provisions of the Conditions, has occurred and for which the redemption monies have been duly paid to the Trustee or the ICSD Paying Agent in the manner provided for in the ICSD Paying Agency Agreement (and, where appropriate, notice to that effect has been given to the Certificateholders in accordance with the Notices Condition) and remain available for payment in accordance with the Conditions;
- (c) those which have been purchased and surrendered for cancellation as provided in

Condition 7 (*Redemption, Purchase and Cancellation*) and notice of the cancellation of which has been given to the Trustee;

- (d) those in respect of which the Issuer has assigned to the relevant Certificateholder the Issuer's claim and all related rights in respect of the relevant amount of the Underlying Cryptoassets in accordance with Condition 7.8 (*Failure to sell Underlying Cryptoassets*);
- (e) for the purposes of calculating any Daily Fee Accrual only (and for no other purpose), those which are the subject of redemption in accordance with Condition 7 (*Redemption, Purchase and Cancellation*) and in respect of which the relevant Valuation Date has occurred; or
- (f) those which have become void under Condition 16 (*Prescription*);

provided that for each of the following purposes, namely:

- (i) the right to attend and vote at any meeting of Certificateholders;
- (ii) the determination of how many and which Certificates are for the time being outstanding for the purposes of Clause 9 (*Waiver*), Clause 10 (*Modifications*), Clause 14 (*Proceedings and Actions by the Trustee*), Clause 23 (*Appointment of Trustees*) and Clause 24 (*Notice of a New Trustee*) of the Trust Deed and Condition 11 (*Events of Default*), Condition 12 (*Enforcement*) and Condition 14 (*Meetings of Certificateholders*) and the Provisions for Meetings of Certificateholders; and
- (iii) any discretion, power or authority, whether contained in the Trust Deed or provided by law, which the Trustee is required to exercise in or by reference to the interests of the Certificateholders or any of them,

those Certificates (if any) which are for the time being held by or for the benefit of the Issuer shall (unless and until ceasing to be so held) be deemed not to remain outstanding;

"Overseas Person" means a person whose activities are not subject to the prohibition in section 19 of FSMA by virtue of its not carrying on such activities in the United Kingdom and whose head office is situated outside the United Kingdom;

"Paying Agents" means the ICSD Paying Agent together with any successor or additional paying agents appointed from time to time in connection with the Certificates;

"Payment Day" has the meaning given in Condition 9.3 (*Payments on Payment Days*);

"Payments Priorities" means, in relation to the Certificates, the provisions relating to the order of priority of payments following the delivery of an Enforcement Notice in relation to the Certificates by the Trustee or in connection with a Mandatory Redemption, set out in the Trust Deed and as described in Condition 5 (*Security and Payments Priorities*);

"Per Certificate Entitlement" means the Initial Per Certificate Entitlement specified in the Final Terms to the Underlying Cryptoassets which is thereafter reduced by the Reduction Percentage;

"Per Certificate Sale Proceeds" means, in respect of a redemption of any Certificate, the amount of the relevant Sale Proceeds referable to one Certificate;

"Physical Settlement" means, in respect of a redemption of any Certificate to which Physical Settlement applies, settlement by the transfer of the relevant amount of the Underlying Cryptoasset, in accordance with Condition 7 (*Redemption, Purchase and Cancellation*);

"Record Date" means the Clearing System Business Day immediately prior to the date for

payment;

"Issuer Adviser" means Invesco Asset Management Limited in its capacity as Issuer Adviser in accordance with the terms of the Advisory Agreement, or any successor or additional Issuer Adviser appointed from time to time in connection with the Certificates;

"Potential Event of Default" means any event which may become (with the passage of time, the giving of notice, the making of any determination or any combination thereof) an Event of Default;

"Price Source" means the publication (or such other origin of reference, including an exchange or principal trading market) containing (or reporting) the Reference Price (or process from which the Reference Price is calculated) as specified in the definition of Reference Price herein;

"Programme Limit" means 1,000,000,000 in aggregate of all Certificates of any and all Series outstanding from time to time, provided that the Issuer may increase such limit from time to time (subject to compliance with the relevant Transaction Documents);

"Provisions for Meetings of Certificateholders" means the provisions contained in Schedule 2 to the Trust Deed;

"Receiver" means any receiver, manager, receiver or manager or administrative receiver appointed in respect of the Issuer by the Trustee in accordance with the Security Deed;

"Redemption Notice" has the meaning given in Condition 7.2 (*Redemption prior to the Final Maturity Date at the option of Certificateholders*);

"Redemption Notice Fee" means, in respect of any Certificateholder Optional Redemption, a fee of up to US\$500; the applicable level of such fee in respect of any Business Day will be confirmed by the Administrator on request;

"Reduction Percentage" means the percentage specified in the Final Terms by which the Initial Per Certificate Entitlement will reduce on a daily basis on the assumption that the daily rate will be the per annum rate divided by 365 and applied accordingly, provided that the Reduction Percentage may be lowered by the Issuer at any time, in which case and the Issuer shall notify the Certificateholders in accordance with Condition 20;

"Reference Price" means, on any day, The CoinShares Bitcoin Hourly Reference Rate at or about 4 p.m. London time on such day, stated in US dollars, as calculated and administered by Compass Financial Technologies (France) or any successor benchmark administrator, and published on any of the Compass Financial Technologies website (www.compass-ft.com) or the CoinShares' website (www.coinshares.com/index-strategies) or on any successor or replacement price source, or such other reference price based on such price source as the Issuer Advisor may select as a replacement if the Issuer Adviser determines in its discretion that the Reference Price is no longer representative of the value of the Certificates, provided, however, that if the Issuer Adviser becomes aware that a Market Disruption Event has occurred or exists on such day, the Issuer Adviser will notify the Issuer and the Administrator and the Reference Price shall be the price determined by the Issuer in consultation with the Issuer Adviser taking into consideration the latest available Reference Price as of a date on which no Market Disruption Event existed and any other information which the Execution Agent (in consultation with the Issuer Adviser if necessary) deems relevant;

"Register" has the meaning given in Condition 3 (*Form, Title and Transfer*);

"Registrar" means Northern Trust International Fund Administration Services (Ireland) Limited as registrar in respect of all Global Certificates representing the Certificates of each Series or such other person as may be appointed by the Issuer from time to time as registrar in respect of the Certificates;

"Relevant Date" means, in respect of any payment in relation to any Certificate, whichever is the later of:

- (a) the date on which the payment in question first becomes due; and
- (b) if the full amount payable has not been received by the ICSD Paying Agent or the Trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Certificateholders in accordance with the Notices Condition;

"Relevant Parties" means the Trustee, the other Transaction Parties, the competent authority or stock exchange on which the Certificates are listed, if any (if required by such competent authority or stock exchange) and, in accordance with the Notices Condition, the Certificateholders;

"Reserved Matter" means any proposal:

- (a) to change any date fixed for payment or delivery in respect of the Certificates, to reduce the amounts due on any date in respect of the Certificates or to alter the method of calculating the amounts due in respect of the Certificates on redemption or maturity;
- (b) (except in accordance with Condition 18 (*Substitution of Issuer*) and the Trust Deed) to effect the exchange, conversion or substitution of the Certificates for, or the conversion of such Certificates into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed;
- (c) to change the currency in which amounts due in respect of the Certificates are payable;
- (d) to alter the Payments Priorities in respect of the Certificates;
- (e) to change the quorum required at any Meeting or the majority required to pass an Extraordinary Resolution; or
- (f) to amend this definition;

"Rounding Amount" means the amount specified as such in the Final Terms;

"Sale Date" means, in respect of a redemption of any Certificate, the relevant Valuation Date, subject to Condition 7.7 (Settlement Disruption);

"Sale Proceeds" means, if Cash Settlement applies to the Certificates, an amount in US dollars determined by the Administrator equal to:

- (a) the proceeds actually received by the Issuer (through a sale effected by the Execution Agent or any other agent on behalf of the Issuer) and credited to the Issuer Cash Account in respect of the sale of the relevant amount of the Underlying Cryptoassets in connection with such redemption, as described in Condition 7.5 (*Cash Settlement payment obligation*); less
- (b) all expenses, fees and charges (including, without limitation, any Taxes) incurred or to be incurred by or on behalf of the Issuer in connection with such sale or redemption (to the extent not covered by any applicable Redemption Notice Fee);

"Secured Creditors" means, in respect of the Certificates of each Series, the Trustee in its own capacity and as trustee on behalf of those persons listed as entitled to payment in the Payments Priorities;

"Secured Obligations" means, in respect of the Certificates of each Series, all monies, debts and liabilities which are or have been or may become due, owing or incurred, actually or contingently,

by the Issuer to the Secured Creditors in relation to the Certificates of such Series;

"Secured Property" means, in respect of the Certificates of each Series, all the property of the Issuer which is subject to the Security relating to that Series, as described in Condition 5 (*Security and Payments Priorities*);

"Security" means, in relation to the Certificates of each Series, the security granted pursuant to the Trust Deed and the Security Documents for that Series in favour of the Trustee for itself and on behalf of the other Secured Creditors and any additional security granted by the Issuer to the Trustee over any asset from time to time pursuant to Condition 5 (*Security and Payments Priorities*);

"Security Deed" means in respect of any other Series, the deed so named dated on or prior to the issue of the first Tranche of such Series between the Issuer and the Trustee;

"Security Documents" means, in relation to a Series of Certificates, the Security Deed in relation to that Series of Certificates and the Multi-Party Account Agreement;

"Security Interest" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

"Settlement Date" means:

- (a) in respect of a redemption of any Certificate in accordance with Condition 7.1 (*Final Redemption*), the Final Maturity Date;
- (b) in respect of a redemption of any Certificate in accordance with Condition 7.2 (*Redemption Prior to the Final Maturity Date at the option of Certificateholders*), on or before the 3rd Business Day following the relevant Eligible Redemption Valuation Date, such Settlement Date to be designated as such at the discretion of the Issuer or the Administrator on behalf of the Issuer; and
- (c) in respect of a redemption of any Certificate in accordance with Condition 7.9 (*Optional Redemption in whole*), on or before the 3rd Business Day following the relevant Eligible Redemption Valuation Date, such Settlement Date to be designated as such at the discretion of the Issuer or the Administrator on behalf of the Issuer,

in each case subject to Condition 7.7 (*Settlement Disruption*);

"Settlement Disruption Event" has the meaning given in Condition 7.7 (*Settlement Disruption*);

"Settlement Services Agreement" means the agreement so named to be dated on or prior to the date of the issuance of the first Tranche of Certificates between the Issuer and the Certificates Settlement Agent;

"Specified Currency" means USD or such other currency specified in the Final Terms for such Series;

"Specified Cryptocurrency" means the cryptocurrency specified in the Final Terms for such Series;

"Specified Office" means, in relation to any Paying Agent, the Administrator or the Registrar, the office specified in Condition 17.5 or such other office as it may specify in accordance with the provisions of the ICSD Paying Agency Agreement or the Administration Agreement (as applicable);

"Subsidiary" means in relation to any company, corporation, a company or corporation:

- (b) which is controlled, directly or indirectly, by the first mentioned company or corporation;
or

- (c) more than half the issued share capital of which is beneficially owned, directly or indirectly, by the first mentioned company or corporation,

and, for this purpose, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body;

"Substituted Obligor" means a single purpose company incorporated in any jurisdiction;

"Successor Trustee" means an entity appointed in accordance with the Trust Deed to act as successor trustee;

"Tax" shall be construed so as to include:

- (a) any present or future tax, levy, impost, duty, charge, fee, deduction or withholding of any nature whatsoever (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) imposed or levied by or on behalf of any Tax Authority; and
- (b) unless specified otherwise, VAT or amounts which represent or are otherwise in respect of VAT,

and **"Taxes"**, **"taxation"**, **"taxable"** and comparable expressions shall be construed accordingly;

"Tax Authority" means any government, state or municipality or any local, state, federal or other authority, body or official anywhere in the world exercising a fiscal, revenue, customs or excise function;

"Tax Deduction" means any deduction or withholding on account of Tax;

"Transaction Documents" means the Trust Deed, the Security Documents relating to the Series of which the Certificates form part, the ICSD Paying Agency Agreement, the Authorised Participant Agreement, the Custody Agreement, the Account Bank Agreement, the Administration Agreement, the Advisory Agreement, the Fees and Expenses Agreement, , the Execution Agency Agreement, the Settlement Services Agreement and any other document entered into by the Issuer with any additional agent in respect of the Certificates or with any service provider or third party in respect of the Certificates (irrespective of whether such service provider or third party is providing services to the Issuer or not);

"Transaction Party" means any person who is a party to a Transaction Document and **"Transaction Parties"** means some or all of them;

"Trust Deed" means the deed so named to be dated on or prior to the date of the issuance of the first Tranche of Certificates between the Issuer, the Trustee and the Issuer Adviser;

"Trust Documents" means the Trust Deed and the Security Documents relating to the Series of which the Certificates form part and (unless the context requires otherwise) includes any deed or other document executed in accordance with the provisions of the Trust Deed or (as applicable) the Security Documents and expressed to be supplemental to the Trust Deed or the Security Documents (as applicable);

"Trustee" means Intertrust Trust Corporation Limited in its capacity as trustee under the Trust Deed;

"UCITS Fund" means a collective investment scheme which in accordance with the UCITS directive (Council Directive No. 85/611/EEC) as amended is an undertaking for collective investment in transferable securities subject to that directive and includes a UCITS Scheme;

"Underlying Cryptoasset" means, in respect of the Certificates of each Series, the Specified Cryptocurrency deposited with the Custodian in connection with the Certificates of that Series from time to time;

"US dollars", "USD" and "US\$" each mean the lawful currency of the United States of America;

"Valuation Date" means:

- (a) in respect of a redemption of any Certificate in accordance with Condition 7.1 (Final Redemption), the 3rd Business Day prior to the Final Maturity Date;
- (b) in respect of a redemption of any Certificate in accordance with Condition 7.2 (Redemption prior to the Final Maturity Date at the option of Certificateholders), the Eligible Redemption Valuation Date on which such Certificate and the relevant Redemption Notice are delivered or deemed to have been delivered in accordance with that Condition;
- (c) in respect of a redemption of the Certificates in accordance with Condition 7.9 (Optional Redemption in whole), the Eligible Redemption Valuation Date specified by the Issuer in the relevant notice to Certificateholders; and
- (d) in respect of a redemption of the Certificates in accordance with Condition 7.10 (Mandatory Redemption), the Eligible Redemption Valuation Date specified by the Issuer in the relevant notice to Certificateholders;

"VAT" means:

- (a) any tax imposed in compliance with the council directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112) (including, in relation to (i) the United Kingdom, value added tax imposed by VATA and legislation and regulations supplemental thereto; (ii) Ireland, the Irish Value Added Tax Consolidation Act 2010 and legislation and regulations supplemental thereto; and (iii) Jersey, any goods and services tax as provided for under the Goods and Services Tax (Jersey) Law 2007; and
- (b) any other tax of a similar nature, whether imposed in the United Kingdom, Jersey, a member state of the European Union in substitution for, or levied in addition to, such tax referred to in (a) or elsewhere;

"VATA" means the Value Added Tax Act 1994; and

"Written Resolution" means a resolution in writing signed by or on behalf of all holders of the Certificates for the time being outstanding who for the time being are entitled to receive notice of a Meeting in accordance with the Provisions for the Meetings of Certificateholders, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such holders of the Certificates.

2.2 Interpretation: Any reference in the Conditions to:

- (a) **"continuing"**, in respect of an Event of Default, shall be construed as a reference to an Event of Default which has not been waived in accordance with the terms of the Conditions or, as the case may be, the relevant Transaction Document;
- (b) **"including"** shall be construed as a reference to "including without limitation", so that any list of items or matters appearing after the word "including" shall be deemed not to be an exhaustive list, but shall be deemed rather to be a representative list, of those items or matters forming a part of the category described prior to the word "including";
- (c) **"indebtedness"** shall be construed so as to include any obligation (whether incurred as

principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

- (d) a "**law**" shall be construed as any law (including common or customary law), statute, constitution, decree, judgement, treaty, regulation, directive, bye-law, order or any other legislative measure of any government, supranational, local government, statutory or regulatory body or court;
- (e) a "**person**" shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing;
- (f) "**redeem**" and "pay" shall each include both of the others and "redeemed", "redeemable" and "redemption" and "paid", "payable" and "payment" shall be construed accordingly;
- (g) a reference to any person defined as a "**Transaction Party**" in the Conditions shall be construed so as to include its and any subsequent successors and permitted transferees in accordance with their respective interests; and
- (h) a "**successor**" of any party shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under any Transaction Document or to which, under such laws, such rights and obligations have been transferred.

2.3 **Transaction Documents and other agreements:** Any reference to any document defined as a Transaction Document or any other agreement or document shall be construed as a reference to such Transaction Document or, as the case may be, such other agreement or document as the same may have been, or may from time to time be, amended, varied, novated, supplemented or replaced.

2.4 **Statutes and Treaties:** Any reference to a statute or treaty shall be construed as a reference to such statute or treaty as the same may have been, or may from time to time be, amended or, in the case of a statute, re-enacted.

