

## Purpose

This information document provides key information about this investment product. It is not marketing material. This information is required by law to help you understand the nature, risk, costs and potential gains and losses of this product, and to help you compare it to other products.

## Product

<b>Name of the product</b>	XTZetc - ETC Group Physical Tezos (“EXTZ”)
<b>Product numbers</b>	ISIN: DE000A3GVK14
<b>PRIIP Manufacturer</b>	ETC Issuance GmbH (“Issuer”) ( <a href="https://etc-group.com">https://etc-group.com</a> ) The issuer forms part of the ETC Group.
<b>Phone number</b>	49 69 8088 3728
<b>Competent authority of the manufacturer of the product</b>	The Federal Financial Supervisory Authority (BaFin) Germany is responsible for supervising the Issuer in relation to this Key Information Document.
<b>Key information document created:</b>	10/12/2021, 16:30
<b>Key information document last updated:</b>	<b>25/01/2023, 16:30 (version 18)</b>

You are about to purchase a product that is not simple and may be difficult to understand.

## What type of product is this?

### Type

EXTZs are bearer bonds under German law that are secured by Tezos deposited in a depository for safekeeping.

### Term

The product does not have a fixed term, subject to exercise by the investor or termination by the Issuer.

### Objectives

Investors who wish to invest in the cryptocurrency Tezos (“Tezos”) as specified in the “Underlying” field in the table below as part of their investment strategy can purchase this product, the value of which is based on the Tezos price, on the secondary market or from an “Authorised Participant”. The product is purchased through the secondary market in fiat currency. Payment of the product purchased through an Authorised Participant may be made either in Tezos, in another cryptocurrency or in such fiat currency as the respective Authorised Participant accepts.

Tezos received by the Issuer as consideration from the sale of the product to Authorised Participants are transferred to a designated security account as collateral. This means that for each unit of the product in circulation, a predefined Tezos amount is available to hedge the product (the “**Cryptocurrency Entitlement**”). At the time of issue, this is 1.0 Tezos and decreases continuously in value by 1.95% annually, calculated on a daily basis from the Cryptocurrency Entitlement of each unit of the product over the entire holding period of the product. This means that the Cryptocurrency Entitlement per share decreases by approximately 0.00534247% every day (= 1/365 of 1.95%). Tezos held to back EXTZ are held institutionally by BitGo Trust Company Inc, a regulated qualified cryptocurrency depository in South Dakota, USA (the “**Depository**”). The Issuer has appointed APEX Corporate Trustees (UK) Limited (the “**Collateral Trustee**”) as a collateral trustee to hold the collateral rights for the Tezos deposited with the Depository on behalf of all current and future EXTZ holders.

**Termination by the Investor:** An investor may sell the product anytime on the stock exchange. Alternatively, the product can be terminated in whole or in part, with the Issuer or an Authorised Participant (Certain terms and conditions apply) at any time. Repayment always takes place in Tezos. The Investor’s claim to repayment corresponds to the Cryptocurrency Entitlement on the repayment date less repayment fees. An Authorised Participant or the Issuer transfers this claim to the Digital Wallet specified by the Investor on the repayment date. If, for legal reasons, an investor is prevented from receiving payments in Tezos, the Investor may request repayment in USD (“**US Dollar**”) as an alternative to repayment in Tezos. The investor will then receive an amount of money in USD equal to the amount obtained in an auction for the collateral Tezos.

**Mandatory Redemption by the Issuer:** The product terms and conditions also state that, if certain events occur, the Issuer may repay the product prematurely in Tezos or, if an investor is prevented from obtaining Tezos for legal reasons, in USD. These events are explained in more detail in the product terms and conditions. It is likely that any return the Investor receives in the event of such early repayment will be different from the scenarios described above and may be considerably less than the amount that the Investor invested upon purchase. Total loss is also possible. Furthermore, investors run the risk that termination will be requested at a time that is unfavourable to them and that they will only be able to reinvest the terminated amount on worse conditions.

<b>Underlying</b>	Tezos (CryptoCompare ticker: XTZ CCCAGG)	<b>Product currency</b>	US Dollar
<b>Issue Date</b>	29.11.2021	<b>Trading Day</b>	A day on which the Frankfurt Stock Exchange is open.
<b>Cryptocurrency Entitlement per unit of security</b>	Initially 1.0 Tezos, reduced over time by a fee of 1.95% p.a.	<b>Mandatory Redemption</b>	The Issuer is entitled to Mandatory Redemption if certain events occur, as stated in the product conditions.
<b>Rights of bondholders</b>	EXTZ holders may return the product for Tezos at any time or, if a payout in Tezos is not possible due to applicable regulatory requirements, the equivalent value in USD (the exact amount is determined in the product conditions).		

