

Securities Note

According to Art. 6 Para. 3 Sub-Para. 2 of the Regulation (EU) 2017/1129 of the European Parliament and the Council of 14 June 2017, as amended ("**Prospectus Regulation**") in connection with Art. 15 and Annexes 14 and 17 of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019, as amended ("**Delegated Regulation**")

for the issuance of tokenized securities

of

Backed Assets (JE) Limited

a private limited company incorporated in Jersey

("Issuer")

dated

8 May 2024

("Securities Note")

This Securities Note has been approved by the Financial Market Authority Liechtenstein ("**FMA**"), as competent authority under the Prospectus Regulation. The FMA only approves this Securities Note 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 securities that is/are the subject of this Securities Note.

This Securities Note has been prepared for the purpose of the Prospectus Regulation and must be read in conjunction with the information document on the Issuer ("**Registration Document**") dated 8 May 2024 and any supplement thereto (Securities Note, Registration Document and any supplement thereto "**Base Prospectus**") and the respective specification of the detailed terms applicable to each Product ("**Final Terms**") for the specific securities in order to obtain all the relevant information. The persons (other than financial intermediaries) and financial intermediaries holding tokenized securities in such Products for their own account ("**Investors**") should make their own assessment as to the suitability of investing in the securities.

The Issuer has requested the FMA to notify the competent authority in Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Norway, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Sweden and the Netherlands in relation to this Base Prospectus consisting of the Securities Note and the Registration Document with a certificate of approval ("**Notification**") attesting that this Securities Note has been drawn up in accordance with the Prospectus Regulation and providing it with an electronic copy of this Securities Note. Further, the Issuer may request FMA to provide a Notification to competent authorities in additional member states within the European Economic Area.

The securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("**Securities Act**") or with any securities regulatory authority of any State or other jurisdiction of the United States and (i) may not be offered, sold or delivered within the United States to, or for the account or benefit of U.S. Persons (as defined in Regulation S ("**Regulation S**") under the Securities Act), and (ii) may be offered, sold or otherwise delivered at any time only to transferees that are Non-United States Persons (as defined by the U.S. Commodities Futures Trading Commission).

Warning:

This Securities Note is valid until the expiry on 7 May 2025, provided that any necessary supplements pursuant to Art. 23 of the Prospectus Regulation ("**Supplement**") are prepared. When the Securities Note has become invalid, the obligation to prepare a Supplement in the event of significant new factors, material mistakes or material inaccuracies does not apply.

This Base Prospectus is a succeeding Base Prospectus continuing the offer of tokenized securities made by the Issuer on the basis of a Base Prospectus approved by the Liechtenstein Financial Markets Authority on 9 May 2022, the updated Based Prospectus approved by the Liechtenstein Financial Markets Authority on 9 May 2023, and as listed in section 9 to this Securities Note. This Base Prospectus as well as the preceding Base Prospectuses are available for inspection and download at www.backedassets.fi.

The Issuer may choose to produce new securities note to replace this Securities Note whenever significant new information regarding the Issuer and the securities is available.

General

The Issuer has registered with the Jersey Financial Services Commission (the "JFSC") under the Proceeds of Crime (Supervisory Bodies) (Jersey) Law 2008 for one or more activities specified at Schedule 2 of the Proceeds of Crime (Jersey) Law 1999.

A copy of this Securities Note has been delivered to the registrar of companies in Jersey in accordance with Article 5 of the Companies (General Provisions) (Jersey) Order 2002, and it has given, and has not withdrawn, its consent to its circulation.

The JFSC has given, and has not withdrawn (or will have given prior to the issuance of the Products and not withdrawn) its consent under Articles 2 and 4 of the Control of Borrowing (Jersey) Order 1958 to the issue of shares, admission of members and issue of securities 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 these consents, neither the Registrar of Companies in Jersey nor the JFSC takes any responsibility for the financial soundness of the Issuer or for the correctness of any statements made, or opinions expressed, with regard to it.

It should be remembered that the price of the Products can go down as well as up. If you are in any doubt about the contents of this Securities Note, the Registration Document and/or the Final Terms you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.

The directors of the Issuer have taken all reasonable care to ensure that the facts stated in this document are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in the document, whether of facts or of opinion. The directors of the Issuer declare that to the best of their knowledge, the information contained in this document, the Registration Document and Final Terms is in accordance with the facts and makes no omissions likely to affect its import (or the Registration Document and Final Terms). All the directors accept responsibility accordingly.

The Issuer has not authorized anyone to disclose any information or confirmations more than the information disclosed in this Securities Note, together with the Registration Document and

Final Terms. If such information and confirmations are nevertheless given, investors should not rely on them as if they had been authorized by the Issuer.

Requirements under the Guidance issued by the JFSC in respect of Token Issuances (the "JFSC Guidance")

The Issuer is a private limited company incorporated in Jersey. Anyone issuing a token through a Jersey company will require a specific consent from the Jersey Company Registry, part of the JFSC. Whilst this consent does not give the issuer a 'regulated' status, it mandates a set of conditions designed to ensure that the issuer meets specific standards in terms of governance, investor disclosure and AML/CFT/CPF compliance.

Investors should have regard to Annex 1 in respect of the JFSC Guidance appended to this Securities Note.

Token sales or coin offerings are typically a highly speculative form of investment. Investors should be prepared for the possibility of losing their investment completely. Investment in token sales or coin offerings is not necessarily subject to existing capital market regulations and protections.

In particular, Investors should be aware that they will be asked to acknowledge the above warning and also confirm the following prior to purchasing the Products:

- (i) (for an individual) that they have read the above warning, as well as the Registration Document, the Securities Note and Final Terms and understand the risks set out above; that the Products are suitable for them and that they wish to proceed to acquire the Products from the Issuer.**
- (ii) (for an entity) that they are duly authorised to act on behalf of the entity stated below, they have read the above warning, as well as the Registration Document, Securities Note and Final Terms and understand the risks set out above; that the entity they represent has considered the Products carefully and considers them suitable and wishes to proceed to acquire the Products from the Issuer.**

Requirements under the Collective Investment Funds (Restriction of Scope) (Jersey) Order 2000 (the "RoS Order")

The Products 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. The Products are not regarded by the JFSC as suitable investments for any other type of investor.

Any individual intending to invest in the Products should consult their professional adviser and ensure that they fully understand all the risks associated with making such an investment and have sufficient financial resources to sustain any loss that arises from it.

Requirements under the Financial Services (Investment Business (Special Purpose Investment Business – Exemption)) (Jersey) Order 2001 (the "SPB Order")

Pursuant to the SPB Order, the Products may only be issued or allotted exclusively to:

1. A person whose ordinary activities involve them acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or who it is reasonable to expect will acquire, hold, arrange or dispose of investments (as principal or agent) for the purposes of their business (a "Professional Investor"); or
2. A person who has received and acknowledged a warning to the effect that (A) the Products are only suitable for acquisition by a person who: (i) has a significantly substantial asset base such as would enable them to sustain any loss that might be incurred as a result of acquiring the Products; and (ii) is sufficiently financially sophisticated to be reasonably expected to know the risks involved with acquiring the Products; and (B) neither the issue of the Products nor the activities of any functionary with regard to the issue of the Products are subject to all the provisions of the Financial Services (Jersey) Law 1998 (the "SPB Order Investment Warning")

Investors should be aware that they will be asked to confirm that they are either a Professional Investor under 1. above, or alternatively that they acknowledge receipt of the SPB Order Investment Warning under 2 above prior to the Products being issued to them.

Important Note for Authorised Participants

Where an Authorised Participant acquires the Products and then facilitates their transfer to a third party (a "Prospective Investor"), the JFSC expects Authorised Participants to provide (and draw a Prospective Investor's attention to) the warnings set out in this section, as well as providing such Prospective Investors with access to this Securities Note, the Registration Document and the Final Terms prior to any such transfer being made.

By acquiring the Products an Authorised Participant is deemed to undertake to the Issuer that it will draw the Prospective Investor's attention to the warnings set out in this section prior to facilitating the transfer of the Products.

Important Note for Investors acquiring the Products on the secondary market

Each Investor who acquires Products on the secondary market will be deemed, by such acquisition, to have represented that:

- (a) they have read this Securities Note, the Registration Document and Final Terms;
- (b) they have received and acknowledged the warning set out above under the JFSC Guidance (as defined above); they understand the risks set out above; that the Products are suitable for them and that they wish to acquire Products from the Issuer; and
- (c) under the SPB Order (as defined above), they are a Professional Investor (as defined above), or alternatively they will be deemed, by such acquisition, to have represented that they have received and acknowledged the SPB Order Investment Warning (as defined above).

IMPORTANT INFORMATION

GENERAL SALES RESTRICTIONS

THE PRODUCTS OFFERED UNDER THIS BASE PROSPECTUS ON PRIMARY MARKETS, SECONDARY MARKETS AND OTHER PLATFORMS ARE NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR TO ANY PERSON OR ADDRESS IN THE U.S. OR IN ANY OTHER JURISDICTION OR TO ANY OTHER PERSON TO WHICH A DISTRIBUTION WOULD BE UNLAWFUL.

This Base Prospectus does not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If the laws or regulation of a jurisdiction require that an offering of securities described herein be made by a licensed bank, securities firm or insurance company or any other party involved (each as defined in this Securities Note) or any affiliate of any other party is a licensed bank, securities firm or insurance company in that jurisdiction, the offering shall be deemed to be made by such other party or such affiliate on behalf of the Issuer or holders of the applicable securities in such jurisdiction.

The offering or sale of the securities in certain jurisdictions may be restricted by law including because of the underlying(s). For a description of certain restrictions on offers and sales of the securities and on the distribution of this Securities Note and/or the Base Prospectus, see clause XXV. "Selling Restrictions" of the Terms and Conditions.

Persons who obtain possession of this Securities Note and/or the Base Prospectus are required to inform themselves about and to adhere to any such restrictions. Neither this Securities Note nor the Base Prospectus constitute or may be used for the purposes of, an offer or solicitation to subscribe for or to purchase any securities in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. Accordingly, this Securities Note and the Base Prospectus should not be used by anyone for this purpose.

UNITED STATES ("U.S.")

You are obliged to read the following before continuing. This applies especially to this Securities Note and/or the Base Prospectus following this notice, and you are therefore advised to read this carefully before reading, accessing, or making any other use of the Base Prospectus. In accessing the Base Prospectus, you agree to be bound by the following terms and conditions including any modifications to them any time you receive any information from the Issuer or the other involved parties (as mentioned in the Base Prospectus) as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES, MAY BE USED FOR THE PURPOSE OF, OR MAY BE CONSTRUED AS, AN INVITATION, AN OFFER OR A SOLICITATION OF SECURITIES FOR SALE OR FOR SUBSCRIPTION IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

THE PRODUCTS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED ("**Securities Act**") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE U.S. AND (I) MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE U.S. TO, OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT), AND (II) MAY BE OFFERED, SOLD OR OTHERWISE DELIVERED AT ANY TIME ONLY TO TRANSFEREES THAT ARE NON-U.S. PERSONS (AS DEFINED BY THE U.S. COMMODITIES FUTURES TRADING COMMISSION).

THE BASE PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. IN PARTICULAR, IT MAY NOT BE FORWARDED TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION, OR REPRODUCTION OF THIS TRANSMISSION IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORIZED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED HEREIN.

EUROPEAN UNION ("EU") AND EUROPEAN ECONOMIC AREA ("EEA")

In relation to each Member State of the EEA which has implemented the Prospectus Regulation (each "**Relevant Member State**"), the relevant authorized participant ("**Authorized Participant**") has represented and agreed that with effect from and including the date on which the Prospectus Regulation is implemented in that Relevant Member State ("**Relevant Implementation Date**") it has not made and will not make an offer of securities which are the subject of this Base Prospectus as completed by the applicable Final Terms to the public in that Relevant Member State, except that the securities may, with effect from and including the Relevant Implementation Date, be offered to the public in that Relevant Member State:

- a. if the Final Terms in relation to the securities specifies that an offer of those securities may be made by the Authorised Participant(s) other than pursuant to Art. 1 Para. 4 of the Prospectus Regulation in that Relevant Member State ("**Non-Exempt Offer**"), following the date of publication of the Base Prospectus in relation to such securities. Such offer must have been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State. This is under the condition that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-Exempt Offer, in accordance with the Prospectus Directive, in the period (if any) beginning and ending on the dates specified in such prospectus or Final Terms, as applicable, 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 (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Authorized Participant for any such offer; or
- d. at any time in any other circumstances falling within Art. 1 Para. 4 of the Prospectus Regulation;

provided that no such offer of securities referred to in (b) to (d) above shall require the Issuer or any Authorized Participant to publish a prospectus pursuant to the Prospectus Regulation or supplement a base prospectus pursuant to Art. 23 of the Prospectus Regulation as soon as possible prior to the respective offer.

For the purposes of this provision, the expression "an offer of securities to the public" in relation to any securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe the securities, as the same may be varied in that Member State by any measure implementing the Prospectus Regulation in that Member State.

The Final Terms in respect of any securities may include a legend entitled "**MiFID II Product Governance**" which will outline the target market assessment in respect of the securities and which channels

for distribution of the securities that are appropriate. Any person subsequently offering, selling or recommending the securities ("**Distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU, as amended ("**MiFID II**"), is responsible for undertaking its own target market assessment in respect.

SWITZERLAND

The securities issued are derivative financial instruments (debt instruments) according to Swiss Law. The securities do not constitute a collective investment scheme within the meaning of the Swiss Collective Investment Schemes Act ("**CISA**"). Therefore, they are not subject to authorisation by the Swiss Financial Market Supervisory Authority FINMA ("**FINMA**") and potential investors do not benefit from the specific investor protection provided under the CISA and are exposed to the credit risk of the Issuer. Any investment in the securities does not have the status of a bank deposit and is not within the scope of any deposit protection scheme. The Issuer is not and will not be regulated by any regulator as a result of issuing the securities.

The securities, qualifying as structured products pursuant to Article 70 of the Swiss Financial Services Act ("**FinSA**"), may be offered exclusively to professional investors in accordance with Article 4 (3)-(5) FinSA ("**Swiss Professional Investors**"). Circulating this document and offering, distributing, marketing or selling the securities to other Swiss persons than Swiss Professional Investors may trigger regulatory obligations in Switzerland. Accordingly, legal advice should be sought before providing this document to and offering, distributing, marketing or selling/on-selling the securities to any other persons or entities. This document does not constitute an issuance prospectus pursuant to the FinSA and may not comply with the information standards required thereunder. The securities will neither be listed on any Swiss trading venue, and consequently, the information presented in this document does not necessarily comply with the information standards set out in the relevant listing rules. The documentation of the securities has not been and will not be approved, and may not be able to be approved and/or registered, by FINMA or any Swiss prospectus office under Swiss financial market laws. Therefore, investors do not benefit from protection under the CISA or supervision by the FINMA. This document does not constitute investment advice. It may only be used by those persons to whom it has been handed out in connection with an investment and may neither be copied or directly/ indirectly distributed or made available to other persons.

UNITED KINGDOM

In relation to the United Kingdom, any person offering the securities has represented and agreed that it has not made and will not make an offer of securities 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 the United Kingdom other than the offers contemplated in the Base Prospectus as completed by the Final Terms in relation thereto in accordance with Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Prospectus Regulation**"), and provided that the Issuer has consented in writing to use of the Base Prospectus as completed by the Final Terms in relation thereto for any such offers, except that it may make an offer of such securities to the public in the United Kingdom:

- (a) to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
 - (b) to fewer than 150, natural or legal persons (other than qualified investors as defined in the UK Prospectus Regulation), as permitted under the UK Prospectus Regulation, subject to obtaining the prior consent of the respective dealer or dealers nominated by the Issuer for any such offer;
- or

(c) in any other circumstances falling within Section 86 of the Financial Services and Markets Act 2000 ("**FSMA**"),

provided that no such offer of securities shall require the Issuer or any person offering the securities to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "offer of securities to the public" in relation to any securities in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe.

CONFIRMATION OF YOUR WARRANTIES

In order to be eligible to view the Base Prospectus or make an investment decision with respect to the securities being offered, prospective investors must be permitted under applicable law and regulation to receive the Base Prospectus. This Base Prospectus is being sent to you at your request and by accepting the email and accessing the Base Prospectus, you shall be deemed to have warranted to the Issuer, the Authorized Participant and the other involved parties that (i) you and any customers you represent are outside the U.S. and any jurisdiction in which receiving or accessing the Base Prospectus cannot lawfully be made without compliance with registration or other legal requirement, (ii) the electronic or physical mail address that you gave the sender of this transmission and to which this transmission has been delivered is not located in the U.S. or any jurisdiction in which receiving or accessing the Base Prospectus cannot lawfully be made without compliance with registration or other legal requirements, (iii) you are a person who is permitted under applicable law and regulation to receive the Base Prospectus, (iv) you consent to delivery of the Base Prospectus and any amendments or supplements thereto by electronic transmission, (v) you will use this Base Prospectus for the sole purpose of evaluating a possible investment in a Product, and (vi) you acknowledge that no person is authorized to give any information or make any representation in connection with a Product or an offering that is not contained in this Base Prospectus and the related Final Terms.

You are reminded that the Base Prospectus has been delivered to you on the basis that you are a person into whose possession the Base Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver the Base Prospectus to any other person.

REGULATORY STATUS OF THE ISSUER IN JERSEY

The Issuer of the Products, Backed Assets (JE) Limited, with its registered address at First Floor, La Chasse Chambers, Ten La Chasse, St. Helier, JE2 4UE, Jersey, is incorporated under Jersey law.

A copy of this Securities Note has been delivered to the Registrar of Companies in Jersey (the "**Registrar**") in accordance with Article 5 of the Companies (General Provisions) (Jersey) Order 2002, and the Registrar has given, and has not withdrawn, its consent to its circulation.

The Jersey Financial Services Commission (the "**JFSC**") has given, and has not withdrawn, its consent under Articles 2 and 4 of the Control of Borrowing (Jersey) Order 1958 to the issue of shares, admission of members and issue of securities by the Issuer.

It must be distinctly understood that, in giving these consents, neither the Registrar nor the JFSC takes any responsibility for the financial soundness of the Issuer or for the correctness of any statements made, or opinions expressed, with regard to it.

The Issuer has registered (or will register within any applicable time frame) with the JFSC under the Proceeds of Crime (Supervisory Bodies) (Jersey) Law 2008 for certain specified Schedule 2 activities of the Proceeds of Crime (Jersey) Law 1999. In addition, the Administrator and the Issuer are subject to applicable anti-money laundering legislation and regulations in Jersey ("**Jersey AML Legislation**"). In order to comply with legislation or regulations aimed at the prevention of money laundering the Issuer is required to adopt and maintain anti-money laundering procedures, and may require prospective investors to provide evidence to verify their identity, the identity of their beneficial owners/controllers (where applicable), source of funds and wealth. Where permitted, and subject to certain conditions, the Issuer may also rely upon a suitable person for the maintenance of its anti-money laundering procedures (including the acquisition of due diligence information) or otherwise delegate the maintenance of such procedures to a suitable person (a "**Relevant AML Person**").

Save as set out above, the Issuer is not required to be licensed, registered or authorised under any current securities commodities or banking laws of its jurisdiction of incorporation and will operate without supervision by any authority in any jurisdiction. However, there can be no assurance that regulatory authorities in one or more jurisdiction(s) will determine that the Issuer is required to be licensed, registered or authorised under any current securities commodities or banking laws of such jurisdiction or that legal or regulatory requirements with respect thereto will not change in the future.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

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

Without prejudice to any requirements under applicable laws and regulations, the Issuer expressly disclaims any obligation or undertaking to disseminate after the date of this Base Prospectus any updates or revisions to any forward-looking statements contained herein to reflect any change in expectations thereof or any change in events, conditions, or circumstances on which any such forward-looking statement is based.

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A. Definitions

Under this section the following terms are defined for this Securities Note (including the Terms and Conditions), which are used throughout the Base Prospectus. Words denoting the singular number only shall include the plural number also and vice versa. Such defined terms shall always be read in conjunction with the definitions provided in the whole Base Prospectus. In the event of any conflict between this Securities Note, the Registration Document (and any supplement thereto) and the Final Terms, the respective Final Terms shall prevail.

Terms not defined in this list shall have the meanings given to them elsewhere in this Securities Note and/or the Base Prospectus.

Account Control Agreement	A three-party agreement entered into in favour of the secured party, i.e. the Investors, represented by the Security Agent acting in its own name and on its own account as well as in the name and on the account of the Investors as their direct representative (<i>direkter Stellvertreter</i>), between: <ul style="list-style-type: none">a. a customer/debtor such as the Issuer, i.e. a borrower, guarantor or other loan party pledging financial assets (such as intermediated securities and cash positions) as Collateral; andb. the intermediary (<i>Verwahrungsstelle</i>), i.e. a depository bank such as the Custodian, maintaining the relevant financial assets in Collateral Account(s) in the name of the customer/debtor, i.e. the Issuer; andc. the beneficiary, acting in its own name and on its own account as well as in the name and on the account of the Investors as their direct representative (<i>direkter Stellvertreter</i>), i.e. the Security Agent.
Adjustment Event	Events (excluding Market Disruption Events) that may have a diluting or other negative effect on the theoretical value of the relevant Underlyings or Underlying Components of it
Administrator	Cavendish Fiduciary (Jersey) Limited of First Floor, La Chasse Chambers, Ten La Chasse, St Helier, Jersey JE2 4 UE
AG/SA/LTD	Company limited by shares
AML	Anti-money laundering, control of terrorist financing and counter-proliferation
AMLSP	An anti-money laundering service provider under the Money Laundering (Jersey) Order 2008
Attachment	Provision of security

Authorized Participant	An appropriately regulated entity approved and engaged by the Issuer (in its absolute sole discretion) for the offering of one or several Products to Investors
Authorized Participant Agreement	Authorized Participant entering into an Agreement with the Issuer, regulating i.e. the rights and obligations of the Authorized Participant in the context of application and redemption of Products
Base Currency	Any currency required to be converted into a Required Currency
Base Prospectus	Securities Note (including the Form of Final Terms), Registration Document and any supplement thereto. The Form of Final Terms has to be filled out for each individual issue and indicates the available options with regard to the information to be determined in the Final Terms of the offer. Further, a product specific summary of the individual issue is annexed to the Final Terms. The Base Prospectus and the relevant Final Terms (incl. a product specific summary) are together the binding product documentation for the relevant securities.
Broker	A regulated securities broker regarding brokerage services in connection with buying/selling the Underlyings
Brokerage Agreement	Agreement between the Issuer and the Broker
Business Day	A day on which relevant clearing systems are open and securities can be settled, relevant commercial banks and Custodians are open, banks in Jersey are open, foreign exchange markets execute payments in the respective Settlement Currency and Underlyings or Underlying Components of the relevant Product can be settled, and/or any other day, as specified in the Final Terms
CEST	Central European Summer Time
CHF	Swiss franc
Classic Index	a notional portfolio of at least five different Underlying Components, whereas the composition of the Underlying Components remains unchanged during the entire term of the Product.
CO	Swiss Code of Obligations
Collateral	The assets representing the Underlying and any cash held in any Collateral Account(s) of the Issuer held with the Custodian
Collateral Account(s)	Any Paying Accounts and Securities Accounts which are pledged in favour of the Securities Agent, acting in its own name and on its own account as well as in the account of the

	Investors as their direct representative (<i>direkter Stellvertreter</i>).
Collateral Agreement	A collateral agreement entered between the Issuer and the Investors represented by the Security Agent acting as in their name and on their account as their direct representative (<i>direkter Stellvertreter</i>) and the Security Agent acting in its own name and on its own account
Collateralization	Providing the Collateral for the benefit of the Investors to secure its payment obligations under the Base Prospectus and the Final Terms
Collateral Provider	The Issuer in its role as provider of the Collateral
Condition	Each term and condition of the Terms and Conditions
Corp./Inc.	Corporation
Custodian	Any person administering the accounts to which the Underlyings purchased by the Issuer are credited
Custody Agreement	A custody agreement between the Issuer and any Custodian according to general market standards for custody services
DAO	Decentralized Autonomous Organization
Data Protection Authority	Jersey Office of the Information Commissioner or any successor body
Data Protection Legislation	(a) the General Data Protection Regulation (2016/679) and any national law issued under that regulation (as may be amended from time to time), and (b) the Data Protection (Jersey) Law 2018 and any other applicable legislation relating to data protection in Jersey (as may be amended from time to time)
Delegated Regulation	Commission Delegated Regulation (EU) 2019/980 of 14 March 2019, as amended
Denomination	The Final Terms define the Product's denomination in the Settlement Currency or any other currency amount either: <ul style="list-style-type: none"> a. as a fixed denomination, or b. as a variable denomination following 1:1 the Underlying Price.
Distributor	Any person offering, selling or recommending the Products
DLT	Distributed ledger technology

Dynamic Index	a notional portfolio of at least five different Underlying Components meeting the following conditions cumulatively so that they are merely passively managed: (i) the Underlying Components contained in the Index or basket are managed during the term of the Product according to precisely defined and predetermined objective criteria (such as market capitalization, liquidity, P/E ratio, etc.) and (ii) these criteria must be set out in the Index or basket specifications and remain unchanged during the term of the Product
EEA	European Economic Area
EmbA	Swiss Embargo Act
ETC	Ethereum Classic
ETF	Exchange traded fund, which is an open ended collective investment scheme that trades throughout the day like a stock on the secondary market (i.e., through an exchange)
ETH	Ethereum
EU	European Union
EUR	Euro
EUWA	European Union (Withdrawal) Act 2018
Extraordinary Event	Fraud, theft, cyber-attacks, drastic changes in regulation or any analogous or similar event
Fair Market Value	In the case of Products related to an Index, if for any reason, on or prior to any final valuation date the Index Calculation Agent or a successor, if any, should cease permanently to calculate and/or announce the level of the Index and does not provide for a substitute Index, or such substitute Index cannot replace that Index, for any reason, then the Issuer shall terminate the Products by means of the Issuer Call Option and redeem the Products and pay to each Investor in respect of the securities held by it an amount representing the fair market value of such Products
FATCA	U.S. Foreign Account Tax Compliance Act
FATF	Financial Action Task Force
Final Terms	Specification of the detailed terms applicable to each Product including a product specific summary of the individual issue, which is annexed to the Final Terms
FINMA	Swiss Financial Market Supervisory Authority

FMA	Financial Market Authority Liechtenstein
Fork	An event in which an interlinked chain of blocks (a blockchain) is, at a certain block onwards, followed by two or more parallel and non-identical blocks, each generating a separated continuum of the original blockchain, possibly becoming the dominant version and thus obviating all transactions recorded on the other possible chains
FSMA	Financial Services and Markets Act 2000
FX Disruption Event	Occurrence of an event that makes it impossible through legal channels for the Issuer or its affiliates to convert a Base Currency into the Required Currency
FX Rate	The exchange rate for the sale of the Base Currency against the Required Currency
GBP or £	Great British Pounds Sterling, the currency of the United Kingdom
Index	any Classic Index or Dynamic Index
Investor	Person (other than a financial intermediary) who wishes to invest in the Products holding the tokenized securities on the ledger platform. Such persons and financial intermediaries holding tokenized securities in such Products for their own account shall each be an Investor.
Investor Fees	Fees owed by the Investor to the Issuer, in particular for the issuance and redemption of the Products, of up to 5% of the market price of the Underlying
Investor Put Option	Any Investor may either by itself or through its financial intermediary maintaining the relevant securities for the Investor exercise its Redemption Order with the Issuer, or any party acting on behalf of the Issuer
Investor Redemption Dates	a Redemption Order or Investor Put Option can be placed by the Investor at any time
ISIN	International security identification number
Issuer	Backed Assets (JE) Limited, incorporated in Jersey
Issuer Call Option	Right of the Issuer to terminate a Product
IT	Information technology
Jersey AML Laws and Guidance	(a) the Proceeds of Crime (Jersey) Law 1999; (b) the Proceeds of Crime (Supervisory Bodies) (Jersey) Law 2008; (c) the Money Laundering (Jersey) Order 2008; (d) the Terrorism (Jersey) Law 2002; (e) the Handbook for the Prevention and

	Detection of Money Laundering and the Financing of Terrorism issued by the JFSC from time to time
JFSC	The Jersey Financial Services Commission and any successor body
JFSC Guidance	the application process for Issuers of initial coin offerings (ICOs) published by the JFSC on 1 July 2018 and as updated from time to time
KYC	Know-your-customer procedures and documentation, in particular including transaction monitoring as well as source of wealth and source of funds checks, all in accordance with AMLA, Jersey AML Laws and Guidance and Sanctions Regulations
Ledger-Based Securities	Ledger-based securities (" <i>Registerwertrechte</i> ") according to Art. 973d et seqq. CO
Management Fee	Management fee is calculated daily at 12pm (noon) (Coordinated Universal Time, UTC) as defined in the Final Terms: the amount is equal to the Outstanding Value multiplied by the percentage management fee per day
Market Disruption Event	As defined in section 2.3.1.5
Market Maker	Any natural or legal person that provides market making services including bid and offer of market prices for the Products, next to adequate liquidity with regard to all Products
MCAA	Multilateral Competent Authority Agreement
MiFID II	Directive 2014/65/EU, as amended
MTF	Multilateral trading facility
NASDAQ	National Association of Securities Dealers Automated Quotations
Net Realization Proceeds	The amount resulting of the deduction of the service fees and additional costs of service providers from the realization proceeds, including (for clarity) the Security Agent, Paying Account Providers, Custodian and Broker.
New Issuer	Any affiliate, subsidiary or holding company of the Issuer as substitution for the Issuer as obligor under the Product
Non-Exempt Offer	If the Final Terms in relation to the Products specifies that an offer of those Products may be made by the Authorized Participant(s) other than pursuant to Art. 1 Para. 4 of the Prospectus Regulation in that Relevant Member State

Notification	FMA notification to the competent authorities in Austria, Belgium, Czech Republic, Denmark, France, Germany, Ireland, Luxembourg, Malta, Norway, Spain and the Netherlands in relation to this Base Prospectus consisting of the Securities Note and the Registration Document with a certificate of approval attesting that the Securities Note has been drawn up in accordance with the Prospectus Regulation and providing it with an electronic copy of this Securities Note.
NYSE	New York Stock Exchange
OECD	Organisation for Economic Co-operation and Development
Order	Financial Services and Markets Act 2000 (Financial Promotion) Order 2005
OTC	Over-the-counter
Outstanding Value	Outstanding Value is equal to the total amount of Underlyings held in the Collateral by the Issuer multiplied by the value of one Underlying.
Parent	Backed Finance AG, owning 100% of the shares of the Issuer
Paying Account	The cash account(s) held by the Issuer with the Paying Account Provider on/from which funds from/to the Investors in connection with the issuance and redemption of the Products are paid (including any distribution of funds to Investors subsequent to a Realization Event, based on the instructions of the Security Agent)
Paying Account Provider	Any person accepting or dispatching payments on behalf of the Issuer of the Products and by accepting or distributing the funds from/to the Investors (including any distribution of funds to Investors subsequent to a Realization Event, based on the instructions of the Security Agent)
Paying Account Provider Agreement	Agreement between the Issuer and a regulated bank or securities firm entered into which sets out the terms on which the Issuer holds the Paying Account(s) with such regulated bank or securities firm in relation to the Products issued under the Base Prospectus
Paying Account Provider Functions	Paying account provider functions as defined in Section 3.2 of the Securities Note and as further specified in the Account Control Agreement as well as the Final Terms of the respective Product
Perfection	Asserting rights in the Collateral
PoCL	The Proceeds of Crime (Jersey) Law 1999

PoS	Proof of Stake
PoW	Proof of Work
Product	The securities offered by the Issuer to Investors
Product-DLT	Ethereum blockchain and similar blockchains, such as Binance Smart Chain, TRON, Polygon, Gnosis Chain Ethereum Rollups etc.
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and the Council of 14 June 2017 (and amendments thereto)
Qualified Professional Investor	means persons who satisfy the definition of "qualified professional investor" under the Financial Services (Investment Business (Special Purpose Investment Business – Exemption)) (Jersey) Order 2001 and, where applicable, any more restrictive requirements under the legal and regulatory requirements in force in specific jurisdictions where the Product is marketed to investors resident in that jurisdiction.
Realization Event	As defined in clause XXII. i. " <i>Realization Event</i> " of the Terms and Conditions
Rebasing	An automated mechanism by the smart contract of the Product, which based on the Recalculation determines a multiplier to the balance of outstanding securities and further adjusts the number of securities in the net-basis of every wallet containing any securities in the Product.
Recalculation	In case of a variable Denomination, recalculation takes place if Management Fees are applied and/or dividend, interest or similar payments received by the Issuer from the Underlying are reinvested into Underlyings.