2.5 **Schedules:** Any Schedule of, or Appendix to a Transaction Document forms part of such Transaction Document and shall have the same force and effect as if the provisions of such Schedule or Appendix were set out in the body of such Transaction Document. Any reference to a Transaction Document shall include any such Schedule or Appendix.

2.6 **Headings:** Condition headings are for ease of reference only.

2.7 **Sections:** Except as otherwise specified in the Condition, reference in the Conditions to:

2.7.1 a "**Section**" or "**Clause**" in relation to any Transaction Document shall be construed as a reference to a Section or Clause of such Transaction Document;

2.7.2 a "**Part**" shall be construed as a reference to a Part of such Transaction Document;

2.7.3 a "**Schedule**" shall be construed as a reference to a Schedule of such Transaction Document; and

2.7.4 a "**Paragraph**" shall be construed as a reference to a Paragraph of a Schedule of such Transaction Document.

2.8 **Number:** In these Conditions and any Transaction Document, save where the context otherwise requires, words importing the singular number include the plural and vice versa.

3. **Form, Title and Transfer**

3.1 **Form:** The Certificates of each Series issued under the Programme will be issued in registered form and will be represented by a global certificate in registered form ("**Global Certificate**").

3.2 **Title:**

Title to the Global Certificates shall pass by and upon registration in the register (the "**Global Certificate Register**") which in relation to Global Certificates the Issuer shall procure to be kept by the Registrar. The registered holder of a Global Certificate may (to the fullest extent permitted by applicable laws) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Global Certificate regardless of any notice of ownership, theft or loss or any trust or other interest therein or of any writing thereon (other than the endorsed form of transfer). Individual definitive certificates ("**Individual Certificates**") will only be issued in the limited circumstances set out in Clause 6 (*Form of Certificates*) of the Trust Deed. The Issuer will procure that a register is maintained in respect of Individual Certificates, if issued (the "**Individual Certificate Register**", and references to the "**Register**" shall be to the Global Certificate Register or the Individual Certificate Register, as applicable).

3.2.1 For so long as Certificates are represented by a Global Certificate deposited with a common depository for, and registered in the name of, a common nominee of, Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg, as applicable) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular number of the Certificates shall be deemed to be the holder of such number of Certificates (and the registered holder of such Global Certificate shall be deemed not to be the holder) for all purposes other than with respect to (a) the payment of principal, premium (if any) or interest (if any) and (b) the Provisions for Meetings of Certificateholders;

3.3 **Transfer:** Title to Individual Certificates shall only pass by and upon registration of the transfer in the Individual Certificate Register, which the Issuer shall procure to be kept in accordance with Clause 7.2 (*Register in Respect of Registered Certificates*) of the Trust Deed.

3.4 The number of Certificates which may be transferred by a Certificateholder in a single transaction must be equal to the Minimum Trading Amount and any integral multiple thereof.

3.5 No provisions of these Conditions as completed by the relevant Final Terms shall (notwithstanding anything contained therein) apply or have effect to the extent that it is in any respect inconsistent with the holding of title to Certificates in the form of the Global Certificate through a Clearing System.

3.6 **Closed Periods:** No Certificateholder may require the transfer of a Certificate to be registered during the period of seven days ending on (and including) any Record Date.

4. **Status and Ranking**

4.1 **Status:** The Certificates of each Series constitute secured, limited recourse obligations of the Issuer, secured in the manner described in Condition 5 (*Security and Payments Priorities*) and recourse in respect of which is limited in the manner described in Condition 13 (*Limited Recourse, Proceedings, Non-Petition, Remedies*).

4.2 **Ranking:** The Certificates of each Series will at all times rank without preference or priority *pari passu* amongst themselves.

4.3 **Sole Obligations:** The Certificates of each Series are obligations solely of the Issuer and are not obligations of, or guaranteed by, any of the other Transaction Parties.

5. **Security and Payments Priorities**

- 5.1 **Security:** The Certificates of each Series are secured by the Security for that Series.
- 5.1.1 In the Security Deed for each Series, the Issuer with full title guarantee and as continuing security for the Secured Obligations creates in favour of the Trustee for itself and as trustee for the Secured Creditors the following Security Interests:
- (a) a first fixed charge over all of the Issuer's rights, title and interest in and to the Issuer Cash Account;
 - (b) an assignment by way of security of the Issuer's rights, title and interest in and to each of the Transaction Documents to the extent they relate to the Certificates of that Series and any sums payable thereunder including the Issuer's rights to any sums held by any other party thereto to meet payments due in respect of the Certificates of that Series, but only to the extent the same relates to the Certificates of that Series;
 - (c) (to the extent not validly and effectively assigned pursuant to paragraph (b) above) a first fixed charge over all of the Issuer's rights, title and interest present and future in and to the assets listed in paragraph (b) above; and
 - (d) (to the extent not validly and effectively assigned pursuant to paragraph (b) above or charged by way of fixed charge pursuant to paragraphs (a) or (c) above) a first floating charge over all the Issuer's rights, title and interest, present and future, in and to the assets listed at paragraphs (a), (b) or (c) above (as applicable).
- 5.2 There shall be excluded from the Security created by the Security Trust Deed any of the Issuer's proprietary interest in and to Underlying Cryptoassets themselves, including but not limited to any proprietary interest in and to the Underlying Cryptoassets held on trust by the Custodian for the Issuer under the terms of the Custody Agreement. Certificateholders will have no proprietary or other interest in the Underlying Cryptoassets.
- 5.3 The Custodian will hold the Underlying Cryptoassets on behalf of the Issuer in accordance with the Custody Agreement and subject to the Security Interests referred to above. The Issuer reserves the right at any time to change the Custodian or to appoint one or more additional Custodians subject to and in accordance with the provisions of the Trust Deed. Notice of such change shall be given to the Certificateholders in accordance with the Notices Condition.
- 5.4 **Payments Priorities:** Following the delivery of an Enforcement Notice by the Trustee or in connection with a Mandatory Redemption in connection with the Certificates of a Series, all monies received by or on behalf of the Trustee or the Issuer, as the case may be, in connection with the Certificates of that Series shall be applied in the manner specified in the Trust Deed, which shall be, to the extent such amounts relate to the Certificates of that Series:
- 5.4.1 first, in payment or satisfaction of any Taxes and statutory fees which the Issuer is liable or will be liable to pay to any Tax Authority;
 - 5.4.2 second, in payment or satisfaction of the fees, costs, charges, expenses and Liabilities properly incurred by and any indemnity payments owed by the Issuer to the Trustee or any Receiver in preparing and executing the trusts created by the Trust Documents applicable to that Series (including any amounts representing or otherwise in respect of VAT, the costs of realising any Security in relation to that Series and the Trustee's remuneration);
 - 5.4.3 third, in payment or satisfaction *pari passu* and rateably of all amounts in respect of that Series due and unpaid (including any amounts representing or otherwise in respect of VAT) by the Issuer to the Registrar, the Custodian, the Administrator, the Account Bank, the Execution Agent, the ICSD Paying Agent, any other Paying Agents and the Certificates Settlement Agent in respect of the Certificates;
 - 5.4.4 fourth, in payment or satisfaction of all amounts due and unpaid in respect of that Series (including

any amounts representing or otherwise in respect of VAT) by the Issuer to the Issuer Adviser in respect of the Certificates;

- 5.4.5 fifth, in payment or satisfaction *pari passu* and rateably of all amounts then due and unpaid (if any) in respect of the Certificates in respect of that Series to the Certificateholders of that Series;
 - 5.4.6 sixth, in payment or satisfaction *pari passu* and rateably of all other amounts due and unpaid (including any amounts representing or otherwise in respect of VAT) by the Issuer to any other Transaction Party in respect of the Certificates of that Series; and
 - 5.4.7 seventh, in payment of any balance to the Issuer.
- 5.5 **Enforceability.** The Security in respect of a Series will become enforceable upon the delivery by the Trustee of an Enforcement Notice in accordance with Condition 11 (*Events of Default*) and subject to the matters referred to in Condition 12 (*Enforcement*).

6. Issuer Covenants

The Issuer Covenants contain certain covenants in favour of the Trustee from the Issuer which, amongst other things, restrict the ability of the Issuer to create or incur any indebtedness (save as permitted in the Trust Deed), dispose of assets or change the nature of its business. So long as any Certificates of any Series remain outstanding, the Issuer shall comply with the Issuer Covenants.

7. Redemption, Purchase and Cancellation

- 7.1 **Final Redemption:** Unless previously redeemed or purchased and cancelled as provided in this Condition, the Issuer shall redeem each outstanding Certificate on the Final Maturity Date by payment of the relevant Cash Amount on the Settlement Date, subject as provided in Condition 9 (*Payments*).
- 7.2 **Redemption prior to the Final Maturity Date at the option of Certificateholders:** The Issuer shall, at the option of the holder of any Certificate, redeem such Certificate in respect of an Eligible Redemption Valuation Date as follows:
 - 7.2.1 if Physical Settlement is applicable, by transfer of the relevant Delivery Amount on the relevant Settlement Date in accordance with Condition 7.6 (*Physical Settlement delivery obligation*); or
 - 7.2.2 if Cash Settlement is applicable, by payment of the relevant Cash Amount on the relevant Settlement Date in accordance with Condition 7.5 (*Cash Settlement payment obligation*) and Condition 9 (*Payments*);

(each a "**Certificateholder Optional Redemption**"), **provided however that** Certificateholders who are Authorised Participants can only require Physical Settlement, and Certificateholders who are not Authorised Participants shall not be entitled to require the Issuer to redeem Certificates prior to the Final Maturity Date unless the Issuer has notified the Certificateholders in respect of any Eligible Redemption Valuation Date, or until further announcement or generally, that as a result of exceptional circumstances such as market disruption, absence of a market maker or other circumstances making it impracticable or impossible for redemptions to be made through Authorised Participants, redemption requests from Certificateholders which are not Authorised Participants will be permitted, in which case Cash Settlement shall apply to such redemptions unless such Certificateholder specified Physical Settlement in its redemption notice and has met the conditions for Physical Settlement which may be specified by the Issuer from time to time. Certificateholder Optional Redemptions shall be suspended: (i) from the occurrence of any event or events which may result in a Mandatory Redemption, for as long as such Mandatory Redemption may still occur; or (2) from the occurrence of an Event of Default or a Potential Event of Default, for as long as such Event of Default or Potential Event of Default is continuing.

In order to exercise the option contained in this Condition 7.2, the holder of the relevant Certificate(s) must, before the relevant Cut-Off Time on the desired Eligible Redemption Valuation Date:

- (a) deliver to the Issuer such Certificates as are being redeemed by depositing them with the Certificates Settlement Agent (on behalf of the Issuer);
- (b) pay to the Issuer an amount in US dollars equal to the applicable Redemption Notice Fee as directed by the Administrator;
- (c) provide all documentation and information required for the purposes of any compliance and identification checks and to comply with the Issuer's operational guidelines from time to time; and
- (d) deliver or send by authenticated SWIFT message (confirmed in writing) or otherwise by electronic means made available by the Administrator from time to time, a duly completed redemption notice specifying, amongst other things, such holder's Digital Wallet and/or (for cash payments) account number (in the form obtainable from the Administrator or pursuant to such electronic means made available by the Advisor, a "**Redemption Notice**") to the Administrator.

Any Redemption Notice and Certificate(s) delivered, and Redemption Notice Fee paid, on a day which is not an Eligible Redemption Valuation Date or after the relevant Cut-Off Time on any Eligible Redemption Valuation Date shall be deemed to have been delivered or paid (as applicable) on the next following Eligible Redemption Valuation Date. Any Redemption Notice, once delivered, is irrevocable. No Certificates, once so delivered and accompanied by a duly completed Redemption Notice in accordance with this Condition 7.2, may be withdrawn; provided, however, that if, prior to the relevant Settlement Date, the Certificate(s) so deposited become immediately due and payable or if, on the relevant Settlement Date payment of the Cash Amount or delivery of the Delivery Amount in the manner prescribed in the Conditions is improperly withheld or refused by the Issuer or any of its agents, such Certificates shall, without prejudice to the exercise of the Certificateholder Optional Redemption, be returned to the relevant Certificateholder.

7.3 *Applicability of Cash Settlement or Physical Settlement to Certificateholder Optional Redemption:* In respect of any Certificateholder Optional Redemption, Physical Settlement will apply unless the Issuer has notified the Certificateholders in respect of any Eligible Redemption Valuation Date, or until further announcement or generally, that as a result of exceptional circumstances such as market disruption, absence of a market maker or other circumstances making it impracticable or impossible for redemptions to be made through Authorised Participants, redemption requests from Certificateholders which are not Authorised Participants will be permitted in which case Cash Settlement will apply to such redemptions unless such Certificateholder specified Physical Settlement in its redemption notice and has met the conditions for Physical Settlement which may be specified by the Issuer from time to time.

7.4 *Failure to properly complete and deliver a Redemption Notice:*

7.4.1 Failure to properly complete and deliver a Redemption Notice or otherwise comply with the requirements of Condition 7.2 shall result in such notice being treated as null and void by the Issuer with the consequence set out in Condition 7.4.2 below. Any determination as to whether such notice has been properly completed and delivered and compliance with the other requirements of Condition 7.2 shall be made by the Administrator and shall be conclusive and binding on the Issuer and the Certificateholder.

7.4.2 In the event that any Redemption Notice is determined to be null and void, if the relevant Certificateholder still wishes to elect for redemption of the relevant Certificates it must submit a new, duly completed, Redemption Notice in accordance with Condition 7.2 (and, for the avoidance of doubt, the relevant Valuation Date in respect of such redemption will be the Eligible Redemption Valuation Date on which such new, duly completed, Redemption Notice is delivered or deemed to

have been delivered in accordance with Condition 7.2) and comply with the other requirements of Condition 7.2 (to the extent not already complied with), provided however that if such new, duly completed, Redemption Notice is not received within 5 Business Days, the Certificates delivered to the Issuer in accordance with Condition 7.2 shall be returned to the relevant Certificateholder.

- 7.4.3 The Administrator shall promptly on the Business Day following receipt of a Redemption Notice send a copy thereof to the Issuer and such other persons as the Issuer may specify.

7.5 Cash Settlement payment obligation:

- 7.5.1 In respect of a redemption of any Certificate(s) where Cash Settlement applies, on or about the relevant Valuation Date, the Execution Agent (acting on behalf of the Issuer) will arrange for the sale of an amount of the Underlying Cryptoassets equal to the aggregate Per Certificate Entitlement to the Underlying Cryptoassets (calculated as at the relevant Valuation Date) of the relevant Certificate(s) subject to and in accordance with the Execution Agency Agreement, provided, however, that neither the Issuer nor the Administrator makes any representation or warranty as to the price at which the relevant Underlying Cryptoassets will be sold and, therefore, the amount of Sale Proceeds.

- 7.5.2 The Issuer shall discharge its obligation to pay the Cash Amount in respect of each Certificate by paying such Cash Amount to the relevant Certificateholder on the relevant Settlement Date in accordance with Condition 9 (*Payments*).

7.6 Physical Settlement delivery obligation:

If Physical Settlement applies, the Issuer shall discharge its obligation to deliver the Delivery Amount in respect of such Certificate by crediting, or procuring the credit of, the same on the relevant Settlement Date to the Digital Wallet of the relevant Certificateholder in the relevant Redemption Notice.

7.7 Settlement Disruption:

- 7.7.1 In respect of a redemption of any of the Certificates, if the Issuer Adviser becomes aware that a Settlement Disruption Event has occurred or exists and which has prevented the sale of Underlying Underlying Cryptoassets or the delivery of a Delivery Amount on the original day that but for such Settlement Disruption Event would have been the Sale Date or Settlement Date (each an "**Original Settlement Date**"), then the Issuer Adviser will advise the Issuer of the same and the Sale Date or Settlement Date (as the case may be) will be the first succeeding day on which the relevant sale and/or delivery can take place unless a Settlement Disruption Event prevents settlement on each of the 10 Business Days immediately following the relevant Original Settlement Date. In that case, (a) if the relevant sale and/or delivery can be effected in a commercially reasonable manner, then the Sale Date or Settlement Date, as applicable, will be that 10th Business Day with sale and/or delivery being effected in such manner, and (b) if the relevant sale and/or delivery cannot be effected on or by that 10th Business Day in a commercially reasonable manner, then the Sale Date or Settlement Date, as applicable, will be postponed until the sale and/or delivery can be effected in a commercially reasonable manner.

- 7.7.2 For the purposes hereof:

"**Settlement Disruption Event**" means, as determined by the Issuer Adviser, an event (other than an event contemplated in Condition 7.8 (*Failure to sell Underlying Cryptoassets*) below) which is beyond the control of the Issuer and as a result of which the Issuer (or the Administrator or any other agent on the Issuer's behalf) is unable to effect a relevant sale or delivery.