### Intended retail investor

The product is intended for private investors who:

- are able to bear a total loss of the amount invested;
- are seeking a speculative investment opportunity that is accompanied by the expectation that the underlying will gain sufficient value over time to exceed any fees;
- have only limited technical capabilities or lack the relevant technical expertise and therefore, instead of investing directly in Tezos with the aid of bearer bonds with a value based on the Tezos price, would like to invest in Tezos without having to hold Tezos themselves during the lifetime of the product;
- recognise that the value of the product can change frequently due to the extremely volatile underlying and, as a result, have sufficient time to actively monitor and manage the investment;
- have advanced knowledge and/or experience with comparable financial products and understand the cost structure of the product, including the Cryptocurrency Entitlement that decreases daily.



## What are the costs?

The person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.

### Costs over time

The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the product. The amounts shown here are illustrations based on an example investment amount and different possible investment periods. We have assumed:

- In the first year you would get back the amount that you invested (0 % annual return). For the other holding periods we have assumed the product performs as shown in the moderate scenario
- USD 10,000 is invested

	If you exit after 1 year	If you exit after 5 years (recommended holding period)
Total costs	USD 1,699	USD 40,306
Annual cost impact*	18.7%	8.5%

\* This illustrates how costs reduce your return each year over the holding period. For example it shows that if you redeem at the recommended holding period your average return per year is projected to be 110.9% before costs and 102.4% after costs.

### Composition of Costs

One-off costs upon entry or exit		If you exit after 1 year
Entry costs	These costs are already included in the price you pay *	USD 912
Exit costs	These costs are already included in the price you receive **	USD 572
Ongoing costs taken each year		If you exit after 1 year
Management fees and other administrative or operating costs	1.95% of the value of your investment per year.	USD 215

On the date of updating this key information document, the Issuer had not charged any one-off costs.

\* Secondary-market investors trade directly with a participating broker or via a stock exchange and pay the fees charged by their broker. The trading margins are publicly available on the stock exchanges on which the product is listed, or can be requested from brokers. You can find out the actual costs from your broker, financial adviser or sales company. The costs displayed above are estimates of such costs.

\*\* Does not apply to secondary-market investors. If an investor decides to terminate the product instead of selling it on the stock exchange or on the OTC market, they may have to pay a upfront redemption fee of EUR 50 (waived by the issuer in certain situations) plus an exercise fee of 1%. Secondary-market investors trade directly with a participating broker or via a stock exchange and pay the fees charged by their broker. The trading margins are publicly available on the stock exchanges on which the product is listed, or can be requested from brokers. You can find out the actual costs from your broker, financial adviser or sales company.

## How long should I hold it and can I take my money out early?

The recommended holding period of the product is 5 years

However, since Tezos are very volatile, investors should constantly monitor the value of the product, as sudden changes in value can occur frequently and abruptly. Investors can sell the product on the regulated market on which it is listed. You can alternatively sell the product over the counter by submitting a redemption application to an Authorised Participant or directly to the Issuer and surrendering the product to them. You must instruct your custodian bank responsible for executing the order for the specified product accordingly. After execution, you will receive 0.97748931 Tezos less 1.95% p.a. administration fee, less repayment fees (calculated from the date of issue of EXTZ) as described above under "What type of product is it?".

<b>Stock exchange listing</b>	Frankfurt Stock Exchange – regulated market (XETRA); and from time to time additional stock exchanges	<b>Last trading day on the stock exchange</b>	One exchange trading day before the early redemption date, if the Issuer redeems the investment
<b>Smallest tradable unit</b>	1 unit of product	<b>Listing</b>	Listing per unit

In exceptional market situations or in the event of technical problems, it may be temporarily difficult or impossible to buy or sell the product.

## How can I complain?

Complaints about the person/entity who/that advised you or sold the product to you may be lodged directly with the relevant person. Complaints regarding the product or behaviour of the Issuer of this product may be posted in writing to ETC Issuance GmbH, Thurn- und Taxis-Platz 6, 60313 Frankfurt am Main, Germany, or emailed to [complaints@etc-group.com](mailto:complaints@etc-group.com). Complaints should include the name of the product, the ISIN and the reason for the complaint.

## Other relevant information

Updated and additional documents relating to the product, particularly the prospectus and any supplements, are published on the <https://etc-group.com> website in accordance with the relevant statutory provisions. We recommend that you read these documents for more information, especially about the structure of the product and the risks associated with investing in the product.