In case of a fixed Denomination, the total number of outstanding securities of a Product is being recalculated on every Recalculation Event in accordance with the following formula (**Recalculated Outstanding Securities**):

$$ROS = UiC \times \frac{UP}{D} - MF + P$$

Whereas ROS = total Recalculated Outstanding Securities, UiC = number of Underlyings held in Collateral by the Issuer, UP = Underlying Price, D = Denomination, MF = Management Fee, P = dividend, interest or similar payments of Underlyings received by the Issuer and to be reinvested into Underlyings

Example: A Product with a fixed Denomination of USD 1 tracking Underlying xyz with a market price of USD 15 today has today a total number of 1,000 Underlyings held in Collateral and Recalculated Outstanding Securities of 15,000:

*1,000 * (15 / 1) = 15,000 total Recalculated Outstanding Securities. If tomorrow the market price of Underlying xyz rises to USD 18, then the total number of Recalculated Outstanding Securities equals 1,000 * (18 / 1) = 18,000.- (considering P = 0)*

Recalculation Event	as defined in the Final Terms
Redemption Amount	as defined in the Final Terms
Redemption Order	Right of the Investors to require the Issuer to redeem a number of Securities for any one Product by submitting a sell order
Reference Sources	Market prices issued by the exchange(s) or quotation system(s) defined in the Final Terms
Underlying Price	The market price of one unit of the Underlying published by the Reference Sources as defined in the Final Terms.
Registration Agreement	The Issuer and each holder of Securities issued by the Issuer, i.e. any Investor, enter into a registration agreement which sets out the terms relating to the securitization of the Products in ledger-based securities according to article 973d Swiss Code of Obligation by the Issuer, the effects, the rules of transfer and the process in case of loss of such ledger-based securities. The Registration Agreement forms part of the Terms and Conditions
Registration Document	Information document on the Issuer
Regulatory Call	Exercising of the Issuer Call Option if compliance by the Issuer with the obligations under the Products or any transaction in respect of an Underlying of the relevant Products will become unlawful or impossible in whole or in part, in particular as a result of compliance by the Issuer with any future law, rule, regulation, judgement, order or directive of any governmental, administrative, legislative or judicial authority or power or controlling authority or of the relevant competent market authorities
Relevant Implementation Date	With effect from and including the date on which the Prospectus Regulation is implemented in that Relevant Member State
Relevant Member State	Member State of the EEA which has implemented the Prospectus Regulation
Required Currency	A specific currency required according to this Securities Note, the Final Terms or any agreement as described in this Securities Note or the Final Terms or any other contractual agreement in connection with the Products.

Sanctions Regulations	Jersey sanctions law, EmbA, any other Swiss sanctions regulations, and any other sanctions regulations in the Issuer's sole discretion
SE	Societas Europaea
Securities Account(s)	An account maintained by a securities intermediary such as a bank, securities firm or any other regulated custodian in Switzerland or abroad, in which it holds securities for the benefit of a customer
Securities Act	U.S. Securities Act of 1922, as amended
Securities Ledger	Basis for the registration of Ledger-Based Securities according to Art. 973d et seqq. CO
Securities Note	Securities Note for the issuance of tokenized securities of the Issuer
Security Agent	The Security Agent represents the Investors acting as their direct representative (<i>direkter Stellvertreter</i>) to secure in the name and on the account of the Investors their claims under the Products as well as acting in its own name and on its own account to secure its ongoing costs
Settlement	All termination and redemption of Products shall be settled as per the Termination Date or the Investor Redemption Date, as the case may be, in the Settlement Currency as cash and/or upon the sole discretion of the Issuer, optionally also in other FIAT currencies or Cryptocurrencies, in accordance with this clause.
Settlement Currency	Currency in which the redemption amount is settled
SME	Small and medium-sized enterprises
SPV	Special purpose vehicle
Structured Product(s)	Combination of conventional instruments with derivatives to create a stand-alone product that is then certificated and issued by an Issuer
Supplement	Supplements pursuant to Art. 23 of the Prospectus Regulation
Swiss Merger Act	the Swiss Federal act on mergers, demergers, conversions and transfers of assets of 3 October 2022, as amended (Fusionsgesetz) with SR 221.301
Termination Date	Date of choice on which the Issuer terminates a Product
Termination Event	Event which in the sole discretion of the Issuer requires a discontinuation of a Product

Termination Notice	The Issuer has to notify the Investors of the termination of a Product at the earliest possible date, in any event no later than 30 Business Days prior to the Termination Date
Terms and Conditions	Terms and Conditions of the offer of securities to the Public, as stated in section 5 of this Securities Note
Tokenization Services Agreement	Agreement between the Issuer and the Parent, effective as of 18 November 2021, as amended from time to time
Tokenizer	Person/legal entity providing tokenization services, i.e. creating the ledger-based securities for the Products, activating them and handling the issuance and redemption transactions on behalf of the Issuer
Tokenization Services	Tokenization services as defined in section 3.2 of the Securities Note
Tracker Certificates	Certificates according to type 1300 of the Swiss Derivatives Map
TCSP	a trust and company service provider licensed by the JFSC under the Financial Services (Jersey) Law 1998 to carry on trust company business
Underlying Currency	Currency of the Underlying/Underlying Components
Underlying Illiquidity	Low or no trading volume in the Underlying or the Underlying Components, the difficulty to buy and/or sell the Underlying or Underlying Components in a short period of time without its price being affected, or any comparable event that leads to an extraordinary illiquidity in any Underlying or Underlying Components, as determined by the Issuer in its sole discretion
Underlying(s) / Underlying Component(s)	Equity instruments, debt instruments, indices, exchange-traded funds, not listed funds and other transferable securities according to Art. 4 Para. 1 No. 44 and Annex I Section C MiFID II, as specified in the relevant Final Terms All Underlying(s) / Underlying Component(s) must be in the form of book-entry securities.
U.S.	United States
USD	United States Dollar
Website Privacy Notice	The website privacy notice annexed to this Securities Note

B. General Description

1. Persons Responsible, Third Party Information, Experts' Reports and Competent Authority Approval

1.1 Persons Responsible and Declaration of Responsibility

The directors of the Issuer, Backed Assets (JE) Limited, First Floor, La Chasse Chambers, Ten La Chasse, St. Helier, JE2 4UE, Jersey have taken all reasonable care to ensure that the facts stated in this document are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in the document, whether of facts or of opinion. The directors of the Issuer declare that to the best of their knowledge, the information stated in this document is in accordance with the facts and makes no omissions likely to affect its import. All the directors accept responsibility accordingly.

2. Risk Factors

2.1 Preliminary Remarks

Investors should note that an investment in Products involves a high degree of risk, including the risk of a total loss of all capital invested, as the Products and the assets representing the Underlying in the account of the Issuer held with the Custodian ("**Collateral**") in respect of each Product are highly speculative.

Additionally, investors should carefully read and consider the risk factors described in this Securities Note. Furthermore, they should consider all other information contained in this Securities Note, the relevant Registration Document and any Supplements thereto, *i.e.* Base Prospectus, as well as the relevant Final Terms. Investors should also take into account that all of the risks described may occur cumulatively, interact and thereby exacerbate each other. In that case, the Issuer's ability to meet its payment or delivery obligations under such Products to investors may be adversely affected.

In case one or more of the described risks or further factors (which appeared not material at the time of drafting the Registration Document or any facts of which the Issuer is currently not aware) occur, the investors may suffer a partial or even a total loss of their investment.

The Issuer strongly recommends to interested investors to conduct an individual examination of their personal risk situation by a competent advisor prior to the acquisition of any Products.

Certain capitalised terms used in this chapter are defined in the relevant general terms and conditions (together, the "**Terms and Conditions**" and each, a "**Condition**"), the relevant Securities Note and/or the relevant Final Terms.

2.2 General Risk Factors

2.2.1 Independent Review and Advice

Before entering into a transaction, Investors should ensure that they fully understand the potential risks and rewards and independently determine what is appropriate given their objectives, experience, financial and operational resources and other circumstances. For that purpose, they should consult independent advisors (including, but not limited to, tax

advisors, legal advisors, financial advisors and accountants) as far as they consider necessary. On the basis of their own independent review, assessment and advisors' advice they should make their own independent investment, hedging, and trading decisions. This includes but is not limited to decisions concerning the suitability of investing into the Products or the exposure of the Underlying.

The Investors should conduct their own independent research and analysis regarding the Issuer and other relevant entities or persons and market and economic factors, as they consider necessary to evaluate the risks and value of an investment in the Products. For that purpose, they should also consider carefully all the information in the Base Prospectus and the respective Final Terms.

Investment in the Products may involve a loss of the capital invested under the Terms and Conditions of a respective Product even where there is no default or insolvency of the Issuer. Investors are at all times solely responsible for making their own independent appraisal of, and investigation into, the business, financial condition, prospects and creditworthiness, status, business safety, and security provisions and course of business of the Issuer. None of the Issuer or any other agent or affiliate of the aforementioned (or any person or entity on their behalf) will have responsibility or duty to make investigations, to review matters, or to provide the Investors with advice concerning accompanying risks.

Risk rating: medium

2.2.2 Legality of Purchase

The Investors are responsible for ensuring that their actions comply with any law, regulation or regulatory or internal policy applicable to them regarding the acquisition of the Products. Accordingly, Investors bear the risk of the permissibility of the purchase of any Products by themselves.

Risk rating: low

2.2.3 Settlement

All Products are intended to be traded and settled on an Ethereum blockchain and similar blockchains, such as Binance Smart Chain, TRON, Polygon, Gnosis Chain, Ethereum Rollups ("**Product-DLT**") or any other eligible clearing and settlement system. Therefore, the Investors will have to rely on the rules and procedures governing these operations. Any delay in the trade or settlement of the Products by factors on such clearing and settlement system is outside the Issuer's control, for example the disruption of the relevant clearing and settlement systems. Investors shall consider when investing in the Products that these clearing and settlement systems could be unregulated or unsupervised by respective authorities.

These possible delays may result in a longer settlement time between the redemption value fixing date and the termination of a Product, which could negatively affect the redemption value of the relevant Product.

Risk rating: low

2.2.4 Effect of Additional Costs

Commissions and other transaction costs incurred, e.g. blockchain costs, in connection with the purchase or sale of Products may result in charges, particularly in combination with a low order value, which can substantially reduce any redemption amount to be paid to an Investor in respect of a Product. Before acquiring Products, Investors should therefore inform themselves of all costs incurred with the purchase or sale of the Products, including any costs charged by their custodian bank or the Authorised Participant upon purchase and redemption of the Products.

Risk rating: medium

2.3 Risks relating to the Market

2.3.1 General Market Risks

2.3.1.1 Market Volatility

Market volatility refers to the risk that market prices of securities will rise or fall, sometimes rapidly or unpredictably. An investment in the Products is subject to market risk, including the potential loss of the entire amount of the investment. Changes in interest, foreign exchange rates, and increases in volatility can increase credit and market risks and may also affect revenues of Investors. General movements in local and international markets and factors that affect the investment climate and Investor sentiment could affect the level of trading and, therefore, the market price of any Product. These risks are generally applicable to any investment in securities or instruments. Investors should be aware that any and all Products can go down and up in price and that there can be a partial or total loss of the invested amount.

Risk rating: medium

2.3.1.2 Tracking Delays or Errors

At any time, the price at which Products are traded on the secondary market may be quoted or traded at not the accurate or "real-time" price of the relevant Index that defines a notional portfolio of at least five Underlying Components in the form of a Classic Index or a Dynamic Index ("**Index**") or Underlying or Underlying Components at the respective time. The application and redemption procedures for the Issuer are intended to minimize this potential difference, delay or tracking error. However, the market price of Products will also be a function of supply and demand amongst Investors wishing to buy and sell Products and the bid/offer spread that Market Makers are willing to quote for such Products. It is not within the Issuer's control to ensure that the Products trade continuously at a price which equates perfectly to the value of the relevant Index or Underlying or, indeed, to ensure that any degree of variation between "bid/ask" and the value of the relevant Index or Underlying does not exceed certain margins.

Risk rating: high

2.3.1.3 Pricing Divergences

The prices of the Underlyings or the Underlying Components will be calculated based on the methodology described in the Terms and Conditions (see section 5). The price of securities in United States Dollar ("**USD**"), euro ("**EUR**"), Swiss franc ("**CHF**") or in other currencies

available from other data sources may not be equal to the prices used to calculate the values relevant for the specific Products. Investors should not depend on these sources of information when making investment decisions in relation to the Products.

Risk rating: medium

2.3.1.4 Market Trading Risk and Liquidity

The Products are intended to be available and traded on a Product-DLT and may be traded also on other exchanges or networks with the necessary authorisations. There is no certainty that there will be liquidity available on any of the trading networks or that the market price will be in line with the net asset value at any given time. There is also no guarantee that once the Products are available and traded on a blockchain that they will remain accessible and traded as a result of changes in admissibility of the Underlyings, the technology or the status of the Issuer.

Under normal market conditions, users acting as Market Makers will purchase and sell Products on secondary markets reducing the price gap between such trading venues and prices offered by the Issuer. Nevertheless, the Investors cannot rely on the opportunity to sell Products at a specific price or time. Furthermore, the Market Maker(s) are not obliged to secure a certain minimum level rate, purchasing unlimited numbers of Products or certain minimum volume in abnormal market conditions. In addition, the Issuer itself may have the right (but no obligation) to purchase Products at any time and any price in the open market or by tender or private agreement, subject to the applicable law.

Risk rating: high

2.3.1.5 Market Disruption Events

A market and/or settlement disruption event describes ("**Market Disruption Event** or **Settlement Disruption Event**"):

- a) In relation to an Index and/or Underlying Components, the occurrence or existence of a suspension or a limitation on trading in or a limitation on market prices issued by the exchange(s) or quotation system (s) defined in the Final Terms ("**Reference Sources**") (but for the avoidance of doubt, not merely a limitation on the hours and number of days of trading resulting from an announced change in the regular business hours of) for one or more Index constituents relevant to such Index (calculated using the last known price of such Index constituent) so that the price or value of the Product cannot be determined, announced or published or otherwise is not being made available on a Business Day relevant for the fixing, observation or valuation of the Index and/or an Underlying Component; or
- b) In relation to a single Underlying, the occurrence or existence of a suspension or a limitation on trading in or a limitation on the market price issued by Reference Sources (but for the avoidance of doubt, not merely a limitation on the hours and number of days of trading resulting from an announced change in the regular business hours of the relevant Underlying exchange) for the Underlying or one or more Underlying Components so that the price or value of the Product cannot be determined, announced or published or otherwise is not being made available on a Business Day relevant for the fixing, observation or valuation of such Underlying as determined by the Issuer in its duly exercised discretion.

In accordance with the Terms and Conditions, the Issuer may determine in its duly exercised discretion that a Market Disruption Event or Settlement Disruption Event has occurred or exists at a relevant time, which could result in the postponement of the fixing, observation or valuation of the applicable Index, Underlying or Underlying Component. This could have an adverse effect on the market value of the Products, including a partial or total loss of the investment.

These events may include, but are not limited to, the Issuer's inability to source reliable data, regulatory changes or other significant technological issues.

Risk rating: low

2.3.1.6 Risks relating to Currency Exchange Rates

In general, currency values may be affected by complex political, economic, and international factors, including governmental actions to support the domestic currency, independent of other market forces. An investment in the Products may be affected by the exchange rate risk of the relevant currencies in which the Products are denominated and in which the Underlying or the Underlying Components is/are traded or evaluated. The Underlying(s) will be denominated in another currency (USD, EUR or any other) than the Products offered (as specified in the Final Terms).

An Investor's right related to the Products may be determined on the basis of a currency other than the currency in which the Redemption Amount is settled ("**Settlement Currency**"). The value of the Underlying may be determined in a currency or unit of value other than the Settlement Currency. Accordingly, Investors should be aware that investments in Products could entail risks due to fluctuating exchange rates and, moreover, that the risk of loss depends not only on the performance of the Underlying, but also on unfavourable developments of the value of any currency involved. Investors should be aware that the above mentioned risks may arise at any time during the life of the Product if the currency of the Product and/or of the Underlying will be replaced by a different or a new currency.

Risk rating: medium

2.3.1.7 Other Factors affecting Market Value

The fact that the Products are issued in the form of tokens, requires the ability to execute transactions on the blockchain in order to purchase or sell the Product. Transactions on the blockchain are sometimes governed by fees paid to the blockchain validators, and these might increase significantly in times of market disruption or congestion. In such times, issuance and redemption of Products in values in the order of magnitude of the required fees may have an adverse impact on the total value obtained by the investor. The issuer has no ability to control or predict future blockchain fees.

Risk rating: high

2.3.2 Risks relating to Tokenized Securities / Distributed Ledger Technology

2.3.2.1 Risks Associated with the Ethereum Protocol and other Blockchain Protocols

Any Product-DLT, which will be used for the tokenized issuance of securities, is or may be susceptible to mining attacks, including double-spend attacks, majority mining power attacks, selfish-mining attacks, and race condition attacks, as well as their equivalent in proof-

of-stake systems, and other new forms of attacks that may be created. Any successful attack presents a risk to the issuance of the securities, and expected proper execution and sequencing of Ethereum (and other blockchains) contract computations in general. Mining attacks may also target other blockchain networks with which the used crypto protocol may interact, which may consequently impact the used digital token significantly. As such, any malfunction, breakdown, abandonment, unintended function or unexpected functioning of the Ethereum protocol, or any other blockchain protocol, may have a material adverse effect on the Issuer, the issuance of the tokenized securities and/or the Products offered.

Risk rating: medium

2.3.2.2 Risk of Blockchain Forks

A Fork is an event in which an interlinked chain of blocks (a block-chain) is, at a certain block onwards, followed by two or more parallel and non-identical blocks, each generating a separated continuum of the original blockchain, possibly becoming the dominant version and thus obviating all transactions recorded on the other possible chains. Therefore, forks are changes to the rules of the Ethereum protocol or other digital assets which often include major technical upgrades or changes needed to be made to the network. They typically originate from improvement proposals by the community and result in changes of the rules of the protocol. The rule changes may create a temporary split in the network. New blocks of digital assets could be produced according to the old rules or the new rules. Forks are usually agreed upon in advance to give owners the opportunity to adapt to changes concordantly. Consequently, the Fork including the upgrades becomes the main chain. However, in rare cases, disagreements over Forks can cause the network to permanently split. For the Ethereum network such a split occurred with the creation of Ethereum Classic ("ETC") in the Decentralized Autonomous Organization ("DAO") Fork in 2016. The DAO Fork was a response to the 2016 DAO attack where an insecure DAO contract was drained of over 3.6 million Ethereum in a hack. As a result, the Ethereum community voted on the planned Fork. The implemented Fork moved the funds from the faulty contract to a new Ethereum contract by withdrawing them. A group of miners however refused to fork and continued to use the original Ethereum blockchain due to immutability concerns. They continued to form ETC.

The Fork risk for externally backed tokens (such as tokenized securities) is much more severe compared to native tokens such as Ether ("**ETH**"). In case a user holds ETH tokens and the network splits, they can hold both ends of the fork. However, for tokenized securities, a choice must be made which represents the claim over the security (and therefore Collateral) issued by the Issuer of the tokens.

In the event of a Fork in the blockchain used by the Issuer for the Products, the Issuer, in its sole discretion, will determine:

- i. whether or not to participate in the Fork; and
- ii. which of the Fork's two resulting chains would be recognized, or if a different platform/protocol/blockchain for such purpose shall be used.

Risk rating: high

2.3.2.3 Regulatory Risks related to Digital Assets and Blockchains

Blockchain technologies and cryptographic tokens have been and will be the subject of intense scrutiny by various regulatory bodies around the world. The functioning of the Ethereum network, associated blockchain networks and tokens may be adversely impacted by regulatory actions, including restrictions or prohibitions on their use, purchase, or possession. For example, some jurisdictions regulate providers of prepaid access or money transmission services who create a medium of exchange or a method by which value is transferred from one to another person or location. The implications of triggering such requirements may include registration with a state or national agency or enforcement authority and implementing an anti-money laundering ("**AML**")/know-your-customer compliance program that meets the standards, including transaction monitoring, designation of compliance personnel, employee training, and periodic auditing and testing. Moreover, there may be various compliance obligations, including the need for a license, meeting minimum net-worth requirements, bonding, biographical and financial approval of officers and directors, and other ongoing compliance, such as examination and reporting obligations.

It is possible that certain jurisdictions will apply existing regulations on, or introduce new regulations addressing blockchain technologies-based applications, which may be contrary to the current setup of the smart contracts or the issuance of tokenized securities and which may, inter alia, result in substantial modifications of the smart contracts and/or the issuance of tokenized securities, including its termination and the loss of the investment for the Investors.

The Issuer could be impacted by one or more regulatory inquiries or regulatory action which could impede or limit the ability of the Issuer or third persons to continue to develop the Issuer's Products and/or services. It could cause significant costs and adversely affect the development of Products and/or the operations. Further, the issuance of tokenized securities and/or the Issuer may be subject to unexpected tax burdens.

Risk rating: high

2.3.2.4 Potential for Market Abuse

The markets for digital assets are local, national and/or international, increasingly growing and including a broad range of products and participants. In this environment, significant trading may occur on systems and platforms with minimum predictability.

In general, the characteristic of digital assets could be used by certain market participants to exploit arbitrage opportunities through schemes like front running, miner extracted value, spoofing, pump-and-dump and fraud across different systems, platforms or geographic locations. Due to the reduced oversight of authorities, these kinds of illicit schemes may be more widespread in the crypto market than in the general market for financial products. A result of any market abuse could be the loss of Investors' confidence in the digital assets and thus in structured products which base on them and therefore, may adversely impact an investment in the Products, the Issuer's ability to operate and/or the pricing of digital assets used for the transaction or of digital assets in general.

Because there is a lack of a central regulatory authority and structure and due to the global nature of digital assets and blockchain technologies, the Investors may have no legal remedies or recourse against the Issuer, other users, holders, purchasers or sellers of tokenized securities or digital assets, and any other person or entity that may interfere with the Issuer, the Products or the Investors' digital wallet.

Risk rating: high

2.3.2.5 Technical Risks relating to Blockchains

There are several technical risks to which the Investors of digital assets are exposed including, but not limited to, flaws in the code, the event in which an interlinked chain of blocks (a blockchain) is, at a certain block onwards, followed by two or more parallel and non-identical blocks, each generating a separated continuum of the original blockchain, possibly becoming the dominant version and thus obviating all transactions recorded on the other possible chains (**Forks**) of the underlying protocols, double spending and 51% attacks. These and various other risks must be considered by the Investors and are not unlikely to occur over time.

Ethereum ("**ETH**") and other blockchains assets are mostly built on open-source code which is available to the public, and developed in a shared way. Therefore, the underlying source code of these digital assets is visible publicly to anyone, and anyone can suggest changes to the code. It is possible that flaws or mistakes in the released and public source code could lead to severe damage to the blockchain technology, digital assets and networks. Furthermore, it is possible that a group of highly skilled contributors or other technical groups may attack the code, which may directly lead to severe damage. In any of these technical vulnerabilities, the value of the Investors' stakes can be severely and detrimentally affected.

The Ethereum blockchain is undergoing a series of upgrades, most notably the gradual move from a Proof of Work ("**PoW**") consensus mechanism to a Proof of Stake ("**PoS**") mechanism, both in form of Forks, changes to the rules of the protocol, and in other ways. This might significantly alter the way the blockchain operates, both in terms of the way new blocks are mined, how consensus is reached, the transaction throughput of the blockchain, the incentive mechanism of including transactions in a block, and many more changes. Some of these changes may impact existing smart contracts and create uncertainty as to the behaviour of software deployed on the blockchain or interacting with it.

For Investors Forks may have a detrimental effect on the value of the digital assets, including by negatively affecting Cryptocurrency allocations or by failing to capture the full value of newly-forked digital assets when being removed from the main Index or another applicable Index. This can disturb the creation of smart contracts on the blockchain to purchase or sell the Products.

Mining of digital assets is a distributed consensus system which is used to confirm pending transactions. The result of the agreement will be displayed and included on the public ledger, the blockchain. The crypto miners can earn digital assets by confirmation of the transactions and reaching consensus in that matter. In case a group of miners acting in concert controls temporarily a majority of the network mining power (also called hash power) of a respective blockchain network, they can use this control to undertake harmful actions, so-called 51% attacks. In such cases the attackers could prevent new transactions from being confirmed, allowing them to halt payments between certain or all users. They could also reverse transactions in the process of completion and thus in the control of the network, with the consequence that they could double-spend coins. The attackers could allow their coins to be spent

on multiple occasions as they control the network's confirmation process including, but not limited to, sending two conflicting transactions to the network while creating one transaction but already sending the digital assets before release of the associated block on the blockchain, which would invalidate it. Theoretically, the execution of attacks is more likely to appear to blockchains with a smaller mining power or market capitalization since the necessary computing power threshold to control a majority of the network will be reached more easily. However, there have also been reports of attacks against the ETC network in the past, which illustrates that networks with higher market capitalization can also be a target to such attacks.

The distribution and/or performance of the tokenized Products may be negatively affected by such or similar technical risks relating to blockchains as described above and thus may negatively impact the Investors.

Risk rating: medium

2.3.2.6 Risk of Loss of Private Key

The tokens in connection with the Products, tokenized securities, must be stored in a wallet by the Investor. This wallet can only be accessed with a password selected by the purchaser/Investor. If an Investor of tokens does not maintain an accurate record of the password or loses its wallet file, this will lead to the total loss of tokens and thus of all its investments. If a private key is lost, destroyed or otherwise compromised and no backup of the private key is accessible, the Investor will not be able to access the digital assets associated with the corresponding address, and the token network or the Issuer will not be capable of restoring the private key. Any loss of private keys relating to digital wallets used to store digital assets on a blockchain could have an adverse effect on the Investor and its investment. It is the Investor's sole responsibility to store and protect its private key, respectively wallet, accordingly.

Risk rating: high

2.3.2.7 Hacking and Theft Risk

The crypto network, smart contracts, associated websites, the applied software applications and software platforms of the blockchain may be exposed to attacks by hackers or other individuals that could result in theft or loss of tokens or other (financial) support for the crypto network in use. This may affect the Investors' investment up to a total loss. Furthermore, it may impact the Issuer's ability to issue Products.

Risk rating: medium

2.3.2.8 Tax Risk related to Digital Assets

The taxation of digital assets and associated companies can vary significantly by jurisdiction and are subject to significant revisions. These revisions, or the application of new tax schemes or taxation in additional jurisdictions, may adversely impact the Issuer's performance. Accordingly, the way in which digital assets are taxed varies from country to country. Before deciding to invest in Products, Investors should consult their local tax advisor. The Issuer may become exposed to significant tax risk. Any major tax burden may hinder the Issuer's ability to maintain the listing and, if such tax burden results in insolvency, to otherwise continue to operate as expected.

Risk rating: low

2.3.2.9 Cease in Expansion of Processing Power

If the aggregate revenue from transaction fees and the block reward is below a miner's cost, miners may terminate operations. Additionally, in the event of a Fork of the relevant crypto network, some miners may choose to mine the alternative new digital asset resulting from the Fork, thus reducing processing power on the original blockchain. An acute cessation of mining operations would reduce the collective processing power on the blockchain, which would adversely affect the transaction verification process by temporarily decreasing the speed at which blocks are added to the blockchain and make the blockchain more vulnerable to attackers obtaining control in excess of 50% of the processing power on the blockchain. Reductions in processing power could result in material, though temporary, delays in transaction confirmation time. Any reduction in confidence in the transaction verification process or mining processing power may adversely impact the value of an investment in the Products or the ability of the Issuer to operate.

Risk rating: low

2.3.2.10 Uncertainty related to Innovation

It is to note that digital assets, blockchains and their networks are still in the starting phase and have not yet become the new standard for transactions. Therefore, the forms and functioning is still evolving. There is no guarantee that digital assets will become the dominant form of payment, storage of value or method of exchange. Potential changes in the viability of any crypto network may adversely impact pricing and liquidity of digital assets and thus of the Products. Furthermore, other crypto networks and/or technologies may compete with the applied digital assets network. There is no guarantee that the selected form of digital assets to confirm the transactions on the blockchain will be a popular form of transaction or method of exchange in the future.

Risk rating: medium

2.3.2.11 Environmental Concerns

Due to the increasing carbon emissions by mining of digital assets, concern has arisen in the context of its impact on the global sustainable goals. Thus, governments and other bodies may regulate and restrict blockchain technologies in this respect in the future. This could hinder or even make the usage of smart contracts for the verification of transactions in some jurisdictions impossible.

Risk rating: low

2.4 Risks relating to the Products

2.4.1 Risks relating to the Nature of the Securities

2.4.1.1. Risk of Occurrence of an Extraordinary Event

Clause XVII. "*Liability*" of the Terms and Conditions provides that in case of fraud, theft, cyber-attacks, drastic changes in regulation or similar events with respect to, or affecting any, Underlying or Underlying Component, including the Collateral, the Redemption Amount for such Products shall be reduced accordingly, potentially to the smallest denomination of the Settlement Currency (i.e. USD 0.01, EUR 0.01, CHF 0.01, GBP 0.01 or the equivalent in other settlement currencies) per Product.

As a consequence, Investors bear the risk of the occurrence of an extraordinary event and of a partial or complete loss of their investment. Moreover, the risks of an extraordinary event are greater than for similar events with respect to other asset classes and, unlike in the case of other asset classes, are unable to be mitigated. Additionally, it is not presently practical to insure against an extraordinary event.

If an extraordinary event occurs, Investors might suffer a loss of partial or the whole investment.

Risk rating: low

2.4.1.2 Risks relating to Structured Products

Structured Products are a combination of conventional instruments with derivatives to create a stand-alone product that is then certificated and issued by an Issuer ("**Structured Product(s)**").

Investors should be aware that market value of the Products may not have a direct relationship with the prevailing price of the Underlying or the Underlying Components. Changes in the prevailing price of the Underlying will not necessarily result in a comparable change in the market value of the Product. Therefore, investing in the Products does not correspond to a direct investment in the Underlying itself.

In particular, the performance of the Products may differ significantly from returns on direct holdings of Underlyings itself because of the negative effect of the administration fees, custody fees, Index licensing fees and other fees due to providers of services in relation to the Products ("**Investor Fee(s)**"), retained dividends or any redemption charge, additionally to the negative effect of any other described risk herein. Consequently, the return on Products

will not reflect the potential return of actual ownership of the Underlying or the Underlying Components or securities directly linked to the performance of the applicable Index, being held for a similar period.