7.8 Failure to sell Underlying Cryptoassets: In respect of a redemption of any Certificate where Cash Settlement applies, if the Issuer (or the Administrator or any other agent) does not receive the relevant Sale Proceeds in full in respect of the relevant Sale Date due to the negligence or wilful misconduct of any person, the Issuer shall (to the extent practicable) assign, without

recourse or warranty, to the redeeming Certificateholder the Issuer's claim and all related rights to the portion of the Underlying Cryptoassets being sold to generate the Sale Proceeds in satisfaction of all claims of such Certificateholder in respect of the relevant Certificates and, upon such assignment, the Certificateholder shall have no such further claims against the Issuer, the Trustee or the Secured Property in respect of the Certificates and the non-payment by the Issuer of any amounts due to such Certificateholder shall not constitute an Event of Default under Condition 11 (Events of *Default*). The Trustee shall not be liable for any delay, failure or misconduct by any such person in connection with the receipt of the relevant Sale Proceeds by the Certificateholder. The Issuer shall have no obligation under this Condition 7.8 to make any assignment unless and until the relevant Certificateholder pays, or undertakes to pay, all of the costs and expenses (including any Taxes) of the Issuer or any of its agents or the Trustee in connection with such assignment. None of the Issuer, any of its agents, or the Trustee makes any representation or warranty as to the existence or quality of a claim of the Issuer and related rights, or as to the effectiveness or quality of any assignment thereof.

7.9 ***Optional Redemption in whole:*** The Issuer may redeem all (but not some only) of the Certificates in respect of any Eligible Redemption Valuation Date in accordance with the procedure set out under Condition 7.6 (*Physical Settlement delivery obligations*) unless a holder is prevented from receiving the relevant Underlying Cryptoasset due to legal or regulatory reasons, in which case Cash Settlement shall apply in relation to such holder or unless Physical Settlement of Certificates would be contrary to any applicable laws or regulations which would apply to the Physical Settlement by the Issuer of the Certificates generally, in which case Cash Settlement shall apply in relation to all holders, subject to and in accordance with the procedure set out in Condition 7.5 (*Cash Settlement payment obligation*) and Condition 9 (*Payments*), on the Issuer giving not less than 60 days' notice to the Trustee, the other Transaction Parties, the competent authority or stock exchange on which the Certificates are listed, if any (if required by such competent authority or stock exchange) and, in accordance with the Notices Condition, the Certificateholders of its intention to redeem all of the Certificates specifying the relevant Eligible Redemption Valuation Date.

7.10 ***Mandatory Redemption:***

7.10.1 ***Redemption for taxation and other reasons:*** If, in relation to the Certificates, the Issuer satisfies the Trustee that:

- (a) by virtue of a change in the Tax law of the Issuer Jurisdiction (or the application or official interpretation of such Tax law), in connection with any payment due in respect of the Certificates a Tax Deduction would be required to be made as described in Condition 10 (*Taxation*); or
- (b) the cost to it of complying with its obligations under or in connection with the Transaction Documents or meeting its operating or administrative expenses would be materially increased,

then, unless in the case of (a) or (b) there is a substitution of a Substituted Obligor in place of the Issuer in accordance with Condition 18 (*Substitution of Issuer*), the Issuer shall forthwith give notice thereof to the Relevant Parties. Thereupon, the procedure set out under Condition 7.6 (*Physical Settlement delivery obligations*) will apply unless a holder is prevented from receiving the relevant Underlying Cryptoasset due to legal or regulatory reasons, in which case Cash Settlement shall apply in relation to such holder or unless Physical Settlement of Certificates would be contrary to any applicable laws or regulations which would apply to the Physical Settlement by the Issuer of the Certificates generally, in which case the Execution Agent will (acting on the instructions of the Issuer) arrange for, and administer the sale of, all of the Secured Property. Upon receipt of the sale proceeds thereof by or on behalf of the Issuer, the Issuer shall give not more than 30 nor less than 15 days' notice to the Relevant Parties (which notice shall be irrevocable) of the date on which the Certificates shall be redeemed and: (x) the proceeds actually received by or on behalf of the Issuer and credited to the Issuer Cash Account in respect of such sale, less all expenses, fees and charges (including, without limitation, any Taxes) incurred or to be incurred by or on behalf of the

Issuer in connection with such sale (the "**Net Proceeds**") shall be applied in accordance with the Payments Priorities; and (y) the Issuer shall redeem each outstanding Certificate on such date by payment of an amount in the Specified Currency equal to the Cash Amount that would have been determined if the Certificates were being redeemed with a Valuation Date as specified in such notice or, if less, an amount in the Specified Currency equal to that part (if any) of the Net Proceeds still available to Certificateholders after being applied in accordance with the Payments Priorities divided by the number of Certificates outstanding.

Prior to publication of any notice of redemption under this Condition 7.10.1, the Issuer shall deliver to the Trustee a certificate signed by a director of the Issuer demonstrating that the conditions precedent to the obligations of the Issuer so to redeem have occurred and, in the case of a redemption of Certificates under this Condition 7.10.1, an opinion (in form and substance satisfactory to the Trustee) of legal advisers of recognised standing to the Issuer (previously approved by the Trustee) in the relevant jurisdiction to the effect that the relevant circumstances have occurred. The Trustee may rely on the aforementioned certificate and/or opinion without further enquiry and without liability therefor.

Notwithstanding the foregoing, if any of the taxes referred to in paragraph (a) of this Condition 7.10.1 arise:

- (a) owing to the connection of any Certificateholder, or any third party having a beneficial interest in the Certificates with the Issuer Jurisdiction otherwise than by reason only of the holding of any Certificate or receiving amounts due in respect of such Certificate; or
- (b) by reason of the failure by the relevant Certificateholder to comply with any applicable procedures required to establish non-residence or other similar claim for exemption from such tax,

then to the extent it is able to do so, the Issuer shall deduct such taxes from the amounts payable to such Certificateholder or any third party having a beneficial interest in the Certificates, and shall not redeem the Certificates but this shall not affect the rights of the other Certificateholders hereunder. Any such deduction shall not constitute an Event of Default under Condition 11 (*Events of Default*).

- 7.10.2 **Resignation of Service Provider:** If the Trustee, the Custodian or the Administrator resigns or its appointment is terminated and a successor Trustee, Custodian, Administrator (as applicable) has not been appointed in accordance with the provisions of the Trust Deed and the relevant Transaction Document prior to the later to occur of: (a) the expiry of the relevant notice period for such resignation or termination (as applicable) or, if later or if no notice period is applicable, the effective date of such resignation or termination; and (b) the date falling 90 calendar days following the date on which the notice to resign or terminate (as applicable) is given, in each case, in accordance with the provisions of the Trust Deed and the relevant Transaction Document(s), then the Issuer shall forthwith give notice thereof to the Relevant Parties. Thereupon, the procedure set out under Condition 7.6 (*Physical Settlement delivery obligations*) will apply unless a holder is prevented from receiving the relevant Underlying Cryptoasset due to legal or regulatory reasons, in which case Cash Settlement shall apply in relation to such holder or unless Physical Settlement of Certificates would be contrary to any applicable laws or regulations which would apply to the Physical Settlement by the Issuer of the Certificates generally, in which case the Execution Agent will (acting on the instructions of the Issuer) arrange for, and administer the sale of, all of the Secured Property. Upon receipt of the sale proceeds thereof by or on behalf of the Issuer, the Issuer shall give not more than 30 nor less than 15 days' notice (unless otherwise agreed by the Trustee) to the Relevant Parties (which notice shall be irrevocable) of the date on which the Certificates shall be redeemed and: (x) the proceeds actually received by or on behalf of the Issuer and credited to the Issuer Cash Account in respect of such sale, less all expenses, fees and charges (including, without limitation, any Taxes) incurred or to be incurred by or on behalf of the Issuer in connection with such sale (the "**Net Proceeds**") shall be applied in accordance with the Payments Priorities; and (y) the Issuer shall redeem each outstanding Certificate on such date by payment of an amount in the Specified Currency equal to the Cash Amount that would have been determined if the Certificates were being redeemed with a Valuation Date as specified in such

notice or, if less, an amount in the Specified Currency equal to that part (if any) of the Net Proceeds still available to Certificateholders after being applied in accordance with the Payments Priorities divided by the number of Certificates outstanding.

7.10.3 *Clean-up call:* If at any time the Administrator determines and notifies the Issuer that the aggregate number of Certificates outstanding on any day after the first anniversary of the Initial Issue Date is less than 1,000,000, the Issuer may give notice thereof to the Relevant Parties. Thereupon, the procedure set out under Condition 7.6 (*Physical Settlement delivery obligations*) will apply unless a holder is prevented from receiving the relevant Underlying Cryptoasset due to legal or regulatory reasons, in which case Cash Settlement shall apply in relation to such holder or unless Physical Settlement of Certificates would be contrary to any applicable laws or regulations which would apply to the Physical Settlement by the Issuer of the Certificates generally, in which case the Execution Agent (acting on the instructions of the Issuer) will arrange for, and administer the sale of, all of the Secured Property. Upon receipt of the sale proceeds thereof by or on behalf of the Issuer, the Issuer shall give not more than 90 nor less than 30 days' notice (unless otherwise agreed by the Trustee) to the Relevant Parties (which notice shall be irrevocable) of the date on which the Certificates shall be redeemed and: (x) the proceeds actually received by or on behalf of the Issuer and credited to the Issuer Cash Account in respect of such sale, less all expenses, fees and charges (including, without limitation, any Taxes) incurred or to be incurred by or on behalf of the Issuer in connection with such sale (the "**Net Proceeds**") shall be applied in accordance with the Payments Priorities; and (y) the Issuer shall redeem each outstanding Certificate on such date by payment of an amount in the Specified Currency equal to the Cash Amount that would have been determined if the Certificates were being redeemed with a relevant Valuation Date as specified in such notice or, if less, an amount in the Specified Currency equal to that part (if any) of the Net Proceeds still available to Certificateholders after being applied in accordance with the Payments Priorities divided by the number of Certificates outstanding.

7.10.4 *Compulsory Redemption for cause:*

- (a) The Issuer may at any time, without any requirement to state a reason, give notice to a Certificateholder requiring that Certificateholder to certify to the Issuer, no later than the date falling fifteen Business Days following the date on which the Issuer sends or transmits such requirement to that Certificateholder, that the Certificateholder is not in breach of any law or regulation or would risk exposing any Transaction Party to a breach of any law or regulation and to provide evidence satisfactory to the Issuer, acting reasonably, that the Certificateholder is not in breach of any law or regulation or would risk exposing any Transaction Party to a breach of any law or regulation. Absent certification by a Certificateholder to the Issuer to the contrary, the Issuer shall be entitled, to assume that none of the Certificates are held by persons in breach of any law or regulation or would risk exposing any Transaction Party to a breach of any law or regulation.
- (b) The Issuer may, in its absolute discretion, at any time give written notice to a Certificateholder that any Certificates held by that Certificateholder are to be redeemed compulsorily, if the Issuer required the Certificateholder in accordance with Condition 7.10.4(a) to certify and provide evidence satisfactory to the Issuer (acting reasonably) that the Certificateholder is not in breach of any law or regulation or would risk exposing any Transaction Party to a breach of any law or regulation and (i) the Certificateholder did not by the date specified in the notice given under Condition 7.10.4(a) provide such a certification in the form and executed in the manner required or evidence satisfactory to the Issuer; or (ii) the Certificateholder certified that it is in breach of any law or regulation or would risk exposing any Transaction Party to a breach of any law or regulation; or (iii) the Issuer considers (in its sole discretion) (a) that such Certificates are or may be owned or held directly or beneficially by any person in breach of any law or requirement of any country or by virtue of which such person is not qualified to own those Certificates, or (B) that the ownership or holding or continued ownership or holding of those Certificates (whether on its own or in conjunction with any other circumstance appearing to the Issuer to be relevant) would, in the reasonable opinion of the Issuer, cause a pecuniary or tax disadvantage to the Issuer or any other Certificateholders which it or they might not otherwise have suffered or incurred or (C) that the ownership or holding or continued ownership or holding of those Certificates (whether on its own or in conjunction with

any other circumstance appearing to the Issuer to be relevant) would, in the reasonable opinion of the Issuer, expose any Transaction Party to a risk of violation of any law or regulation.

- 7.11 **No Physical Settlement:** Cash Settlement shall apply and no Physical Settlement shall be available:
- 7.11.1 in respect of any Certificates redeemed in accordance with Conditions 7.9 (*Optional Redemption in whole*) or 7.10 (*Mandatory Redemption*) above in circumstances where it is expressly stipulated in such Conditions that Cash Settlement shall apply; or
- 7.11.2 in circumstances where Physical Settlement of Certificates would be contrary to any applicable laws or regulations which would apply to the Physical Settlement of any such Certificates.
- 7.12 **Notice irrevocable:** Any such notice as is referred to in Condition 7.9 (*Optional Redemption in whole*) or Condition 7.10 (*Mandatory Redemption*) shall be irrevocable and, upon the expiration of such notice, the Issuer shall be bound to redeem the Certificates to which such notice relates in accordance with such Conditions.
- 7.13 **Purchase and cancellation:** The Issuer may at any time purchase Certificates in the open market or otherwise and at any price.
- 7.14 **Cancellation:** All Certificates so redeemed or purchased by the Issuer shall be cancelled and may not be reissued and resold.
- 7.15 **Notifications to be final:** All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the Conditions, whether by the Administrator (acting on behalf of the Issuer), the Issuer Adviser (acting on behalf of the Issuer), any Paying Agent or the Trustee shall (in the absence of any manifest error) be binding (as relevant) on the Issuer and all Certificateholders and no liability shall attach to the Administrator, the Issuer Adviser, any Paying Agent or the Trustee in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions under the Conditions.

8. Calculations

- 8.1 **Calculation of Per Certificate Entitlement:** On or in advance of each Business Day, the Administrator shall implement the Per Certificate Entitlement to the Underlying Cryptoassets in respect of such Business Day and such Per Certificate Entitlement shall be available for viewing, as soon as reasonably practicable, on etf.invesco.com or at such other location as is notified to Certificateholders in accordance with the Notices Condition from time to time.
- 8.2 **Daily Fee Accrual and Combined Fees:** On (or as soon as reasonably practicable after) each Business Day, the Administrator shall calculate the Daily Fee Accrual in respect of such Business Day and on (or as soon as reasonably practicable after) each Combined Fees Calculation Date, the Administrator shall calculate the Combined Fees in respect of the relevant Combined Fees Calculation Period. On or shortly after each Combined Fees Calculation Date falling prior to the delivery of an Enforcement Notice by the Trustee, the Execution Agent shall arrange for the sale of an amount of the Underlying Cryptoassets equal to the relevant Combined Fees and, to settle such trade against payment of the purchase price to the Issuer Cash Account or as otherwise directed by the Issuer (the "**Combined Fees Payment Proceeds**").

The Combined Fees Payment Proceeds will in the normal course be paid by the Issuer to the Issuer Adviser in consideration for its services as Issuer Adviser and also its agreement to pay to the Issuer or to its order the fees and expenses due to the other service providers in respect of the Programme (but not including any indemnities granted in favour of the other service providers).

- 8.3 **Trustee to determine amounts in case of Issuer default:** If the Issuer does not at any time for any reason calculate (or cause the Administrator to calculate) the Per Certificate Entitlement to the Underlying Cryptoassets for any Business Day in accordance with this Condition, such entitlement

may be calculated by the Trustee, or the Trustee may appoint an agent to calculate such entitlement at the expense of the Issuer, (in either case without any liability accruing to the Trustee as a result) in accordance with this Condition (based on information supplied to it by the Issuer or any other Transaction Party) and each such calculation shall be deemed to have been made by the Issuer.

9. Payments

9.1 **Payments:** All payments on the Certificates shall be made in the Specified Currency. The Issuer or the ICSD Paying Agent on behalf of the Issuer (acting in the manner provided in the ICSD Paying Agency Agreement), shall pay or cause to be paid all payments in respect of the Certificates for value on the relevant payment date.

9.2 **Payments subject to fiscal laws:** All payments in respect of the Certificates are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 10 (*Taxation*). No commissions or expenses shall be charged to the Certificateholders in respect of such payments (save as otherwise described in these Conditions).

9.3 **Payments on Payment Days:** If the date for payment of any amount in respect of any Certificate is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to interest or other payment in respect of such delay. In this paragraph, "**Payment Day**" means any day on which banks are open for general business (including dealings in foreign currencies) in New York and London.

10. Taxation

10.1 **Payments free of Tax:** All payments in respect of the Certificates shall be made free and clear of, and without withholding or deduction for, any Taxes imposed, levied, collected, withheld or assessed by the Issuer Jurisdiction or any political subdivision or any authority thereof or therein having power to tax, unless by virtue of a change in the Tax law of the Issuer Jurisdiction (or the application or official interpretation of such Tax law) the Issuer, the Trustee or the Paying Agents (as the case may be) are required by law to make any Tax Deduction. In that event, the Issuer, the Trustee or the Paying Agents (as the case may be) shall make such payments after such Tax Deduction and shall account to the relevant authorities for the amount so withheld or deducted.

10.2 **No payment of additional amounts:** Neither the Issuer, the Trustee nor the Paying Agents will be obliged to pay any additional amounts to the Certificateholders as a result of any such Tax Deduction.

10.3 **Taxing Jurisdiction:** If the Issuer becomes subject at any time to any taxing jurisdiction other than the Issuer Jurisdiction, references in these Conditions to the Issuer Jurisdiction shall be construed as references to the Issuer Jurisdiction and/or such other jurisdiction.

10.4 **Tax Deduction not Event of Default:** Notwithstanding that the Trustee, the Issuer or the Paying Agents are required to make a Tax Deduction this shall not constitute an Event of Default.

11. Events of Default

11.1 **Events of Default:** Subject to the other provisions of this Condition, each of the following events shall be treated as an "Event of Default" in relation to a Series of Certificates:

11.1.1 **Non-payment:** the Issuer fails to pay any amounts due in respect of the Certificates of such Series or deliver any Underlying Cryptoassets due in respect of the Certificates of such Series within 5 Business Days of the due date for payment or delivery thereof, other than as contemplated in Condition 7.8 (*Failure to sell Underlying Cryptoassets*); or

11.1.2 **Breach of other obligations:** the Issuer defaults in the performance or observance of any of its other

obligations under or in respect of the Certificates of such Series or any Transaction Document or in respect of the Issuer Covenants and such default (a) is, in the opinion of the Trustee, incapable of remedy or (b) being a default which is, in the opinion of the Trustee, capable of remedy, remains unremedied for 30 days or such longer period as the Trustee may agree after the Trustee has given written notice of such default to the Issuer; or

- 11.1.3 *Insolvency Event*: an Insolvency Event occurs in relation to the Issuer; or
- 11.1.4 *Unlawfulness*: it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Certificates of such Series or the Transaction Documents.
- 11.2 **Delivery of Enforcement Notice**: If an Event of Default occurs in relation to the Certificates of a Series and is continuing, the Trustee may at its discretion and shall:
 - 11.2.1 if so requested in writing by the holders of at least 25 per cent. of the number of the Certificates of such Series outstanding; or
 - 11.2.2 if so directed by an Extraordinary Resolution of the Certificateholders of such Series; deliver an Enforcement Notice in respect of such Series to the Issuer.
- 11.3 **Conditions to delivery of Enforcement Notice**: Notwithstanding Condition 11.2 (*Delivery of Enforcement Notice*) the Trustee shall not be obliged to deliver an Enforcement Notice unless:
 - 11.3.1 in the case of the occurrence of any of the events mentioned in Condition 11.1.2 (*Breach of other obligations*), the Trustee shall have certified in writing that the happening of such event is in its opinion materially prejudicial to the interests of Certificateholders; and
 - 11.3.2 it shall have been indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.
- 11.4 **Consequences of delivery of Enforcement Notice**: Upon the delivery of an Enforcement Notice, each of the Certificates of the relevant Series shall become immediately due and payable without further action or formality at an amount in the Specified Currency equal to the Cash Amount that would have been determined if the Certificates were being redeemed where Cash Settlement applies with a relevant Valuation Date as of the Business Day immediately following the date of delivery of such Enforcement Notice.

12. Enforcement

- 12.1 **Proceedings**: The Trustee may at its discretion and without further notice, institute such proceedings as it thinks fit to enforce its rights under the Trust Deed and under the other Transaction Documents, but it shall not be bound to do so unless:
 - 12.1.1 so requested in writing by the holders of at least 25 per cent. of the number of the Certificates of the relevant Series outstanding; or
 - 12.1.2 so directed by an Extraordinary Resolution of the Certificateholders of the relevant Series;and in any such case, only if it shall have been indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.
- 12.2 **Directions to the Trustee**: If the Trustee shall take any action described in Condition 12.1 (*Proceedings*) it may take such action without having regard to the effect of such action on individual Certificateholders or any other Secured Creditor.
- 12.3 **Third Party Rights**: No person shall have any right to enforce any Condition or any provision of the Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

13. Limited Recourse, Proceedings, Non-Petition, Remedies

- 13.1 **Limited Recourse:** All amounts due from the Issuer to the Secured Creditors (including the Certificateholders) in relation to any Series under the Transaction Documents or the Conditions in relation to the Certificates of such Series and the other Secured Obligations in respect of that Series shall be equal to the lesser of the principal amount of such obligations and the actual amount received or recovered by or for the account of the Issuer in respect of the Secured Property applicable to that Series net of any sums which the Issuer certifies to the Trustee that it is or may be obliged by law to pay to any person in priority to the Certificateholders or other Secured Creditors in accordance with Condition 5 (*Security and Payment Priorities*). Accordingly, all payments to be made by the Issuer under the Transaction Documents or the Conditions in respect of any Secured Obligations for any given Series may only be satisfied by recourse to the sums received or recovered by or on behalf of the Issuer or the Trustee in respect of the Secured Property for such Series (net as aforesaid) (the "**Available Amount**"). The Secured Creditors in respect of a particular Series (including the Certificateholders) shall look solely to the Available Amount for payments to be made by the Issuer, the obligation of the Issuer to make payments will be limited to the Available Amount (which shall be applied in accordance with the applicable Payments Priorities) and the Secured Creditors for such Series (including the Certificateholders) will have no further recourse to the Issuer in respect thereof. In the event that the amount due and payable by the Issuer to the Secured Creditors for such Series (including the Certificateholders) exceeds the Available Amount, the right of any person to claim payment of any amount exceeding the Available Amount shall be extinguished and none of the Secured Creditors (including the Certificateholders) may take any further action to recover such amounts.
- 13.2 **Proceedings:** Only the Trustee may pursue the remedies available under general law or under these provisions to enforce the provisions of the Certificates or the Trust Documents. No Certificateholder or other Secured Creditor is entitled to proceed directly against the Issuer or any assets of the Issuer to enforce their rights in relation to or under the Certificates or the Transaction Documents unless the Trustee, having become bound as aforesaid fails or neglects to do so within a reasonable period and such failure or neglect is continuing. However, the Trustee shall not be bound to take any action to enforce the Security or pursue the remedies available under general law or under these provisions or otherwise take any action unless it is indemnified and/or secured to its satisfaction and has been requested to do so by the holders of the Certificates.
- 13.3 **Non-Petition:** No Certificateholder or other Secured Creditor may institute against, or join any person in instituting against, the Issuer any bankruptcy, winding-up, examination, re-organisation, arrangement, insolvency or liquidation proceedings (except for the appointment of a receiver and manager pursuant to the terms of the Trust Documents) or other proceeding under any similar law (including, without limitation, an application for a declaration of "*en désastre*" being made in respect of the Issuer or any of its assets (or the making of such declaration) for so long as any Certificates are outstanding or until one year plus one day has elapsed since the last day on which the Certificates were outstanding, without prejudice to any enforcement or realisation of the Security, save lodging a claim in the liquidation of the Issuer which is initiated by another party or taking proceedings to obtain a declaration or judgment as to the obligations of the Issuer. The only remedy of the Trustee against the Issuer after the occurrence of an Event of Default under Condition 11 (*Events of Default*) is to enforce the Security for the Certificates created by and pursuant to the provisions of the applicable Trust Documents. No Certificateholder or other Secured Creditor shall have any recourse to any director, officer or employee of the Issuer or any of their respective affiliates or any of their respective assets.
- 13.4 **Remedies:** The only remedy of the Trustee against the Issuer after any of the Certificates have become due and payable pursuant to Condition 11 (*Events of Default*) is to enforce the Security pursuant to the provisions of the Trust Documents.

14. Meetings of Certificateholders

- 14.1 **Convening:** The Trust Deed contains "**Provisions for Meetings of Certificateholders**" for convening meetings of Certificateholders to consider matters relating to the Certificates, including

the modification of any provision of these Conditions or the Trust Deed, which modification may be made if sanctioned by an Extraordinary Resolution.

14.2 **Request from Certificateholders:** A meeting of holders of the Certificates may be convened by the Trustee or the Issuer at any time and must be convened by the Trustee (subject to its being indemnified and/or secured to its satisfaction) upon the request in writing of Certificateholders holding not less than ten per cent. of the number of outstanding Certificates.

14.3 **Quorum:** The quorum at any meeting convened to vote on:

14.3.1 an Extraordinary Resolution, other than regarding a Reserved Matter, will be two or more persons holding or representing a majority of the aggregate number of outstanding Certificates or, at any adjourned meeting, two or more persons being or representing Certificateholders, whatever the aggregate number of outstanding Certificates so held or represented; and

14.3.2 an Extraordinary Resolution relating to a Reserved Matter will be two or more persons holding or representing in the aggregate 75 per cent. of the number of outstanding Certificates or, at any adjourned meeting, two or more persons holding or representing not less than in the aggregate $33\frac{1}{3}$ per cent. of the number of outstanding Certificates.

14.4 **Resolutions in writing:** A Written Resolution shall take effect as if it were an Extraordinary Resolution.

15. Modification and Waiver

15.1 **Modification:** The Trustee may at any time and from time to time, without the consent or sanction of the Certificateholders or any other Secured Creditors, concur with the Issuer and any other relevant parties in making:

15.1.1 any modification to these Conditions and the Trust Documents (other than in respect of a Reserved Matter or any provisions of the Trust Documents referred to in the definition of a Reserved Matter), the Certificates or the other Transaction Documents in relation to which its consent is required which, in the opinion of the Trustee, it may be proper to make and will not be materially prejudicial to the interests of Certificateholders; or

15.1.2 any modification to the provisions of these Conditions, the Trust Documents, the Certificates or any other Transaction Documents:

- (a) in order to reflect changes in the applicable law and/or practice relating to the holding or transfer of Certificates in registered form or through a Clearing System; or
- (b) in order to enable the Certificates of any Series to be delivered, held and settled via the CREST Depository Interest mechanism in Euroclear UK and Ireland; or
- (c) in order to reflect changes in the applicable law and/or practice relating to the holding, trading or exchange of any Underlying Cryptoasset and/or of any instrument related to any Underlying Cryptoasset and/or to reflect or account for any changes in the nature of any Underlying Cryptoasset or any operational requirements in relation thereto (including without limitation in relation to any fork or airdrop), and/or to reflect or account for the issue of a new Series linked to a new Specified Cryptocurrency, and/or which are made in connection with a substitution of any Transaction Party and/or the appointment of any additional Service Provider, and/or which are expedient;

provided that

- (1) at least 30 calendar days' prior written notice of any such proposed modification has been given to the Trustee;

- (2) the Issuer certifies to the Trustee, in writing that such modifications, variations and/or amendments are certified by either the Issuer as being: (a) made in accordance with either paragraph (a), (b) or (c) (as the case may be); and (b) not materially prejudicial to the interests of the Certificateholders of the relevant Series (a "**Modification Certificate**");
 - (3) the Issuer has provided at least 30 calendar days' notice to the Certificateholders of each Series of the proposed modification in accordance with Condition 20 (*Notices*) and the Trustee has not been directed in accordance with the Transaction Documents by Certificateholders representing at least 50 per cent. of the number of outstanding Certificates of the relevant Series within such notification period not to consent to the modification; and
 - (4) the Trustee shall not be obliged to agree to any amendments which would, in the sole opinion of the Trustee, increase the duties, obligations or liabilities, or reduce the rights or protections, of the Trustee; or
- 15.1.3 any modification to these Conditions, the Trust Documents, the Certificates or the other Transaction Documents in relation to which its consent is required, if, in the opinion of the Trustee, such modification is of a formal, minor or technical nature, is made to correct a manifest error.
- 15.2 **Waiver.** In addition, the Trustee may, without the consent of the Certificateholders or any other Secured Creditor concur with the Issuer or any other relevant parties in authorising or waiving any proposed breach or breach of the covenants or provisions contained in the Trust Documents, the Certificates or any of the other Transaction Documents (including an Event of Default or Potential Event of Default) if, in the opinion of the Trustee, the interests of Certificateholders will not be materially prejudiced by such waiver.
- 15.3 **Restriction on power to waive:** The Trustee shall not exercise any powers conferred upon it by Condition 15.2 (*Waiver*) in contravention of any express direction by an Extraordinary Resolution of the Certificateholders or of a request or direction in writing made by the holders of not less than 25 per cent. of the aggregate number of the Certificates outstanding, but so that no such direction or request shall: (a) affect any authorisation, waiver or determination previously given or made; or (b) authorise or waive any such proposed breach or breach relating to a Reserved Matter unless the Certificateholders have, by Extraordinary Resolution, so authorised its exercise.
- 15.4 **Notification:** Unless the Trustee otherwise agrees, the Issuer shall cause any such authorisation, waiver, modification or determination to be notified to the Certificateholders and the other Secured Creditors in accordance with the Notices Condition and the Transaction Documents, as soon as practicable after it has been made.
- 15.5 **Binding Nature:** Any authorisation, waiver, determination or modification referred to in Condition 15.1 (*Modification*) or Condition 15.2 (*Waiver*) shall be binding on the Certificateholders and the other Secured Creditors.
- 16. Prescription**
- 16.1 Claims for amounts due on redemption shall become void unless the relevant Certificates are presented for payment within ten years of the appropriate Relevant Date.
- 17. Trustee, Administrator, Registrar and Paying Agents**
- 17.1 **Trustee's right to Indemnity:** Under the Transaction Documents, the Trustee is entitled to be indemnified in respect of the Certificates and relieved from responsibility in certain circumstances and to be paid or reimbursed for any Liabilities incurred by it in priority to the claims of the holders of the Certificates. The Trust Deed and Security Document contain provisions governing the responsibility (and relief from responsibility) of the Trustee and providing for its indemnification in certain circumstances, including provisions relieving it from taking enforcement proceedings or enforcing the Security unless indemnified and/or secured to its satisfaction and, for the avoidance

of doubt, whenever the Trustee is under the provisions of the Transaction Documents bound to act at the request or direction of the Certificateholders, the Trustee shall nevertheless not be so bound unless first indemnified and/or secured to its satisfaction. In addition, the Trustee is entitled to enter into business transactions with the Issuer and any entity relating to the Issuer without accounting for any profit.

- 17.2 ***Trustee not responsible for loss or for monitoring:*** The Trustee will not be responsible for any loss, expense or liability which may be suffered as a result of the Secured Property or any documents of title thereto being uninsured or inadequately insured or being held by or to the order of any person on behalf of the Trustee. The Trustee shall not be responsible for monitoring the compliance by any of the other Transaction Parties with their obligations under the Transaction Documents and the Trustee will be entitled to assume, until it has written notice to the contrary, that all such persons are properly performing their duties.
- 17.3 ***Regard to Certificateholders:*** In the exercise of its powers and discretions under these Conditions and the Trust Deed, the Trustee will have regard to the interests of holders of the Certificates as a class and will not be responsible for any consequence for individual Certificateholders as a result of such holders being domiciled or resident in, or otherwise connected in any way with, or subject to the jurisdiction of, a particular territory or taxing jurisdiction.
- 17.4 ***Approvals and Consents.*** The Trustee will not be responsible for considering the basis on which approvals or consents are granted by the Issuer or any other party to the Transaction Documents under the Transaction Documents. The Trustee will not be liable to any Certificateholder or other Secured Creditor for any failure to make or to cause to be made on their behalf the searches, investigations and enquiries which would normally be made by a prudent chargee in relation to the Security and has no responsibility in relation to the legality, validity, sufficiency and enforceability of the Security and the Transaction Documents.
- 17.5 ***Administrator, Registrar and Paying Agents solely agents of Issuer:*** In acting under the Administration Agreement and/or the ICSD Paying Agency Agreement, as the case may be, in connection with the Certificates, the Administrator, the Registrar and the ICSD Paying Agent respectively act solely as agents of the Issuer and (to the extent provided therein) the Trustee and do not assume any fiduciary duties or any obligations towards or relationship of agency or trust for or with any of the Certificateholders.
- 17.6 ***Administrator, Registrar and Paying Agents:*** The Specified Offices of the Administrator, the Registrar, and the Paying Agents are set out below.
- 17.6.1 The Administrator is Northern Trust International Fund Administration Services (Ireland) Limited and its Specified Office is George's Court, 54-62 Townsend Street, Dublin 2, Ireland.
- 17.6.2 The Registrar Northern Trust International Fund Administration Services (Ireland) Limited and its Specified Office is George's Court, 54-62 Townsend Street, Dublin 2, Ireland.
- 17.6.3 The ICSD Paying Agent is Citibank Europe plc and its Specified Office is 1 North Wall Quay, Dublin 1, Ireland.

Subject to Condition 17.6 below, the Issuer reserves the right (with the prior written approval of the Trustee) to vary or terminate the appointment of the Administrator, the Registrar or any Paying Agent (having given the requisite period of notice) and to appoint a successor administrator, registrar or paying agent and additional or successor paying agents at any time. Notice of any change in the Administrator, the Registrar or any Paying Agent, or in any of their Specified Offices, shall promptly be given to the Certificateholders in accordance with the Notices Condition.

- 17.7 ***Maintenance of Paying Agents:*** The Issuer shall at all times maintain, for so long as the Certificates are admitted to trading by any other relevant authority or listed on any stock exchange, a paying agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange (or any other relevant authority).