Risk rating: high

2.4.1.3 Open-ended feature of Products

The Products are open-ended and therefore, they do not have a predetermined fixed maturity date. Instead, the Investors can redeem the Products in exercising their Investor Put Option (as defined below) at any time and the Issuer has the right to terminate and redeem all but not part of the outstanding securities of any Product at the date of its choice in exercising its Issuer Call Option (as defined below). However, some of the Underlyings may have a fixed maturity date, whereby it is in the Issuers discretion to define in the Final Terms with which mechanism he aligns the Underlying's fixed maturity date with the Product in accordance with section 4.1.1. The exercise of the Issuer Call Option at that time which the Investor might not have chosen, may affect the Investor's potential profit, which may lead to losses for the Investor. A partial or total loss of the invested capital is possible.

Risk rating: medium

2.4.1.4 Impact of Redemptions of Products

The redemption of all or part of securities of a Product and the subsequent redemption of the Collateral may have an effect on the pricing of Products.

Risk rating: low

2.4.1.5 Lack of Capital Protection

Apart from the Collateralization of the securities as described in section 4.7, the Products issued under this Base Prospectus do not provide any capital protection of any amount payable under the Products. This causes a risk for Investors in the Products since parts of or the entire invested amount may be lost due to the market risk associated with the exposure of Structured Products. This means if the price of the relevant Index, Underlyings or Underlying Components develops in an unfavourable way for the Investors, the terms do not provide for any level of protected capital (apart from the Collateral) and the Investors will sustain the full loss corresponding to the unfavourable development of the relevant Underlying or Underlying Components. Depending on the performance of the relevant Index, Underlyings or Underlying Components, Investors may sustain a loss up to their entire investment. Accordingly, following the realisation of the Underlying held by way of Collateral for the Products issued to an Investor, an Investor has no residual claim against the assets of the Issuer (or any claim against any service providers to the Issuer) in the event that an Investor suffers any loss on the capital they originally invested.

Risk rating: medium

2.4.1.6 Passive Investment Risk

The Products are not actively managed and may be affected by a general decline in market segments related to the respective Underlying(s) or Underlying Component(s). Neither the

Issuer nor any other party will actively manage any assets held as Collateral or their allocation under the relevant Index methodology. Consequently, the Issuer will not take any action to reduce the risk of loss resulting from decreases in price.

Risk rating: low

2.4.2 Risks relating to the Underlying and Collateral

2.4.2.1 Impact of Underlying Sale

Within the issuance and redemption processes, the Issuer can periodically sell Underlyings or Underlying Components, or will be required to redeem Products pursuant to the Terms and Conditions. These transactions will be performed, at the Issuer's sole discretion, on the open market or via over-the-counter ("OTC") trading platforms. In case the amount of Underlyings traded is significant enough relative to global supply and demand, such sales could have an impact on supply and demand for the specific Underlyings in a manner unrelated to other factors and may affect the pricing of other Products under this Securities Note.

Risk rating: low

2.4.2.2 Realisation of Collateral

In case the received amounts after the realisation of the Collateral are not sufficient to fully cover the fees and expenses of the Security Agent, the Custodian, the Broker, the Paying Account Provider, the blockchain (in particular gas fees), other parties and the Issuer's payment obligations to Investors, then the Investors may incur a (total) loss, which may be significant. An Investor has no residual claim against the assets of the Issuer (or any claim against any service providers to the Issuer) in the event that an Investor suffers any such loss.

Risk rating: low

2.4.2.3 Limited Trading Hours

The on-exchange trading of Underlyings, thus Collateral of the Products, may be restricted to specific trading windows available on the relevant securities/commodities exchange. Therefore, the Issuer may not be able to buy or sell securities as required by Underlyings and/or Collateral outside of exchange market hours in the necessary quantities, or at all. This restriction could limit the Issuer's ability to ensure the Collateral coverage and might make the Issuer and the Investors vulnerable to price movements and volatility on the markets. Additionally, the Issuer may choose to limit issuance and redemption to once per trading day, in the form of end-of-day market price. In such a case, the respective purchase or sale price would depend on the price at market close and not at the time of arrival of request to the Issuer.

Risk rating: high

2.4.2.4 No Ownership Rights and no Opportunities to Influence Decisions Affecting the Underlyings

The Products do neither represent any claims against the Underlying nor represent any participation in the respective Underlying. Therefore, an investment in the Products, in particular, does not constitute a claim to receive information from the respective issuer or sponsor

of the Underlying and does not entitle the Investor to exercise voting rights or to receive distributions.

Further, the respective issuer or sponsor of the Underlying is not involved in the offer and sale of the Products and is under no obligation to any Investor in such Products. The Products are therefore not sponsored, supported or promoted in any way by the respective issuer or sponsor of the Underlying, and the respective issuer or sponsor of the Underlying may take actions with respect to the Underlyings without taking into account the interests of the Investors in the Products linked to such Underlying. Investors are therefore unlikely to have any opportunities to influence decisions affecting the Underlying. The market value of these Products and the amounts payable (or other benefits to be provided) may be materially adversely affected in such a case.

Risk rating: high

2.4.2.5 Risks relating to emerging market Underlyings

There are significant risks in investing in Products that track emerging market Underlyings (e.g. companies domiciled in an emerging market like Brazil or South Africa, indices related to such companies or bonds from such emerging countries).

Investors in such Product should be aware that the political and economic situation in countries with emerging economies or stock markets may be undergoing significant evolution and rapid development, and such countries may lack the social, political and economic stability characteristics of more developed countries, including a significant risk of currency value fluctuation.

Risk rating: medium

2.4.2.6 Risks relating to Products Linked to Equity Instruments

The performance of equity instruments depends, for example, on its earnings situation, market position, risk situation, shareholder structure and dividend policy, as well as on macroeconomic factors (e.g., interest and price levels on the capital markets, exchange rate developments, political factors). Therefore, investors cannot draw conclusions from the historical performance of the share(s) with regard to future performance. These factors may have an adverse effect on the market value and any return on the products linked to it. A partial or total loss of the capital invested is possible.

Further, Products linked to depositary receipts may have different returns than if they were linked to the shares underlying the depositary receipts. These differences between the rights of the holders of the depositary receipts and the rights of the holders of the underlying share(s) may be significant and may adversely affect payments on the Products and their market value.

The legal owner of the shares underlying the depositary receipt is the depositary bank, which also acts as the issuing agent of the depositary receipt. Depending on the jurisdiction in which the depositary receipt was issued and the jurisdiction to which the depositary bank agreement is subject, it is possible that the holder of the depositary receipt may not be recognized as the actual beneficial owner of the underlying shares in the relevant jurisdiction. In particular, in the event that the depositary bank becomes insolvent, or enforcement measures are taken against it, there is a possibility that the free disposal of the shares underlying the depositary receipt will be restricted by order or that the shares will be realized

in the course of enforcement measures against the depositary bank. The likelihood of this risk materializing depends on the creditworthiness of the depositary bank concerned. The holder of the depositary receipt may lose the rights attached to the shares underlying the depositary receipt, and the value of the depositary receipt may fall to zero. A partial or total loss of the capital invested is possible.

Risk rating: low

2.4.2.7 Risks relating to Products Linked to Indices

For Products linked to Indices, the Redemption Amount depends on the performance of the respective Index, which itself depends on the components, including their value and/or relevant features, contained therein. The market value of the Products can deviate from the performance of the Indices or components contained in the Index, as other factors, such as the correlation of, or volatilities relating to, the components therein, may have an impact on the performance of the Products. Therefore, Investors cannot rely on recovery of the price of the Products.

Additional risks exist if the Index is calculated or determined at the discretion of the Index sponsor, the Index calculation agent or any other person responsible for determining and calculating the Index. There is no guarantee that such guarantee of a third party will lead to a positive performance of the Index. The performance of the Index and hence the respective products depend, inter alia, on the quality of the Index sponsor's decisions. Therefore, Investors need to conduct their own due diligence concerning Index third parties. Neither the Issuer nor any of its affiliates has any responsibility or competence in selecting the Index components, which are part of the Underlying.

Risk rating: low

2.4.2.8 Risks relating to Products linked to Bonds

Products linked to Bonds are subject to the default risk of the bond issuer. The performance of the bond(s) depends on macroeconomic factors such as interest rate and price levels on the capital markets, exchange rate developments, political factors and factors specific to the respective bond issuer, such as its earnings situation, market position, risk situation, shareholder structure and distribution policy. Accordingly, the market value of the products and the payments on the products may be significantly affected. This may result in significant losses or loss of returns.

The return that an Investor receives in products linked to bonds may not be the same as the return that the Investor would receive if the Investor had actually purchased the relevant bonds. For example, Investors in products linked to a bond will not receive interest payments during the term of the Products. Accordingly, an Investor in such products may receive a lower payment (if any) upon exercise of the Products than would have been the case if the Investor had invested directly in the Bond(s).

These factors may therefore have an adverse effect on the market value and on the return on the Products linked thereto.

Risk rating: low

2.4.2.9 Risks relating to Products linked to Derivatives

Investors in Products linked to derivatives bear the credit risk of the issuer of the derivatives. The value of the underlying derivatives depends not only on the performance of the underlying of the derivative, but also on the credit rating of the issuer of the derivative, which may change during the term of the underlying derivative. The credit rating of the issuer of the derivative is not a guarantee of creditworthiness.

An investment in products linked to derivatives entails certain risks, which vary depending on the specific type and structure of the relevant derivative and the relevant underlying(s) of the derivative.

Risk rating: high

2.4.2.10 Risks relating to Products linked to ETFs

The Products may be linked to ETFs which are open-ended or other funds traded like a share on an exchange. The ETFs track the performance of a portfolio of assets, and therefore is dependent upon the macroeconomic factors affecting the performance of such assets, such as price and interest levels on the capital markets, currency developments, commodity prices, political factors and, in the case of shares, company specific factors, such as distribution policy, market or earnings position, risk situation and shareholder structure. These performance-related factors may adversely affect the market value of, and the return (if any) on, the Products linked to the ETF.

Further, market prices of ETF units depend on specific factors: The market price of ETF interests may diverge from their net asset value, due to the forces of supply and demand, as well as liquidity and scale of trading spread in the secondary market. This could result in the market price per ETF interest being higher (premium) or lower than its net asset value (discount), and will fluctuate during the trading day. Therefore, these price related factors may have a negative effect on the market value and payments on the Products linked to the ETF; a partial or total loss of the capital invested is possible.

A change in the composition or discontinuance of the ETFs could adversely affect the market value of, and return (if any) on, Products linked to the ETF. In principle, the Issuer and the calculation agent have no influence on the performance or composition of any ETF or any underlying index. The fund manager, fund administrator or the licensor/index sponsor, as applicable, of the underlying index can (i) add, delete or substitute the assets included in such index, or (ii) make methodological changes that could affect the value of such ETF and of such underlying index. The ETF value may be affected if an asset in its portfolio or in an underlying index would be substituted: A newly added asset may perform significantly worse or better than the asset it replaces, which in turn may affect the market value of, or payments (or other benefits to be received) under, the Products. The fund manager, fund administrator or licensor/index sponsor of any underlying index may also alter, discontinue or suspend calculation or dissemination of such ETF or such underlying index, respectively. The fund manager, fund administrator and licensor/index sponsor of such underlying index are not involved in the offer and sale of the Products and have no obligation to invest therein. The fund manager, fund administrator and licensor/index sponsor of such underlying index may take any actions in respect of such ETF or such underlying index, respectively, without regard to the interests of the investors in Products, and any of these actions could adversely affect the market value of (or amount payable under) such Products.

Investors in Products linked to ETFs with a portfolio of assets that are concentrated in the shares or other financial instruments of a particular industry or group of industries, in a specific sector, region, market or country, should be aware that the performance of such ETFs could be more volatile than the performance of funds with portfolios of more diverse assets. The concentration may potentially result in increased losses under the Products linked to such ETFs.

An investor's return on Products linked to ETFs may not reflect the return such investor would realise if he or she actually owned the relevant assets included in the portfolio(s) of the ETFs: E.g., if the portfolio of the ETFs includes bonds or a bond index, investors in the Products linked to such ETF will not receive any interests paid on such bonds or the bonds included in such bond index and will not benefit from those interest payments unless such ETF takes such interest payments into account for purposes of calculating the value of such ETF. Similarly, investors in Products linked to ETFs will not have any voting rights in the shares or other assets that are included in the portfolio(s) of the ETFs. Therefore, an investor in Products linked to ETFs may receive a lower payment (if any) upon redemption of such Products than such investor would have received, if he or she had directly invested in the assets included in the portfolio of such ETFs.

ETFs used as Underlying of the Products are not actively but passively managed and track an index or a single asset or a portfolio of several assets, e.g. a share, bond, money market, real estate, hedge fund, currency or commodity index. Therefore, ETF investments fully follow the fluctuation in the value of the index. ETFs offer the advantage of being easy to trade, being liquid and prices can be constantly kept track of. ETFs have less expensive administrative and distribution costs than traditional funds because ETFs significantly reduce management costs. However, since ETFs are traded on the stock exchange, stock exchange fees, stamp duties and brokerage fees may accrue.

The transparency of the underlying index typically results in a high degree of transparency in the ETF's underlying holdings. In certain cases, it may not be possible for an ETF to own every stock of an index (e.g., due to transactions costs, because the index is too large, or some of its components are very illiquid, or where an index's market capitalization weighting would result in the ETF violating regulatory requirements for fund diversification). Where owning every stock of an index is not possible, a physical index-based ETF may rely on sampling techniques. The physical index-based ETF implements the sampling strategy by acquiring a subset of the component securities of the underlying index, and possibly some securities that are not included in the corresponding index designed to improve the ETF's index-tracking.

ETFs investing in derivatives as (part of) their investment strategy face counterparty and collateral risks. Further, some ETFs may also conduct securities lending exposing them to counterparty credit risk.

Risk rating: medium

2.4.2.11 Risks relating to Products linked to Fund(s)

The performance of a Fund depends on the same macroeconomic factors that affect the performance of the assets underlying the Fund. These price-related factors may therefore adversely affect the market value and payments on the Products. A partial or total loss of the capital invested is possible.

Further, a change in the composition of the Fund, a change in the investment criteria or its discontinuation or a change of the Fund Manager may occur during the term of the Products. Such fund events may have an adverse effect on the performance of the Fund and thus on the payments on the Products and the market value of the Products.

The performance of a Fund whose portfolio consists primarily of equities in a single industry may be more volatile than Funds whose portfolios consist of more diversified assets. This concentration may also result in higher losses for the products linked to them.

In addition, the return, may not correspond to the return that the investor would achieve if he had actually acquired the respective assets included in the fund portfolio. For example, if the assets included in the Fund's portfolio are equities or an equity index, investors in the products linked to the relevant Fund will not receive dividends on such equities or the equities included in such equity index and will not benefit from such dividends unless the relevant Fund takes them into account in calculating the net asset value of the relevant Fund. Also, investors in products linked to one or more funds are not entitled to voting rights with respect to the shares or other assets included in the fund portfolio or portfolios. Accordingly, an investor in one or more fund-linked products may receive a lower payment (if any) upon redemption of the products than would have been the case if the investor had invested directly in the assets included in the fund portfolio or portfolios.

Risk rating: medium

2.4.2.12 Risks relating to Products linked to an Underlying using benchmarks

Any regulations applicable to the benchmark(s) used in an Underlying may introduce changes with regards to benchmark(s) that could have a material adverse impact on any Underlying linked to such benchmark(s) and therefore the Products linked to such Underlying, including in any of the following circumstances:

- a. If the benchmark administrator has not obtained all necessary authorisations and/or registrations, its authorisation or registration is subsequently withdrawn or suspended or, the administrator is not deemed equivalent or otherwise recognised or endorsed (or a recognition is subsequently suspended or withdrawn) according to any applicable regulation in connection with the used benchmark(s), such benchmark could not be used by issuing or regulated entities;
- b. The methodology or other terms of the benchmark could be changed in order to comply with the terms of any applicable regulation in connection with the used benchmark(s), if applicable, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level of the benchmark, causing such benchmark to perform differently than in the past, affecting the volatility of the published rate or level of the benchmark, or have other consequences which cannot be predicted; and
- c. A benchmark could be discontinued or substituted through another benchmark in order to comply with the terms of any applicable regulation in connection with the used benchmark(s), if applicable.

Risk rating: medium

2.4.2.13 Risks relating to Products linked to Basket(s)

If the Products are linked to one or more of Underlyings the performance of the basket as a whole may be unfavourable even in the case of a favourable performance of one or more Underlyings, since the unfavourable performance of one or more other Underlyings may outweigh or is more pronounced than such favourable performance.

Risk rating: medium

2.4.3 Risks relating to the Offer to the Public

2.4.3.1 Limited Liquidity and Trading Volume

There is no guarantee for the liquidity of the Products offered via secondary markets to Investors. The volume of Products traded on secondary markets may be highly limited, which can have a negative effect on the market price of the Products. Therefore, it may be extremely difficult for Investors to buy and/or sell the Products in a short period of time (with-out its price being negatively affected or any comparable event).

Risk rating: high

2.4.3.2 Special Risks relating to Blockchain Usage

The verification of the parties and the transaction will be conducted over smart contracts on a blockchain. Therefore, the Investors of tokenized securities are exposed to increased risks concerning fraud and loss, including, but not limited to cyberattacks. Several platforms have become a victim of such attacks. In general, digital assets can be stolen. They are stored in a crypto wallet, accessible only via private key, which nevertheless can be compromised. Crypto wallets do not store or contain the currency itself, they mainly store public and private keys, which are used as an address for receiving or spending the digital asset. Both forms of transactions are recorded on the public immutable ledger, the blockchain. By using the private key, a person is able to spend the digital asset and record the transaction on the ledger.

The tokenized securities are recorded and transferred over such public ledger, i.e. blockchain. The buyer and seller information and entire transaction history will be stored on this decentralized ledger. If a private key of an Investor is compromised, the tokenized securities may be stolen with the specific public key. Generally, unlike in traditional banking, once a transaction has been added to the blockchain, it cannot be reversed, inter alia, due to its decentralized characteristics.

Risk rating: high

2.5 General Regulatory and Legal Risks

2.5.1 Dependence on Authorizations

A public offer of the Products may depend on a relevant approval of the competent authorities in the relevant jurisdictions. Any change to such relevant requirements, the regulations of the Products, or acceptance of tokenized securities could adversely impact the offering of the Products and therefore the main revenue source of the Issuer's business.

Risk rating: high

2.5.2 Regulatory Status of Issuer and Provision of Due Diligence Information

A copy of this Securities Note has been delivered to the Registrar of Companies in Jersey (the "**Registrar**") in accordance with Article 5 of the Companies (General Provisions) (Jersey) Order 2002, and the Registrar has given, and has not withdrawn, its consent to its circulation.

The JFSC has given, and has not withdrawn, its consent under Articles 2 and 4 of the Control of Borrowing (Jersey) Order 1958 to the issue of shares, admission of members and the issue of securities in the Issuer.

It must be distinctly understood that, in giving these consents, neither the Registrar nor the JFSC takes any responsibility for the financial soundness of the Issuer or for the correctness of any statements made, or opinions expressed, with regard to it.

The Issuer has registered with the JFSC under the Proceeds of Crime (Supervisory Bodies) (Jersey) Law 2008 for certain specified Schedule 2 activities of the Proceeds of Crime (Jersey) Law 1999. In addition, the Administrator and the Issuer are subject to applicable anti-money laundering legislation and regulations in Jersey ("**Jersey AML Legislation**"). In order to comply with legislation or regulations aimed at the prevention of money laundering the Issuer is required to adopt and maintain anti-money laundering procedures, and may require prospective investors to provide evidence to verify their identity, the identity of their beneficial owners/controllers (where applicable), source of funds and wealth. Where permitted, and subject to certain conditions, the Issuer may also rely upon a suitable person for the maintenance of its anti-money laundering procedures (including the acquisition of due diligence information) or otherwise delegate the maintenance of such procedures to a suitable person (a "**Relevant AML Person**").

The Issuer is not required to be licensed, registered, or authorized under any current securities, commodities or banking laws of its jurisdiction of incorporation and will operate without supervision by any authority in any jurisdiction. However, there can be no assurance that regulatory authorities in one or more jurisdiction(s) will determine that the Issuer is required to be licensed, registered or authorized under any current securities, commodities or banking laws of such jurisdiction or that legal or regulatory requirements with respect thereto will not change in the future. Any such requirement or change could have an adverse impact on the Issuer or Investors in the Products.

Risk rating: medium

2.5.3 Jersey Regulatory Risk

The securities issued in relation to Products under this Base Prospectus are debt instruments.

The Regulatory status of the Issuer in Jersey is set out at Section 2.5.2 of this Securities Note. It must be understood that, in relation to the consents which the Issuer has obtained in Jersey, neither the Registrar nor the JFSC takes any responsibility for the financial soundness of the Issuer or for the correctness of any statements made, or opinions expressed, with regard to it. Investors are exposed to the credit risk of the Issuer and should be aware that the Collateralization of the Products does not fully eliminate this risk. Investors should consider this carefully before deciding to make any investment. Potential changes in regulatory requirements for the Products and/or the Issuer may lead to limitations in and/or termination of the offering of the Products.

Risk rating: low

2.5.4 Compliance

Upon the issue or redemption of the securities, the Issuer (or the Relevant AML Person on the Issuer's behalf), will request such information as is necessary to verify the identity of an investor and the identity of their beneficial owners/controllers (where applicable). Where the circumstances permit, the Issuer, or the Relevant AML Person on the Issuer's behalf, may be satisfied that full due diligence may not be required where a relevant exemption applies under applicable law. In the event of delay or failure on the part of the investor in producing any information required for verification purposes, the Issuer (or the Relevant AML Person on the Issuer's behalf), may refuse to accept the investor, or if an application has already been made, may suspend or withdraw the application prior to the issue of the securities, in which case any funds received will, to the fullest extent permitted by applicable law, be returned without interest to the account from which they were originally debited. The Issuer is not responsible for verifying the identity of those investors purchasing the Products on secondary markets, on which the Products might be traded. The Issuer has minimal influence on the compliance system of third party platforms on which the Products may be traded. However, the Issuer (or the Relevant AML Person on the Issuer's behalf) will be responsible for verifying the identity of holders upon redemption. In the event of a redemption, the Issuer (or the Relevant AML Person on the Issuer's behalf), may refuse any redemption to a holder of any securities if the Issuer (or the Relevant AML Person on the Issuer's behalf) suspects or is advised that the redemption may be non-compliant with applicable laws or regulations, or if such refusal is considered necessary or appropriate to ensure the compliance by the Issuer or the Relevant AML Person with any applicable laws or regulations. Accordingly, there is a risk that an investor purchasing the Products on secondary markets will not meet such due diligence requirements and therefore may not be able to redeem the Products and would therefore only be able to onwards transfer the Products on the secondary markets. Further, any delay, failure or violation could materially adversely affect the timing and amount of payments by the Issuer to the holders of the securities.

The Issuer makes reasonable efforts to establish and verify counterparty identities, understand the nature of counterparties and customer activities, and tries to ascertain the legitimacy of counterparty funds to the standard required under applicable legal and regulatory requirements.

The JFSC has a discretionary power to impose substantial administrative fines upon the Issuer in connection with any breaches by the Issuer of prescribed provisions of the Proceeds of Crime (Jersey) Law 1999 and Money Laundering (Jersey) Order 2008 (each as amended and revised from time to time), and upon the Issuer and/or any director or officer of the Issuer who either consented to or connived in the breach, or to whose neglect the breach is proved to be attributable. To the extent any such administrative fine is payable by the Issuer, the Issuer will bear the costs of such fine and any associated proceedings. If any

person in Jersey knows or suspects or has reasonable grounds for knowing or suspecting that another person is engaged in criminal conduct or money laundering or is involved with terrorism or terrorist financing and property and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector, or other trade, profession, business or employment, the person will be required to report such knowledge or suspicion to their Money Laundering Reporting Officer ("**MLRO**") where required or in the absence of the MLRO direct to the Jersey Financial Crime Unit of the States of Jersey Police as required in section 34A of the Proceeds of Crime (Jersey) Law 1999. Such a report shall not be treated as a breach of confidence or of any restriction upon the disclosure of information imposed by any enactment or otherwise.

Furthermore, where Authorised Participants are engaged, they will have to comply with any legal and regulatory obligations applicable to their business. Any breach of compliance processes of such exchanges or service providers could have a material adverse effect on the Issuer's core business and its reputation.

Risk rating: medium

2.5.5 Taxation

Depending on the Investor's country of residence, holding the Products may have tax implications, such as value-added tax or capital gains tax. Investors are advised to consult with their tax advisors as to their specific consequences. Therefore, Investors should consider whether such tax liabilities apply when investing in the Products. Each Investor will assume and be solely responsible for all taxes of any jurisdiction, including central government or local state taxes or other like assessments or charges which may be applied in respect of the Products.

The tax considerations contained in this Securities Note reflect the view of the Issuer based on the legislation applicable at the date of the issuance of this Securities Note. It cannot, however, be ruled out that the tax treatment by the tax authorities and courts could be interpreted differently or could be subject to changes in the future. Additionally, the tax considerations contained herein are in summary form and may not be used as the sole basis for the decision to invest in the Products from a tax perspective, since the individual situation of each Investor must also be considered. Accordingly, the considerations regarding taxation contained in this Securities Note do not constitute any sort of material information or tax advice nor are they in any way to be construed as a warranty with respect to specific tax consequences.

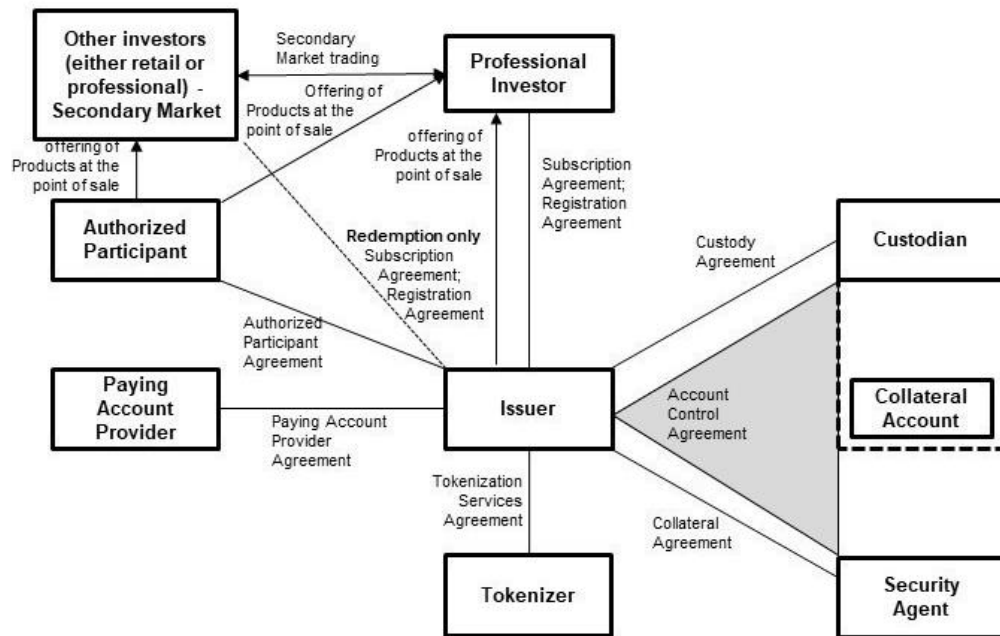
According to the Terms and Conditions, the Issuer may redeem all outstanding securities at any time, inter alia, for certain tax reasons. Accordingly, Investors should consult their personal tax advisors before making any decision to purchase securities in the Products and must be aware of and be prepared to bear the risk of a potential early redemption due to tax reasons.

Risk rating: high

3. Essential Information

3.1 Structure of the Program

The Issuer, Backed Assets (JE) Limited, may issue Products under this Base Prospectus, linked to Underlyings or Underlying Components providing exposure to a range of stocks



and Indices.

Diagram of involved parties/functions and payment/securities flows

3.2 Interest of Natural and Legal Persons involved in the Issue / Offer

Tokenizer

The Tokenizer, namely the Parent, Backed Finance AG, with its registered seat in Zug, domiciled at Baarerstrasse 14, 6300 Zug, Switzerland, as the sole shareholder of the Issuer, will offer tokenization services. Major shareholders of the Backed Finance AG, Zug, are Adam Levi, Yehonatan Goldman and Roberto Isaac Klein, each holding 19.75% of the shares.

Tokenization is understood to mean the legal linking of a (transferable) obligatory or real legal position with a token, on the basis of which this legal position can be asserted and transferred exclusively by the person entitled to the token over the distributed ledger/blockchain. Tokens can be described as data or information units stored in a register based on distributed ledger technology ("DLT").

The tokenization of the Products is being done in accordance with Swiss law by the Issuer directly creating and issuing ledger-based securities ("**Ledger-Based Securities**" or "*Regis-terwertrechte*") according to Art. 973d et seqq. CO.

The role of the Tokenizer is, inter alia, to provide the following services to the Issuer ("**Tokenization Services**"):

- i. Mint the tokens representing the securities for the respective Products in the network as Ledger-Based Securities in accordance with the specifications defined by the Issuer;

- ii. safeguard the tokenized securities until required by the Authorized Participant, the Parent or the Issuer;
- iii. deliver the tokenized securities when required and as instructed by the Issuer;
- iv. receive and cancel, i.e. burn the securities in the register in case of redemptions;
- v. develop and deploy smart contracts on different supported blockchains as requested by the Issuer;
- vi. security audits of blockchain smart contracts;
- vii. ongoing support of the blockchain network used for the benefit of the Issuer;
- viii. design and develop a web platform and SDK for issuance and redemption procedures as well as interfacing such web platform and app to the other service providers as described in this Securities Note to the extent required and instructed by the Issuer;
- ix. design and develop administration platform for the Issuer to overview the status of the tokenized securities and the market; and
- x. oversee the security of both the blockchain and the server systems.

Providing tokenization services means providing the technical solution for tokenization to the Issuer as external information technology ("IT") service provider. Therefore, the Tokenizer is neither acting as an issuer nor as an offeror of the Products.

Apart from the services of the Tokenizer, which are performed by the Parent, the Authorized Participants, Custodians, Security Agent, Paying Account Providers and any other third parties set out below are not related to the Issuer. Such third parties may act in different functions provided that they implement appropriate measures to avoid conflicts of interests between the individual functions, if required:

- a. Custodian;
- b. Security Agent;
- c. Any person that provides market data of the Underlyings' prices for the Products on each day relevant for fixing, observation or valuation of the Indices and other securities as specified in the relevant Final Terms;
- d. Market Maker;
- e. Authorized Participant; or
- f. Provider of other services set out below.

Tokenization Services Agreement

The agreement between the Issuer and the Parent, effective as of 18 November 2021, as amended from time to time ("**Tokenization Services Agreement**") covers the provision of the Tokenization Services.

Notwithstanding anything to the contrary contained in the Tokenization Services Agreement, the maximum liability of either Party from all causes of action and under all theories of liability will be limited to and will not exceed the fees paid to the Tokenizer by the Issuer pursuant to the Tokenization Services Agreement up to the date of the liability claim made. Subject to a gross negligent or wilful misconduct or breach of any provisions under the Tokenization Services Agreement, the Tokenizer shall hold the Issuer harmless and shall defend and indemnify the Issuer from and against any direct loss, cost or expense, including reasonable attorneys' fees, with respect to any third party claim arising out of any act or omission of the Tokenizer in connection with the performance of its duties under the Tokenization Service Agreement. Under no circumstances and under no legal theory, whether in tort, contract or otherwise, shall either party be liable to the other party, or any other person for any indirect, special, incidental or consequential damages of any character or lost profit arising out of the Tokenization Services Agreement including, without limitation, damages for loss of goodwill, work stoppage, computer failure or malfunction, even if such party shall have been informed of the possibility of such damages, or for any claim by any other party. The Tokenization Services Agreement is governed by Swiss law.