18. Substitution of Issuer

18.1 **Substitution of Issuer:** The Trustee may, without the consent of the Certificateholders or any other Secured Creditor, subject to:

18.1.1 the consent of the Issuer; and

18.1.2 such further conditions as are specified in the Trust Deed,

agree to the substitution of a Substituted Obligor in place of the Issuer as the principal debtor in respect of the Trust Documents, the Certificates and the Secured Obligations.

18.2 **Notice of Substitution of Issuer:** Not later than fourteen days after any substitution of the Issuer in accordance with this Condition, the Substituted Obligor shall cause notice of such substitution to be given to the Certificateholders and the other Secured Creditors in accordance with the Notices Condition and the other relevant Transaction Documents.

18.3 **Change of Law:** In the case of a substitution pursuant to this Condition, the Trustee may in its absolute discretion agree, without the consent of the Certificateholders or the other Secured Creditors to a change of the law governing the Certificates and/or any of the Transaction Documents provided that such change would not, in the opinion of the Trustee, be materially prejudicial to the interests of the holders of the Certificates.

18.4 **No indemnity:** No Certificateholder shall, in connection with any such substitution, be entitled to claim from the Issuer any indemnification or payment in respect of any tax consequence of any such substitution upon individual Certificateholders.

19. Further Certificates

19.1 **Right to issue further Certificates:** The Issuer may, from time to time, without the consent of the holders of the Certificates or the other Secured Creditors and in accordance with the Trust Deed, create and issue further Certificates having the same terms and conditions as the Certificates in all respects (or in all respects except for the Issue Date and the Issue Price) including the benefit of the Security so as to be consolidated and form a single series with the Certificates.

20. Notices

20.1 **Valid Notices:** All notices to Certificateholders regarding the Certificates will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the Certificateholders at their respective addresses appearing in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Certificates are listed by or on a competent authority or stock exchange and the rules of that competent authority or stock exchange so require, such notice will be published in a daily newspaper of general circulation in the places or places required by that competent authority or stock exchange.

20.2 **Other Methods:** The Trustee shall be at liberty to sanction some other method of giving notice to the Certificateholders if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchange on which the Certificates are then listed and provided that notice of such other method is given to the Certificateholders in such manner as the Trustee shall require.

21. Rounding

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent

being rounded up) and all amounts in any other currency which are used in or resulting from such calculations will be rounded to the nearest amount of the relevant currency that is available as legal tender in the country of such currency, and (c) all amounts of the Underlying Cryptoassets to which the Certificates are linked used in or resulting from such calculations will be rounded down to the relevant Rounding Amount.

22. Governing Law and Jurisdiction

- 22.1 ***Governing law:*** The Certificates, the Trust Deed and the other Transaction Documents (other than the Administration Agreement and the Account Bank Agreement) will be governed by English law. The Administration Agreement will be governed by Irish law. The Account Bank Agreement will be governed by the laws of the state of New York.
- 22.2 ***Jurisdiction:*** The English courts are to have jurisdiction to settle any disputes which may arise out of or in connection with the Certificates, and accordingly any legal proceedings arising out of or in connection with the Certificates ("**Proceedings**") may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts and waives any objection to Proceedings in any such courts whether on the grounds of venue or that the Proceedings have been brought in an inconvenient forum.

FORM OF FINAL TERMS

The Final Terms in respect of each Tranche of Certificates will be in the following form, duly completed to reflect the particular terms of the relevant Certificates and their issue. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.

PROHIBITION OF SALES TO UK RETAIL INVESTORS - The Certificates are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97 (as amended or superseded), where that customer would not qualify as a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Certificates or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Certificates or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

UK MiFIR product governance / professional investors and eligible counterparties only target market

– Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Certificates has led to the conclusion that: (i) the target market for the Certificates is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Certificates to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Certificates (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Certificates (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

The investments described in this document do not constitute a collective investment fund for the purpose of the Collective Investment Funds (Jersey) Law 1988, as amended, on the basis that they are investment products designed for financially sophisticated investors with specialist knowledge of, and experience of investing in, such investments, who are capable of fully evaluating the risks involved in making such investments and who have an asset base sufficiently substantial as to enable them to sustain any loss that they might suffer as a result of making such investments. These investments are not regarded by the Jersey Financial Services Commission ("JFSC") as suitable investments for any other type of investor. The JFSC has not confirmed that that issuer falls within the scope of the Collective Investment Funds (Restriction of Scope) (Jersey) Order 2000. Accordingly, the JFSC takes no responsibility should the issuer fail to meet the conditions of the Collective Investment Funds (Restriction of Scope) (Jersey) Order 2000.

The JFSC has given, and has not withdrawn, its consent under Article 4 of the Control of Borrowing (Jersey) Order 1958, as amended, to the issue of securities (i.e. the Certificates) by the Issuer. The JFSC is protected by the Control of Borrowing (Jersey) Law, 1947, as amended, against liability arising from the discharge of its functions under that law. It must be distinctly understood that, in giving that consent, the JFSC takes no responsibility for the financial soundness of the Issuer or for the correctness of any statements made, or opinions expressed, with regard to it.

Final Terms dated [•]

Issue of [insert number of Certificates comprised in the Tranche] Secured [Insert Cryptocurrency]-Linked Certificates due [insert Final Maturity Date]

**under the
Secured Cryptocurrency Linked Certificates Programme**

The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (b) below, any offer of Certificates in any Member State of the European Economic Area will be made pursuant to an exemption under Regulation (EU) 2017/1129 (as amended) (the "**Prospectus Regulation**") from the requirement to publish a prospectus for offers of the Certificates. Accordingly, any person making or intending to make an offer of the Certificates may only do so:

- (a) in circumstances in which no obligation arises for the Issuer or any Authorised Participant to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation in relation to such offer; or
- (b) in those Public Offer Jurisdictions in each case which are mentioned in Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Authorised Participant has authorised, nor do they authorise, the making of any offer of Certificates in any other circumstances.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated 16 November 2023 [and the supplemental Base Prospectus dated [•]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Regulation. This document constitutes the Final Terms of the Certificates described herein for the purposes of Article 8(4) of the Prospectus Regulation. These Final Terms contain the final terms of the [Tranche][Series] of Certificates described herein and must be read in conjunction with such Base Prospectus [as so supplemented].

Full information on the Issuer and the offer of the [Tranche][Series] of Certificates described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the supplemental Base Prospectus] [is] [are] available for viewing at etf.invesco.com. [A summary of the individual issue is annexed to these Final Terms.]

[When completing any final terms or information, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 23 of the Prospectus Regulation].

- | | | |
|----|---|---|
| 1. | Issuer: | Invesco Digital Markets plc |
| 2. | [Initial] Issue Date: | [•] |
| 3. | Final Maturity Date: | [•] |
| 4. | Underlying Cryptoassets: | [Bitcoin], [•] ¹ |
| 5. | Initial Per Certificate Entitlement to Underlying Cryptoassets as at the [Initial] Issue Date: | [•] [Bitcoin], [•] [•] |
| 6. | [Per Certificate Entitlement to Underlying Cryptoassets as at the first day of the Offer Period, i.e. [•]]: | [•]] <i>[only include item 6 for final terms relating to a public offer]</i> |

¹ Any Cryptocurrency which is an Underlying Cryptocurrency to be listed here.

- | | | |
|-----|--|--|
| 7. | Reduction Percentage: | [●] per cent. per annum [(which may be lowered from time to time by the Issuer on the advice of the Issuer Adviser)] |
| 8. | Rounding Amount: | The nearest [●] |
| 9. | Issue Price: | [[●] per Certificate][Per Certificate Entitlement][as at the [Initial] Issue Date] |
| 10. | [Offer Price as at the start of the first day of the Offer Period, i.e. [●]: | [●][After the start of the Offer Period (i.e. [●]), the selling price Per Certificate Entitlement will be adjusted continuously depending on market conditions and the price of the Underlying Cryptoasset.]] <i>[only include item 10 for final terms relating to a public offer]</i> |
| 11. | Aggregate number of Certificates in the Series: | [Up to] [●] Certificates [(including the Certificates issued in this Tranche)] |
| 12. | Aggregate number of Certificates in the Tranche: | [[●] Certificates][[Not Applicable][item is "Not Applicable" for final terms relating to a public offer] |
| 13. | Specified Currency: | [●] |
| 14. | Names and addresses of Authorised Participants: | <i>[give names and addresses]</i> |
| 15. | Non-exempt Offer: | [Not Applicable] [An offer of the Certificates may be made by the Authorised Participants [and <i>[specify, if applicable]</i>] other than pursuant to Article 1(4) of the Prospectus Regulation in <i>[specify Member State(s) – which must be jurisdictions where the prospectus and any supplements have been passported]</i> (" Public Offer Jurisdictions ") during the period from [specify date] until [specify date] (the " Offer Period ").] |
| 16. | [Total amount of Certificates offered to the public: | Up to [●] Certificates will be offered. The actual issue size is to be determined on the basis of the demand for the Certificates and prevailing market conditions. The actual issue size will be published by making it available at the office of the [Issuer Adviser]/[Issuer].] <i>[only include item 14 for final terms relating to a public offer]</i> |

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for [issue] [and] [a public offer in the Public Offer Jurisdictions] [and admission to trading on [●]] of the Certificates described herein pursuant to the Secured Cryptocurrency Linked Certificates Programme of Invesco Digital Markets plc.

These Final Terms have been prepared for the purpose of the Prospectus Regulation and must be read in conjunction with the Base Prospectus and any supplement thereto in order to obtain all the relevant information. The Base Prospectus and any supplement thereto are published in accordance with the arrangements set out in Article 21 of the Prospectus Regulation at <https://etf.invesco.com/>. An issue-specific summary prepared in accordance with Article 8 of the Prospectus Regulation is attached to these Final Terms.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms, and declares that the information contained in these Final Terms is, to the best of its knowledge, in accordance with the facts and makes no omission likely to affect its import.

[insert in case of Final Terms for Certificates with listing on the Regulated Market of the Frankfurt Stock Exchange:

Furthermore, ICF BANK AG with its registered office at Kaiserstraße 1, 60311 Frankfurt am Main, Germany, Legal Entity Identifier (LEI) 529900E89HA1I45HB613, in its capacity as Listing Agent and co-applicant for the admission to trading and listing of this [Tranche][Series] of Certificates on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange accepts responsibility for the information contained in the Base Prospectus and these Final Terms in addition to the responsibility of the Issuer, and declares that the information contained in the Base Prospectus and these Final Terms is, to the best of its knowledge, in accordance with the facts and makes no omission likely to affect its import.]

PART B – OTHER INFORMATION

1. ADMISSION TO TRADING AND LISTING

a) Admission to trading

[insert where applicable:

Application has been made for admission to trading and listing of the Certificates on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange.]

[Application will be made by the Issuer (or on its behalf) for the Certificates to be admitted to trading and listing on [●].]

[This Tranche of Certificates is fungible with the Certificates of the same Series already in issue which have been admitted to trading and listing on [●].]

[This Series of Certificates has been admitted to trading and listing on [●] on [●].]

b) Listing

[●]

2. [EXPENSES OF THE OFFER][REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES]

[Estimate of total expenses related to admission to trading and listing of the Certificates: [●]]

[Reasons for the offer: See "Use of Proceeds" section in the Base Prospectus]

[Estimated net proceeds: The Certificates are initially purchased by the Authorised Participants from the Issuer in the primary market in the Specified Cryptocurrency. The amount received in the Specified Cryptocurrency by the Issuer through the subscription of the Certificates will be transferred to the Depositary Wallet. Based on the assumption that a total of [●] Certificates are sold and based on the Specified Cryptocurrency value of [●] (as of [●]), the net proceeds for each [●] units of Certificates are [●].]

[Estimated total expenses: [●]]

3. OPERATIONAL INFORMATION

ISIN Code:

[●]

Delivery:

Delivery [against/free of] payment

Paying Agent:

[Citibank Europe plc][●]

Clearing System:

[Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, B-1210 Brussels, Luxembourg]

Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg]

Trading Method:

Units

Minimum Trading Amount:

The minimum number of Certificates that may be traded is 1 and any integral multiple thereof.

[Maximum Issue Size:

The aggregate number of all Certificates of the Series of which this Tranche forms a part which are outstanding from time to time will not exceed [●].]

USE OF PROCEEDS

The Issuer will receive the net proceeds from the issue of a Series of the Certificates in the Specified Cryptocurrency and will keep such amounts in its Depositary Wallet held with the Custodian in order to discharge and hedge its obligations under the Certificates (as described further in the sections "*Description of the Transaction Documents*" below and "*Terms and Conditions of the Certificates*" above).

RESPONSIBILITY STATEMENT

The Issuer accepts responsibility for the information contained in this Base Prospectus and declares that the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and the Base Prospectus makes no omission likely to affect its import.

In connection with an issue of any Tranche of Certificates and with regard to such issue only, if so specified under the item "Responsibility" in the relevant Final Terms, ICF BANK AG with its registered office at Kaiserstraße 1, 60311 Frankfurt am Main, Germany, Legal Entity Identifier (LEI) 529900E89HA1I45HB613, in its capacity as Listing Agent for the admission to trading and listing and co-applicant of the relevant Tranche of Certificates on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange accepts responsibility for the information contained in the Base Prospectus and the relevant Final Terms for the issuance of such Tranche of Certificates in addition to the responsibility of the Issuer, and confirms that to the best of its knowledge and belief, the information for which it accepts responsibility as aforesaid is in accordance with the facts and does not omit anything likely to affect its import.

This Base Prospectus has been approved by the BaFin in its capacity as competent authority under the Prospectus Regulation (EU) 2017/1129. BaFin only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or 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.

OVERVIEW OF THE TRANSACTION DOCUMENTS

The following is an overview of the material terms of the following documents entered into by the Issuer, as they relate to the Certificates: the Trust Deed, the Security Deed, the Administration Agreement, the Advisory Agreement, the Custody Agreement, the Authorised Participants Agreement, the Account Bank Agreement, the Execution Agency Agreement, the Settlement Services Agreement and the Fees and Expenses Agreement.

This overview is a summary of the above Transaction Documents and related provisions of the Conditions, which prevail to the extent of any inconsistency with this overview. Capitalised terms used herein and not otherwise defined have the respective meanings given to such terms in the Conditions.

The Trust Deed

Pursuant to the Trust Deed, the Issuer has appointed the Trustee, and the Trustee has agreed to act, as trustee in relation to each Series of Certificates. Under the terms of the Trust Deed, the Trustee may retire at any time on giving not less than three months' notice in writing to the Issuer. The Certificateholders of a particular Series will have the power to remove the Trustee, exercisable by Extraordinary Resolution in respect of that Series. However, the retirement or removal of the Trustee shall not become effective until a successor trustee has been appointed in accordance with the provisions of the Trust Deed.

All monies received by the Trustee in respect of the Secured Property for a Series shall be held by the Trustee on trust for the benefit of itself and the other Secured Creditors in respect of each Series of Certificates separately, in accordance with the Conditions.

Under the terms of the Trust Deed the Issuer may, without the consent of the Certificateholders of the relevant Series and the other Secured Creditors in respect of such Series (but subject to certain restrictions), issue further Tranches of Certificates of the same Series having the same terms and conditions as previous Tranches of Certificates of such Series already in issue in all respects (except for the Issue Date, the Issue Price and the Initial Per Certificate Entitlement in respect thereof) and including the benefit of the Security, so as to be consolidated and form a single Series with the Certificates of such Series already in issue. The aggregate number of Certificates outstanding at any one time under the Programme will not exceed the Programme Limit. In addition, the aggregate number of Certificates in a particular Series which are outstanding at any one time will not exceed the Maximum Issue Size for that Series.

As is more particularly described in the Trust Deed but subject to the terms thereof, the Trustee shall (if directed by the Certificateholders of a particular Series) or otherwise in its discretion may (in either case subject to the Trustee having been indemnified and/or secured and/or prefunded to its satisfaction against any loss, liability, cost, claim, action, demand or expense which may be incurred or made against it in connection therewith), institute such proceedings against the Issuer as it may think fit to enforce the rights of the Certificateholders and other Secured Creditors of such Series against the Issuer, whether the same arise under general law, the Trust Deed, the Certificates or otherwise.

Under the terms of the Trust Deed, the Trustee will, as regards all the powers, trusts, authorities, duties and discretions vested in it by the Trust Deed or Security Deed applicable to the relevant Series, the other Transaction Documents or the Certificates, except where expressly provided otherwise, have regard to the interests of both the Certificateholders and the other Secured Creditors of such Series, but if, in the Trustee's sole opinion, there is a conflict between their interests, it will have regard solely to the interests of such Certificateholders and no other Secured Creditor will have any claim against the Trustee for so doing. When exercising its powers, authorities, duties and discretions, the Trustee will have regard to the interests of the Certificateholders of the relevant Series as a class and will not have regard for the interests of an individual Certificateholder.

Under the terms of the Trust Deed if, with respect to the exercise by the Trustee of any of its powers, trusts, authorities, duties or discretions vested in it by any relevant Trust Document, the other Transaction Documents or the Certificates, two or more Series of Certificates are relevant to such exercise and, in the Trustee's sole opinion, there is a conflict between the interests of Certificateholders of such different Series, it will have regard solely to the interests of the Certificateholders of such Series which has the greatest

number of Certificates outstanding at the relevant time and no Certificateholder of any other Series shall have any claim against the Trustee for so doing.