Authorized Participant(s)

Function

Authorized Participants may offer the Products to all segments of Investors. They may also act as Market Makers by buying and selling Products from and to Investors on an OTC basis or through other trading exchanges. Not all Market Makers need to be Authorized Participants.

A person or legal entity qualifies only as an Authorized Participant ("**Authorized Participant**") if it is an appropriately regulated entity, approved and engaged by the Issuer (in its absolute sole discretion) for the offering of one or several Products to Investors. An Authorized Participant must have entered into an Agreement with the Issuer, regulating i.e. the rights and obligations of the Authorized Participant in the context of application and redemption of Products ("**Authorized Participant Agreement**").

The Issuer is required by the JFSC to only appoint Authorised Participants that are reputable financial services companies subject to the appropriate regulation in (i) the European Union, (ii) in Jersey, (iii) in the United Kingdom, and (iv) in any another jurisdiction that is not a country or territory identified as presenting higher risks in the AML/CFT/CPF Handbook for regulated financial services business published by the Jersey Financial Services Commission from time to time (the "**JFSC AML/CFT/CPF Handbook**"). Should an Authorised Participant appointed by the Issuer be located in a jurisdiction that, following to its appointment, becomes a country or territory identified as presenting higher risks in the JFSC AML/CFT/CPF Handbook, the Issuer shall exercise its contractual rights to terminate the Authorised Participant's appointment as soon as practicable.

Investors may (re-)sell the Products in the secondary market to third parties or to Authorized Participants in accordance with the Terms and Conditions.

Information on the Authorized Participant(s)

For each Product, where an Authorized Participant has been approved and engaged by the Issuer, the Issuer will describe and communicate the identity of respective Authorized Participant(s) on its website: www.backedassets.fi.

Custodian(s)

Function

As defined above, Custodian provide the Securities Accounts to which the Underlyings purchased by the Issuer are credited. Further, the Custodian holds cash amounts and other assets received by the Issuer in connection with the purchase and selling of the Underlyings in Paying Accounts and is, together and subject to instructions by the Issuer, responsible for all matters in connection with corporate actions in the Underlyings.

Information on the Custodian(s)

Maerki Baumann & Co. AG, Zurich, Switzerland, is a FINMA licensed bank incorporated under the laws of Switzerland and registered in the Commercial Registry of the Canton of Zurich. Maerki Baumann & Co. AG will be acting as Custodian for those Products indicated in the respective Final Terms of the Products.

The Issuer may also appoint other licensed parties for the role as Custodian for Products as indicated in the Final Terms of the respective Product and/or on its website: www.backedassets.fi.

Custody of the Products purchased by the Investors is in the sole responsibility of the Investor. The Issuer is not obliged to provide for a custody offering for the Investor.

Custody Agreement

In general, the Issuer and any new Custodian shall enter into a Custody Agreement according to general market standards for custody services ("**Custody Agreement**"). Such Custody Agreement shall set out the principal terms on which the Custodian is appointed to act as Custodian in respect of the Products issued under the Program and sets out the duties and obligations of the Custodian in relation to holding all assets that the Issuer delivers to the Custodian in a separate account set up for the Issuer. The Custody Agreement sets out the conditions for the appointment of the Custodian and termination of the agreement (by either party to the agreement after giving prior written notice to the other party in written form).

The Issuer and Maerki Baumann & Co. AG as Custodian entered into a framework agreement dated 23/24 November 2022, based on Maerki Baumann & Co. AG's "General Terms and Conditions of Business and Safe Custody Regulations (including Execution Principles)" and subject to some individually agreed special terms for custody. It applies, inter alia, to deposits and assets held in the securities account by the Custodian. The Custodian shall provide for a separate account or subaccount for the Issuer for each Underlying. The Custodian will handle the deposited assets with the customary care and diligence and is responsible on behalf of itself and its ancillary agents solely for direct losses and bears no liability in any event for consequential, third-party or special losses. The Custodian is neither allowed to do any securities lending nor any other proprietary transactions with the Underlyings held in the main and sub-accounts at all times. The Custodian shall have no right to assert any applicable rights of lien, retention or other rights to retain any of the Underlyings. Deposits are generally set-up for an unlimited period and will not expire in the event of loss of capacity to act or bankruptcy on the part of the Issuer. The Custodian will perform customary administrative services without special instruction by the Issuer. The Custodian shall be allowed to delegate its duties under the agreement to a third-party, subject to the prior notification of the Issuer. The framework agreement which includes the Custody Agreement, is governed by Swiss law.

The Issuer plans to enter into similar framework agreements with additional Custodians. The Final Terms for each Product will specify the respective Custodian(s) for such Products as

well as provide some further information on the respective contractual agreement(s) entered into with such Custodian(s). Furthermore, the Issuer may also publish such information on its website: www.backedassets.fi.

Broker

Function

A broker is any regulated securities broker regarding brokerage services in connection with buying/selling the Underlyings ("**Broker**"). The Broker's role is to purchase and sell the Underlyings on the markets on instruction of the Issuer.

The Issuer is required by the JFSC to only appoint brokers that are reputable financial services companies subject to the appropriate regulation in (i) the European Union, (ii) in Jersey, (iii) in the United Kingdom, and (iv) in any another jurisdiction that is not a country or territory identified as presenting higher risks in the AML/CFT/CPF Handbook for regulated financial services business published by the Jersey Financial Services Commission from time to time (the "**JFSC AML/CFT/CPF Handbook**"). Should a broker appointed by the Issuer be located in a jurisdiction that, following to its appointment, becomes a country or territory identified as presenting higher risks in the JFSC AML/CFT/CPF Handbook, the Issuer shall exercise its contractual rights to terminate the broker's appointment as soon as practicable.

Information on the Broker

Maerki Baumann & Co. AG, Zurich, Switzerland, is a FINMA licensed bank incorporated under the laws of Switzerland and registered in the Commercial Registry of the Canton of Zurich, Switzerland. Maerki Baumann & Co. AG will be acting as Broker for those Products indicated by the respective Final Terms of the Products. The Issuer can also appoint other licensed parties for the role as Broker for Products as indicated in the Final Terms and/or on its website: www.backedassets.fi (with the sole Issuer's discretion to appoint another party as Broker).

Brokerage Agreement

In general, the Issuer and any new Broker will enter into a market standard agreement regarding the provision of brokering services to purchase and sell the Underlyings on the markets ("**Brokerage Agreement**").

The Issuer and Maerki Baumann & Co. AG as Broker entered into a framework agreement dated on 23/24 November 2022, based on Maerki Baumann & Co. AG's "General Terms and Conditions of Business and Safe Custody Regulations (including Execution Principles)" and subject to some individually agreed special terms for brokerage. It applies, inter alia, to the purchase and sale of the Underlying(s) of the Products as well as FX conversion transactions and other FX hedge transactions (defined within the agreement as "Brokerage Transactions") by using the custody accounts and transactional accounts held by the Issuer with Maerki Baumann & Co. AG. Such brokerage transactions are executed on an execution-only basis. Maerki Baumann & Co. AG has outsourced securities trading to a third-party company (currently InCore Bank AG, a FINMA licensed bank incorporated under the laws of Switzerland and registered in the Commercial Registry of the Canton of Zurich, Switzerland). Further information can be found at <https://www.maerki-baumann.ch/en/execution-principles>. In general, in executing orders for the purchase and sale of securities, derivative products and other assets, the Broker acts as a commission agent or selfcontracting party for the Issuer. The standard practices of the stock exchange and trading platform in question and/or the regulations of the respective issuers and business partners apply. Payment in full for executed brokerage transactions pursuant to the agreement is due on the date indicated as settlement date on the execution confirmation (delivery vs payment). For the purposes of risk disclosure,

the Broker draws specific attention to its "Information Relating to Investing in Securities as well as Securities with Special Risks (including digital assets)" and the brochure entitled 'Risks in Securities Trading' published by the Swiss Bankers Association (SBVg). With regard to losses resulting from failures or delays in executing instructions or orders (excluding stock exchange orders), the Broker is solely responsible for the loss of interest, save for where the Broker was notified of the impending risk of further losses in the specific individual case. In the case of stock exchange orders, the Broker is not responsible for errors and omissions on the part of its agents. The framework agreement which includes the Brokerage Agreement, is governed by Swiss law.

Paying Account Provider

Function

The role of the Paying Account Provider is to provide one or several Paying Accounts to the Issuer in order to enable the Issuer to ("**Paying Account Provider Functions**"):

- i. receive FIAT currency or any other currency in the discretion of the Issuer from Investors in the event of an issuance of the Products as set out in the Terms and Conditions;
- ii. disburse FIAT currency or any other currency in the discretion of the Issuer to Investors in the event of a redemption of the Products as set out in the Terms and Conditions of the offer of securities to the public;
- iii. disburse the pro-rata share of the Net Realization Proceeds as FIAT currency to the Investors based on the instructions of the Security Agent upon a Realization Event in accordance with the Account Control Agreement; and
- iv. hold cash balances in FIAT currency on the Paying Account(s) in the period between the liquidation or sale, respectively, of the Underlying(s) and the return of the cash to Investors.

Information on the Paying Account Provider

Maerki Baumann & Co. AG, Zurich, Switzerland, is a FINMA licensed bank incorporated under the laws of Switzerland and registered in the Commercial Registry of the Canton of Zurich, Switzerland. Maerki Baumann & Co. AG will be acting as Paying Account Provider for those Products indicated by the respective Final Terms of the Products.

The Issuer can also appoint other licensed parties for the role as Paying Account Provider for Products as indicated in the Final Terms and/or on its website: www.backedassets.fi (with the sole Issuer's discretion to appoint another party).

Paying Account Provider Agreement

In general, the Issuer and the respective Paying Account Provider will enter into a market standard agreement regarding the provision of paying account(s) ("**Paying Account Provider Agreement**").

The Issuer and Maerki Baumann & Co. AG as Paying Account Provider entered into a framework agreement dated 23/24 November 2022, including special terms for transactional accounts. The Paying Account Provider shall provide for a separate Cash Account for the Issuer with separate sub-accounts for different currencies for each Product.

Additionally, in case of occurrence of a Realization Event in accordance with the Collateral Agreement, the Paying Account Provider will also initiate the payment of the pro-rata share

of the Net Realization Proceeds, i.e. third party fees being deducted from received payments, to the Investors upon respective instruction of the Security Agent. In such case, the Paying Account Provider takes over the function previously performed by the Issuer, namely to make, based on the instructions by the Security Agent, pro rata payments of the Net Realization Proceeds to the Investors in respect of the Products upon occurrence of a Realization Event. Liability of the parties under or in connection with the agreement shall be limited to the extent permitted by law. In particular, the Paying Account Provider shall not be responsible for or liable in respect of the legality, validity or enforceability of any Product, the sufficient collateralization of such Products with Underlyings, any deductions made to third parties (in particular any service providers before the pro rata distribution to the Investors, any instructions or information provided by the Issuer (before the occurrence of a Realization Event) or the Security Agent (upon occurrence of a Realization Event) related thereto, or any act or omission of any other person. The framework agreement which includes the Paying Account Provider Agreement, is governed by Swiss law.

The Issuer can also appoint other licensed parties for the role as Paying Account Provider for Products as indicated in the Final Terms and/or on its website: www.backedassets.fi (with the sole discretion of the Issuer to appoint another party as Paying Account Provider).

Security Agent(s)

Function

As described above, the Security Agent acts in its own name and its own account as well as in the name and on the account of the Investors as their direct representative (*direkter Stellvertreter*) to secure in the name and on the account of the Investors their claims under the Products as well as its own claims for ongoing costs ("**Security Agent**"). The Security Agent:

- i. initiates the realization of the Collateral when the Products fall due; and
- ii. instructs the Paying Account Provider (and/or the Custodian(s) or any third parties designated by the Security Agent) to initiate the payment of the pro-rata share of the Net Realization Proceeds to the Investors.

Such activity qualifies as debt collection activity for and on behalf of the Investors as creditors. The Security Agent does not accept any funds on its own account for and on behalf of the Investors as its principal(s). All proceeds are directly paid to the Paying Account Provider which will make partial or full repayments to the Investors upon receipt of the respective instruction by the Securities Agent and after having deducted and paid authorized third party fees. The Security Agent does not act as financial intermediary.

Information on the Security Agent(s)

Security Agent Services AG, Baarerstrasse 75, 6300 Zug, Switzerland will act as the Security Agent for the Products.

For each Product the Issuer may in its sole discretion appoint another Security Agent and describe and communicate it in the Final Terms for the Product and/or on its website: www.backedassets.fi. The Issuer furthermore is authorized to exchange the Security Agent and appoint another Security Agent for any Product already issued and communicate this in the updated Final Terms and/or on its website: www.backedassets.fi.

Collateral Agreement

In general, the Issuer enters into a collateral agreement ("**Collateral Agreement**") with the Investors represented by the Security Agent acting in the name and for the account of the Investors as their direct representative (*direkter Stellvertreter*) and the Security Agent, acting in its own name and on its own account.

The Issuer entered into a Collateral Agreement for financial instruments with the Investors represented by the Security Agent, acting on behalf and for the account of the Investors as their direct representative (*direkter Stellvertreter*) and the Security Agent dated 23 November 2022. Under the Collateral Agreement, the Issuer created a right of lien (*reguläres Pfandrecht, Forderungspfandrecht*) over the Collateral in favour of (a) the Investors represented by the Security Agent acting in the name and on the account of the Investors as their direct representative (*direkter Stellvertreter*), as well as (b) the Security Agent to secure its costs in connection with the realization of the Collateral as further set-out in clause XXII. "*Realization Event and Realization of Collateral*" of the Terms and Conditions.

The liability of the parties is limited to gross negligence or wilful misconduct. Neither party will bear any responsibility or liability to the other party or to third parties for any losses arising out of any delay in or interruptions of performance of their respective obligations under the Collateral Agreement due to any act of God, act of governmental authority, or act of public enemy, or due to war, the outbreak or escalation of hostilities, riot, fire, flood, civil commotion, outbreak of viruses (local, national or global epidemics and pandemics), insurrection, labour difficulty (including, without limitation, any strike, other work stoppage, or slow-down), severe or adverse weather conditions, power failure, communications line or other technological failure, or technological changes or other similar cause beyond the reasonable control of the party so affected. The agreement is governed by Swiss law.

Market Maker(s)

The Issuer has the right but no obligation to engage Market Makers in relation to the Products.

Function

The Market Maker provides market making services including bid and offer of market prices for the Products, next to adequate liquidity with regard to all Products.

Information on the Market Maker(s)

The respective Market Maker(s) for each Product (if any) is/are specified in the relevant Final Terms and/or communicated on the Issuer's website: www.backedassets.fi (at the Issuer's sole discretion to appoint another party).

Market Maker Agreement

In case the Issuer makes use of its right to engage a Market Maker a Market Maker Agreement has to be entered into.

Legal Advisors

The Issuer has engaged the following legal advisers in relation to the offering of the Products:

- i. Swiss law: MLL Legal AG, Grabenstrasse 2, 6340 Baar, Switzerland.

- ii. Jersey law: Walkers (Jersey) LLP, PO Box 72, Walker House, 28-34 Hill Street, St. Helier, JE4 8PN, Jersey

Administrator

Pursuant to an engagement letter dated 5 June 2023 (the "**Administration Agreement**"), the Issuer has appointed Cavendish Fiduciary (Jersey) Limited of First Floor, La Chasse Chambers, Ten La Chasse, St. Helier, JE2 4UE, Jersey as the Issuer's TCSP in accordance with the JFSC Guidance and AMLSP in accordance with PoCL.

Under the Administration Agreement, the Issuer has appointed and retained the Administrator to provide, *inter alia*, the following services upon the Administrator's standard terms of business, (the "**Services**"):

- i. Provision of registered office
- ii. Provision of company secretary
- iii. Provision of two individual directors
- iv. Provision of a Compliance Officer, Money Laundering Reporting Officer and Money Laundering Compliance Officer
- v. Provision of nominated person to the Company
- vi. Supervision of the Company's compliance functions
- vii. General administration and corporate secretarial services, including provision of directors and money laundering reporting officer/money laundering compliance officer.

Documents may only be entered into with the prior knowledge and approval of the directors.

In accordance with the Administrator's Agreement, the Administrator shall only be liable to losses suffered by the Issuer or third parties resulting from fraud, willful default or gross negligence on the part of the Administrator in the performance and/or the exercise of its duties and responsibilities under the Administrator's Agreement. The maximum aggregate liability of the Administrator is limited to the lesser of £500,000 or an amount equal to ten times the amount of fees actually paid to the Administrator during the 12-month period before the event giving rise to any claim. The Administrator's Agreement also includes disclaimer of liabilities for any losses not attributed to the Administrator or suffered due to actions or omissions taken in response to specific requests or instruction of the Issuer where such execution would in the Administrator's reasonable opinion result in a breach of any Applicable Law.

The Administrator shall be entitled to terminate the Administrator's Agreement by giving 90 days prior notice in writing for any reason, or upon providing service notice of 30 days if the Issuer fails to observe, maintain or comply with certain requirements as detailed in the Administrator's Agreement.

The above description of the Administration Agreement is a summary only and is not intended to be an exhaustive listing of all of the material terms in the Administration Agreement.

The Administrator is a service provider to the Issuer and is not responsible for the preparation of this Securities Note or the Registration Document and accepts no responsibility for any

information contained in the Securities Note or the Registration Document, other than the information contained in this Securities Note with respect to the Administrator.

The Administrator will not be responsible for monitoring compliance with the Collateralisation of the Products and therefore will not be liable for any breach thereof.

Other service providers

The Issuer has outsourced some of its KYC/AML functions to service providers as detailed below:

- KYC/Identification service provider: Sumsu
- KYT service providers: Scorechain, Coinfirm
- Technical and operational services to operating the systems above: Tokenizer.

3.3 Summary of Product Issuance and Redemption Process

3.3.1 In General

The issuance and redemption mechanism is a continuous process and is intended to ensure that Products have sufficient liquidity and that the price tracks the relevant Underlyings. Qualified Professional Investors may subscribe either directly with the Issuer or an offer may be made by an Authorised Participant approved and engaged by the Issuer. All segments of Investors may subscribe through an Authorised Participant. Redemptions may be made through the Issuer or, where an Authorised Participant is appointed, through selling the Product to an Authorised Participant who will redeem it later.

Any Issuance Process, Redemption Process and payment flow to any Investor is subject to the Issuer going through KYC procedures, if necessary at the Issuer's sole discretion and acknowledgement of required regulatory warnings. The Issuer has the right to reject any issuance, redemption or payment request if there are negative findings or other material issues with the issuance, redemption or payment.

The Investor's personal data is processed in accordance with the Website Privacy Notice at Annex 2 to this Securities Note.

3.3.2 Issuance Process

The practical steps involved in the issuance of Products are as follows:

- a. The Ledger-Based Securities for the Products are pre-created (but not activated) by the Tokenizer for each specific Product and transferred into a wallet held by the Tokenizer on behalf of the Issuer.
- b. Investor submits purchase order to the Issuer or, where applicable, the Authorized Participant sends a purchase order to the Issuer and the Authorized Participant submits a purchase order to the Issuer.
- c. The Investor has to go through KYC procedures in accordance with applicable legal and regulatory requirements and acknowledge required regulatory warnings. The Issuer, acting in its sole discretion, has the right to reject any issuance request if there are negative

findings or other material issues with the issuance. Where an Authorized Participant is involved, the Authorized Participant will apply its own KYC procedures in relation to any person wishing to purchase the Products from it in accordance with its own legal and regulatory requirements.

- d. The Issuer submits a creation order to the Tokenizer upon receipt of either the Authorized Participant's payment or the Investor's payment (including Investor Fees) or respective guarantee or equivalent security on the Paying Account.
- e. Upon the Business Day following the receipt of the Authorized Participant's payment or the Investor's payment (including Investor Fees) or respective guarantee or equivalent security (i.e. T+2), the Issuer:
 - i. buys the number of Underlyings equivalent to the "Investor's or Authorized Participant's payment amount *minus* Investor Fees" (fractional Underlyings are possible) and transfers the Underlying to the Collateral Account with the Custodian (or as directed by the Authorized Participant, as applicable);
 - ii. in case of successful purchase of the Underlying, instructs the Tokenizer to activate the pre-created Ledger-Based Securities in the amount equivalent to the purchased Underlyings and to transfer them until the latest 6:00pm CEST to the wallet specified by the Investor (or the Authorized Participant's wallet, as applicable); and
 - iii. in case of being unable to purchase the Underlying within the specified timeframe, cancels the purchase order and transfers back the purchase price minus a fixed fee covering the expenses of the Issuer (such as KYC) to the Investor or the Authorized Participant, as applicable.

There are no creation limits on the Products assuming sufficient liquidity in the capital markets in which the Underlying is purchased.

3.3.3 Redemption Process

The practical steps involved in the redemption of Products are as follows:

- a. Investor and Issuer redemption is triggered by any of the following events:
 - i. Issuer terminates a Product (in whole but not in part) by means of exercising the Issuer Call Option in accordance with the Terms and Conditions; or
 - ii. Investor or Authorized Participant submits a Redemption Order to the Tokenizer, thereby exercising the Investor Put Option in accordance with the Terms of Conditions.
- b. Before and subject to accepting the Investor's Products for redemption, the Investor has to go through successfully KYC procedures in accordance with applicable legal and regulatory requirements. The Issuer, acting in its sole discretion, has the right to reject any redemption request if there are negative findings or other material issues with the redemption.
- c. The Tokenizer forwards the Redemption Order to the Issuer upon receipt of the Investor's Products.

- d. Until the fifth Business Day following the receipt of the Investor's Products (i.e. T+5), the Issuer
 - i. Instructs the Tokenizer to de-activate the received Products by transferring them to the wallet held by the Tokenizer on behalf of the Issuer;
 - ii. Liquidates the Underlying in the Collateral Account in the same amount as the redeemed Products;
 - iii. Calculates the Redemption Amount to be paid out to the Investor or the Authorized Participant;
 - iv. Instructs the Paying Account Provider to pay out the Redemption Amount to the Investor or Authorized Participant and keeps the Investor Fees.

3.4 Denomination, Recalculation and Rebasing

Each Product has either a fixed or variable Denomination.

Products with a variable Denomination follow 1:1 the Underlying Price and therefore, the total number of outstanding securities is equal to the total number of Underlyings held in the Collateral by the Issuer and does only vary based on new issuances or redemptions, and the deduction of Management Fees and addition of any dividend, interest or similar payments of the Underlying received by the Issuer and to be reinvested into Underlyings.

Products with a fixed Denomination follow 1:1 the Underlying Price in value, but the total number of outstanding securities is recalculated on every Recalculation Event based on the ratio between Recalculation Value and the Denomination after deduction of Management Fees and after addition of any dividend, interest or similar payments of the Underlying received by the Issuer and to be reinvested into Underlyings.

The Recalculation Value is being fetched by data oracles operated by the Tokenizer, or third parties based on the Reference Source on any Recalculation Event and automatically fed into the Product's smart contract, where the Recalculation and the reallocation of securities is being conducted automatically without involvement of the Issuer.

In relation to each Investor (i.e. holder of the Products), the Rebasing is conducted by an automated mechanism using a smart contract, which based on the Recalculation Value, determines a multiplier to the balance of outstanding securities and further adjusts the number of securities in the net-basis of every wallet containing any securities in the Product. The securities will be allocated in fractional units with up to 18 decimal places, with rounding down to the eighteenth decimal place.

*Example: A Product with a fixed Denomination of USD 1 tracking Underlying xyz with a market price of USD 15 today has a total number of collateralized Underlyings of 1,000, and therefore a total Outstanding Value of $1000 * 15 = 15,000$ USD*

An Investor wish to buy Products in the value of 1 Underlying from the Issuer, would then receive 15 Securities against the purchase price of USD 15 (plus Investor Fees, if applicable).

*If the following day the market price of Underlying xyz rises to USD 18, then the total Outstanding Value equals $1,000 * (18 / 1) = 18,000$ USD. The Investor's 15 Securities would*

then be recalculated and the outstanding number of securities would appear as 18 Securities because of the Recalculation and Rebasing (for simplicity, this example assumes no Management Fee and no dividend, interest or similar payments of Underlyings to the Issuer).

3.5 **Reasons for the Offer and Use of Proceeds**

The offer of the Products uses ledger-based securities (i.e. securities in the form of tokens on a distributed ledger or blockchain), representing the value of major tradable securities and fully backed by the Underlyings. This has several major advantages compared to the use of the original underlying security in a conventional form, such as certificated securities, uncertificated securities or book-entry securities. One major advantage is e.g. that ledger-based securities can be traded 24 hours per day, 7 days per week. Another advantage is that secondary markets for such ledger-based securities are inherently global, as opposed to national markets where conventional securities are traded. A third advantage lies in the direct control of the ledger-based security by the Investor, as it may be held in an unhosted respectively non-custody wallet, which the Investor has exclusive access to.

The Issuer will use the Proceeds to (i) finance the purchase of the Collateral, (ii) pay the fees and costs of the various service providers in connection with creating, launching, issuing, redeeming, and providing all further services for the Products and (iii) finance its own existing and future business activities.

4. **Information concerning the Securities to be Offered to the Public / Admitted to Trading**

4.1 **Information concerning the Securities**

4.1.1 **Type and Class of the Offered Securities**

The securities offered by the Issuer to Investors ("**Products**") are designed as Tracker Certificates.

Tracker Certificates are primarily targeted at Investors that expect the value of the Underlying or Underlying Components to increase (or, in the case of Tracker Certificates with a bear feature, to decrease). Tracker Certificates allow an Investor to participate in the performance of one or more Underlying Components, which can be equally or unequally weighted.

Through the Tracker Certificates, Investors can participate in the performance of the Underlying. Furthermore, the price movement of any Product offered reflects any price movement of the respective Underlyings 1:1 (excluding or including any dividend or interest payments eventually paid by the issuer of the Underlying). However, the entitlement of the Investors may be reduced and/or adjusted by the Investor Fees and/or the Management Fees in accordance with the Final Terms. The resulting value will further be adjusted by the applicable fees, tracking errors from foreign currency hedging and conversion ratios as the Underlyings or Underlying Components of the Products are traded in a differing currency ("**Underlying Currency**"), which may not be the Settlement Currency. The Issuer is responsible for calculating the value of the Products.

The Products do not bear interest.

The Products are open-ended. This means these Products do not have a predetermined fixed maturity. However, some Underlyings may have a fixed maturity date. In such case, the Product may be subject to one of the following models:

- a. The Product may have the same maturity date as the Underlying; or
- b. Upon reaching the maturity date of the Underlying, the Issuer may exercise its Issuer Call Option, in which case the Product will be terminated with the Termination Date being the same as the maturity date of the Underlying; or
- c. Upon reaching the maturity date of the Underlying, the Issuer may replace the Underlying with another Underlying that has similar characteristics. The replacement product will be selected by the Issuer in its sole discretion and may be subject to certain conditions or restrictions.

The Issuer will specify in the Final Terms of the Product which of these models will apply to the specific Product.

In the event that the Issuer exercises its right to replace the Underlying, the Product will continue to track the new Underlying with similar characteristics. Investors should be aware that the replacement Underlying may have different performance characteristics, fees, or other features compared to the original Underlying.

The Issuer will provide Termination Notice to Investors in the event that it intends to exercise its Issuer Call Option or replace the Underlying. Investors will have the option to redeem their investment in the Product prior to the Termination Date in line with the ordinary Investor Redemption procedures. If an Investor chooses not to redeem their investment, their investment will automatically be converted to the replacement Underlying upon the day following the Termination Date.

The Products are and will be neither listed nor admitted to trading at any stock exchange, authorized multilateral trading facility or organized trading facility (inside or outside of Switzerland) by the Issuer. The Final Terms will define further if and on which DLT trading facilities or secondary market DLT trading facilities or equivalents the Products will be admitted to trading on request of the Issuer (if at all). This is at the Issuer's sole discretion for each and every Product. In the event that, in the future, the Products are admitted to trading on such trading facilities or exchange and the Products trade at a significant premium or discount (i.e. +/- 2 percent or more) to the value of the Underlying for seven consecutive trading days or more, the Issuer will use reasonable endeavours to make disclosure, as soon as reasonably practicable thereafter, of the key factors that it believes may have materially contributed to the premium or discount (as applicable) on its website.

The international security identification number ("**ISIN**") for the respective Products will be indicated in the respective Final Terms. In general, the securities offered are Ledger-Based Securities according to Art. 973d et seqq. Swiss Code of Obligations ("**CO**"). It describes a right in accordance with an agreement between the parties which is registered in a distributed ledger serving as securities ledger ("**Securities Ledger**") and may be exercised and transferred freely to others only via this Securities Ledger. Thus, the securities are neither in certificated nor in book-entry form but in tokenized form.

The Securities Ledger serves as the source of truth in relation to transfer records. The Issuer will publish a link to the record of transaction for each Product on its Website: www.backedassets.fi.

4.1.2 **Legislation under which the Securities have been created**

The Issuer has chosen Swiss law as the applicable law for the form of the Products as Ledger-Based Securities according to Art. 973d et seqq. CO. Therefore, the form, the establishment, the transfer, the cancellation of the Ledger-Based Securities as well as creating security interest on them and the legal effects of Ledger-Based Securities are governed by and shall be construed in accordance with Swiss law (without reference to principles of conflicts of law rules).

4.1.3 **Total Amount of the Offer**

The total amount of the securities offered to the public is not fixed for the time of filing this Securities Note and the Base Prospectus, but will be limited by the amount of issued Underlyings for each Product. The detailed arrangements will be communicated by the Final Terms and/or the website of the Issuer: www.backedassets.fi.

The acceptance of purchase or subscription of securities may be withdrawn up to two working days after the amount of securities to be offered to the public has been filed.

4.1.4 **Currency of the Securities Issue**

The currency of the securities offered by the Issuer will be specified in the respective Final Terms.

4.1.5 **Relative Seniority of the Securities in the Issuer's Capital Structure**

The Investors have a sole claim to the Collateral allocated to the specific Product they are holding and no further claim to any Collateral allocated to other Products or to the Issuer's assets. The Products are neither insured nor guaranteed by any government, regulator or agency. Accordingly, once an Investor's pro-rata share of the Net Realisation Proceeds has been paid, that Investor has no residual claim against the assets of the Issuer (or any service providers to the Issuer) in the event that the Investor suffers any losses in relation to their investment in the Products.

4.1.6 **Rights attached to the Securities**

The holder of the Products has a claim against the Issuer for the Redemption Amount in accordance with the formula as set out in the relevant Final Terms and as described in clause VI. Issuance and Redemption of section 5 of the Terms and Conditions of the Offer of Securities to the Public in this Securities Note.

The Issuer and each holder of Products issued by the Issuer, i.e. any Investor, enter into a Registration Agreement (*Registrierungsvereinbarung*) ("**Registration Agreement**") according to article 973d CO which (i) sets out the terms relating to the securitization of the Products in ledger-based securities according to article 973d CO under Swiss law by the Issuer, the effects, the rules of transfer and the process in case of loss of such ledger-based securities, and (ii) is part of the Terms and Conditions.

The Issuer may at any time amend or substitute the Registration Agreement. The Registration Agreement forms part of the Terms and Conditions and the Issuer publishes the latest version on its website: www.backedassets.fi. The Registration Agreement is subject to the same governing law and place of jurisdiction as the Terms and Conditions.

Most importantly, the Investors' respective creditors' rights do not consist of any shareholders' rights; thus, excluding all rights of attendance, dividend payments, other participation rights or voting rights at a general assembly of the Issuer or any issuers of Underlyings or other entities. The management of the Issuer is in the sole responsibility of the directors of the Issuer.

The Investors in a Product are not entitled to any rights or claims to the Underlying or the Underlying Components aside from those described in the Terms and Conditions. Physical delivery of the Underlyings is excluded and Investors' interests are settled in fiat currency and/or Cryptocurrencies in the event of a redemption or termination.

The Investors do not have any dividend, voting, pre-emption rights in offers for subscription of securities of the Underlying or any right to share in the profits of an issuer of an Underlying, or any right in any surplus in the event of liquidation, also relating to the Underlying.

None of the Issuer, the Investors, the Security Agent, the Custodian, the Paying Account Provider, or any other person shall at any time have the right to affect or demand the conversion of Products (as Ledger-Based Securities) into, or the delivery of, individually certificated securities ("*Wertpapiere*"), uncertificated securities ("*einfache Wertrechte*") or book-entry securities ("*Bucheffekten*").

4.1.7 **(Re-)Selling Restrictions**

Save for the approval of this Base Prospectus in relation to the FMA and the subsequent offer of the Products to the public based on the Final Terms, no action has been or will be taken by the Issuer that would permit a public offering of any Products or possession or distribution of any offering material in relation to any Products in any jurisdiction where action of that purpose is required. No offers, sales, resales, or deliveries of any Products or distribution of any offering material relating to any Products may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and which will not impose any obligation on the Issuer.

This Securities Note, the Base Prospectus and the Final Terms do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If the laws or regulation of a jurisdiction require that an offering of securities described herein be made by a licensed bank, securities firm or insurance company or any other party involved (each as defined in this Securities Note) or any affiliate of any other party is a licensed bank, securities firm or insurance company in that jurisdiction, the offering shall be deemed to be made by such other party or such affiliate on behalf of the Issuer or holders of the applicable securities in such jurisdiction.

The offering or sale of the Products in certain jurisdictions may be restricted by law including because of the Underlyings/Underlying Components.

Persons who obtain possession of this Securities Note and/or the Base Prospectus and/or the Final Terms are required to inform themselves about and to adhere to any such restrictions. Neither this Securities Note nor the Base Prospectus nor the Final Terms constitute or may be used for the purposes of, an offer or solicitation to subscribe for or to purchase any Product in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. Accordingly, this Securities Note, the Base Prospectus and the Final Terms should not be used by anyone for this purpose.

The Products offered on primary and secondary markets and other platforms under this Base Prospectus are not for distribution to any U.S. person or any person or address in the U.S. or in any other jurisdiction (i) to which a distribution would be unlawful (e.g. being subject to Sanctions Regulations, such as residents of North Korea, Syria or Iran), or (ii) which may be classified as high-risk jurisdictions subject to a call for action according to the Financial Action Task Force ("**FATF**").

The Issuer reserves the right to impose further selling restrictions at its sole discretion which will be communicated in the Final Terms or on its website: www.backedassets.fi.

4.1.8 **Procedure for the Exercise of those Rights**

The Investors have to go through a proper KYC-procedure, in order to be eligible to subscribe for or redeem Products or to receive any cash settlements, according to Jersey AML Laws and Guidance, Sanctions Regulations and the FATF's high-risk jurisdictions and jurisdictions under the increased monitoring list.

The procedure for the Issuance and Redemption of the Products is further described in section 3.3 "*Summary of Product Issuance and Redemption Process*" of this Securities Note.

The Products are open-ended, i.e. they do not have a predetermined fixed maturity date. However, some of the Underlyings may have a fixed maturity date, whereby it is in the Issuers discretion to define in the Final Terms with which mechanism he aligns the Underlying's fixed maturity date with the Product in accordance with section 4.1.1. The Investors can redeem the Products on any Business Day for the Settlement Currency as indicated in the Final Terms. It is at the Issuer's sole discretion to add to or to remove Cryptocurrencies or fiat currencies from the list of accepted Cryptocurrencies and fiat currencies.

Unless described explicitly otherwise in the Final Terms, there is no interest paid for the Products.

4.2 **Restrictions on Transferability**

Any transfer of Ledger-Based Securities is subject to the Registration Agreement, this Securities Note, article 973f CO, the rules of the Securities Ledger and requires the transfer of the securities via the Ledger.

Any transfer of the entitlement to the securities other than by a transfer via the Securities Ledger is prohibited.

The transferability of the securities by the Investors on the secondary market is not restricted. However, Investors must comply with the Selling Restrictions in accordance with section 4.1.7 in this Securities Note.

4.3 **Tax Restrictions**

The Investors shall be warned that tax legislation, rules and fiscal practice of the authorities of the Investor's domicile, any member state of the EU/EEA and of the Issuer's country of incorporation may have an adverse impact on the income received from the Products.

The tax treatment for each Investor depends on their specific tax situation. All Investors are advised to consult with their professional tax advisors as to the respective Jersey and other jurisdictional tax consequences of the purchase, ownership, disposition, lapse, exercise or

redemption of securities (or options embedded therein) in light of their particular circumstances.

According to clause XII. "*Taxation*" of the Terms and Conditions, each Investor shall assume and be responsible for any and all taxes, duties, fees and charges imposed on or levied against (or which could be imposed on or levied against) such Investor in any jurisdiction or by any governmental or regulatory authority.

Jersey Taxation

The statements on taxation below are intended to be a general summary of certain tax consequences that may result to the Issuer and Investors.

The Issuer may be subject to local withholding taxes in respect of income or gains derived in certain countries, and in particular from underlying investments. Taxation law and practice and the levels and bases of and reliefs from taxation in these countries, and in Jersey, in relation to the Issuer may change from time to time.

The statements below relate to an Investor purchasing the Products as an investment and are based on the Issuer's understanding of the law and practice in force in Jersey at the date of this document. While all the references to taxation in this section are believed to be correct at the present time, they are only of a general and non-exhaustive nature and their applicability will depend on the personal circumstances of individual Investors. Investors may also be liable to income tax, capital gains tax or corporation tax or their equivalents in their country of citizenship, residence, domicile or incorporation. Investors shall be warned that tax legislation, rules and fiscal practice of the authorities of the Investor's domicile, any member state of the EU/EEA and of the Issuer's country of incorporation may have an adverse impact on the income received from the Products. According to clause XII. "*Taxation*" of the Terms and Conditions, each Investor shall assume and be responsible for any and all taxes, duties, fees and charges imposed on or levied against (or which could be imposed on or levied against) such Investor in any jurisdiction or by any governmental or regulatory authority.

This section does not constitute legal or tax advice and is based on taxation law and practice at the date of this Securities Note, which is subject to change, potentially with retrospective effect. Prospective Investors should consult their own professional advisers on the implications of making an investment in, holding or disposing of the Products under the laws of the countries in which they are liable to taxation, as well as any relevant exchange control or other laws and regulations.

The Issuer

Under Article 123C of the Income Tax (Jersey) Law 1961 and on the basis that the Issuer is tax resident in Jersey, the Issuer (not being a financial services company, or a utility company as defined under the Income Tax (Jersey) Law 1961 at the date of this Securities Note) will be regarded as subject to Jersey income tax at a rate of zero per cent. If the Issuer derives any income from the ownership or development and disposal of land in Jersey, such income will be subject to tax at the rate of 20 per cent. It is not expected that the Issuer will derive any such income.

Jersey imposes a Goods and Services Tax ("**GST**") on the taxable supply of goods and services in or imported into Jersey. The current GST rate is 5 per cent. On the basis that the Issuer has obtained 'International Services Entity' status under applicable legislation, the Issuer is not:

(a) required to register as a taxable person pursuant to the Goods and Services Tax (Jersey) Law 2007;

(b) required to charge GST 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) required to pay GST in Jersey in respect of any supply made to it.

The Directors intend to continue to conduct the business of the Issuer such that no GST will be incurred or be payable by the Issuer.

Holders of the Products

It is anticipated that non-Jersey holders of the Products will not be subject to any tax in Jersey in respect of the acquisition, ownership, sale, exchange of the Products. Accordingly, save as set out below, there will be no withholding or similar tax required to be deducted by the Issuer in respect of non-Jersey resident holders of the Products.

Any Jersey resident holders of the Products may be liable to pay tax on their income more generally, but there is no capital gains tax, estate duty, inheritance tax (other than stamp duty, see below). The attention of Jersey residents is drawn to Article 134A of the Income Tax Law and other provisions of the Income Tax Law, the effect of which may be to render any gains in respect of their Products and/or distributions made in respect of them chargeable to Jersey income tax.

In Jersey no stamp duty is levied on the issue, acquisition, ownership, exchange, sale, transfer or other disposition of the Products between living persons. However, Jersey stamp duty is payable on Jersey grants of probate and letters of administration and this is calculated based on the value of the deceased's net moveable estate at rates of up to 0.75%.

Holders of the Products may be required to pay income tax, capital gains tax, inheritance tax, stamp duty and other taxes or charges in accordance with the laws and practices of other jurisdictions in which they are liable to taxation.

FATCA

Under Sections 1471 through 1474 of the US Internal Revenue Code (commonly referred to as "**FATCA**") "Financial Institutions" are required to use enhanced due diligence procedures to identify US persons who have invested in either non-US financial accounts or non-US entities. Pursuant to FATCA, certain payments of (or attributable to) US-source income, (including dividends and interest), are subject to a 30 per cent withholding tax ("**FATCA Withholding**") unless the Issuer complies with certain due diligence and reporting requirements.

The United States and Jersey have entered into an intergovernmental agreement ("**US-Jersey IGA**") to implement FATCA. Under the terms of the US-Jersey IGA, the Issuer is obliged to comply with the provisions of FATCA as enacted by the Jersey legislation implementing the US-Jersey IGA (the "**Jersey IGA Legislation**"), rather than directly complying with the US Treasury regulations implementing FATCA. Under the terms of the US-Jersey IGA, Jersey resident entities that comply with the requirements of the Jersey IGA Legislation will be treated as compliant with FATCA and, as a result, will not be subject to FATCA Withholding on payments they receive and will not be required to withhold under FATCA on payments they make.

The Issuer is considered a Jersey resident financial institution and therefore is required to comply with the requirements of the Jersey IGA Legislation. Under the Jersey IGA Legislation, the Issuer is required to report to the States of Jersey Comptroller of Revenue certain holdings by and payments made to certain investors in the Issuer who are, or are entities that are controlled by one or more natural persons who are, residents or citizens of the United States, unless a relevant exemption applies. Under the terms of the US-Jersey IGA, such information will be onward reported by the States of Jersey Comptroller of Revenue to the United States.

Prospective Investors should consult their tax advisors with regard to US federal, state, local and non- US tax reporting and certification requirements associated with an investment in the Products.

In order to avoid the Issuer being subject to withholding taxes, all prospective Investors (whether they are US citizens or not) must agree to provide the Issuer at the time or times prescribed by the Jersey IGA Legislation and at such times reasonably requested by the Issuer with such information and documentation (whether relating to themselves, their investors and/or beneficial owners) prescribed by the Jersey IGA Legislation and such additional documentation reasonably requested by the Issuer as may be necessary for the Issuer to comply with its obligations under the Jersey IGA Legislation. The scope and application of FATCA Withholding and information reporting pursuant to the terms of FATCA and the US Jersey IGA is subject to review by the United States and Jersey and the rules may change. Holders of the Products should consult with their own tax advisers regarding the application of FATCA to their particular circumstances.

Implementation of the Common Reporting Standard in Jersey

The Common Reporting Standard ("**CRS**") was developed by the Organization for Economic Co-operation and Development (the "**OECD**") in order to create a global standard for the automatic exchange of financial account information. The CRS calls on jurisdictions to obtain information from their financial institutions and automatically exchange that information with other jurisdictions on an annual basis. It sets out the financial account information to be exchanged, the financial institutions required to report, the different types of accounts and taxpayers covered, as well as common due diligence procedures to be followed by financial institutions.

Directive 2014/107/EU on Administrative Cooperation in the Field of Taxation implemented the CRS in the European Union and created a mandatory obligation for all EU Member States to exchange financial account information in respect of residents in other EU Member States on an annual basis.

Jersey has implemented the CRS pursuant to the Taxation (Implementation) (International Tax Compliance) (Common Reporting Standard) (Jersey) Regulations 2015 (as amended) (the "**Jersey CRS Regulations**"). The Jersey CRS Regulations require "reporting financial institutions" in Jersey to identify, review and report "reportable accounts" and maintain arrangements which meet the applicable due diligence requirements set out in the CRS and record and maintain such information for a specified period of time.

A reporting financial institution in Jersey must prepare a return in such form and manner as the Comptroller of Revenue in Jersey shall determine, setting out the information specified in the CRS in relation to each reportable account that is maintained by the reporting financial institution at any time during the calendar year in question. Reports will be made to the Jersey Comptroller of Revenue and then may be passed to the competent authority of the jurisdiction in which the account holder is resident.

Although the Issuer will attempt to satisfy any obligations imposed on it by the CRS, no assurance can be given that it will be able to satisfy such obligations. Implementation of the CRS may require the Issuer to conduct additional due diligence. The Issuer may require certain additional financial information from holders of the Products to comply with its diligence and reporting obligations under the CRS (including information relating to the holders, their investors and/or beneficial owners).

Failure by the Issuer to comply with the obligations under the CRS may result in fines being imposed on the Issuer and in such event the Issuer may be materially affected. The scope and application of the obligations under the CRS may be reviewed by the OECD and the information and reporting requirements may change.

The Issuer's compliance with the CRS and/or the Jersey CRS Regulations may result in the disclosure of Investor information, and Investor information may be exchanged with overseas fiscal authorities. Where an Investor fails to provide any requested information (regardless of the consequences), the Issuer may be obliged, and/or reserves the right, to take any action and/or pursue all remedies at its disposal.

Each Investor should consult its tax advisers with regard to the potential CRS tax reporting and certification requirements associated with the purchase or redemption of the Products. It is further recommended that Investors who are entities consider themselves whether they have any obligations to notify their respective investors, shareholders or accountholders about the information that the Issuer requests, and the potential disclosures that the Issuer will be obliged to make in connection with those persons in complying with its obligations under CRS.

4.4 Jersey AML Requirements

In order to comply with the Jersey AML Laws and Guidance or equivalent legislation or regulations aimed at the prevention of money laundering, the Issuer is required to adopt and maintain anti-money laundering procedures and may require applicants for the purchase or redemption of the Products to provide evidence to verify their identity, the identity of their beneficial owners/controllers (where applicable) and source of funds and wealth. Where permitted, and subject to certain conditions, the Issuer may also delegate the maintenance of its anti-money laundering procedures (including the acquisition of due diligence information) to a suitable person.

Measures aimed at the prevention of money laundering may require a prospective investor to verify his identity and/or source of wealth or funds by providing all information reasonably requested.

By way of example an individual may be required to produce a copy of a passport, a document evidencing his address such as a utility bill or bank statement, as well as well as documentation verifying the source of funds or source of wealth disclosed as part of the application process each duly certified by a suitable certifier (as notified to you by the Administrator). In the case of corporate applicants this may require production of certified copies of the certificate of incorporation (and any change of name), statutory registers, financial statements, memorandum and articles of association (or equivalent), and identity verification documents for all directors, shareholders and beneficial owners, together with documentation verifying the source of funds or source of wealth disclosed as part of the application process for the corporate applicant and its beneficial owners as applicable.

The details given above are by way of example only and the Issuer (or the Administrator or another service provider acting on its behalf) will request such information and documentation as it considers is necessary to verify the identity or source of funds or wealth of an applicant. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Issuer (or the Administrator acting on its behalf) may refuse to accept the application or refuse to process the application until proper information and/or documentation has been provided. Investors should note that proceeds will not be remitted to an account which is not in the name of the Investor.

The Administrator (acting on behalf of the Issuer) may also be required to request updates to verification documentation held on a periodic basis.

Each prospective investor will be required to make such representations as may be required by the Issuer in connection with anti-money laundering programmes, including, without limitation, representations that such applicant is not/associated with a prohibited country, territory, individual or entity listed under Jersey AML Laws and Guidance and that it is not directly or indirectly affiliated with any country, territory, individual or entity named on any such list or prohibited by any applicable sanctions programmes.

Each prospective investor acknowledges that the Issuer, the Administrator, and any AML/KYC service provider operating on their behalf shall be held harmless against any loss arising as a result of any delay or failure to process their application for purchase or redemption of the Products after such information and documentation as has been requested.

4.5 Description of the Settlement Procedure of the Securities

Please see Section 3.3 of this Securities Note regarding the Summary of Product Issuance and Redemption Process, which also describes the settlement procedure of the securities.

4.6 Information concerning the Underlying

The Products track the performance of specific Underlyings. The Underlyings can constitute equity instruments, debt instruments, indices, exchange-traded funds, not listed funds and other transferable securities according to Art. 4 Para. 1 No. 44 and Annex I Section C MiFID II. The Underlyings must be in the form of book-entry securities.

The Underlyings are described in the Final Terms and contain information about the exercise price or the final reference price of the Underlying and on the details of where information on the Underlying can be obtained including an indication of where information about the past and the future performance of that Underlying and its volatility can be obtained by electronic means, and whether or not it can be obtained free of charge, Where the Underlying is a security, the name of the issuer of the security and the ISIN will be provided. In the case of an Index, the description of the Index and the specific weighting of each component is stated in the Final Terms. Additionally, the Final Terms may define (re-)sales restrictions deviating from this Securities Note or the Registration Document, in particular because of differing regulatory requirements for specific Underlyings.

4.6.1 Equity instruments as Underlying

Equity instruments as Underlying include transferable securities such as shares, preference shares and all other types of equity instruments such as participation certificates, depositary shares (ADR, ADS and GDS) that are admitted to trading on a stock market that is located in

a jurisdiction which is an ordinary member of the International Organisation of Securities Commissions.

The specific equity instrument, the name of its issuer as well as its ISIN are described in the Final Terms.

4.6.2 **Indices as Underlying**

An Index defines a notional portfolio of at least five different Underlying Components meeting the following requirements ("**Index**"):

- a. the composition remains unchanged during the entire term of the Product ("**Classic Index**").
- b. the following conditions are met cumulatively so that they are merely passively managed ("**Dynamic Index**"): (i) the Underlying Components contained in the Index or basket are managed during the term of the Product according to precisely defined and pre-determined objective criteria (such as market capitalization, liquidity, P/E ratio, etc.) and (ii) these criteria must be set out in the Index or basket specifications and remain unchanged during the term of the Product.

The portfolio consists of certain financial instruments that are admitted to trading on a stock market that is located in a jurisdiction which is an ordinary member of the International Organisation of Securities Commissions. This also includes the so-called commodity Indices. Commodity Indices are Indices that track the performance of a basket of commodity contracts on certain commodities. The reference value for the Index or Indices is based on the respective market price of each financial instrument and its respective weighting.

The Index itself, the potential weighting and each individual Underlying, which may mirror the Index, will be described in the Final Terms. Whether dividend payments are included or not in the calculation of the reference value will be indicated in the Final Terms.

4.6.3 **Debt instruments as Underlying**

4.6.3.1 **Bonds**

Bonds are fixed-income securities issued by governments, banks or other companies that represents a loan made by an investor to a borrower. A bond entitles an investor a right to the repayment at the end of the period (redemption) as well as regular interest. The specific bonds are described in the Final Terms.

Banks and other companies as issuers of bonds must be domiciled in a jurisdiction which is an ordinary member of the International Organisation of Securities Commissions.

4.6.3.2 **Derivatives**

Derivatives are financial instruments whose value depends on one or more underlying assets. The derivatives relevant here are all derivatives that are constructed as book-entry securities, such as futures and commodity futures, reference interest rate swaps and other swaps as well as options such as warrants. Derivatives have in common that they are so-called forward transactions. This means that at a certain time or within a certain period of time, either the underlying asset(s) must be bought or sold or the cash streams must be

exchanged. Derivatives can relate to financial instruments (e.g. shares, bonds, indices, interest rates, FX-rates or foreign exchange) or to commodities (e.g. precious metals, wheat or sugar).

The specific derivative as Underlying is described in the Final Terms.

4.6.4 **Fund(s) and ETFs as Underlying**

4.6.4.1 **Fund(s)**

A fund uses money raised from investors to invest in one or more assets in accordance with a specific investment strategy. There exist many different legal forms of funds, in particular (i) contractual funds, where the relationship between the investors, the fund management company and the custodian bank are set out in a fund contract, or (ii) funds as legal entities, such as investment companies with variable capital (SICAV), investment companies with fixed capital (SICAF) and limited partnerships.

Further, funds may have (i) an open-ended structures, i.e. that the fund's units can be invested in or redeemed at any time or in short time periods, or (ii) closed-ended structures, i.e. there is no right to redeem fund's units.

The investment opportunities open to funds vary according to their legal form and category. The investment strategy set out in a fund's legal documentation (fund regulations or articles of association, depending on the legal form) defines the investments it can make. Usually, funds are actively managed.

The specific funds will be either (i) admitted to trading on a stock market that is located in a jurisdiction which is an ordinary member of the International Organisation of Securities Commissions; or (ii) domiciled in a jurisdiction which is an ordinary member of and are International Organisation of Securities Commissions further described in the Final Terms.

4.6.4.2 **ETF**

An exchange-traded fund ("**ETF**") is an open ended collective investment scheme that trades throughout the day like a stock on the secondary market (i.e., through an exchange) (see definition above). ETFs may be (i) passively managed either by being index-based or based on a single asset or a portfolio of several assets, or (ii) actively managed but must pursue their investment objectives using a physical or synthetic investment strategy.

ETFs may seek to obtain their performance either by holding physical securities and other assets, or entering into one or more derivative contracts with a counterparty.

Physical ETFs seek to meet their investment objective by holding physical securities and other assets. E.g. physical ETFs that are index-based obtain returns that correspond typically to those of an underlying index or benchmark by replicating or sampling the component securities of the index or benchmark. A physical index-based ETF that uses this replicating strategy generally invests in the component securities of the underlying index or benchmark in the same approximate proportions as in the underlying index or benchmark.

Synthetic ETFs seek to meet their investment objective by entering into a derivative contract (typically through a total return swap) with a selected counterparty. The swap contracts can take two forms, either (i) a so-called unfunded structure; and (ii) a so-called funded or pre-paid swap structure.

In the type of synthetic ETF structure, the ETF provider/manager invests the cash proceeds from investors in a so-called substitute or reference basket of securities (which is typically bought from a bank). The basket's return is swapped via a derivative contract with an eligible counterparty (frequently, the derivatives desk of the same bank) in exchange for the return of the index referenced in the ETF's investment objective. In the funded or prepaid model type, a synthetic ETF seeks to obtain a return in line with the performance of its reference index by engaging in a swap in exchange for cash (or for the entire ETF portfolio) without the creation of a substitute basket. In both models, derivative exposure is collateralized or reduced through a collateral or portfolio management process that may involve the services of a third party as collateral agent (in the funded model) or is covered by the substitute basket as assets of the ETF (in the unfunded model).

The reference value for the ETF is based on the market price of the selected ETF which bases on an Index. The ETF itself will be described in the Final Terms. Whether dividend and/or interest payments are included or not in the calculation of the reference value will be indicated in the Final Terms.

Only ETFs meeting the following requirements shall be used as Underlying (cumulatively):

- c. The ETF must be passively managed, i.e. not actively managed;
- d. The ETF can follow physical or synthetic investment strategies; and
- e. The EFF must be admitted to trading on a stock market that is located in a jurisdiction which is an ordinary member of the International Organisation of Securities Commissions

4.6.5 **Basket as Underlying**

The Products may also relate to baskets consisting of one or more of the instruments mentioned in 4.5.1 – 4.5.4. A basket is defined as a weighted collection of several financial instruments.

If the Underlying is a basket (including a proprietary basket), references to the Underlying throughout the Base Prospectus shall be deemed to include references to the individual basket constituents *mutatis mutandis*. The relevant Final Terms will specify the respective basket constituents and contain information about the respective basket constituents or indicate where information about the respective basket constituent, in particular about their past and future performance and volatility, can be found.

4.6.6 **Reference Sources**

Some of the Underlyings and Underlying Components are traded on exchanges, such as National Association of Securities Dealers Automated Quotations ("**NASDAQ**"), New York Stock Exchange ("**NYSE**"), Xetra ("**Xetra**"), Börse Frankfurt, London Stock Exchange, Swiss Stock Exchange (SIX), etc., purchased and sold by the Broker on instruction of the Issuer, and will be valued by the Issuer based on Reference Sources as defined in section 5, namely market prices issued by the exchange(s) or quotation system(s), or also net asset values issued by the issuers of the Underlying and Underlying Components, all as defined in the Final Terms or any substitute and/or successor of such Reference Sources to which trading of the Underlying may be relocated. This will be determined in case of need by the Issuer, as indicated on the Issuer's website or respective Final Terms (for further information see clause VII. i. "*Reference Sources*" of the Terms and Conditions).

4.6.7 **Description of any Market Disruption Event that Affect the Underlying**

Generally, the reference price of the Underlyings as provided by the Reference Sources traded on an exchange, such as e.g. NASDAQ, NYSE, Xetra, London Stock Exchange, Swiss Stock Exchange (SIX), etc., may be subject to significant fluctuations. Such price fluctuations can occur suddenly and have severe effects (particularly, but not limited to so-called gapping). As a consequence of technical or other incidents, trading of the Underlying may be suspended for a short or long period of time. In this case, it appears not to be possible to determine the reference price, liquidate positions and thus make pay-outs. These circumstances may significantly delay the redemption of the Products or stand in the way of successful settlement as such.

As defined in section 2.3.1.5, a Market Disruption Event describes:

- a. In relation to an Index and/or Underlying Components, the occurrence or existence of a suspension or a limitation on trading in or a limitation on market prices issued by Reference Sources (but for the avoidance of doubt, not merely a limitation on the hours and number of days of trading resulting from an announced change in the regular business hours of) for one or more Index constituents relevant to such Index (calculated using the last known price of such Index constituent) so that the price or value of the Product cannot be determined, announced or published or otherwise is not being made available on a Business Day relevant for the fixing, observation or valuation of the Index and/or an Underlying Component; or
- b. In relation to a single Underlying, the occurrence or existence of a suspension or a limitation on trading in or a limitation on the market price issued by Reference Sources (but for the avoidance of doubt, not merely a limitation on the hours and number of days of trading resulting from an announced change in the regular business hours of the relevant Underlying exchange) for the Underlying or one or more Underlying Components so that the price or value of the Product cannot be determined, announced or published or otherwise is not being made available on a Business Day relevant for the fixing, observation or valuation of such Underlying as determined by the Issuer in its duly exercised discretion.

A business day means a day on which relevant clearing systems are open and securities can be settled, relevant commercial banks and custodians are open, banks in Jersey are open, foreign exchange markets execute payments in the respective Settlement Currency and Underlyings or Underlying Components of the relevant Product can be settled, and/or any other day, as specified in the Final Terms ("**Business Day**"). In such a case, it will be determined by the Issuer in its duly exercised discretion (for further information see clause VII. ii "*Market Disruption Event*" of the Terms and Conditions).

4.6.8 **Adjustment Rules**

Adjustment events are any events (excluding Market Disruption Events) that may have a diluting or other negative effect on the theoretical value of the relevant Underlyings or Underlying Components of it ("**Adjustment Event**").

The Issuer shall, acting in a commercially reasonable manner and in accordance with market practice and without the necessary consent of Investors, determine whether such an Adjustment Event has occurred. This may include, but is not limited to events of capital increases, delistings, share splits, special dividends and any other event, which makes it impossible to

determine the reference price or lead to the fact that the reference price can no longer be determined on a regular basis.

In case the Issuer determines that it has a diluting or other negative effect on the theoretical value of the relevant Underlying or Underlying Component, it may take the necessary adjustment actions, which it considers appropriate in its duly exercised discretion and in accordance with established market practice. Adjustment actions can be taken with regards to the Redemption Amount, the relevant Underlying or the Underlying Components, and/or any other variable relevant to the redemption, settlement or payment terms of the relevant Products necessary (see for further information clauses IX. "Foreign Exchange Disruption" and X. "Adjustments for Products related to an Index" of the Terms and Conditions).

4.7 Collateral and Summary of Security Arrangements

4.7.1 Method of Collateralization

Gaining a protected security interest in Collateral generally involves two steps: "attachment" and "perfection". Attachment refers to the creation of the security interest in the specified Collateral, and gives rights to the secured party against the debtor. Perfection gives rights to the secured party against other creditors asserting rights in the same Collateral. A security interest attaches when created or granted pursuant to a security agreement or collateral agreement. Perfection of the security interest occurs by a variety of methods depending on the type of Collateral involved, such as taking possession of the Collateral.

Provision of Security ("Attachment"):

Each Product is secured under the Collateral Agreement and a Product-specific schedule. Any Underlyings serving as Collateral will be held and administered by the Issuer on one or several separate securities (sub-)accounts for each Underlying held with the Custodian in accordance with the Custody Agreement ("**Securities Account**"). The Custodian is responsible for creating the accounts. The custody is provided by the Custodian as defined in the Final Terms. The Issuer may, at its discretion, use Custodians in multiple jurisdictions, provided that such Custodians are notified to Investors in accordance with clause XIX. "Notices" of the Terms and Conditions of the offer of the securities to the public. It may also, at its sole discretion and upon notification to the Investors and publication of such notice on its website www.backedassets.fi, alter the Custody Arrangement for the Underlyings, including the jurisdiction of where the Underlyings are booked on Securities Accounts. As at the date of this Securities Note and the Registration Document, custody services are exclusively provided in Switzerland.

The Issuer creates a right of lien (*reguläres Pfandrecht, Forderungspfandrecht*) over the Collateral in favor of (a) the Investors represented by the Security Agent acting in the name and on the account of the Investors as direct representative (*direkter Stellvertreter*), as well as (b) the Security Agent to secure its costs in connection with the realization of the Collateral as further set-out in clause XXII. "Realization Event and Realization of Collateral" of the Terms and Conditions.

By acquiring the Product, each Investor appoints the Security Agent as direct representative (*direkter Stellvertreter*) and can only exercise its rights under the Collateral Agreement and the schedule for the specific Product through the Security Agent.

The security interest(s) created under the Collateral Agreement and the Product-specific schedule over the Collateral are only granted to the Investors of the Product and to the

Security Agent and not to any Investors of other Products collateralized under the Collateral Agreement according to a different schedule. The Collateral only secures the Product for the benefit of Investors (and secures the associated realization costs for the benefit of service providers).

By transferring all Products held by an Investor or if the Investor is otherwise no longer the holder of any Products, such Investor will cease to qualify as an Investor and to be a party to the Collateral Agreement and the respective schedule(s) for the Product.

The Issuer entered into a collateral agreement with the Investors represented by the Security Agent as direct representative (*direkter Stellvertreter*) and the Security Agent on 23 November 2022.

Asserting rights in the Collateral ("Perfection"):

In the case of financial assets held by the Custodian in the form of book-entry securities in a Securities Account and/or cash in a Paying Account in favour of the Security Agent acting in the name and on the account of the Investors as direct representative (*direkter Stellvertreter*), perfection is achieved by acquiring "control" over the Security Agent's security entitlement in those assets. This is accomplished through an account control agreement, which is a three-party agreement entered into in favour of the secured party, i.e. the Security Agent acting in its own name and on its own account as well in the name and on the account of the Investors as their direct representative (*direkter Stellvertreter*), between ("**Account Control Agreement**"):

- a. a customer/debtor such as the Issuer, e.g. a borrower, guarantor or other loan party pledging financial assets (such as intermediated securities and cash positions) as Collateral; and
- b. the intermediary (*Verwahrungsstelle*), i.e. a depository bank such as the Custodian, maintaining the relevant financial assets in a Securities and/or Paying Account(s) maintained on behalf of, and in the name of, the customer/debtor, i.e. the Issuer; and
- c. the beneficiary, acting in its own name and on its own account as well as in the name and on the account of the Investors as their direct representative (*direkter Stellvertreter*), i.e. the Security Agent.