After the Security in respect of a particular Series is enforced by the Trustee, all moneys received by or on behalf of the Trustee or any Receiver appointed under the provisions of the Trust Deed or Security Deed applicable to that Series, in connection with the realisation or enforcement of the Security constituted shall be applied in respect of such Series in accordance with the priority of payments as set out in the Trust Deed and Condition 5 (*Payments Priorities*).

The Trust Deed contains provisions in relation to the appointment of any successor Administrator, Custodian, Account Bank, ICSD Paying Agent, Certificates Settlement Agent and Execution Agent (each a "**Service Provider**"). If a Service Provider notifies the Issuer that it will resign its appointment or the Issuer delivers a written notice to a Service Provider that the appointment of the Service Provider will be revoked or terminated or such Service Provider's appointment is terminated or the relevant service provider agreement to which it is a party (each a "**Relevant Service Provider Agreement**") is terminated for any reason, the Issuer Adviser may (but shall not be obliged to) identify a successor Service Provider, which meets the criteria specified therein and is willing to enter into an agreement with the Issuer to provide services substantially similar to, or which are otherwise a suitable replacement for, the services provided under the terms of the Relevant Service Provider Agreement.

The successor Service Provider identified by the Issuer Adviser in accordance with the Trust Deed shall be appointed by the Issuer only if it is willing to accede the Relevant Service Provider Agreement or to into a replacement Relevant Service Provider Agreement pursuant to which the successor Service provider will provide services substantially similar to, or which are otherwise in the opinion of the Issuer Adviser a suitable replacement for, the services provided under the terms of the Relevant Service Provider Agreement.

The Trust Deed will be governed by and construed in accordance with English law.

Security Deed

A Security Deed will be entered into in respect of each Series of Certificates at the time that the first Tranche of Certificates of such Series is issued. Pursuant to the Security Deed applicable to a Series of Certificates and for the benefit of that Series of Certificates only, the Issuer will create the following Security Interests with full title guarantee and as continuing security for the Secured Obligations in favour of the Trustee for the Trustee itself and on trust for the Secured Creditors:

- (a) a first fixed charge over all of the Issuer's rights, title and interest in and to the cash account in respect of the Series (the "**Issuer Cash Account**");
- (b) an assignment by way of security of the Issuer's rights, title and interest in and to each of the Transaction Documents to the extent that they relate to the Certificates of that Series and any sums payable thereunder including the Issuer's rights to any sums held by any other party thereto to meet payments due in respect of the Certificates of that Series, but only to the extent that the same relates to the Certificates of that Series, but excluding the Issuer's proprietary interest in and to the Underlying Cryptoassets;
- (c) (to the extent not validly and effectively assigned pursuant to paragraph (b) above) a first fixed charge over all of the Issuer's rights, title and interest present and future in and to the assets listed in paragraph (b) above; and
- (d) (to the extent not validly and effectively assigned pursuant to paragraph (b) above or charged by way of fixed charge pursuant to paragraphs (a) or (c) above) a first floating charge over all the Issuer's rights, title and interest, present and future, in and to the assets listed at paragraphs (a), (b) or (c) above (as applicable).

Upon the Trustee being satisfied as to the irrevocable and unconditional payment or discharge of the Secured Obligations, the Trustee will, at the request and cost of the Issuer, release, discharge or reassign the Secured Property to the Issuer.

At any time following an Event of Default in respect of any particular Series that is continuing, the Trustee shall (if directed by the Holders of the Certificates of such Series) or otherwise in its discretion may (in either case subject to the Trustee having been indemnified and/or secured to its satisfaction against any loss, liability, cost, claim, action, demand or expense which may be incurred or made against it in connection therewith), accelerate the relevant Series of Certificates by delivering an Enforcement Notice. To enforce the Security in respect of any particular Series over the relevant Secured Property the Trustee may, at its discretion, take possession of all or part of that Secured Property or sell, call in, collect and convert into money all or part of that Secured Property in such manner and on such terms as it shall think fit and exercise any other right, power or discretion under the Trust Deed or relevant Security Deed or at law available to it.

Each Security Deed will be governed by and be construed in accordance with English law.

Administration Agreement

Pursuant to the Administration Agreement, the Administrator has agreed to act as administrator for the Issuer. The Administration Agreement sets out the authority and duties of the Administrator, such as the implementation of the Per Certificate Entitlement, the administration of the procedure for the transfer, issue and redemption of Certificates, liaising with and issuing instructions to the Account Bank, Custodian and Execution Agent, the provision of reporting services to the Issuer, assisting the Issuer with the preparation of material required to produce of the Issuer's books and accounts, liaising with the auditors in relation to the audit of the financial statements of the Issuer and, in its capacity as Registrar, the provision of certain registration and transfer agency services in respect of Certificates, as well as the indemnities provided to it. It also specifies certain limitations of liability, representations and warranties and terms relating to fees and expenses of the Administrator.

The Administrator may resign its appointment under the Administration Agreement upon not less than 90 days written notice to the Issuer and copied to the Trustee and the Issuer Adviser.

The Administrator may be removed upon 90 days written notice by the Issuer to the Administrator, with a copy of such notice to the Trustee and the Issuer Adviser.

The Administrator or the Issuer may also terminate the Administration Agreement immediately upon written notice to the other party following the occurrence of certain events, including (a) a party committing a material breach of the Administration Agreement, (b) the continued performance of the Administration Agreement ceasing to be lawful or (c) a party admits it is unable to pay its debts as they fall due or a party is subject to examinership, receivership or liquidation proceedings.

Following the resignation or removal of the Administrator, the Issuer may be obliged to make certain payments to the outgoing Administrator. Notwithstanding any of the foregoing and except in relation to an immediate termination and subject to certain conditions, no termination of the appointment of, or resignation of, the Administrator shall be effective until such time as a successor to the Administrator has agreed in writing to assume all of the Administrator's duties and obligations under the Administration Agreement.

The Administration Agreement will be governed by and be construed in accordance with Irish law.

Settlement Services Agreement

Pursuant to the Settlement Services Agreement, the Certificates Settlement Agent has agreed to act as certificates settlement agent for the Issuer. The Settlement Services Agreement sets out the authority and duties of the Certificates Settlement Agent in relation to subscriptions and redemptions of Certificates and the indemnities provided to it. It also specifies certain limitations of liability, representations and warranties and terms relating to fees and expenses of the Certificates Settlement Agent.

The Certificates Settlement Agent may resign its appointment under the Settlement Services Agreement upon not less than 90 days written notice to the Issuer and copied to the Trustee and the Issuer Adviser.

The Certificates Settlement Agent may be removed upon 90 days written notice by the Issuer to the

Certificates Settlement Agent, with a copy of such notice to the Trustee and the Issuer Adviser.

The Certificates Settlement Agent or the Issuer may also terminate the Settlement Services Agreement immediately upon written notice to the other party following the occurrence of certain events, including (a) a party committing a material breach of the Settlement Services Agreement, (b) the continued performance of the Settlement Services Agreement ceasing to be lawful or (c) a party admits it is unable to pay its debts as they fall due or a party is subject to examinership, receivership or liquidation proceedings.

Following the resignation or removal of the Certificates Settlement Agent, the Issuer may be obliged to make certain payments to the outgoing Certificates Settlement Agent. Notwithstanding any of the foregoing and except in relation to an immediate termination and subject to certain conditions, no termination of the appointment of, or resignation of, the Certificates Settlement Agent shall be effective until such time as a successor to the Certificates Settlement Agent has agreed in writing to assume all of the Certificates Settlement Agent's duties and obligations under the Settlement Services Agreement.

The Settlement Services Agreement will be governed by and be construed in accordance with English law.

Advisory Agreement

Pursuant to the Advisory Agreement, the Issuer Adviser has agreed to act as Issuer Adviser for the Issuer. The Advisory Agreement sets out the authority and duties of the Issuer Adviser and the indemnities provided by and to it. It also specifies certain limitations of liability, representations and warranties and terms relating to fees and expenses of the Issuer Adviser. The Issuer Adviser will provide certain advisory services and other duties expressly set out in the Advisory Agreement including determining whether a Market Disruption Event or a Settlement Disruption Event occurs or exists at any relevant time and the identification of successor Service Providers in accordance with the Trust Deed.

The Issuer Adviser may resign its appointment under the Advisory Agreement upon 60 calendar days' prior written notice to the Issuer and copied to the Trustee.

The Issuer Adviser may be removed immediately on written notice by the Issuer and copied to the Trustee.

Following the resignation or removal of the Issuer Adviser, the Issuer may be obliged to make certain payments to the Issuer Adviser. Notwithstanding any of the foregoing and subject to certain conditions (including those set out in the following paragraph), no termination of the appointment of, or resignation of, the Issuer Adviser shall be effective until such time as a successor to the Issuer Adviser has agreed in writing to assume all of such Issuer Adviser's duties and obligations under the Advisory Agreement.

Upon any removal or resignation of the Issuer Adviser, the Issuer shall use all reasonable endeavours to appoint a successor to the Issuer Adviser in accordance with the Advisory Agreement and, but if the Issuer fails to do so before the expiry of the relevant notice period the Issuer Adviser may, but shall not be obliged to, appoint its own successor.

The Advisory Agreement will be governed by and be construed in accordance with English law.

ICSD Paying Agency Agreement

Pursuant to the ICSD Paying Agency Agreement, for so long as each Series of Certificates is represented by a Global Certificate which is registered in the name of a nominee for, and deposited with, the common depository for a Clearing System, the ICSD Paying Agent has agreed arrange to make certain payments in respect of the each Series of Certificates and the Issuer has agreed to pay certain fees and expenses of the ICSD Paying Agent. The Issuer has also agreed to indemnify the ICSD Paying Agent against certain liabilities incurred in connection with acting as agent of the Issuer in relation to the Certificates.

The ICSD Paying Agency Agreement will be governed by and construed in accordance with English law.

Custody Agreement

Pursuant to the Custody Agreement, the Custodian has agreed to provide custody, safekeeping, asset

servicing, settlement, reporting and ancillary services to the Issuer in respect of the Issuer's Underlying Cryptoassets. The Custody Agreement sets out the authority and duties of the Custodian and the indemnities provided to it. It also specifies certain limitations of liability, representations and warranties and terms relating to fees and expenses of the Custodian. Under the terms of the Custody Agreement, the Custodian has declared that it holds all rights, title and interest to the cryptoassets covered by the Custody Agreement from time to time on trust for the Issuer.

In performing the services under the Custody Agreement, the Custodian has agreed to exercise the same standard of care as is reasonably expected from a professional Custodian engaging in similar activities. In addition, the Custody Agreement provides that the Custodian shall only be liable for losses caused by its negligence, fraud or wilful default, and there are a number of specific limitations on its liability which may serve to further limit or eliminate the recourse of the Issuer against the Custodian in circumstances where the operation of the custody arrangements results in the loss of Underlying Cryptoassets and therefore a loss to Certificateholders.

In particular, but without limitation, the Custodian has excluded liability for losses caused outside its reasonable control, as well as, specifically, losses caused by computer system malfunction or failure (regardless of cause) or any third-party interference with a computer system and by error, failure, interruption, delay or non-availability of any goods or services supplied to the Custodian by any third party. The Custodian has also excluded liability for indirect or consequential losses which may be suffered by the Issuer, and has also placed a cap on its liability which is equal to the greater of (i) the total amount of fees paid or payable by the Issuer in the twelve (12) months prior to the date of the occurrence of the loss and (ii) in respect of any loss in respect of which Zodia is able to make a successful claim under its digital assets crime policy, a share (expected to be pro-rated in respect of the Issuer's loss relative to the aggregate losses in respect of which the successful claim is made, as determined in good faith by Zodia) of the net proceeds received of any such claim).

The Custody Agreement also affords the Custodian the discretion to suspend or limit the provision of its services, including in circumstances where there is a breach of or suspected breach of any applicable law, a network outage, a fork, a failure, outage, hack or other malfunction of a cryptocurrency or its underlying protocol.

The Custodian may terminate any or all of its services upon 90 calendar days' prior written notice to the Issuer, subject to a successor having been duly appointed by the Issuer. The Custodian may also terminate its services for cause with immediate effect upon the occurrence of certain events.

The Issuer may terminate any or all of the services of the Custodian upon immediate written notice.

The Custody Agreement is governed by and will be construed in accordance with English law.

Execution Agency Agreement

Pursuant to the Execution Agency Agreement, the Execution Agent has agreed to provide services in relation to the sale of Underlying Cryptoassets of each Series to realise cash proceeds relating to the Combined Fees and in relation to circumstances where cash redemptions of the Certificates are required or permitted.

The Execution Agent agrees pursuant to the Execution Agency Agreement to use its reasonable efforts to sell relevant Underlying Cryptoassets in exchange for the relevant Specified Currency in accordance with proper instructions with regard to achieving the Reference Price or a price similar to the Reference Price.

The Execution Agent is required to select a method, counterparty and venue (if any) for the execution of each sale transaction in its discretion but in all cases taking all sufficient steps to obtain in its reasonable judgment in good faith the best result reasonably possible for the Issuer taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the relevant sale transaction, and in all cases with a counterparty or on a venue that is subject by law to know your customer ("KYC") and anti-money laundering and counter-terrorism financing ("AML/CTF") obligations in accordance with Financial Action Task Force standards or that has otherwise

implemented KYC and AML/CTF policies and procedures in accordance with Financial Action Task Force standards.

The Execution Agent's fee is payable by way of deduction from the net proceeds of sale transactions and is not subject to the Payments Priorities.

The Execution Agency Agreement provides that the Execution Agent shall only be liable for losses caused by its negligence, fraud or wilful default, and there are a number of specific limitations on its liability, including a monetary cap on liability, which may serve to further limit or eliminate the recourse of the Issuer against the Execution Agent in circumstances where there has been an act or omission that has resulted in a loss to the Issuer and therefore a loss to Certificateholders.

The Execution Agent may resign its appointment under the Execution Agency Agreement upon not less than 180 days' notice to the Issuer (with a copy to the Trustee) given at any time after the first anniversary date of the Execution Agency Agreement.

The Execution Agent may be removed upon 30 days written notice by the Issuer to the Execution Agent, with a copy of such notice to the Trustee.

The Issuer may also terminate the Execution Agency Agreement immediately for cause (as that term is defined in the Execution Agency Agreement).

Following the resignation or removal of the Execution Agent, the Issuer may be obliged to make certain payments to the outgoing Execution Agent. Notwithstanding any of the foregoing and except in relation to an immediate termination and subject to certain conditions, no termination of the appointment of, or resignation of, the Execution Agent shall be effective until such time as a successor to the Execution Agent has agreed in writing to assume all of the Execution Agent's duties and obligations under the Execution Agency Agreement.

The Execution Agency Agreement is governed by and will be construed in accordance with English law.

Authorised Participant Agreement(s)

Pursuant to an Authorised Participant Agreement, an authorised participant may be appointed as an Authorised Participant in relation to a particular Series of Certificates. The Final Terms relating to each Tranche of Certificates will specify which Authorised Participant(s) are appointed in respect of such Tranche. The Authorised Participant Agreement deals with, amongst other things, the rights and obligations of the Authorised Participant in relation to subscribing for Certificates.

Upon the terms and subject to the conditions set out in the Authorised Participant Agreement an Authorised Participant may agree with the Issuer to subscribe for any Certificates of a Series. Under the terms of the Authorised Participant Agreement, the Issuer reserves the right to issue procedures relating to the manner of creating and issuing Certificates or redeeming Certificates, and the Authorised Participant agrees to comply with all such procedures as may be issued and notified to it from time to time to the extent the Authorised Participant wishes to apply for the creation or redemption of Certificates under the Authorised Participant Agreement. These procedures are expected to include a requirement for the Authorised Participant to submit applications in a specified form and to provide all necessary AML information to the Issuer (or the Administrator, acting on its behalf).

The relevant issue price will be payable by way of the transfer of the Specified Cryptocurrency or Specified Cryptocurrencies to which such Series is linked to the Depositary Wallet of such Series maintained by the Custodian for the Issuer together with an amount of cash in respect of any applicable subscription fees.

Pursuant to the Authorised Participant Agreement, the Authorised Participants will agree to provide to the Issuer the contact details to be used from time to time for any notices or other communications to such Authorised Participant under any Transaction Document.

The appointment of an Authorised Participant may be terminated: (i) upon such Authorised Participant giving

at least 30 calendar days' written notice of such termination to the Issuer or (ii) upon the Issuer giving at least 30 calendar days' written notice of such termination to such Authorised Participant.

The Issuer has agreed in the Authorised Participant Agreement to indemnify each Authorised Participant against certain liabilities in connection with the offer and sale of the Certificates and each Authorised Participant has agreed to indemnify the Issuer against certain liabilities in connection with the performance of its duties as Authorised Participant.

The Authorised Participant Agreement will be governed by and construed in accordance with English law.