Generally, under an account control agreement, the parties agree that the intermediary will comply with any instructions issued by the secured party with respect to the disposition of the financial assets in specified securities and/or cash account(s) without the need for further consent from the debtor. Once that agreement is in place, the secured party is deemed to have "control" over the specified securities or cash account(s), and its security interest is therefore "perfected". In addition to perfecting a security interest, an account control agreement enables the secured party, when exercising remedies, to direct the disposition of the assets in the respective securities and/or cash account(s) as well as to prevent the debtor from giving instructions with respect to the financial assets without the secured party's consent. The secured party and the debtor can agree in the relevant documentation as to when the secured party is permitted to issue such instructions.

The Issuer as account holder, Security Agent Services AG, as the Security Agent and Maerki Baumann & Co. AG, as the Custodian have entered into an Account Control Agreement dated on 23/24 November 2022. The Issuer and Security Agent may enter into Account

Control Agreements with other custodians appointed from time to time as indicated in the Final Terms and/or on its website, www.backedassets.fi.

The Custodian acknowledges and agrees that the Issuer, as Collateral Provider, has granted a pledge over the Collateral to the Security Agent, acting in its own name and on its own account as well in the name and on the account of the Investors as their direct representative (*direkter Stellvertreter*) in the Collateral Agreement. Subject to, and in accordance with, the terms of the Account Control Agreement, the Custodian shall act upon the sole instruction and direction of the Security Agent in relation to the Collateral and may only validly discharge its obligations in respect of Collateral by exclusively following the instructions and directions of the Security Agent.

In order to perfect the pledge in accordance with Article 25 FISA with respect to the Collateral falling within the scope of FISA, the Issuer and the Custodian agree irrevocably that the Custodian must carry out instructions of the Security Agent without any further consent or cooperation by the Issuer with respect to the objects of control, whereby control shall be established and maintained for the duration of the agreement with regard to all Collateral credited to the securities account and the cash accounts (defined as "pledged assets" and "objects of control" within the Account Control Agreement).

Prior to a Realization Event, the Issuer may instruct the Custodian with respect to object of control at any given time within the meaning of Article 15 FISA. Unless the Security Agent instructs the Custodian otherwise and gives notice to the Custodian that a Realization Event has occurred, the Issuer shall be entitled to (i) sell, exchange or transfer any pledged assets where the proceeds of such sale, transfer or disposal are promptly credited on the Paying Accounts and (ii) dispose of cash standing to the credit of a Paying Account where such cash is A) used to purchase new Underlyings that are immediately credited to any of the Collateral Accounts or (B) repaid to the Investors or (C) used to pay fees in accordance with the terms and conditions to the proprietary account of the Issuer or (iii) transferred any cash resulting from dividends distributed by the Underlying to the proprietary account of the Issuer.

Upon the Security Agent having served a notice Realization Event, the Custodian shall immediately block any access rights of the Issuer to the Collateral Accounts and no longer take any instructions by the Issuer but solely rely on the instructions by the Security Agent. The Custodian shall promptly comply with the instructions of the Security Agent, unless it is forced to keep all or part of the Collateral blocked in accordance with a binding order. The Custodian shall immediately inform the Issuer and the Security Agent of any such measure unless prohibited or otherwise stipulated by law, any applicable rule or regulation or the said order itself.

The Custodian shall not be bound or entitled to verify whether the conditions for realization of the Collateral under the Collateral Agreement are fulfilled. The Custodian shall have no obligation to inform the Issuer of any instruction sent to it by the Security Agent.

The Account Control Agreement is governed by Swiss law.

Collateral Value:

Each Product issued shall be collateralized through the purchase of the Underlyings (fractional Underlyings are possible, the total Collateral will be rounded up to the next unit of the Underlying, any excess amount is kept by the Issuer and not re-funded to the Investor.). The value of Collateral to be maintained by the Issuer (as collateral provider) at any point in time is determined by and must correspond to the then current value of the outstanding Products calculated accordingly by the Issuer.

4.7.2 Specific Security Agent

Security Agent Services AG, Baarerstrasse 75, 6300 Zug, Switzerland will act as the Security Agent for the Products.

For each Product the Issuer may in its sole discretion appoint another Security Agent and describe and communicate it in the Final Terms for the Product and/or on its website: www.backedassets.fi. The Issuer furthermore is authorized to exchange the Security Agent and appoint another Security Agent for any Product already issued and communicate this in the updated Final Terms and/or on its website: www.backedassets.fi.

4.7.3 Claim of the Holder of Securities and Compulsory Maturity of the Securities upon a Realization Event

Each investor's claim that is created pursuant to the Collateral Agreement is irrevocable on the part of the Issuer as collateral provider and subject to the compulsory maturity of the Products upon a Realization Event.

4.7.4 Determination of a Realization Event

The Terms and Conditions specify the Realization Event in clause XXII. i. "*Realization Event*".

4.7.5 Practical Procedure and Costs in a Realization Event

In a Realization Event, the Security Agent or any liquidator or administrator or other official (or a party appointed by it/them (including the Security Agent)) will:

- a. enforce any of the Issuer's rights in any assets of the Issuer under the terms of the Collateral Agreement, and
- b. place an order through the designated Securities Account under the terms of the Custody Agreement and Collateral Agreement.

With the assistance of the Custodian, the Security Agent will undertake to liquidate the assets as soon as possible assuming sufficient liquidity is available in the market.

In the event of a realisation, Investors will bear a number of costs, including, but not limited to transaction costs with Custodians and exchanges, the fees and expenses of the Security Agent and other transaction participants, as well as spreads on the financial assets. These costs will be deducted from the amounts received upon realization of Collateral and may create a significant loss of value for Investors. Enforcement and pay-out priorities are set as defined in clause XXII. ii. "*Realization of Collateral and Priority of Payments*" of the Terms and Conditions.

In the event that the Issuer defaults and the Security Agent enforces its rights under the Collateral Agreement and the Account Control Agreement to take control of the Collateral Accounts, the realisation of this Collateral may not be of sufficient value to cover all Redemption Amounts payable to Investors because:

- a. The face value of Products could rise due to market conditions;
- b. The Issuer or the Security Agent may not be able to realize some or all of the assets in the Collateral Accounts at the prices at which they were valued;

- c. The Collateral in the Collateral Accounts is not denominated in the Settlement Currency and the value of such Collateral may fall due to exchange rate movements;
- d. Payments in respect of Redemption Amounts are required to be made in the Settlement Currency and there may be costs involved in converting the proceeds of realisation of the Collateral into the Settlement Currency or the Issuer may otherwise be unable to convert such proceeds into the Settlement Currency; or
- e. The Collateral Account only contains assets equal to the value of the Products as at the close of the immediately preceding Business Day on which the calculations and valuations are made and there may be a number of days between such valuations occurring and the date on which the Security Agent takes control of the Collateral Accounts, during which time a significant difference between the value of the Collateral in the Collateral Accounts and the price of the Underlyings could arise, particularly given the volatility of the financial markets;
- f. There may be certain costs associated with the realisation of the assets in the Collateral Accounts.

In addition, under the Terms and Conditions, the Issuer may utilise depositories, banks or other financial institutions in connection with the custody of the Collateral. In the event that the Issuer defaults and the Security Agent enforces its rights to take control of the Collateral Accounts, these Collateral Accounts will be held with a depository as arranged by the Issuer. Accordingly, the Issuer or the Security Agent may not be able to recover all sums due to it and may not, therefore, have sufficient amounts to fund the Issuer's payment obligations to Investors and/or it may take longer to realise the Collateral and, therefore, Investors may experience delays in receiving amounts due to them.

4.7.6 Liability under the Collateral Agreement and Applicable Law

The liability of the parties is limited to gross negligence or wilful misconduct. Neither party will bear any responsibility or liability to the other party or to third parties for any losses arising out of any delay in or interruptions of performance of their respective obligations under the Collateral Agreement due to any act of God, act of governmental authority, or act of public enemy, or due to war, the outbreak or escalation of hostilities, riot, fire, flood, civil commotion, outbreak of viruses (local, national or global epidemics and pandemics), insurrection, labour difficulty (including, without limitation, any strike, other work stoppage, or slow-down), severe or adverse weather conditions, power failure, communications line or other technological failure, or technological changes or other similar cause beyond the reasonable control of the party so affected.

The Collateral Agreement is governed by Swiss law.

5. Terms and Conditions of the Offer of Securities to the Public

The Issuer, Backed Assets (JE) Limited, may issue Products under the Base Prospectus, linked to Underlyings or Underlying Components providing exposure to a range of stocks and Indices. The following Terms and Conditions are applicable to all Products issued by the Issuer. The Terms and Conditions shall be completed by and must be read in conjunction with the respective Final Terms belonging to the relevant Product. In case of inconsistencies between the Terms and Conditions and the Final Terms, the Final Terms shall prevail.

Capitalized terms in the Terms and Conditions not defined in this section will have the meaning set out in the relevant Final Terms. Terms defined elsewhere in this Base Prospectus form an integral part of these Terms and Conditions. A reference table of all defined terms is set out in the section A. "*Definitions*".

The Investors are deemed to have read and taken notice of the provisions of these Terms and Conditions and the Final Terms as well as the key elements of the Tokenization Services Agreement, Authorized Participant Agreement (if any), the Collateral Agreement, the Account Control Agreement, the Custody Agreement, the Brokerage Agreement, the Paying Account Provider Agreement and the Market Maker Agreement (if any) as described in the Securities Note and the Final Terms.

I. Product Type

The Products issued are open-ended (i.e. without predetermined fixed maturity) Tracker Certificates tracking the value of the Underlying. However, some of the Underlyings may have a fixed maturity date, which will be encountered with a method in accordance with clause IX.iv. "*Underlyings with Fixed Maturity Date*". The Products replicate the price movement of the Underlying or the Underlying Component 1:1 (excluding or including any dividend or interest payments eventually paid by the issuer of the Underlying). However, the entitlement of the Investors may be reduced and/or adjusted by the Investor Fees and/or the Management Fees in accordance with the Final Terms.. The resulting value will further be adjusted by the applicable fees, tracking errors from foreign currency hedging and conversion ratios as the Underlyings or Underlying Components of the Products are traded in an Underlying Currency, which may not be the Settlement Currency. The Products do not bear interest.

II. Form and Transferability of Securities

The securities for each Product will be issued in the minimum investment amount(s), if applicable, and the currency specified in the Final Terms, as Ledger-Based Securities. Physical delivery of the Underlyings is excluded and Investors' interests are settled in fiat currency and/or Cryptocurrencies in the event of a redemption or termination.

The Issuer and each holder of Products issued by the Issuer, i.e. any Investor, enter into a Registration Agreement (*Registrierungsvereinbarung*) according to article 973d CO based on the following provisions which (i) sets out the terms relating to the securitization of the Products in ledger-based securities according to article 973d CO under Swiss law by the Issuer, the effects, the rules of transfer and the process in case of loss of such ledger-based securities, and (ii) is part of these Terms and Conditions:

Establishment (*Errichtung*) and effects (*Wirkung*)

The Issuer hereby securitizes the Products in the form of cryptographic tokens as ledger-based securities (*Registerwertrechte*) according to article 973d CO under Swiss law that are created by the Issuer by means of a registration in the smart contract based securities ledger according to article 973d (2) CO running on a Product-DLT serving as underlying system for the ledger-based securities. The entitlement to the securitized Securities exclusively results from the Securities Ledger.

Ledger-Based Securities are exclusively exercisable via the Securities Ledger and are subject to the terms and conditions of the underlying distributed-ledger protocol (System) and this section for ledger-based securities that form the Registration Agreement.

Functionalities of smart contract(s) representing the Securities Ledger:

minting:	ability to create new or additional ledger-based securities
burning:	ability to destroy ledger-based securities by erasing a balance and reducing the supply.
relay:	ability to pre approve the transfer of tokens using a signed message, which can then be used to execute the transaction via a different account, which pays the blockchain fees.
pausing:	ability to stop all transfers of tokens
updating:	ability to update the smart contract code

The Tokenizer shall exclusively execute:

- a. The minting function in accordance with clause VI. "Issuance and Redemption" of the Terms and Conditions;
- b. the burning function only with regard to ledger-based securities held by itself;
- c. turning on and off the ability to use the relay function for different accounts;
- d. the updating function;
- e. the pausing function.

Transfer (*Übertragung*)

The ledger-based securities are transferable by (i) any action that technically transfers the direct or indirect power of disposal over the ledger-based securities from one natural or legal person to another, and (ii) complying with this Registration Agreement and these Terms and Conditions.

The smart contract may block interactions with addresses which have been flagged as sanctioned in accordance with Sanctions Regulations (such as OFAC sanctions), which includes the ability to transfer the Issuer's Products to and from such addresses. The Issuer will engage an independent third-party service provider, such as Chainalysis, to implement such oracle function. The third-party's terms and conditions may apply to such service.

Establishment of securities (*Sicherheiten*)

The registration of a security (*Sicherheit*) according to 973g (1)(1) CO is technically not supported by the Securities Ledger. Securities (*Sicherheiten*) over ledger-based securities can only be created by the transfer of the respective ledger-based securities.

Cancellation (*Kraftloserklärung*)

The cancellation function is subject to the future extension of the burning function as described below in connection with the updating function. If and once introduced, it will function as follows:

If a beneficiary of ledger-based securities loses access (power of disposal) to the ledger-based securities, such beneficiary may demand according to article 973h CO the competent court (*Zug, Einzelrichter im summarischen Verfahren*) to cancel the respective ledger-based securities, provided that the beneficiary furnishes credible evidence of its original power of disposal and of the loss thereof, which is according to the Issuer's view very challenging to achieve. The cancellation procedure according to article 982 – 986 CO applies *mutatis mutandis*, except that only one public notice for presentation of the security in the Swiss Official Gazette of Commerce is required, and the time limit (waiting period) is at least one month after the public notice.

Following cancellation of the respective ledger based-securities by the court, the beneficiary shall provide to the Tokenizer or to the Issuer, who then forwards to the Tokenizer (i) the court decree with a confirmation of legal validity (*Rechtskraftbescheinigung*) and (ii) the address to which the replacing ledger-based securities shall be transferred. The Issuer may refuse to transfer the replacing ledger-based securities to an address and request the beneficiary to provide another address, if (i) the Issuer cannot verify the beneficial ownership of the beneficiary of such address, or (ii) such address does not (a) meet the requirements set out in this Registration Agreement and these Terms and Conditions, or (b) allow the Issuer and/or Tokenizer to fulfil its KYC duties or other obligations under applicable law.

After successfully reviewing the submitted documents, the Tokenizer of the Securities Ledger will burn the cancelled ledger-based securities and issue new ledger-based securities to the beneficiary's address that represent the rights of the cancelled ledger-based securities.

None of the Issuer, the Investors, the Security Agent, the Custodian, the Paying Account Provider or any other person shall at any time have the right to affect or demand the conversion of Products (as Ledger-Based Securities) into, or the delivery of, individually certificated securities ("*Wertpapiere*"), uncertificated securities ("*einfache Wertrechte*") or book-entry securities ("*Bucheffekten*").

Updating

The Issuer and/or the Tokenizer on behalf of the Issuer may:

- i. amend or substitute the Securities Ledger,
- ii. substitute, migrate or transfer the Securities Ledger and the ledger-based securities to another Product-DLT or any other system, standard or technology,
- iii. or issue ledger-based securities on multiple underlying systems,

in order to:

- i. incorporate and benefit from the latest technical developments,
- ii. comply with applicable law, for example if the integrity of the securities ledger or the underlying system is not anymore adequately secured as required by law, or
- iii. reflect changes in the corporate structure of the Issuer, provided that such amendments, substitutions migrations or transfers do not affect the validity of the ledger-based securities.

A future update of the smart contract functionality may introduce a freezing function and/or extend the burning function, which then could only be executed by the Tokenizer if (i) the Tokenizer is compelled by a court, a regulator or other governmental authority of competent jurisdiction over the Tokenizer and/or the Issuer or laws or regulations applicable on the Tokenizer and/or the Issuer to burn, recover, freeze or unfreeze ledger-based securities, and (ii) such action (a) does not result in a violation of applicable laws by the Tokenizer and the Issuer in the jurisdiction of its incorporation; and (b) is made in compliance with the rules governing international legal and administrative assistance in the jurisdiction of its incorporation.

Pausing

The Tokenizer may pause all transactions related to the ledger-based securities in case of any technological change, discovery of a vulnerability, or hack attempts, to ensure the functionality of the Securities Ledger (e.g. in case of a hard fork); such pause is limited to the time reasonably required to fulfil its purpose.

Miscellaneous

To the fullest extent permitted by applicable law: in no event will the Issuer and the Tokenizer, any affiliate of the Issuer or any of their respective past, present, and future employees, officers, directors, contractors, consultants, suppliers, vendors, service providers, subsidiaries, affiliates, agents, representatives, predecessors, successors and assigns, be liable for damages of any kind (including, but not limited to, where related to loss of revenue, income or profits, assets or investment) arising out of or in any way related to the ledger-based securities, the Securities Ledger, the system or this Registration Agreement, regardless of the form of action, whether based in contract, tort or any other legal theory (even if the party has been advised of the possibility of such damages and regardless of whether such damages were foreseeable).

The Issuer may at any time amend or substitute the Registration Agreement. The Registration Agreement forms part of these Terms and Conditions and the Issuer publishes the latest version on its website: www.backedassets.fj.

The Registration Agreement is governed by, and shall be construed in accordance with, Swiss law (without reference to the principles of conflicts of law rules).

III. Rights attached to Products

The Investors have a sole claim to the Collateral allocated to the specific Product they are holding and no further claim to other Collateral allocated to other Products or to the Issuer's assets. The Products are neither insured nor guaranteed by any government, regulator or agency. Accordingly, once an Investor's pro-rata share of the Net Realisation Proceeds has been paid, that Investor has no residual claim against the assets of the Issuer (or any service providers to the Issuer) in the event that the Investor suffers any losses in relation to their investment in the Products.

Each Investor's rights as creditor do not consist of any shareholders' rights; thus, excluding all rights of attendance, dividend payments, other participation rights or voting rights at a general assembly of the Issuer or any issuers of Underlyings or other entities. The management of the Issuer is in the sole responsibility of the directors of the Issuer. Also as regards Investors, no additional payment obligations in the meaning of the CO apply. The Products do in particular not bear any interest.

The Investors in a Product are not entitled to any rights or claims to the Underlying or the Underlying Components, i.e. the Investors do not have any dividend, voting, pre-emption rights in offers for subscription of securities of the Underlying or any right to share in the profits of an issuer of an Underlying, or any right in any surplus in the event of liquidation, also relating to the Underlying.

IV. Collateralization

The Issuer entered into a Collateral Agreement with the Investors represented by the Security Agent, acting in the name and on the account of the Investors as their direct representative (*direkter Stellvertreter*) and the Security Agent, acting in its own name and in its own account, for its ongoing costs.

Each Product is secured under the Collateral Agreement and a Product-specific schedule. Any Underlyings serving as Collateral will be held and administered by the Issuer on one or several separate Collateral Accounts for each Underlying and related cash held with the Custodian in accordance with the Custody Agreement. Purchasing and selling of fractional Underlyings and Products is possible; the total Collateral will be rounded up to the next unit of the Underlying. Any excess amount paid by the Investors is kept by the Issuer and not refunded to the Investor.

Under the Collateral Agreement, the Issuer creates a right of lien (*reguläres Pfandrecht, Forderungspfandrecht*) over the Collateral in favour of (a) the Investors represented by the Security Agent acting in the name and on the account of the Investors as their direct representative (*direkter Stellvertreter*), as well as (b) the Security Agent to secure its ongoing costs in connection with its function as Security Agent.

By acquiring the Product, each Investor appoints the Security Agent as direct representative (*direkter Stellvertreter*) and can only exercise its rights under the Collateral Agreement and the Product-specific schedule through the Security Agent.

The security interest(s) created under the Collateral Agreement over the Collateral are only granted to the Investors of the Product and to the Security Agent and not to any investors of other products collateralized under the Collateral Agreement according to a different schedule. The Collateral only secures the Product and the associated ongoing costs of the Security Agent.

By transferring all Products held by an Investor or if the Investor is otherwise no longer the holder of any Products, such Investor will cease to qualify as an Investor and to be a party to the Collateral Agreement and the respective schedule(s) for the Product.

The value of collateral to be maintained by the Issuer (as Collateral Provider) at any point in time is determined by and must correspond to the then current value of the Product calculated according to clause I. Product Type.

Each Investor's claim that is created pursuant to the Collateral Agreement is irrevocable on the part of the Issuer as Collateral Provider and subject to the compulsory maturity of the Product upon a Realization Event.

The liability of the parties to the Collateral Agreement is limited to gross negligence or wilful misconduct. Neither party will bear any responsibility or liability to the other party or to third parties for any losses arising out of any delay in or interruptions of performance of their re-

spective obligations under the Collateral Agreement due to any act of God, act of governmental authority, or act of public enemy, or due to war, the outbreak or escalation of hostilities, riot, fire, flood, civil commotion, outbreak of viruses (local, national or global epidemics and pandemics), insurrection, labour difficulty (including, without limitation, any strike, other work stoppage, or slow-down), severe or adverse weather conditions, power failure, communications line or other technological failure, or technological changes or other similar cause beyond the reasonable control of the party so affected. The Collateral Agreement is governed by Swiss law.

V. Term

The Products are perpetual ("open-ended") and have no predetermined fixed maturity.

The Issuer has the right to terminate and redeem all but not part of the outstanding securities of any Product in accordance with the procedure described in clause VI. "*Issuance and Redemption*" of the Terms and Conditions.

VI. Issuance, Redemption, Denomination, Recalculation and Rebasing

i. In General

The issuance and redemption mechanism is a continuous process on every Business Day and is intended to ensure that Products have sufficient liquidity and that the price tracks the relevant Underlyings or Underlying Components.

On any Business Day, Qualified Professional Investors may subscribe via issuance and sell back via redemption through the Issuer. On any Business Day, Investors may purchase the Products through an Authorized Participant and sell back their Products via redemption through the Issuer (subject to AML/KYC requirements and acknowledgement of required regulatory warnings being received). Purchasing and selling of fractional Underlyings and Products is possible, the total Collateral will be rounded up to the next unit of the Underlying. Any excess amount paid by the Investors is kept by the Issuer and not re-funded to the Investor.

The Investors have to go through a proper KYC-procedure, in particular including transaction monitoring as well as source of wealth and source of funds checks, in order to be eligible to subscribe for or redeem Products or to receive any cash settlements (including possible interest and dividend payments), according to Jersey AML Laws and Guidance, AMLA, Sanctions Regulations and the FATF's high-risk jurisdictions and jurisdictions under the increased monitoring list.

The Investor's personal data is processed in accordance with the Website Privacy Notice at Annex 2 to this Securities Note.

There is no claim of any investor against the Issuer for issuing any Product at any moment of time. The Issuance of any Product is in the full and sole discretion of the Issuer. If there are negative findings in connection with the KYC-procedure or any other material negative issues regarding the issuance, redemption or any payment transaction, the Issuer has the right to reject the issuance, redemption or payment transaction with no liability to the Investors.

ii. Issuance

The practical steps involved in the issuance of Products are as follows:

- a. The Ledger-Based Securities for the Products are pre-created (but not activated) by the Tokenizer for each specific Product and transferred into a wallet held by the Tokenizer on behalf of the Issuer.
- b. Investor submits purchase order to Issuer or, where applicable, the Authorized Participant sends a purchase order to the Issuer.
- c. The Investor has to go through KYC procedures in accordance with applicable legal and regulatory requirements and acknowledge required regulatory warnings. The Issuer, acting in its sole discretion, has the right to reject any issuance request if there are negative findings or other material issues with the issuance. Where an Authorized Participant is involved, the Authorized Participant will apply its own KYC procedures in relation to any person wishing to purchase the Products from it in accordance with its own legal and regulatory requirements.
- d. The Issuer submits a creation order to the Tokenizer upon receipt of either the Authorized Participant's payment or the Investor's payment (including Investor Fees) or respective guarantee or equivalent security on the Paying Account.
- e. Until the Business Day following the receipt of the Authorized Participant's payment or the Investor's payment (including Investor Fees) or respective guarantee or equivalent security (i.e. T+2), the Issuer:
 - i. buys the number of Underlyings equivalent to the Investor's or Authorized Participant's payment amount *minus* Investor Fees (fractional Underlyings are possible) and transfers the Underlying to the Collateral Account with the Custodian (or as directed by the Authorized Participant, as applicable);
 - ii. in case of successful purchase of the Underlying, instructs the Tokenizer to activate the pre-created Ledger-Based Securities in the amount equivalent to the purchased Underlyings and to transfer them until the latest 6:00pm CEST to the wallet specified by the Investor (or the Authorized Participant's wallet, as applicable);
 - iii. in case of being unable to purchase the Underlying within the specified timeframe, cancels the purchase order and transfers back the purchase price minus a fixed fee covering the expenses of the Issuer (such as KYC) to the Investor (or Authorized Participant, as applicable).

There are no creation limits on the Products assuming sufficient liquidity in the capital markets in which the Underlying is purchased.

iii. Issuer Redemption (Issuer Call Option)

If an event occurs, which in the sole discretion of the Issuer requires a discontinuation of a Product ("**Termination Event**"), the Issuer has the right to terminate such Product ("**Issuer Call Option**") at a date of its choice ("**Termination Date**"), without providing for a specific reason, by notifying the Investors at the earliest possible date, in any event no later than 30 Business Days prior to the Termination Date ("**Termination Notice**"). The Issuer has to notify (i) Investors having subscribed their securities directly with the Issuer by e-mail (as stated by the Investor in the KYC provided during the issuance process) or in other written form in the sole discretion of the Issuer, and (ii) any other Investors not having subscribed their securities directly with the Issuer by publication on the Issuer's website www.backedassets.fi. The Issuer Call Option may for example (but not limited to), be exercised:

- a) if the Issuer has determined and documented respectively that the Underlying of the relevant Products has permanently ceased to be liquid;
- b) if compliance by the Issuer with the obligations under the Products or any transaction in respect of an Underlying of the relevant Products will become unlawful or impossible in whole or in part, in particular as a result of compliance by the Issuer with any future law, rule, regulation, judgement, order or directive of any governmental, administrative, legislative or judicial authority or power or controlling authority or of the relevant competent market authorities ("**Regulatory Call**");
- c) due to increased cost of Collateralization; or
- d) in the event that any present or future taxes, duties or governmental charges would be imposed by any jurisdiction in which the Issuer is or becomes subject to tax as a result of any change in laws or regulations of the relevant jurisdiction;
- e) in the event a major service provider stops providing its services, such as, but not limited to, brokerage services, paying account provider services, tokenization services, security agent services, securities custody services or KYC services;
- f) in the event of the Product having an Underlying with a fixed maturity date and the Issuer having defined in the Final Terms to exercise the Issuer Call Option upon reaching the maturity date of the Underlying;
- g) in the event that the Issuer infers that technological and/or operational risks related to the ledger-based technology being used have significantly increased.

Following a Termination Event, the securities will be subject to redemption at the Redemption Amount on the Termination Date. If the Issuer Call Option has been exercised due to unfavourable market conditions, including illiquidity or insolvency or distressed situations relating to an Underlying or a relevant market for the Underlying, Investors should be aware that the Redemption Amount may be considerably lower compared to the issue price or the last valuation of the Products before the exercise of the Issuer Call Option.

Upon exercise of the Issuer Call Option the securities of the Product so terminated will be redeemed in accordance with the procedure set forth in clause VI. v. "*Settlement*" of the Terms and Conditions.

iv. Investor Redemption (Investor Put Option)

Any Investor may either by itself or through its financial intermediary maintaining the relevant securities for the Investor exercise its right to require the Issuer to redeem a number of securities for any one Product by submitting a sell order ("**Redemption Order**") with the Issuer, or any party acting on behalf of the Issuer ("**Investor Put Option**"). Such Redemption Order or Investor Put Option can be placed by the Investor at any time ("**Investor Redemption Date**").

The Products shall be redeemed in accordance with the procedure set forth in clause VI. v. "*Settlement*" of the Terms and Conditions.

v. Settlement

All termination and redemption of Products shall be settled as per the Termination Date or the Investor Redemption Date, as the case may be, in the Settlement Currency as cash and/or upon the sole discretion of the Issuer, optionally also in other FIAT currencies or Cryptocurrencies, in accordance with this clause ("**Settlement**"). Purchasing and selling of fractional Underlyings is possible; the total Collateral will be rounded up to the next unit of the Underlying. Any excess amount is kept by the Issuer and not re-funded to the Investor.

The Issuer shall determine the Redemption Amount to be paid by the Issuer in respect of the Product being terminated and redeemed in accordance with the formula set out in the relevant Final Terms. The Redemption Amount shall be no less than the smallest denomination of the respective Settlement Currency. Where no market value can be obtained, the Issuer will, to the extent permitted by applicable law, determine the fair market value of such Product as per the Termination Date or the Investor Redemption Date in its duly exercised discretion and in accordance with established market practice.

The practical steps involved in the Settlement of Products are as follows:

- a. Before and subject to accepting the Investor's Products for redemption, the Investor has to go through KYC procedures successfully in accordance with applicable legal and regulatory requirements and, to the extent not already provided, acknowledge required regulatory warnings. The Issuer has the right to reject any redemption request if there are negative findings or other material issues with the redemption.
- b. The Tokenizer forwards the Redemption Order to the Issuer upon receipt of the Investor's Products.
- c. Until the fifth Business Day following the receipt of the Investor's Products (i.e. T+5), the Issuer:
 - i. Instructs the Tokenizer to de-activate the received Products by transferring them to the wallet held by the Tokenizer on behalf of the Issuer;
 - ii. Liquidates the Underlying in the Collateral Account in the same amount as the redeemed Products;
 - iii. Calculates the Redemption Amount to be paid out to the Investor or the Authorized Participant; and
 - iv. Instructs the Paying Account Provider to pay out the redemption amount (*minus* Investor Fees) to the Investor or Authorized Participant and keeps the Investor Fees.

vi. Denomination, Recalculation and Rebasing

Each Product has either a fixed or variable Denomination.

Products with a variable Denomination follow 1:1 the Underlying Price and therefore, the total number of outstanding securities is equal to the total number of Underlyings held in the Collateral by the Issuer and does only vary based on new issuances or redemptions, and the deduction of Management Fees and addition of any dividend, interest or similar payments of the Underlying received by the Issuer and to be reinvested into Underlyings.

Products with a fixed Denomination follow 1:1 the Underlying Price in value, but the total number of outstanding securities is recalculated on every Recalculation Event based on the ratio between Recalculation Value and the Denomination after deduction of Management Fees and after addition of any dividend, interest or similar payments of the Underlying received by the Issuer and to be reinvested into Underlyings.

The Recalculation Value is being fetched by data oracles operated by the Tokenizer, or third parties based on the Reference Source on any Recalculation Event and automatically fed into the Product's smart contract, where the Recalculation and the reallocation of securities is being conducted automatically without involvement of the Issuer.

In relation to each Investor (i.e. holder of the Products), the Rebased is conducted by an automated mechanism using a smart contract, which based on the Recalculation Value, determines a multiplier to the balance of outstanding securities and further adjusts the number of securities in the net-basis of every wallet containing any securities in the Product. The securities will be allocated in fractional units in fractions with up to 18 decimal places, with rounding down to the eighteenth decimal place.

VII. Markets and Market Disruption

i. Reference Sources

As defined in section 5, most of the Underlying or Underlying Components will be traded on exchanges, such as e.g. NASDAQ, NYSE, Xetra, Börse Frankfurt, London Stock Exchange, Swiss Stock Exchange (SIX), etc., and valuations will be made by the Issuer based on prices issued by the exchange(s) or quotation system(s), or also net asset values issued by the issuers of the Underlying and Underlying Components, all as specified in the Final Terms (so-called Reference Sources) or any successor of such Reference Sources or any substitute exchange or quotation system to which trading in the Underlying may have temporarily been relocated. Any substitute exchange or quotation system must provide comparable liquidity relative to the Underlying or Underlying Components as the original Reference Source, as determined by the Issuer.

ii. Market Disruption Event

A Market Disruption Event or Settlement Disruption Event means:

- a) In relation to an Index and/or Underlying Components, the occurrence or existence of a suspension or a limitation on trading in or a limitation on market prices issued by the exchange(s) or quotation system (s) defined in the Final Terms (but for the avoidance of doubt, not merely a limitation on the hours and number of days of trading resulting from an announced change in the regular business hours of) for one or more Index constituents relevant to such Index (calculated using the last known price of such Index constituent) so that the price or value of the Product cannot be determined, announced or published or otherwise is not being made available on a Business Day relevant for the fixing, observation or valuation of the Index and/or an Underlying Component; or
- b) In relation to a single Underlying, the occurrence or existence of a suspension or a limitation on trading in or a limitation on the market price issued by Reference Sources (but for the avoidance of doubt, not merely a limitation on the hours and number of days of trading resulting from an announced change in the regular business hours of the relevant Underlying exchange) for the Underlying or one or more

Underlying Components so that the price or value of the Product cannot be determined, announced or published or otherwise is not being made available on a Business Day relevant for the fixing, observation or valuation of such Underlying as determined by the Issuer in its duly exercised discretion.

iii. Rights on Occurrence of a Market Disruption Event

If the Issuer, in its discretion determines that a Market Disruption Event has occurred and is continuing on a Business Day relevant for the fixing, observation or valuation of the Index or the relevant Underlying in the case of a single Underlying or components of an Underlying then the respective Business Day relevant for the fixing, observation or valuation of the Index or the relevant Underlying in the case of a single Underlying or components of an Underlying shall be postponed until the next following Business Day on which there is no such Market Disruption Event.

If, in the sole opinion of the Issuer, a Market Disruption Event is continuing, then (i) the Business Day relevant for the fixing, observation or valuation of the Index or the relevant Underlying in case of a single Underlying or Underlying Components and (ii) the value for that Index or the relevant Underlying for such date shall be determined by the Issuer, in its duly exercised discretion and in accordance with established market practice, it being understood that for relevant Underlyings that are not affected by the Market Disruption Event the Business Day relevant for the fixing, observation or valuation of the Index or the Underlying shall continue to be the originally designated date.

If, in the sole opinion of the Issuer, a Market Disruption Event is continuing for at least 30 calendar days, the Issuer may in its sole discretion be allowed to exercise the Issuer Call Option for such Product in accordance with clause VI. iii. "*Issuer Redemption (Issuer Call Option)*" of the Terms and Conditions.

VIII. Underlying Illiquidity

i. Underlying Illiquidity

For the purpose of these Terms and Conditions Underlying illiquidity means, in respect of any Underlying or Underlying Components, low or no trading volume in the Underlying or the Underlying Components, the difficulty to buy and/or sell the Underlying or Underlying Components in a short period of time without its price being affected, or any comparable event that leads to an extraordinary illiquidity in any Underlying or Underlying Components, as determined by the Issuer in its sole discretion ("**Underlying Illiquidity**").

ii. Rights upon Underlying Illiquidity

In case of Underlying Illiquidity,

- a) in case of being unable to purchase the Underlying within the specified timeframe in connection with the Issuance, the Issuer cancels the purchase order and transfers back the purchase price minus a fixed fee covering the expenses of the Issuer (such as KYC) to the Investor;
- b) in case of being unable to sell/liquidate the Underlying in the Collateral Account in the same amount as the redeemed Products within the specified timeframe in connection with the Redemption, the Issuer

- a. may calculate the relevant Redemption Amount based on the average execution price (less transaction costs) as it was obtained on a best effort basis, as determined by the Issuer, instead of using the originally pre-defined fixing or value of the Underlying (e.g., the official close of the respective Underlying) set out in the Final Terms.
- b. May postpone the determination (fixing) and/or the payment of the relevant Redemption Amount accordingly by such number of Business Days necessary to account for such prevailing market conditions as determined by the Issuer.

IX. Adjustments for Products related to any Underlying

i. Adjustments

An Adjustment Event may include, but is not limited to events of capital increases, delistings, share splits, special dividends, Underlyings reaching its fixed maturity date, and any other event, which makes it impossible to determine the reference price or lead to the fact that the reference price can no longer be determined on a regular basis.

The Issuer shall, acting in a commercially reasonable manner and in accordance with established market practice and without the consent of Investors, determine whether or not at any time an Adjustment Event has occurred. Where it determines that an Adjustment Event has occurred, the Issuer will, acting in a commercially reasonable manner and in accordance with established market practice determine whether such Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Underlying or Underlying Component and, if so, will make such adjustment as it considers appropriate in its duly exercised discretion and in accordance with established market practice.

Such adjustment could be made to the Redemption Amount, the relevant Underlying or Underlying Component, the number of Underlyings to which the respective Product relates, the number of Underlyings or Underlying Components, and/or any other adjustment and, in any case, any other variable relevant to the redemption, Settlement, or payment terms of the relevant Products as the Issuer determines, in its duly exercised discretion but in accordance with established market practice, to be appropriate to account for that diluting or concentrative effect. The Issuer shall further determine, in its duly exercised discretion and in accordance with established market practice, the effective date(s) of such adjustment(s).

ii. Fork Event

In the event of a Fork in the blockchain used by the Issuer for the Products, the Issuer, in its sole discretion, will determine:

- whether or not to participate in the Fork; and
- which of the Fork's two resulting chains would be recognized, or if a different platform/protocol/blockchain for such purpose shall be used.

The Issuer is not obliged to assess every Fork or event resulting in a Fork or to notify the Investor of the Product of any Fork or event resulting in a Fork.

iii. **Discontinuation of Trading on Relevant Underlying Exchange**

If the Issuer, acting in a commercially reasonable manner and in accordance with established market practice, upon the announcement of a relevant exchange or trading platform for the trading of an Underlying or Underlying Component that pursuant to the rules of such exchange or trading platform, the relevant Underlying or Underlying Component ceases (or will cease) to be traded or publicly quoted on the exchange for any reason and is not immediately re-traded or re-quoted on an exchange, trading platform or quotation system, then this shall be a Termination Event at the sole discretion of the Issuer. Therefore the relevant Products shall be terminated by the Issuer and the Issuer shall pay an amount which the Issuer, in its duly exercised discretion and in accordance with established market practice, determines is the fair market value.

iv. **Underlyings with Fixed Maturity Date**

Some Underlyings may have a fixed maturity date. In such case, the Product may be subject to one of the following models:

- d. The Product may have the same maturity date as the Underlying; or
- e. Upon reaching the maturity date of the Underlying, the Issuer may exercise its Issuer Call Option in accordance with clause VI. iii. "*Issuer Redemption (Issuer Call Option)*" of the Terms and Conditions, in which case the Product will be terminated with the Termination Date being the same as the maturity date of the Underlying; or
- f. Upon reaching the maturity date of the Underlying, the Issuer may replace the Underlying with another Underlying that has similar characteristics. The replacement product will be selected by the Issuer in its sole discretion and may be subject to certain conditions or restrictions.

The Issuer will specify in the Final Terms of the Product which of these models will apply to the specific Product.

In the event that the Issuer exercises its right to replace the Underlying, the Product will continue to track the new Underlying with similar characteristics. Investors should be aware that the replacement Underlying may have different performance characteristics, fees, or other features compared to the original Underlying.

The Issuer will provide Termination Notice to Investors in the event that it intends to exercise its Issuer Call Option in accordance with clause VI. iii. "*Issuer Redemption (Issuer Call Option)*" of the Terms and Conditions or replace the Underlying. Investors will have the option to redeem their investment in the Product prior to the Termination Date in line with the ordinary Investor Redemption procedures in accordance with clause VI.iv "*Investor Redemption (Investor Put Option)*" of the Terms and Conditions. If an Investor chooses not to redeem their investment, their investment will automatically be converted to the replacement Underlying upon the day following the Termination Date.

v. **Other Events**

In the case of events other than those described in clause IX. "*Adjustments for Products related to any Underlying*" of the Terms and Conditions, which in the sole opinion of the Issuer

have an effect equivalent to that of such events, the rules described in clause IX. "Adjustments for Products related to any Underlying" of the Terms and Conditions shall apply *mutatis mutandis*.

vi. Notices of Adjustments

The Issuer shall give notice to the Investors in accordance with clause XIX. "Notices" of the Terms and Conditions of any change to the Terms and Conditions of the Products in accordance with clause IX. "Notices of Adjustments" of the Terms and Conditions. For the avoidance of doubt, the consent of the Investors shall not be required to make any of the changes to the Products set out in clause IX. "Notices of Adjustments" of the Terms and Conditions.

X. Adjustments for Products related to an Index

This clause X. "Adjustments for Products related to an Index" of the Terms and Conditions applies only to Products linked to an Index and Products linked to Index-based ETFs.

i. Modification of Calculation or Replacement of an Index

In the event that the Index calculation agent or a successor, if any, substantially modifies the formula or method of calculation of an Index or in any other way materially modifies an Index in the event of, among others, changes in constituent Underlying Components or their capitalization, or in the event that the Index calculation agent (or its successor), if any, replaces an Index by a new Index to substitute that Index, the Issuer may (without the consent of the Investors):

- a) either, subject to a favourable opinion of an independent expert nominated by the Index calculation agent (if appointed), replace that Index by the Index so modified or by the substitute Index (if any), multiplied, if need be, by a linking coefficient ensuring continuity in the evolution of the underlying Index. In such event, the modified Index or the substitute Index, and (if necessary) the linking coefficient and the opinion of the independent expert, will be notified to the Investors in accordance with clause XIX. "Notices" of the Terms and Conditions within 10 Business Days following the date of modification or substitution of that Index; or
- b) apply the provisions of clause IX. iii. "Discontinuation of Trading on Relevant Underlying Exchange" of the Terms and Conditions.

ii. Discontinuation of Calculation of an Index

In the case of Products related to an Index, if for any reason, on or prior to any final valuation date the Index calculation agent or a successor, if any, should cease permanently to calculate and/or announce the level of the Index and does not provide for a substitute Index, or such substitute Index cannot replace that Index, for any reason, then such event shall be a Termination Event. Therefore, the Issuer may terminate the Products by means of the Issuer Call Option and redeem the Products and pay to each Investor in respect of the securities held by it an amount representing the fair market value of such Products (the "**Fair Market Value**"). The Fair Market Value will be determined by the Issuer, in its duly exercised discretion and in accordance with established market practice. No other amount shall be due to the Investors by the Issuer upon redemption of the Products.

The Fair Market Value so determined will be notified to the Investors in accordance with clause XIX. "Notices" of the Terms and Conditions within 10 Business Days following the date of determination of the Fair Market Value.

The amount representing the Fair Market Value will be paid to the Investors as soon as practicable within 15 Business Days following the date of determination of the Fair Market Value.

iii. Other Events

In the case of events other than those described in clause X. "*Adjustments for Products related to an Index*" of the Terms and Conditions, which in the sole opinion of the Issuer have an effect equivalent to that of such events, the rules described in this clause X. "*Adjustments for Products related to an Index*" of the Terms and Conditions shall apply *mutatis mutandis*.

XI. Foreign Exchange Disruption

For the purposes of this clause XI. "*Foreign Exchange Disruption*" of the Terms and Conditions, a foreign exchange disruption event means the occurrence of an event that makes it impossible through legal channels for the Issuer or its affiliates to convert a currency ("**Base Currency**") into a specific currency required according to this Securities Note, the Final Terms or any agreement as described in this Securities Note or the Final Terms or any other contractual agreement in connection with the Products ("**Required Currency**") ("**FX Disruption Event**").

If the Issuer determines that on a final valuation date an FX Disruption Event has occurred and is continuing, the date for determination of the foreign exchange rate, namely the exchange rate (determined by the Issuer in good faith and in a commercially reasonable manner) for the sale of the Base Currency against the Required Currency on the final valuation date or other date on which such exchange rate requires determination in accordance with the provisions of this clause XI. expressed as a number of units of Base Currency per unit of the Required Currency ("**FX Rate**") shall be postponed until the first Business Day on which such FX Disruption Event ceases to exist and the final valuation date in respect of the Products shall be postponed to the same Business Day on which such FX Disruption Event ceases to exist.

For the avoidance of doubt, if an FX Disruption Event coincides with a Market Disruption Event, as the case may be, the provisions of this clause XI. of the Terms and Conditions shall take effect only after such postponements or adjustments have been made as a result of such Market Disruption Event in accordance with the Terms and Conditions and, notwithstanding the respective provisions of the Terms and Conditions, the Issuer's payment obligation of the Redemption Amount shall continue to be postponed in accordance with the provisions of this clause XI. of the Terms and Conditions.

XII. Taxation

Each Investor shall assume and be responsible for any and all taxes, duties, fees and charges imposed on or levied against (or which could be imposed on or levied against) such Investor in any jurisdiction or by any governmental or regulatory authority.

The Issuer and the Paying Account Provider shall have the right, but not the duty, to withhold or deduct from any amounts otherwise payable to the Investor such amount as is necessary for the payment of such taxes, duties, fees and/or charges.

Investors shall not be entitled to receive amounts to compensate for any amount so withheld or deducted.

If any governmental or regulatory authority imposes on the Issuer the obligation to pay any such taxes, duties, fees and/or charges, the Investor shall promptly reimburse the Issuer.

XIII. Issuance and Redemption of Products

The minimum trading lot for any one Product, if any, will be specified in the Final Terms.

The Issuer may introduce multi-currency issuance and redemption for the Products after being offered on the blockchain, provided that the clearing body and/or blockchain platform and/or Paying Account Provider supports the additional currencies.

XIV. Paying Account Provider

The Issuer may appoint or exchange the respective Paying Account Provider(s) for each Product specified in the applicable Final Terms and/or on its website, provided that there will always be at least one Paying Account Provider as long as the Products are offered on the blockchain. The Issuer may also appoint several Paying Account Providers in relation to any one Product.

The Paying Account Provider is acting solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Investors.

Where a Realization Event occurs, the Paying Account Provider is acting solely on instruction of the Security Agent.

Any determinations, decisions and calculations by the Paying Account Providers shall (save in the case of manifest error or wilful misconduct) act as a guideline for the Issuer and the Investors.

XV. Calculation Services

The Issuer will carry out all calculation services required by this Securities Note, the Final Terms as well as all agreements described in this Securities Note and the Final Terms.

With regard to the calculation services, the Issuer does not act as agent for the Investors and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Investors. All calculations, decisions and determinations made by the Issuer shall (save in the case of manifest error or wilful misconduct) be final and binding on the Investors and the services providers described in this Securities Note and the Final Terms.

In this regard, the Issuer may delegate any of its obligations and functions to a third party, as it deems appropriate.

XVI. Security Agent

This clause XVI. "*Security Agent*" applies to the Security Agent or any other Security Agent specified in the applicable Final Terms or any successor Security Agent of such Security Agent.

By acquiring the Product, each investor appoints the Security Agent as direct representative (*direkter Stellvertreter*) and can only exercise its rights under the Collateral Agreement and the schedule for the specific Product through the Security Agent. The Issuer may at any time vary or terminate the appointment of the Security Agent only with the Security Agent's approval and in accordance with the provisions of the Collateral Agreement and applicable law. It shall give notice to the Investors in accordance with clause XIX. "Notices" of the Terms and Conditions of any modification in the appointment of the Security Agent.

The Security Agent may, in accordance with the provisions of the Collateral Agreement, delegate any of its obligations and functions to a third party, as it deems appropriate.

Pursuant to the Collateral Agreement, the Security Agent shall be entitled to satisfy its claims against the Issuer under the Collateral Agreement (including fee claims) from the realization proceeds before any other payments are made. Should the Security Agent or third parties incur any extraordinary realization and distribution costs, the Security Agent may also deduct these additional costs from the realization proceeds, before any other payments are made to investors.

XVII. Liability

Without prejudice to the provisions of any agreement as described in this Securities Note or the Final Terms, none of the Issuer, the Administrator, the Authorized Participant, the Custodian, the Broker, the Security Agent or the Paying Account Providers shall have any responsibility to the extent permitted by law for any errors or omissions in the calculation of any amount or with respect to any other determination or decisions required to be made by it under this Base Prospectus or with respect to the Product, irrespective of whether the agents act in the interest of the Issuer or the Investor.

None of the Issuer, the Administrator, the Custodian, the Broker, the Paying Account Provider, the Authorized Participant, the Security Agent, or any other involved party with the Product shall be liable for fraud, theft, cyber-attacks, drastic changes in regulation or any analogous or similar event (an "**Extraordinary Event**"). Upon the occurrence of such an event with respect to, or affecting the Underlying, the Redemption Amount shall be reduced accordingly to such Extraordinary Event and may be as low as the smallest denomination of the Settlement Currency (i.e. USD 0.01, EUR 0.01, CHF 0.01, GBP 0.01 or the equivalent in other Settlement Currencies), as determined by the Issuer.

In no event shall the Issuer, the Administrator, the Custodian, the Broker, the Paying Account Provider, the Authorized Participant, the Security Agent, or any other involved party with the Product have any liability for indirect, incidental, consequential or other damages (even if it was advised of the possibility of such damages) other than (in the case of the Issuer only) interest until the date of payment on sums not paid when due in respect of any Products. Investors are entitled to damages only (if any) and are not entitled to the remedy of specific performance in respect of a Product.

XVIII. Purchase by the Issuer

The Issuer, and/or any of its affiliates may at any time purchase Products of any issue at any price in the open market or otherwise, subject to employee trading restrictions according to common standards and regulations in the financial industry. Such Products may, at the option of the Issuer, and/or, as the case may be, the relevant affiliate, be held, resold or cancelled or otherwise dealt with, subject to restrictions according to common standards and regulations in the financial industry.

XIX. Notices

Notices to Investors relating to Products offered on blockchain platforms and other secondary markets will be published on the platform's website, on the Issuer's website www.backedas-sets.fi or, in any other form as permitted by potential rules of the blockchain platform or other body. They will only be published in the English language.

Particularly, notices to Investors of the non-listed Products may also be published, as specified in the applicable Final Terms, in newspapers, on a website or otherwise. It is presumed that notices published on the website of the Issuer have been sufficiently brought to the attention and the knowledge of Investors for the purpose of these Terms and Conditions and have been understood and accepted by the Investors.

XX. Further Issuance of Securities

The Issuer shall be at liberty without the consent of the Investors to create and issue further securities, thereby increasing the number of securities in the market (provided that the Underlying or Underlying Components are also increased by a corresponding amount). Such securities shall have the same Terms and Conditions as the respective Product in all respects (or in all respects save for their issue date and issue price) so that such further issue shall be consolidated and form a single Product with the outstanding securities of such Product. Alternatively, the Issuer may decide to create and issue a separate Product upon such terms as the Issuer may determine at any time of their issue and as set out in the Final Terms of such separate Product. References in these Terms and Conditions to the Products include (unless the context requires otherwise) any other securities issued pursuant to this clause and either forming part of the existing Products or a separate Product.

XXI. Issuer's Covenant to pay and Priority of Payments

The Issuer covenants with and undertakes to the Investors, and also for the benefit of the Security Agent, that it shall duly, unconditionally and punctually pay and discharge all monies and liabilities whatsoever which from time-to-time become due, owing or payable by the Issuer: (i) under or in respect of the Products; and (ii) under or in respect of the Collateral.

Save for any monies received upon any Realization Event, all monies received by or on behalf of the Issuer in relation to any redemption in accordance with clause VI. "*Issuance and Redemption*" of the Terms and Condition will be paid in the following order of priority:

1. Firstly, in payment or satisfaction of all amounts then due and unpaid or payable to the Security Agent (as further set out in the Collateral Agreement);
2. Secondly, in payment or satisfaction of all amounts then due and unpaid to the Paying Account Providers, any other Paying Account Providers;
3. Thirdly, on a *pari passu* basis in payment or satisfaction of all amounts then due and unpaid to the Custodian (as further set out in the Custody Agreement) and the Broker (as further set out in the Brokerage Agreement);
4. Fourthly, in payment of any Redemption Amounts due and unpaid owing to the Investors on a *pro rata* basis of the securities held by the Investors; and

5. Fifthly, in payment of the balance (if any) to the Issuer (without prejudice to, or liability in respect of, any queries as to how such payment to the Issuer shall be dealt with between the Issuer and any such person).

XXII. Realization Event and Realization of Collateral

i. Realization Event

A realization event regarding the Collateral occurs when ("**Realization Event**"):

1. the Issuer is subject to any form of winding up, administration, receivership, insolvency or debt enforcement proceedings, arrangements with creditors generally subject to applicable Jersey Law and associated subordination legislation,
2. the Issuer is in violation of the applicable law and forced by a regulator to cease its activity, or
3. the Issuer is in breach of the issuance terms of the Product that results in a claim for the investors, such as but not limited to a situation where Issuer does not honour a payment or delivery commitment under the Product when it falls due in good time or without defects, unless those defects are remedied within 30 business days.

ii. Realization of Collateral and Priority of Payments

By acquiring the Product, each Investor automatically declares to the Security Agent, as described in Art. 112 Para. 3 of the CO, that they wish to enforce their rights under the Collateral Agreement when a Realization Event occurs.

With first priority, the Security Agent, the Custodian and the Paying Account Provider shall be entitled to satisfy its claims against the Issuer under the Collateral Agreement, the Control Agreement and the Framework Agreement (or any similar agreement), as the case may be (including fee claims) from the realization proceeds before any other payments are made. Furthermore, on a pari passu basis in or towards payment of all amounts due and unpaid and all obligations due to be performed under each Product for which the Collateral is being realized, any other third parties' claims in connection with any realization and distribution costs shall be satisfied and the Security Agent may also deduct these additional costs from the realization proceeds, before any other payments are made to Investors; the remaining realization proceeds shall be available for payment to the Investors of the Product ("**Net Realization Proceeds**").

The Security Agent shall distribute the Net Realization Proceeds with discharging effect by instructing the Paying Account Provider to execute the payment of the pro-rata share of the Net Realization Proceeds to the (financial intermediaries holding the accounts for the) respective Investors. If the Product is represented in the form of ledger-based securities, the Security Agent may determine that such payment is made by the custodian(s) or any other parties or the accounts designated by the respective investors. The transfer of the pro-rata shares of the Net Realization Proceeds shall be determined by the holdings in the Product, with the amount of the payment to each Investor being determined with reference to the number of securities held by that Investor (or its financial intermediary). Each Investor of a specific Product (represented at all times by the Security Agent) has a maximum claim

against the Collateral Provider amounting to that pro-rata share of the Net Realization Proceeds of the Collateral for such Product.

Payments of the Net Realization Proceeds are made exclusively in the Settlement Currency of the Product. The Security Agent or the Paying Account Provider (as the case may be) may request additional information from Investors or set specific requirements to comply with applicable law. The Security Agent may refuse to release and the Paying Account Provider may refuse to transfer any Net Realization Proceeds to the (financial intermediaries holding the accounts for the) respective Investors and the claim of the Investor lapses if the Investor (through its financial intermediary) is not providing the additional information or is not fulfilling the specific requirements within the timeline set by the Paying Account Provider or the Security Agent. The same applies to a Product represented as ledger-based securities, except that the Custodian(s) or the other parties designated by the Security Agent may directly request additional information from Investors (if the ledger-based securities are not held with a financial intermediary) and that the Security Agent may refuse to release and the Custodian(s) or the other parties may refuse to transfer any Net Realization Proceeds to the account designated by an Investor and the claim of such Investor lapses if the Investor is not providing the additional information or is not fulfilling the specific requirements within the timeline set by the Security Agent, the Custodian(s) or the other parties.

No interest shall be paid on the claims of the Investors or against the Issuer as Collateral Provider, which correspond to their pro-rata shares of the Net Realization Proceeds realized from the Collateral. The Security Agent shall not owe any default interest to the Investors on the payment of the pro-rata share of Net Realization Proceeds, neither shall the Security Agent be liable to the Investors for any further damages whatsoever.

The payment of pro-rata Net Realization Proceeds to the Investors under the terms of the Collateral Agreement, discharges the Investors' claims (represented by the Security Agent) against the Issuer that are related to the Product. Accordingly, once an Investor's pro-rata share of the Net Realisation Proceeds has been paid, that Investor has no residual claim against the assets of the Issuer (or any service providers to the Issuer) in the event that the Investor suffers any losses in relation to their investment in the Products.

XXIII. Statute of Limitation (Prescription)

Claims for payment of the Redemption Amount in respect of the Product shall be barred by the statute of limitation (prescription) in accordance with the applicable Jersey law, unless made within 10 years from the relevant Termination Date or the Investor Redemption Date, as the case may be.

XXIV. Substitution

By purchasing or subscribing for any Product(s) the Investor is deemed to consent that the Issuer is entitled at any time and without the additional consent of the Investors to have itself substituted as the debtor for the Products by a new issuer (which may, or may not, be a subsidiary, branch or holding company of Backed Assets (JE) Limited, (the "New Issuer"), provided that:

- i. the New Issuer is a special purpose vehicle without any operational activity except of issuing the Product(s),**
- ii. the New Issuer assumes all liabilities owed by the existing Issuer to investors with respect to the Products,**

- iii. the New Issuer secures its liabilities to investors that result from the Products by means of a guarantee declaration or other appropriate measures equivalent to the collateral structure as described in the Base Prospectus and the Final Terms of the relevant Product(s).
- iv. the New Issuer has filed all necessary product documentation with the competent authorities (where necessary) and such product documentation has been approved by such competent authorities (where necessary).
- v. the New Issuer has entered into service agreements with all necessary service providers (e.g. custodian, broker, security agent, paying account provider), and
- vi. the New Issuer has received all necessary approvals from the authorities of the country in which it has its headquarters.

Upon fulfilment of the aforementioned conditions, the New Issuer takes the place of the existing Issuer in all respects, and the existing Issuer is released from all obligations to the holders of Products relating to its function as Issuer arising from or in connection with the Products.

Any such substitution of the Issuer will be promptly published or brought to the attention of investors by the Issuer in an appropriate manner. The Issuer bears no responsibility for damages or consequences incurred by individual investors as a result of the exercise of the Issuer's right to substitution. Investors therefore have no right to assert legal claims or claims for compensation of damages against the Issuer in this connection.

XXV. Selling Restrictions

Save for the approval of this Base Prospectus in relation to the FMA and the subsequent offer of the Products to the public based on the Final Terms, no action has been or will be taken by the Issuer that would permit a public offering of any Products or possession or distribution of any offering material in relation to any Products in any jurisdiction where action of that purpose is required. No offers, sales, resales, or deliveries of any Products or distribution of any offering material relating to any Products may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and which will not impose any obligation on the Issuer.

This Securities Note, the Base Prospectus and the Final Terms do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If the laws or regulation of a jurisdiction require that an offering of securities described herein be made by a licensed bank, securities firm or insurance company or any other party involved (each as defined in this Securities Note) or any affiliate of any other party is a licensed bank, securities firm or insurance company in that jurisdiction, the offering shall be deemed to be made by such other party or such affiliate on behalf of the Issuer or holders of the applicable securities in such jurisdiction.

The offering or sale of the Products in certain jurisdictions may be restricted by law including because of the Underlyings/Underlying Components.

Persons who obtain possession of this Securities Note and/or the Base Prospectus and/or the Final Terms are required to inform themselves about and to adhere to any such restrictions. Neither this Securities Note nor the Base Prospectus nor the Final Terms constitute or may be used for the purposes of, an offer or solicitation to subscribe for or to purchase any Product in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. Accordingly, this Securities Note, the Base Prospectus and the Final Terms should not be used by anyone for this purpose.

The Products offered on primary and secondary markets and other platforms under this Base Prospectus are not for distribution to any U.S. person or any person or address in the U.S. or in any other jurisdiction (i) to which a distribution would be unlawful (e.g. being subject to Sanctions Regulations, such as residents of North Korea, Syria or Iran), or (ii) which may be classified as high-risk jurisdictions subject to a call for action according to the Financial Action Task Force ("**FATF**").

The Issuer reserves the right to impose further selling restrictions at its sole discretion which will be communicated in the Final Terms or on its website: www.backedassets.fi.

XXVI. Severance

In the event any clause or item in the relevant Final Terms is or becomes invalid, the validity of the remaining Terms and Conditions and items in the relevant Final Terms shall not be affected.

XXVII. Modifications of the Terms and Conditions and Final Terms

The Issuer shall be entitled to amend without the consent of the Investors any clause or item in the relevant Final Terms for the purpose of correcting a manifest error, or clarifying any uncertainty, or correcting or supplementing the provisions herein in such a manner as the Issuer deems necessary or desirable, provided that, in the Issuer's sole opinion, the Investors would not incur significant financial loss as a consequence thereof.

Furthermore, the Issuer shall at all times be entitled to amend any clause or item in the relevant Final Terms where, and to the extent that the amendment is necessitated as a consequence of legislation, decisions by courts of law, or decisions taken by governmental authorities.

XXVIII. Governing Law and Jurisdiction

The Base Prospectus, the Products issued, and the rights and obligations of the Issuer and each of the holders of the Products under the Base Prospectus shall be governed by and construed in accordance with the laws of Jersey.

In relation to any proceedings in respect of the Products issued under the Base Prospectus, the Issuer agrees (and each holder of the Products, upon receipt of the Products, shall be deemed to agree) that the courts of Jersey, Channel Islands shall have non-exclusive jurisdiction to hear and determine any action or proceeding arising out of or in connection with the Products issued under this Base Prospectus and for that purpose the Issuer and each holder of the Products irrevocably submit to the jurisdiction of the courts of Jersey.

Notwithstanding the above, and for the avoidance of doubt, (i) the various agreements with service providers (such as e.g. the Custodian, the Paying Account Provider, the Securities

Agent, the Broker) shall be governed by the laws set out therein and subject to the jurisdiction set out therein, (ii) the Registration Agreement shall be governed by, and shall be construed in accordance with, Swiss law (without reference to the principles of conflicts of law rules).

5.1 Conditions, Offer Statistics, Expected Timetable and Action Required to Apply for the Offer

Further conditions, offer statistics, expected timetable and action required to apply for the offer are specified in the respective Final Terms.

5.2 Plan of Distribution and Allotment

Plan of distribution and allotment is specified in the respective Final Terms.

5.3 Pricing

Pricing of the Products offered is specified in the respective Final Terms.