Account Bank Agreement

Pursuant to the Account Bank Agreement, the Account Bank will upon the application of the Issuer open a demand deposit bank account for each Series of Certificates relating to that Series of Certificates. The Trustee will have sole authority to give instructions in relation to each Issuer Cash Account following the service of an Enforcement Notice in the manner described in the Account Bank Agreement.

The Account Bank Agreement will be governed by and construed in accordance with New York law.

Fees and Expenses Agreement

Pursuant to the Fees and Expenses Agreement and in respect of each Series of Certificates, the Issuer will pay to the Issuer Adviser an amount equal to the Combined Fees (the "**Issuer Adviser Fee**") in connection with each Combined Fees Calculation Date (as it occurs from time to time) in respect of that Series. The Issuer Adviser Fee is payable by the Issuer to the Issuer Adviser for its services under the Advisory Agreement and the Fees and Expenses Agreement. In consideration of the payment by the Issuer of the Issuer Adviser Fee, the Issuer Adviser will agree to pay to the Issuer or to its order amounts equal to certain ongoing fees and expenses of the Issuer in connection with the Programme. The Issuer Adviser shall be under no obligation to pay or otherwise reimburse the Issuer in respect of any indemnity granted by the Issuer in favour of a Secured Creditor in respect of any Series of Certificates in connection with the Programme.

The Fees and Expenses Agreement will be governed by and construed in accordance with English law.

DESCRIPTION OF THE ISSUER

General

The Issuer was registered and incorporated with the name Invesco Digital Markets plc on 29 April 2021 as a public limited company with its registered seat in Jersey and is incorporated under the Companies (Jersey) Law 1991 with registration number 135306. The Issuer has been established as a special purpose vehicle for the purpose of issuing certificates which are backed by collateral. The registered office of the Issuer is at 44 Esplanade, St Helier, Jersey JE4 9WG. The authorised share capital of the Issuer is £2 divided into 2 ordinary shares of £1 each, of which £2 divided into 2 ordinary shares of £1 each have been issued. All of the issued shares are fully-paid up and are held to the order of Intertrust Fiscal Trustee a.r.l. (the "**Share Trustee**"), under the terms of a declaration of trust governed by the laws of Jersey (the "**Declaration of Trust**") dated 23 April 2021 under which the Share Trustee holds them on trust for charitable purposes. The Share Trustee has no beneficial interest in and derives no benefit (other than its fees for acting as Share Trustee) from its holding of the shares of the Issuer. The phone number of the Issuer is +44 1534 504000.

Business

The Issuer has been established as a special purpose vehicle for the purposes of issuing asset backed securities.

So long as any of the Certificates remain outstanding, the Issuer shall not, without the prior written consent of the Trustee incur any other indebtedness for borrowed moneys or engage in any business (other than acquiring and holding the Secured Property, issuing further Certificates and entering into related agreements and transactions as described in this Base Prospectus, or, *inter alia*, declare any dividends, have any subsidiaries or employees, purchase, own, lease or otherwise acquire any real property (including office premises or like facilities), consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entity to any person (otherwise than as contemplated in the Conditions and the Trust Deed) or issue any shares (other than such shares as are in issue on the date of this Base Prospectus).

The Issuer commenced its operations on the date of issuance of the first tranche of certificates under this programme in November 2021.

The Issuer has, and will have, no assets other than the sum of £2 representing the issued and paid-up share capital, such fees (as agreed) payable to it in connection with the issue of Certificates and any Secured Property and any other assets on which Certificates are secured.

The Certificates are obligations of the Issuer alone and not of the Share Trustee or the Trustee. Furthermore, they are not obligations of, or guaranteed in any way by, any other party.

Save in respect of the fees generated in connection with Certificates, any related profits and the proceeds of any deposits and investments made from such fees or from amounts representing the Issuer's issued and paid-up share capital, the Issuer does not expect to accumulate any surpluses.

Directors

The Directors of the Issuer are as follows:

Name	Principal Occupation
Karen Bailey	Director
Ryan David Mendez	Director

The business address of the Directors is the same as the registered office of the Issuer.

Intertrust SPV Services Limited, a company incorporated in Jersey and having its registered office at 44 Esplanade, St. Helier, Jersey JE4 9WG is the administrator of the Issuer. Its duties include the provision of company secretarial services, the provision of registered office facilities, the maintenance of registers of

members, directors and secretary, the preparation and filing of statutory and annual returns, the preparation and filing of tax returns in Jersey, the preparation of accounts and the provision of directors to the Issuer. The appointment of the administrator may be terminated upon the expiry of at least three months' written notice of termination given by either party, or immediately by either party upon the occurrence of certain insolvency events occurring with respect to the other party or upon either party committing a material breach of the agreement which, if capable of remedy, is not remedied within the specified period.

Financial Statements

The Issuer has published its first financial statements in respect of the period from inception to 31 March 2023. Further, the Issuer has published its financial statements in respect of the period from 1 April 2022 to 31 March 2023. These financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS").

The Issuer will prepare interim financial statements to the extent required under applicable law.

The financial year of the Issuer ends on 31 March in each year.

Information incorporated by reference

The following information is incorporated by reference in this section:

- The audited annual financial statements of the Issuer for the period ending 31 March 2022 together with an unqualified auditor's report (all pages); and
- The audited annual financial statements of the Issuer for the period ending 31 March 2023 together with an unqualified auditor's report (all pages).

A cross-reference list is provided in paragraph 7 of the Section "GENERAL INFORMATION" on page 110.

Issuer Taxation

The following paragraphs summarise certain aspects of the Jersey taxation treatment of holding Certificates. The statements are intended only as a general guide.

Income tax

The Issuer will be regarded as resident in Jersey under the Income Tax (Jersey) Law 1961 (as amended) (the "Jersey Income Tax Law") but (being neither a financial services company a specified utility company, a large corporate retailer nor in the trade of importing into Jersey and/or supplying in Jersey hydrocarbon oil under the Jersey Income Tax Law at the date of this Prospectus) will (except as noted below) be subject to Jersey income tax at a rate of 0 per cent. Certificateholders (other than residents of Jersey) should not be subject to any tax in Jersey in respect of the holding, sale, redemption or other disposition of Certificates. Redemption payments (other than to residents of Jersey) will not be subject to withholding for or on account of Jersey tax.

Stamp Duty

Under current Jersey law, there are no death or estate duties, capital gains, gift, wealth, inheritance or capital transfer taxes. No stamp duty is levied in Jersey on the issue, transfer, acquisition, ownership, redemption, sale or other disposal of Certificates. In the event of the death of an individual sole holder of Certificates, duty at rates of up to 0.75 per cent. of the value of the Certificates held may be payable on registration of Jersey probate or letters of administration which may be required in order to transfer or otherwise deal with Digital Securities held by the deceased individual sole holder thereof.

Goods and services tax

The Issuer is an "international services entity" for the purposes of the Goods and Services Tax (Jersey) Law 2007 (the "GST Law"). Consequently, the Issuer is not required to: (a) register as a taxable person pursuant to the GST Law; (b) charge goods and services tax in Jersey in respect of any supply made by it; or (c)

(subject to limited exceptions that are not expected to apply to the Issuer) pay goods and services tax in Jersey in respect of any supply made to it.

Intergovernmental Agreement between Jersey and the United States

The United States Hiring Incentives to Restore Employment Act resulted in the introduction of legislation in the United States known as the Foreign Account Tax Compliance Act ("FATCA"). Under FATCA, a 30 per cent. withholding tax may be imposed on payments of United States source income and certain payments of proceeds from the sale of property that could give rise to United States source income, unless the Issuer complies with requirements to report on an annual basis the identity of, and certain other information about, direct and indirect United States holders of Digital Securities issued by the Issuer to the United States Internal Revenue Service ("IRS") or to the relevant Jersey authority for onward transmission to the IRS. A holder of Certificates issued by the Issuer that fails to provide the required information to the Issuer may be subject to the 30 per cent. withholding tax with respect to any payments directly or indirectly attributable to United States sources and the Issuer might be required to redeem any Certificates held by such holder. On 13 December 2013 an intergovernmental agreement was entered into between Jersey and the US in respect of FATCA which agreement was enacted into Jersey law as of 18 June 2014 by the Taxation (Implementation) (International Tax Compliance) (United States of America) (Jersey) Regulations 2014. Although the Issuer will attempt to satisfy any obligations imposed on it to avoid the imposition of such withholding tax, no assurance can be given that the Issuer will be able to satisfy such obligations. If the Issuer becomes subject to a withholding tax as a result of FATCA, the return on some or all Certificates issued by the Issuer may be materially and adversely affected. In certain circumstances, the Issuer may compulsorily redeem some or all of the Certificates held by one or more holders and/or may reduce the redemption proceeds payable to any holder of Certificates.

Organisation for Economic Co-operation and Development ("OECD")

Drawing extensively on the intergovernmental approach to implementing the United States Foreign Account Tax Compliance Act, the OECD developed the Common Reporting Standards ("CRS") to address the issue of offshore tax evasion on a global basis. Aimed at maximising efficiency and reducing cost for financial institutions, the CRS provides a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS, participating jurisdictions obtain from reporting financial institutions, and automatically exchange with exchange partners on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures. Jersey has implemented the CRS by the Taxation (Implementation) (International Tax Compliance) (Common Reporting Standard) (Jersey) Regulations 2015. As a result, the Issuer is required to comply with the CRS due diligence and reporting requirements, as adopted by Jersey. Jersey has committed to a common implementation timetable which has seen the first exchange of information in 2017 in respect of accounts open at and from the end of 2015, with further countries committed to implement the new global standard. Security Holders may be required to provide additional information to the Issuer to enable the Issuer to satisfy its obligations under the CRS. Failure to provide requested information may subject an investor to liability for any resulting penalties or other charges and/or mandatory redemption of Certificates.

Base Erosion and Profit Shifting: The law and any other rules or customary practice relating to tax, or its interpretation in relation to the Issuer, its assets and any investment of the Issuer may change during its life. In particular, both the level and basis of taxation may change. In particular, the outcome of the on-going global Base Erosion and Profit Shifting (BEPS) project could substantially affect the tax treatment of the Issuer. Additionally, the interpretation and application of tax rules and customary practice to the Issuer, its assets and investors by any taxation authority or court may differ from that anticipated by the Issuer. Both could significantly affect returns to investors.

DESCRIPTION OF THE TRUSTEE

Intertrust Trust Corporation Limited ("**ITL**") is registered in England and Wales under company number 04409492. ITL acts as both note and security trustee for debt capital market instruments ranging from conventional debt structures, through to asset finance, structured finance and ABS transactions.

DESCRIPTION OF THE CUSTODIAN

The Issuer's Underlying Cryptoassets relating to each Series will be held on one or more Depositary Wallets held with the Custodian, Zodia Custody Limited ("**Zodia**"), a private company limited by shares and registered in England and Wales (Company Number 12418687) having its principal place of business in London, England. Zodia is an indirect subsidiary of Standard Chartered PLC. Minority shareholders in Zodia include SBI Holdings, Inc. and Northern Trust Corporation. The core business of Zodia is to act as a custodian wallet provider, and in particular to (i) generate and safeguard private keys, and (ii) safeguard cryptoassets on behalf of its clients which are secured by the private keys. Zodia is custodian wallet provider and is accordingly registered with the United Kingdom Financial Conduct Authority (the "**FCA**") with Firm Reference Number 928347 under the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended) (the "**MLR**") in respect of its activities in cryptoassets. For clarity, Zodia's registration with the FCA as at the date of this Base Prospectus is in respect of obligations under the MLR only. Zodia does not have regulatory authorisation to carry out regulated activity under the United Kingdom Financial Services and Markets Act 2000 (as amended).

DESCRIPTION OF THE ADMINISTRATOR, REGISTRAR AND TRANSFER AGENT

Northern Trust International Fund Administration Services (Ireland) Limited has been appointed by the Issuer to act as administrator, registrar and transfer agent under the terms of the Administration Agreement.

The Administrator is a private limited liability company incorporated in Ireland on 15 June 1990 and is an indirect wholly owned subsidiary of Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world's leading providers of global custody and administration services to institutional and personal investors. As at 30 June 2023, the Northern Trust Group's assets under custody/administration totalled in excess of US\$11.3 trillion. The principal business activity of the Administrator is the administration of collective investment schemes.

The duties and functions of the Administrator include, inter alia, the implementation of the Per Certificate Entitlement, assisting with the preparation of material required to produce of the Issuer's books and accounts, liaising with the auditors in relation to the audit of the financial statements of the Issuer and the provision of certain registration and transfer agency services in respect of Certificates.

The Administrator is not involved directly or indirectly with the business affairs, organisation, sponsorship or management of the Issuer and is not responsible for the preparation of this document other than the preparation of the above description and accepts no responsibility or liability for any information contained in this document except disclosures relating to it.

As at the date of this Base Prospectus, the Administrator is not aware of any conflicts of interest in respect of its appointment as administrator to the Issuer. If a conflict of interest arises, the Administrator will ensure it is addressed in accordance with the Administration Agreement.

DESCRIPTION OF THE CERTIFICATES SETTLEMENT AGENT

The Northern Trust Company has been appointed by the Issuer to act as certificates settlement agent under the terms of the Settlement Services Agreement.

The Certificates Settlement Agent is a company established under the laws of the State of Illinois in the United States of America, whose principal place of business in England and Wales is at 50 Bank Street, Canary Wharf, London E14 5NT

The duties and functions of the Certificates Settlement Agent include the provision of administrative services in respect of subscriptions and redemptions of Certificates. In this function, the Certificates Settlement Agent will establish for the benefit of the Issuer an account with Euroclear for the purposes of facilitating the creation and redemption of the Certificates by Authorised Participants and will issue instructions to the common depositary and Euroclear in connection with subscriptions and redemptions.

The Certificates Settlement Agent is not involved directly or indirectly with the business affairs, organisation, sponsorship or management of the Issuer and is not responsible for the preparation of this document other than the preparation of the above description and accepts no responsibility or liability for any information contained in this document except disclosures relating to it.

As at the date of this Base Prospectus, the Certificates Settlement Agent is not aware of any conflicts of interest in respect of its appointment as certificates settlement agent to the Issuer. If a conflict of interest arises, the Certificates Settlement Agent will ensure it is addressed in accordance with the Certificates Settlement Agreement.

DESCRIPTION OF THE EXECUTION AGENT

CoinShares Capital Markets (Jersey) Limited has been appointed by the Issuer to act as Execution Agent under the terms of the Execution Agency Agreement.

The Execution Agent is a company incorporated under the laws of Jersey and is an indirect wholly owned subsidiary of CoinShares International Limited.

The duties and functions of the Execution Agent include, inter alia, the sale of Specified Cryptocurrency in exchange for cash in circumstances in which such sale (and a corresponding cash redemption) is required by the Conditions of the Certificates. Furthermore, the Execution Agent will sell, for cash, on behalf of the Issuer, the amount of Specified Cryptocurrency representing the Combined Fees from time to time.

DESCRIPTION OF THE LISTING AGENT

ICF BANK AG is a securities trading bank based in Frankfurt am Main, Germany, and licensed and regulated by BaFin to conduct inter alia proprietary trading in accordance with sec. 1 para. 1a sentence 2 no. 4 German Banking Act (*Kreditwesengesetz*) and principal brokerage services in accordance with sec. 1 para. 1 sentence 2 no. 4 German Banking Act (*Kreditwesengesetz*).

ICF BANK AG is incorporated and operates under the laws of Germany and maintains its principal place of business in Germany. ICF BANK AG's address and registered office is at Kaiserstraße 1, 60311 Frankfurt am Main and it is registered with the commercial register of the local court (*Amtsgericht*) of Frankfurt am Main under HRB 43755. The website is <https://www.icfbank.de> and the phone number is +49 69 92877-0. The LEI of ICF BANK AG is 529900E89HA1I45HB613.

ICF BANK AG will act as listing agent pursuant to section 32 para. 2 Sentence 1 German Stock Exchange Act (*Börsengesetz*), section 45 Stock Exchange Rules of the Frankfurt Stock Exchange (*Börsenordnung der Frankfurter Wertpapierbörse*).

TAXATION WARNING

THE TAX LAWS OF THE INVESTOR'S STATE AND OF THE ISSUER'S STATE OF INCORPORATION MIGHT HAVE AN IMPACT ON THE INCOME RECEIVED FROM THE CERTIFICATES. PROSPECTIVE PURCHASERS OF THE CERTIFICATES SHOULD CONSULT THEIR OWN TAX ADVISERS AS TO THE TAX CONSEQUENCES OF ACQUIRING, HOLDING AND DISPOSING OF THE CERTIFICATES AND RECEIVING DELIVERY AMOUNTS, CASH AMOUNTS AND/OR OTHER AMOUNTS UNDER THE CERTIFICATES, INCLUDING THE EFFECT OF ANY STATE OR LOCAL TAXES, UNDER THE TAX LAWS OF JERSEY AND EACH COUNTRY OF WHICH THEY ARE RESIDENTS.

THE FOLLOWING IS A GENERAL DESCRIPTION OF CERTAIN TAX CONSIDERATIONS RELATING TO THE CERTIFICATES IN JERSEY. IT DOES NOT PURPORT TO BE A COMPLETE ANALYSIS OF ALL TAX CONSIDERATIONS RELATING TO THE CERTIFICATES WHETHER IN JERSEY OR ELSEWHERE. THIS SUMMARY IS BASED UPON THE LAW AS IN EFFECT ON THE DATE OF THIS BASE PROSPECTUS AND IS SUBJECT TO ANY CHANGE IN LAW THAT MAY TAKE EFFECT AFTER SUCH DATE. THE INFORMATION CONTAINED WITHIN THIS SECTION IS LIMITED TO TAXATION ISSUES, AND PROSPECTIVE INVESTORS SHOULD NOT APPLY ANY INFORMATION SET OUT BELOW TO OTHER AREAS, INCLUDING (BUT NOT LIMITED TO) THE LEGALITY OF TRANSACTIONS INVOLVING THE CERTIFICATES.

TAXATION IN JERSEY

The following paragraphs summarise certain aspects of the Jersey taxation treatment of holding Certificates and are intended to be viewed as a general guide.

Income tax

The Issuer will be regarded as resident in Jersey under the Income Tax (Jersey) Law 1961 (as amended) (the "**Jersey Income Tax Law**") but will (except as noted below) be subject to Jersey income tax at a rate of 0 per cent (a "**zero tax rating**").

For so long as the Issuer holds a **zero tax rating**, no withholding in respect of Jersey taxation will be required on payments to any holder of Certificates who is not Jersey resident.

Stamp Duty

Under current Jersey law, there are no capital gains, capital transfer, gift, wealth or inheritance taxes or any death or estate duties. No stamp duty is levied in Jersey on the issue or transfer of Certificates. On the death of an individual holder of Certificates (whether or not such individual was resident in Jersey), duty at rates of up to 0.75 per cent of the value of the relevant Certificates may be payable on the registration of Jersey probate or letters of administration.

Goods and services tax

Pursuant to the Goods and Services Tax (Jersey) Law 2007 (the "**2007 Law**"), tax at a rate which is currently 5% applies to the supply of retail goods and services. Unless the relevant supplier or recipient of such goods and services is registered as an "international services entity".

The Issuer is an **international services entity** within the meaning of the 2007 Law, having satisfied the requirements of the Goods and Services Tax (International Services Entities) (Jersey) Regulations 2008, as amended (the **ISE Regulations**) and, as long as it continues to be such an entity, a supply of goods or of a service made by or to the Issuer shall not be a taxable supply for the purposes of the 2007 Law.

Information Reporting

Information relating to the Certificates, their holders and beneficial owners may be required to be provided to tax authorities in certain circumstances pursuant to domestic or international reporting and transparency regimes. This may include (but is not limited to) information relating to the value of the Certificates, amounts paid or credited with respect to the Certificates, details of the holders or beneficial owners of the Certificates

and information and documents in connection with transactions relating to the Certificates. In certain circumstances, the information obtained by a tax authority may be provided to tax authorities in other countries.

OFFERS

Certificates purchased directly from the Issuer in the primary market can only be purchased by Authorised Participants and only by the Authorised Participant transferring the relevant Specified Cryptocurrency to the Depositary Wallet of the Issuer held by the Custodian. An investor intending to acquire or acquiring any Certificates from an Authorised Participant will do so, and offers and sales of the Certificates to an investor by an Authorised Participant or other entities will be made, in accordance with any terms and other arrangements in place between such Authorised Participant and such investor including as to price, allocations and settlement arrangements. Neither the Issuer nor the Issuer Adviser will be a party to any such arrangements with investors and, accordingly, this Base Prospectus and any Final Terms may not contain such information and, in such case, an investor must obtain such information from the relevant Authorised Participant.

Further, the Certificates may also be offered by the Issuer or other financial intermediaries as specified in the applicable Final Terms.

Investors should however in any case note the following:

Amount of the offer: The number of Certificates subject to the offer will be determined on the basis of the demand for the Certificates and prevailing market conditions and be published as set out in the Final Terms, provided that the aggregate number of all Certificates of any and all Series outstanding from time to time shall not in any event exceed the Programme Limit. In addition, the aggregate number of Certificates in a particular Series which are outstanding at any one time will not exceed the Maximum Issue Size for that Series.

Offer Price: The offer price per Certificate will be (a) equal to the Issue Price specified in the Final Terms as of the Initial Issue Date or Issue Date (as the case may be) or (b) as otherwise specified in the Final Terms, in each case subject to any applicable fees and commissions of the person offering such Certificate. Thereafter the offer price may be adjusted in accordance with market conditions.

Offer Period: Certificates may be offered to an investor at any time between the Issue Date of the first Tranche of a Series of Certificates and the date falling 12 months after the date of this Base Prospectus.

Publication of a Supplement: If the Issuer publishes a supplement to this Base Prospectus pursuant to Article 23 of the Prospectus Regulation which relates to the Issuer or the Certificates, investors who have already agreed to purchase Certificates before the supplement is published shall have the right to withdraw their acceptances by informing the relevant distributor in writing within 2 working days (or such other longer period as may mandatorily apply in the relevant country) of publication of the supplement. The terms and conditions of the Certificates and the terms on which they are offered and issued will be subject to the provisions of any such supplement.

SUBSCRIPTION AND SALE

Certificates of a particular Series may be sold from time to time to any one or more authorised participants (each an "**Authorised Participant**") under the terms of an authorised participant agreement (each an "**Authorised Participant Agreement**") and made between, amongst others, the Issuer and each Authorised Participant. Such Authorised Participant Agreement will, amongst other things, set out the issuance process in respect of the Certificates. Each Authorised Participant Agreement will, amongst other things, set out the subscription procedures for each Series and any applicable selling restrictions. Certificates sold to Authorised Participants will be subject to a minimum subscription amount of Underlying Cryptoassets having a value of at least US\$250,000. Additional persons may, from time to time, become Authorised Participants in connection with the Programme *provided that* they satisfy the requirements of the definition of Authorised Participant set out in the Conditions of the Certificates. Further details on the Authorised Participant Agreement is provided in the section of this Base Prospectus titled "*Description of the Transaction Documents*".

Public Offer Selling Restrictions – EEA

In relation to each Member State of the European Economic Area, each Authorised Participant has represented, warranted and agreed, and each further Authorised Participant appointed under the Programme will be required to represent, warrant and agree, that it has not made and will not make an offer of Certificates which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to the public in that Member State except that it may make an offer of such Certificates to the public in that Member State:

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

provided that no such offer of Certificates referred to in (b) to (d) above shall require the Issuer or any Authorised Participant to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

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

Prohibition of sales to UK Retail Investors

Each Authorised Participant has represented and agreed, and each further Authorised Participant appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Certificates which are the subject of the

offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”); or
 - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
 - (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and
- (b) the expression “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Certificates.

Other regulatory restrictions - United Kingdom

Each Authorised Participant has further represented, warranted and agreed that:

(a) ***No deposit-taking:***

in relation to any Certificates having a maturity of less than one year:

- (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
- (ii) it has not offered or sold and will not offer or sell any Certificates other than to persons:
 - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
 - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Certificates would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) ***Financial promotion:***

it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Certificates in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(c) ***General compliance:***

it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Certificates in, from or otherwise involving the United Kingdom.

Germany

Each Authorised Participant has represented, warranted and agreed, and each further Authorised

Participant appointed under the Programme will be required to represent, warrant and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Certificates which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in the Federal Republic of Germany other than in compliance with the Prospectus Regulation (as defined above), the German Securities Prospectus Act (*Wertpapierprospektgesetz*) or any other laws applicable in the Federal Republic of Germany governing the issue, offering and sale of securities.

United States of America

The Certificates have not been and will not be registered under the Securities Act and are subject to US tax law requirements. Subject to certain exceptions, Certificates may not be offered or sold within the United States or to, or for the account or benefit of, US persons. Each of the Authorised Participants has agreed that, except as permitted by the Authorised Participant Agreement, it will not offer, sell or deliver the Certificates within the United States or to, or for the account or benefit of, US persons.

General

Each Authorised Participant will in the relevant Authorised Participant Agreement represent, warrant and agree that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Certificates or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer and the Authorised Participants to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Certificates or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular Series of Certificates) or in a supplement to, or update of, this Base Prospectus.

For Investors outside of the UK and Spain

The Certificates are suitable only for investors who:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Certificates, the merits and risks of investing in the Certificates (including, without limitation, the accounting, legal, regulatory, financial and tax implications for them of such an investment) and the information contained in this Base Prospectus or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Certificates and the impact the Certificates will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Certificates;
- (d) understand thoroughly the terms of the Certificates and be familiar with the behaviour of the market of the Underlying Assets (cryptocurrencies) relating to a particular Series of Certificates and any relevant indices and financial markets; and
- (e) are able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic and other factors that may affect its investment and its ability to bear the applicable risks.

If a prospective investor is in any doubt as to whether the Certificates are a suitable investment for it, it should consult with appropriate advisers prior to deciding whether or not to make an investment in the Certificates.

GENERAL INFORMATION

1. The establishment of the Programme was authorised by a resolution of the board of directors of the Issuer passed on 2 November 2021. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of Certificates.
 2. Certificates of a Series may be issued at any price, as specified in the relevant Final Terms. The price and amount of Certificates of a Series to be issued under the Programme will be determined by the Issuer and the relevant Authorised Participant(s) at the time of issue in accordance with prevailing market conditions.
 3. The Issuer has not been assigned a credit rating and the Certificates will not be rated.
 4. There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of the Issuer.
 5. There has been no material adverse change in the financial position or prospects of the Issuer since 31 March 2023, being the date of the last audited financial statements of the Issuer.
 6. Copies of the following documents will be available for inspection in electronic form at <https://etf.invesco.com/de/institutional/de/product/invesco-physical-bitcoin/documents> and during normal business hours at the registered office of the Issuer at 44 Esplanade, St. Helier, Jersey JE4 9WG and the office for the time being of the Issuer Adviser (being at the date hereof Perpetual Park Perpetual Park Drive, Henley-on-Thames, Oxfordshire, RG9 1HH, United Kingdom) for 12 months from the date of this Base Prospectus, in each case free of charge:
 - (a) this Base Prospectus (including any supplement to this Base Prospectus);
 - (b) the documents from which information is incorporated by reference into this Base Prospectus;
 - (c) the memorandum and articles of association of the Issuer; and
 - (d) the Final Terms.
 7. The following information is incorporated by reference into the section "DESCRIPTION OF THE ISSUER" on page 94 pursuant to Article 19 of the Prospectus Regulation:
 - The audited annual financial statements of the Issuer for the period ending 31 March 2022 together with an unqualified auditor's report (all pages) (available at <https://etf.invesco.com/sites/default/files/documents/2022.03.31%20IDM%20plc%20FS%20with%20Invesco%20Cover%20-%20signed.pdf>); and
 - The audited annual financial statements of the Issuer for the period ending 31 March 2023 together with an unqualified auditor's report (all pages) (available at https://etf.invesco.com/sites/default/files/documents/invesco-digital-markets-plc-annual-financial-report_en_march-2023.pdf)
- The audited annual financial statements of the Issuer were filed with the *Bundesanstalt für Finanzdienstleistungsaufsicht* ("BaFin") and published on the Issuer's website at <https://etf.invesco.com/de/institutional/de/product/invesco-physical-bitcoin/documents>.
8. The Issuer does not intend to provide any post-issuance information in relation to any issue of Certificates.
 9. KPMG Channel Islands Limited, PO Box 453, 37 Esplanade, St. Helier JE4 8WQ, Jersey, Channel Islands, have been appointed as auditors with effect from 5 November 2021. KPMG Channel Islands Limited have no material interest in the Issuer. KPMG Channel Islands Limited is authorised under the Companies (Jersey) Law 1991 to act as auditor for Jersey companies. Whereas the partners of KPMG Channel Islands Limited are members of professional associations (e.g. the

Institute of Chartered Accountants in England & Wales), KPMG Channel Islands Limited as a firm is not a member of any professional association.

10. The Issuer may at any time make arrangements with Euroclear and Clearstream, Luxembourg and other clearing and settlement systems in any jurisdictions to enable settlements in respect of the Certificates to take place (whether through a nominee or otherwise) in such clearing and settlement systems in addition to Euroclear and Clearstream, Luxembourg.
11. The appropriate International Securities Identification Number in relation to the Certificates of each Series or Tranche (together with any further appropriate information) will be specified in the relevant Final Terms.
12. In addition to the applications already described in this Base Prospectus, the Issuer may, on or after the date of this Base Prospectus, make applications for one or more further certificates of approval under Article 25 of the Prospectus Regulation to be issued by BaFin to the competent authority in any Member State.
13. Information on the past and the future performance and volatility of the CoinShares Bitcoin Hourly Reference Rate can be found at The CoinShares Group website (www.coinshares.com) and on Compass Financial Technologies website (www.compassft.com).
14. The Legal Entity Identifier (LEI) of the Issuer is 549300U5IJTRV61ZI771.
15. The websites listed in this Base Prospectus do not form part of, and shall not be deemed to be incorporated by reference into, this Base Prospectus save as specified otherwise under no 7 of this section (General Information).
16. The Certificates are being treated by the Issuer for the purposes of Annexes 14 and 19 of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019, as amended, as having a minimum denomination of less than EUR 100,000.

DATA PROTECTION

Prospective investors should note that, by virtue of making an investment in the Issuer and the associated interactions with the Issuer and its affiliates and delegates (including completing any documentation relating to an investment in the Certificates, and including the recording of electronic communications or phone calls where applicable), or by virtue of providing the Issuer with personal information on individuals connected with the investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents) such individuals will be providing the Issuer and its affiliates and delegates with certain personal information which constitutes personal data within the meaning of the Data Protection Legislation. ("**Data Protection Legislation**" means applicable data protection legislation including (where applicable) the EU data protection regime introduced by the General Data Protection Regulation (Regulation 2016/679)).

The Issuer has prepared a Privacy Notice ("**PN**") outlining the Issuer's data protection obligations and the data protection rights of individuals under the Data Protection Legislation. The full PN is available on our website etf.invesco.com.

The PN contains information on the following matters in relation to data protection:

- that investors will provide the Issuer with certain personal information which constitutes personal data within the meaning of the Data Protection Legislation;
- that the Issuer shall act as a data controller in respect of this personal data and the fact that affiliates, delegates and service providers may act as data processors;
- a description of the lawful purposes for which the personal data may be used, namely (i) where this is necessary for the performance of the contract to purchase Certificates issued by the Issuer; (ii) where this is necessary for compliance with a legal obligation to which the Issuer is subject; and/or (iii) where this is necessary for the purposes of the legitimate interests of the Issuer or a third party and such legitimate interests are not overridden by the individual's interests, fundamental rights or freedoms;
- details on the transmission of personal data, including (if applicable) to entities located outside the UK or EEA;
- details of data protection measures taken by the Issuer;
- an outline of the various data protection rights of individuals as data subjects under the Data Protection Legislation;
- information on the Issuer's policy for retention of personal data; and
- contact details for further information on data protection matters.

Given the specific purposes for which the Issuer envisages using personal data, under the provisions of the Data Protection Legislation, it is not anticipated that individual consent will be required for such use. However, as outlined in the PN, individuals have the right to object to the processing of their data where the Issuer has considered this to be necessary for the purposes of its or a third party's legitimate interests.

Prospective investors should also note that the Administrator and its affiliates may act as joint controllers in respect of their personal data. For example this applies where the Administrator and its affiliates process personal data in connection with the screening of investors, facilitating electronic dealings, and compliance with anti-money laundering and prevention of terrorist financing rules. The Administrator's data protection notice is available on their website <http://www.northerntrust.com/privacy>, this includes guidance about how to contact the administrator to exercise data subject rights requests with respect to their processing activities. The Administrator's data protection notice is available on their website <http://www.northerntrust.com/privacy>, which includes guidance about how to contact the Administrator to exercise data subject rights requests with respect to their processing activities.

REGISTERED OFFICE OF THE ISSUER

Invesco Digital Markets plc

44 Esplanade
St Helier
Jersey JE4 9WG

TRUSTEE

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London, EC2N 2AX
United Kingdom

AUDITORS TO THE ISSUER

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Jersey JE4 8WQ

ISSUER ADVISOR

Invesco Asset Management Limited

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Oxfordshire
RG9 1HH
United Kingdom

ACCOUNT BANK

**The Northern Trust International
Banking Corporation**

3 Second Street at Harbourside
Suite 1401
Jersey City, NJ 07311

ADMINISTRATOR AND REGISTRAR

**Northern Trust International Fund
Administration Services (Ireland) Limited**

George's Court
54-62 Townsend Street
Dublin 2
Ireland

ICSD PAYING AGENT

Citibank Europe plc

1 North Wall Quay
Dublin 1
Ireland

EXECUTION AGENT

**CoinShares Capital Markets
(Jersey) Limited**

2nd Floor, 2 Hill Street, Grenville Street,
St. Helier, Jersey JE2 4UA

CUSTODIAN

Zodia Custody Limited

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Pimlico
London SW1V 1PX

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