6. Form of Final Terms

[Prohibition of Sales to [●]]

Final Terms for Product Nr. [●] [Abbreviation][ISIN:[●]]

According to Art. 6 Para. 3 Sub-Para. 2 and Art. 8 of the Regulation (EU) 2017/1129 of the European Parliament and the Council of 14 June 2017, as amended ("**Prospectus Regulation**") in connection with Art. 26 and Annexes 14, 17 and 28 of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019, as amended ("**Delegated Regulation**")

for the issuance of tokenized securities
(the "**Products**")

on

[name of Underlying]
(the "**Underlying(s)**")

of

Backed Assets (JE) Limited

(the "**Issuer**")

a private limited company incorporated in Jersey

dated

[●]

[(which replace the Final Terms dated [●])]

("Final Terms")

The Final Terms have been prepared for the purpose of the Prospectus Regulation and must be read in conjunction with the information document on the Issuer dated [●] ("**Registration Document**") and any supplement thereto, and the information document on the tokenized securities dated [●] ("**Securities Note**") and any supplement thereto (where the Securities Note, Registration Document and any supplement thereto shall be referred to together as the "**Base Prospectus**"), in order to obtain all the relevant information. The persons (other than financial intermediaries) and financial intermediaries holding tokenized securities in such Products for their own account ("**Investors**") should make their own assessment as to the suitability of investing in the Products.

The validity of the Registration Document and the Securities Note dated [●] for the issuance of the Products (including any supplements) will expire on the [●] pursuant to Art. 12 of the Prospectus Regulation, provided that any required supplements pursuant to Art. 23 of the Prospectus Regulation are supplemented. After this date, the public offer will be made on the basis of one or more Successor Base Prospectus(es) (each the "**Successor Base Prospectus**") and for the duration of the validity of the relevant Successor Base Prospectus, provided that the relevant Successor Base Prospectus provides for a continuation of the public offering of the Products. In this case, these Final Terms shall be accompanied by the Issuer's Registration Document and the Securities Note referred to at the beginning of this Prospectus. The Successor Base Prospectus will be published in electronic form on the website www.backedassets.fi or on a page this replacing.

[The offer of the Products to the public which first commenced under the Base Prospectus dated 9 May 2022, continued under the Base Prospectus dated 9 May 2023, as amended by any supplements, and which is continuing uninterrupted at the date of approval of this Base Prospectus, will continue on the basis of this and any Successor Base Prospectuses in accordance with Article 8 paragraph 11 of the Prospectus Regulation until the end of the offer term of the Products. The Terms and Conditions included in the Securities Note dated 9 May 2022 and in the updated Securities Note dated 9 May 2023 will continue to be legally binding. The Terms and Conditions contained in Section 5 of this Securities Note are not relevant for the Products for which the public offering is continued. Therefore, the Securities Note dated 9 May 2022 and the relevant Final Terms and the updated Securities Note dated 9 May 2023 and the relevant Final Terms are incorporated by reference into this Base Prospectus.]

[The offer of the Products to the public which first commenced under the Base Prospectus dated 9 May 2023, as amended by any supplements, and which is continuing uninterrupted at the date of approval of this Base Prospectus, will continue on the basis of this and any Successor Base Prospectuses in accordance with Article 8 paragraph 11 of the Prospectus Regulation until the end of the offer term of the Products. The Terms and Conditions included in the Securities Note dated 9 May 2023 will continue to be legally binding. The Terms and Conditions contained in Section 5 of this Securities Note are not relevant for the Products for which the public offering is continued. Therefore, the Securities Note dated 9 May 2023 and the relevant Final Terms are incorporated by reference into this Base Prospectus.]

A. Part A – Contractual Terms

The Final Terms have been prepared for the purpose of the Prospectus Regulation and must be read in conjunction with the Registration Document dated [●] and any supplement thereto, and Securities Note dated [●] ("**Securities Note**") and any supplement thereto (Securities Note, Registration Document and any supplement thereto "**Base Prospectus**"), in order to obtain all the relevant information.

An offer of the Products may be made by the Issuer or by relevant authorized participants as specified in Part B of these Final Terms ("**Authorized Participant**") [during the period from [●] until [●]] [on an ongoing basis on every Business Day] ("**Offer Period**") in accordance with the following requirements:

In relation to each Member State of the EEA which has implemented the Prospectus Regulation (each "**Relevant Member State**"), any appointed Authorized Participant has represented and agreed that with effect from and including the date on which the Prospectus Regulation is implemented in that Relevant Member State ("**Relevant Implementation Date**") it has not made and will not make an offer of securities which are the subject of this Base Prospectus as completed by the applicable Final Terms to the public in that Relevant Member State, except that the securities may, with effect from and including the Relevant Implementation Date, be offered to the public in that Relevant Member State:

- a. if the Final Terms in relation to the securities specifies that an offer of those securities may be made by the Authorised Participant(s) other than pursuant to Art. 1 Para. 4 of the Prospectus Regulation in that Relevant Member State ("**Non-Exempt Offer**"), following the date of publication of the Base Prospectus in relation to such securities. Such offer must have been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State. This is under the condition that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-Exempt Offer, in accordance with the Prospectus Directive, in the period (if any) beginning and ending on the dates specified in such prospectus or Final Terms, as applicable, 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 (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Authorized Participant for any such offer; or
- d. at any time in any other circumstances falling within Art. 1 Para. 4 of the Prospectus Regulation;

provided that no such offer of securities referred to in (b) to (d) above shall require the Issuer or any Authorized Participant to publish a prospectus pursuant to the Prospectus Regulation or supplement a base prospectus pursuant to Art. 23 of the Prospectus Regulation as soon as possible prior to the respective offer.

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

For the purposes of this provision, the expression “an offer of Products to the public” in relation to any Products in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an Investor to decide to purchase or subscribe the Products.

In relation to Swiss investors, the securities issued are derivative financial instruments (debt instruments) according to Swiss Law. The securities do not constitute a collective investment scheme within the meaning of the Swiss Collective Investment Schemes Act ("**CISA**"). Therefore, they are not subject to authorisation by the Swiss Financial Market Supervisory Authority FINMA ("**FINMA**") and potential investors do not benefit from the specific investor protection provided under the CISA and are exposed to the credit risk of the Issuer. Any investment in the securities does not have the status of a bank deposit and is not within the scope of any deposit protection scheme. The Issuer is not and will not be regulated by any regulator as a result of issuing the securities.

The securities, qualifying as structured products pursuant to Article 70 of the Swiss Financial Services Act ("**FinSA**"), may be offered exclusively to professional investors in accordance with Article 4 (3)-(5) FinSA ("**Swiss Professional Investors**"). Circulating this document and offering, distributing, marketing or selling the securities to other Swiss persons than Swiss Professional Investors may trigger regulatory obligations in Switzerland. Accordingly, legal advice should be sought before providing this document to and offering, distributing, marketing or selling/on-selling the securities to any other persons or entities. This document does not constitute an issuance prospectus pursuant to the FinSA and may not comply with the information standards required thereunder. The securities will neither be listed on any Swiss trading venue, and consequently, the information presented in this document does not necessarily comply with the information standards set out in the relevant listing rules. The documentation of the securities has not been and will not be approved, and may not be able to be approved and/or registered, by FINMA or any Swiss prospectus office under Swiss financial market laws. Therefore, investors do not benefit from protection under the CISA or supervision by the FINMA. This document does not constitute investment advice. It may only be used by those persons to whom it has been handed out in connection with an investment and may neither be copied or directly/ indirectly distributed or made available to other persons.

Terms used herein shall be deemed to be defined as such for the purposes of the general terms and conditions ("**Terms and Conditions**") of the Products issued by Backed Assets (JE) Limited (the Issuer) set forth in the Base Prospectus dated [●]. This document constitutes the Final Terms of the Products described herein for the purposes of Art. 8 Para. 5 of the Prospectus Regulation and must be read in conjunction with the Base Prospectus (and any supplement thereto). Full information on the Issuer and the offer of the Products is only available on the basis of the combination of these Final Terms and the Base Prospectus. These Final Terms and the Base Prospectus (together with any supplement thereto) is available in electronic form on the website of the Issuer (www.backedassets.fi) or any replacing website in accordance with Article 21 of the Prospectus Regulation. A summary for the individual issuance is attached to the Final Terms. The subject matter of the Final Terms shall be determined in accordance with Article 26 of the Delegated Regulation.

1. Information Concerning the Products to be Offered to the Public

1.1 Information Concerning the Products

ISIN of the Product	The ISIN is [●]
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Address of smart contract serving as Securities Ledger	<p>The address of the smart contract serving as the Securities Ledger of the Product is: [●]</p> <p>The Issuer will publish a link to such record of transaction for each Product on its Website: www.backedassets.fi</p>
Total issue volume	<p>The total issue volume is [up to] [●].</p> <p>[The Issuer reserves the right to extend the total issue volume at any time, in particular in view of the total issued amount of Underlyings and the demand for Products.]</p>
Expected issue date	<p>[The expected issue date of the Products is one day after the publication of these Final Terms. [●]]</p>
Maturity date	<p>[The Product is open-ended and therefore does not have a pre-determined fixed maturity date. Instead, the Product provides for a redemption right in favour of the investor (i.e. the Investor Put Option), and termination rights in favour of the Issuer (i.e. the Issuer Call Option) as set out in the Base Prospectus.]</p> <p>[In view of the Product having an Underlying with a fixed maturity date, the Issuer will exercise its Issuer Call Option upon reaching the maturity date of the Underlying, in which case the Product will be terminated with the Termination Date being the same as the maturity date of the Underlying.]</p> <p>[In view of the Product having an Underlying with a fixed maturity date, the Issuer will replace the Underlying with another Underlying that has similar characteristics upon reaching the maturity date of the Underlying. The replacement product will be selected by the Issuer in its sole discretion and may be subject to certain conditions or restrictions.]</p> <p>[In view of the Product having an Underlying with a fixed maturity date, the Product is closed-ended and has the same maturity date as the Underlying on [●].]</p> <p>[●]</p>
Interest Payments	<p>The Products do not bear interest.</p>
Currency of the Products issue	<p>The currency of the Products issue is [USD][EUR][GBP][CHF][any other Fiat currency].</p>
Denomination	<p>[The Product has a fixed denomination of [●] [USD][EUR][GBP][CHF][any other Fiat currency][●].]</p> <p>[The Product has a variable denomination following 1:1 the Underlying Price.][The Product has a variable denomination [●].]</p>

[Recalculation Event]	[Any Business Day] [Any calendar [day][week][month][quarter][year]] [every [•] hours] [•]
Minimum/maximum subscription amount	<p>[There is no minimum subscription amount.] [The minimum subscription amount is [•]]</p> <p>[The maximum subscription amount is limited to [•] [the total issue volume].]</p> <p>[•]</p>
Management Fee	[no] [Management Fee] [Calculated on a daily basis at 12pm (noon) (Coordinated Universal Time, UTC): [[•] % per one [Recalculated Outstanding Security] [outstanding Security]] [[•] [USD][EUR][GBP][CHF][any other Fiat currency] per amount of one [Recalculated Outstanding Security] [outstanding Security]]] [•]
Issue Price	<p>[The Issue Price is calculated as follows:</p> <p>1) The invested amount, which corresponds to the market price of the Underlying issued by the following Reference Source(s):</p> <ul style="list-style-type: none"> - [Reference Source name, jurisdiction, [•]]; - [•] <p><i>[minus Investor Fees of [up to 5%] of the market price of the Underlying]</i></p> <p><i>[2] plus Investor Fees of [up to 5%] of the market price of the Underlying.]</i></p> <p>[3] [•].]</p> <p>[The resulting value will further be adjusted by the applicable fees, tracking errors from foreign currency hedging and conversion ratios as the Underlyings or Underlying Components of the Products are traded in a Underlying Currency, which may not be the Settlement Currency.]</p> <p>[The fixed Denomination will be taken into consideration when calculating the Issuance Price and number of issued Securities.]</p>
Calculation of Product Purchase	The Issuer buys the number of Underlyings equivalent to the amount resulting from the Investor's payment divided by the Issue Price. Fractional Underlyings are possible. Then the Issuer instructs the Tokenizer to activate the pre-created Ledger-Based Securities of the specific Product in the amount equivalent to the purchased Underlyings and to transfer them to the wallet specified by the Investor.

	Any excess amount paid by the Investors is kept by the Issuer and not re-funded to the Investor.
Redemption Amount (way of calculation)	<p>[The Redemption Amount is calculated as follows:</p> <p>1) The market prices of the Underlying issued by the following Reference Sources:</p> <ul style="list-style-type: none"> - [Reference Source name, jurisdiction, [●]]; - [●] <p>[2) <i>minus</i> Investor Fees of [up to 5%] of the market price of the Underlying.]</p> <p>[3) [●].]</p> <p>[The resulting value will further be adjusted by the applicable fees, tracking errors from foreign currency hedging and conversion ratios as the Underlyings or Underlying Components of the Products are traded in a Underlying Currency, which may not be the Settlement Currency.]</p> <p>[The fixed Denomination will be taken into consideration when calculating the Redemption Amount.]</p>
Resolutions, authorisations and approvals of new issues	<p>[The Products are issued in accordance with Swiss law and the resolution of the Issuer's directors on [date].</p> <p>[●]</p>
Offeror of the Products	<p>The Issuer will offer the Products by itself exclusively to Qualified Professional Investors. The following Authorized Participants will also offer the Products:</p> <ul style="list-style-type: none"> - [name and address of Authorized Participant], [LEI of the Authorized Participant], offers the Products to Investors in [jurisdictions]. Email address: [E-Mail-address of the Authorized Participant] - [name and address of Authorized Participant], [LEI of the Authorized Participant], offers the Products to Investors in [jurisdictions]. Email address: [E-Mail-address of the Authorized Participant] - [●] <p>[The Issuer will publish all Authorized Participants on its Website: www.backedassets.fi and reserves the right to amend such list at any time.]</p>
Broker	[The broker is [name and address, LEI].]

	/ [Not applicable.] [•]
Calculations	[The Issuer will provide for all required calculations.] [[name and address, LEI] will act as calculation agent.] [•]
Custodian(s)	[The custodian(s) is/are [name and address, LEI].] [•]
Market Maker	[[The market maker is/are [name and address, LEI].] / [Not applicable.] [•]]
Paying Account Provider	[The paying account provider is [name and address, LEI].] [•]
Security Agent	[The security agent is [name and address, LEI].] [•]
Tokenizer	The tokenizer is the Parent of the Issuer, i.e. Backed Finance AG, Baarerstrasse 14, 6300 Zug (ZG), Switzerland.

1.2 Information Concerning the Underlying

Issuer of the Underlying	[The issuer of the Underlying is [name and address, LEI]][Not applicable][•]
Security Codes of the Underlying	[[The ISIN is [•].] / [Not applicable.] / [The Underlying has no ISIN [•]] / [Bloomberg Ticker]]
Underlying Currency	[The Underlying is denominated in [•]].
Dividend and/or Interest Payments and/or any other income or payments	[Any dividend and/or interest payments [and/or any other income or payments] [and/or [•]] shall not be included in the [calculation of the reference value of the Underlying] [Recalculation]] [Any dividend and/or interest payments [and/or

	any other income or payments] [and/or [●]] shall be included in the [calculation of the reference value of the Underlying] [Recalculation].] [●]
Description of the Underlying	<p>The Underlying[s] [is][are][a][an]:</p> <p>[share[s], security representing share[s] (ADR/GDR), preference share[s], participation certificate[s], other [security][securities] or [●] of [[issuer:] [●]]]</p> <p>[bond[s] of [issuer: [●]]]</p> <p>[[index][indices]]</p> <p>[derivative[s] linked to [a][an] [future[s]][exchange rate[s][interest rate]][commodity][commodities]]]</p> <p>[fund[s]]</p> <p>[ETF[s]]</p> <p>[Basket consisting of [[share[s], security representing share[s] (ADR/GDR), preference share[s], participation certificate[s], other [security][securities] or [●] of [issuer: [●]][,] [and] [bond[s] of [issuer: [●]][,] [and] [[index][indices]][,] [and] [derivative[s] linked to [a][an] [future[s]][exchange rate[s][interest rate]][commodity][commodities]]],,] [and] [Fund[s][,] [and] [ETF[s]]]</p> <p>[Information on the past and future performance of the Underlying as well as regarding its volatility is generally available, e.g. on the website [●]. This information is available free of charge on this homepage.]</p> <p>[●]</p>
[Index name]	<p>[The index is [name of index].</p> <p>[Not applicable.]]</p> <p>[●]</p> <p>[Substitute index: [●]]</p>
[Information on the index]	<p>[[Information on [●] is generally available, e.g. on the website [●].]</p> <p>[[Index sponsor][Index calculation agent]: [●]]</p> <p>[Index disclaimer where relevant: [●]]</p>

	<p>[in the case of a proprietary index as the Underlying or a basket constituent, insert description of the principal index parameters: [●]]</p> <p>[Not applicable.]]</p> <p>[●]</p>
[Bond]	<p>[The bond is [●]</p> <p>[Not applicable.]]</p> <p>[Information on [●] is generally available, e.g. on the website [●].]</p> <p>[●]</p>
[Derivative]	<p>[The derivative is [●].</p> <p>[Not applicable.]]</p> <p>[Information on [●] is generally available, e.g. on the website [●].]</p> <p>[brief description where relevant: [●] [and in particular][,] [if the Underlying is a standardized option and/or a future contract: contract months, including the term and expiration or information on the switching mechanism, contract unit and price quotation: [●]]</p> <p>[if the Underlying is a derivative which is managed on a discretionary basis during the term: Key figures of the investment strategy, stock universe, title selection criteria, information on how the returns of the Underlyings are treated and disclosures on the investment strategy manager: [●]]</p> <p>[Information on compensation: [●]]</p> <p>[if the Underlying is a derivative which is linked to [an interest rate][an exchange rate] description of the [interest rate][exchange rate]: [●]]]</p> <p>[●]</p>
[ETF name]	<p>[The ETF is [name of ETF].</p> <p>/ [Not applicable.]]</p>
	<p>[[name of ETF] constitutes [●]]</p>
[Information on the ETF]	<p>[[Information on [●] is generally available, e.g. on the website [●].]</p>

	<p>[Exchange where the ETF is listed: [●]]</p> <p>[Fund Administrator of the ETF: [●]]</p> <p>[Fund Manager of the ETF: [●]]</p> <p>[Management Company: [●]]</p> <p>[Composition of the ETF: [●]]</p> <p>[Investment universe of the ETF: [●]]</p> <p>/ [Not applicable.]]</p> <p>[●]</p>
[Fund name]	<p>[The fund is [name of the fund].</p> <p>/ [Not applicable.]]</p>
	[name of fund] constitutes [●]]
[Information on the fund]	<p>[[Information on [●] is generally available, e.g. on the web-site [●].]</p> <p>[Fund Administrator of the fund: [●]]</p> <p>[Fund Manager of the fund: [●]]</p> <p>[Management Company: [●]]</p> <p>[Composition of the fund: [●]]</p> <p>[Investment universe of the fund: [●]]</p> <p>/ [Not applicable]]</p> <p>[●]</p>
	<p>[Any dividend and/or interest payments [and/or any other income or payments] [and/or [●]] shall not be included in the calculation of the reference value of the fund.] [Any dividend and/or interest payments [and/or any other income or payments] [and/or [●]] shall be included in the calculation of the reference value of the fund.] [●]</p>
[Basket]	<p>[[Insert information about the individual basket constituents, as described above for the individual types of Underlyings: [●]]</p> <p>[Not applicable]]</p>

	<p>[in the case of a proprietary basket as the Underlying, insert description of the selection method: [●]]</p> <p>[●]</p>
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2. Terms and Conditions of the Offer of Securities to the Public

[[Insert terms and conditions of the offer of securities to the public] [●]]

B. Part B – Other Information

3. Admission to Trading and Dealing Arrangements

<p>Listing and admission to trading and dealing arrangements</p>	<p>[The Issuer neither has listed or admitted nor does commit to nor does commit to not list or admit the Products to trading at any stock exchange, authorized multilateral trading facility, organized trading facility, DLT trading facility or equivalent.]</p> <p>[●]</p>
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4. Interests of Natural and Legal Persons, Third Party Information, Reasons for the Offer and Use of Proceeds

<p>Interests of natural and legal persons involved in the issue</p>	<p>[Except of the service providers and other factors already disclosed in the Base Prospectus, so far as the Issuer is aware, no person involved in the offer of the Products has an interest material to the offer.]</p> <p>[Specify as applicable.]</p>
<p>Reasons for the offer and use of proceeds</p>	<p>[The offer for the Products uses ledger-based securities (i.e. securities in the form of tokens on a distributed ledger or blockchain), representing the value of major tradable securities and fully backed by the Underlyings. This has several major advantages compared to the use of the original underlying security in a conventional form, such as certificated securities, uncertificated securities or book-entry securities. One major advantage is e.g. that ledger-based securities can be traded 24 hours per day, 7 days per week. Another advantage is that secondary markets for such ledger-based securities are inherently global, as opposed to national markets where conventional securities are traded. A third advantage lies in the direct control of the ledger-based security by the Investor, as it may be held in an unhosted respectively non-custody wallet, which the Investor has exclusive access to.]</p>

	<p>[The Issuer will use the Proceeds to (i) finance the purchase of the Collateral, (ii) pay the fees and costs of the various service providers in connection with creating, launching, issuing, redeeming, and providing all further services for the Products, (iii) finance its own existing and future business activities.]</p> <p>[•]</p>
[Third party information]	<p>[[<i>Relevant third party information</i>] has been extracted from [•]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced information inaccurate or misleading.]</p> <p>/ [Not Applicable.]</p>

5. Costs and Taxes in connection with the subscription of the Products

[•]	[•]
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6. Additional Information

Country(ies) of offer(s)	The Products will be offered in Liechtenstein [and Switzerland (only to Swiss Professional Investors)]. [The right to offer in other jurisdictions is explicitly reserved.] [Specify as applicable.]
Country(ies) where the Base Prospectus has been notified	A notification shall in a first step be made to Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Norway, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Sweden and the Netherlands [and [•]]. [The right to notify other EU-/EEA-member countries is explicitly reserved.] [Specify as applicable.]
ECB eligibility	[The Product is [not] expected to be ECB eligible. [•]]
[[Additional]Selling Restrictions]	[•]
[Post issuance information]	<p>[Specify as applicable.]</p> <p>/ [Not applicable.]</p>
[Notices]	[•]

Signed on behalf of the Issuer as duly authorized representative:

[signature]

C. Annex – Summary

[Summary to be inserted in all required translations]

* * *

7. Admission to Trading and Dealing Arrangements

The Products offered are not the object of an application for admission to trading on a regulated market, other third country markets, small and medium-sized enterprises ("SME") Growth Market or multilateral trading facility ("MTF") filed by the Issuer.

The earliest dates on which the Products will be offered, at which issue price and further information concerning the specific Products will be specified in the respective Final Terms.

8. Additional Information

The issue price and the number of the relevant Products will be determined before filing of the applicable Final Terms of each Product based on then prevailing market conditions. The Issuer provides post-issuance information in relation to the Indices or Products at its own discretion.

The information provided in this Securities Note have neither been audited or reviewed by statutory auditors. Therefore, no indication has been given.

During 10 years after publication, the following documents will be available on the Issuer's website www.backedassets.fi:

- this Securities Note;
- the Registration Document;
- the Final Terms concerning each respective Product;
- the material provisions of the Collateral Agreement regarding the representation of the Investors by the Security Agent.

Any website mentioned in this Securities Note does not form part of this Securities Note itself.

9. List of Products with a Continuation of the Public Offer

The Issuer has already issued the following products, which are continued to be offered on the basis of this succeeding Base Prospectus:

Name of Product	ISIN
Backed CSPX Core S&P 500 (bCSPX)	CH1173294237
Backed Niu Technologies (bNIU)	CH1173294252
Backed Coinbase Global (bCOIN)	CH1173294245
Backed IBTA \$ Treasury Bond 1-3yr (bIBTA)	CH1173294229
Backed IB01 \$ Treasury Bond 0-1yr (bIB01)	CH1173294260

Backed GOVIES 0-6 MONTHS EURO INVESTMENT GRADE (bC3M)	CH1173294286
Backed HIGH € High Yield Corp Bond (bHIGH)	CH1173294278
Backed ERNA \$ Ultrashort Bond (bERNA)	CH1173294294
Backed ERNX € Ultrashort Bond (bERNX)	CH1173294302
Backed \$ ZPR1 1-3 Month T-Bill (bZPR1)	CH1173294310

Annex 1: Jersey Financial Services Commission's Guidance

1. Jersey Treatment of Issuer

- 1.1 There are currently no existing capital markets regulations in Jersey specifically governing token sales. However, the Jersey Financial Services Commission (the **JFSC**) is aware of the desire of token issuers to use a Jersey incorporated issuer because of Jersey's reputation as a well-regulated and reputable jurisdiction.
- 1.2 Accordingly, the JFSC has established certain conditions that any issuer of tokens registered in Jersey is required to satisfy. These are implemented through a consent (a **COBO Consent**) granted under the Control of Borrowing (Jersey) Order 1958, which any Jersey entity wishing to issue tokens must obtain.
- 1.3 The conditions require the issuer of the tokens to take certain measures to manage, amongst other things, financial crime and investor risks. The conditions reflect the guiding principles pursuant to which the JFSC discharges its functions as the Island's financial services regulator (the **Guiding Principles**) which are to have regard to:
 - 1.3.1 the reduction of the risk to the public of financial loss due to dishonesty, incompetence, malpractice or the financial unsoundness of financial service providers;
 - 1.3.2 the protection and enhancement of Jersey's reputation and integrity in commercial and financial matters;
 - 1.3.3 the best economic interests of Jersey; and
 - 1.3.4 the need to counter financial crime both in Jersey and elsewhere.
- 1.4 However, whilst the JFSC has established certain conditions that issuers of tokens are required to satisfy, it does not regulate or supervise the tokens or the issuers.
- 1.5 The COBO Consent imposes on the issuer certain requirements which reflect the Guiding Principles, including to:
 - 1.5.1 acknowledge that issuing tokens is a "sensitive activity" falling within the JFSC's Sound Business Practice Policy. Accordingly, the issuer must maintain and adopt systems, controls, policies and procedures for the customer take-on, profiling and transaction monitoring at enhanced levels ensuring reporting of suspicions of money-laundering and financing of terrorism activity;
 - 1.5.2 apply relevant AML/CFT/CPF requirements to persons that either purchase tokens from, or sell tokens back to, the issuer of those tokens;
 - 1.5.3 appoint and maintain a TCSP (a trust and company service provider licensed by the JFSC under the Financial Services (Jersey) Law 1998 to carry on trust company business);
 - 1.5.4 appoint and maintain a Jersey resident director on the board of the issuer; where the Jersey resident director is a natural person and also a principal person of TCSP appointed by the issuer;

- 1.5.5 obtain the JFSC's prior approval to any change to the TCSP appointed by the issuer, the Jersey resident director of the issuer or additional specified counterparties of the issuer as set out in the COBO consent;
- 1.5.6 prepare and file annual audited accounts with the Jersey Companies Registry;
- 1.5.7 have procedures and processes in place to (i) mitigate and manage the risk of retail investors investing inappropriately in the tokens, and (ii) to ensure retail investors understand the risks involved;
- 1.5.8 prepare and submit to the JFSC an Information Memorandum (which may be in the form of a White Paper) which complies with certain content requirements required of a prospectus issued by a company under the Companies (Jersey) Law 1991; and
- 1.5.9 ensure that any marketing material (including the Information Memorandum) is clear, fair and not misleading.

Annex 2: Website Privacy Notice

1 Introduction

- 1.1 At Backed Assets (JE) Limited ("**we**", "**our**" and "**us**") we respect your privacy and we are committed to protecting your information. This privacy notice will inform you about the personal data that we collect about you, the reasons why we use that data, how we use it, and tell you about your privacy rights.

2 About us and contact information

- 2.1 Backed Assets (JE) Limited is a data controller and your personal data will be transferred to and/or collected by us as a result of the services we provide. We are responsible for the personal data we hold and if you have any queries about any aspect of this privacy notice, please contact us using the contact details below:

Backed Assets (JE) Limited, c/o Cavendish Fiduciary (Jersey) Limited, First Floor, La Chasse Chambers, Ten La Chasse, St. Helier, JE2 4UE, Jersey

Email address: contact@backedassets.fi

Tel: +44 1534 888860

www.backedassets.fi – please go to 'contact us'.

3 Personal data we collect

- 3.1 We may collect personal data relating to your identity and contact details such as names, addresses, email addresses, telephone numbers and date of birth and other personal data from you as a result of you using the services we provide and/or through you using our website.
- 3.2 Certain other types of personal data may also be held by us. For example, if you use a device to access our services, we may also collect or have access to technical data or usage data, including your IP address, login data, browser type and version, time zone setting and location, browser plug-in types and versions, the operating system and platform. In addition, aggregated data or anonymised data may be held by us.
- 3.3 If you communicate with us then, depending on the nature of your communication, we will collect personal data about you.
- 3.4 We source your personal data from the information you provide to us either via our website or otherwise in connection with the services which we provide to you. For example, we may require you to provide personal data directly to third parties acting in connection with the services we provide to you and such personal data may be transferred to us. Such personal data may be collected from you via direct interactions, or as a result of automated technologies or interactions.
- 3.5 If you do not want us to collect any personal data from you, please do not ask us to provide any services to you or visit our website.

4 How we use and look after your personal data

- 4.1 We will only collect and use personal data where we have a legal basis for doing so. This includes:
- (a) where the use of your personal data is necessary to fulfil a contract with you; or
 - (b) to comply with our legal duties; or
 - (c) any regulatory requirements which we are obliged to comply with; or

- (d) for the purposes of our legitimate interests (to operate successfully and to be responsive to your requests); or
- (e) where you have consented to the collection and use of your personal data.

4.2 We will ensure that our processing of your personal data complies with applicable data protection laws.

5 Why we use personal data

5.1 We may use the personal data that we collect about you for the following purposes:

- (a) to manage our relationship with you;
- (b) to administer and protect our business;
- (c) to use data analytics to improve our products/services, marketing, customer experience/relationship and our website;
- (d) to make suggestions and recommendations to you about products or services that may be of interest to you; or
- (e) to market our products and services to you. This may include sending direct marketing emails and other communications relating to our services or those of our partners, conducting statistical and marketing analysis, undertaking marketing research and sending to you advisories and invitations to seminars and other events.

5.2 We shall only send marketing communications to you to the extent that doing so is necessary for our legitimate interests (to operate successfully and to be responsive to your requests) or where you have consented to us doing so. As set out in paragraph 11 below, you may withdraw that consent at any time by contacting us using the contact details set out at paragraph 2 above. Each electronic marketing communication that you receive from us will also have an "unsubscribe" option, which will allow you to stop receiving similar communications in the future.

5.3 Please note that we may collect and use your personal data without your knowledge or consent, where this is required or permitted by law.

6 Opting out

6.1 You can ask us to stop sending marketing messages to you at any time by contacting us using the contact details set out at paragraph 2 above. Where you opt out of receiving these marketing messages, we may continue to collect and use other personal data about you.

7 If you fail to provide personal data

7.1 Where we need to collect personal data by law, or under the terms of a contract we have with you and you fail to provide that data when requested, we may not be able to perform the contract. In this case, we may have to cancel a product or service you have with us, but we will notify you at the time if this is the case.

8 Cookies and Similar Technologies

We use cookies and similar technologies for a number of reasons, including to help personalize your experience. When visiting www.backedassets.fi (the "**Site**"), you shall be notified of the use of and placement of cookies and other similar technologies on your device as specified herein.

8.1 What are Cookies? A cookie is a small piece of text that is sent to a user's browser or device. The browser provides this piece of text to the device of the originating user when this user returns.

- (a) A "session cookie" is temporary and will remain on your device until you leave the Site.
- (b) A "persistent" cookie may be used to help save your settings and customizations across visits. It will remain on your device until you delete it.
- (c) First-party cookies are placed by us, while third-party cookies may be placed by a third party. We use both first- and third-party cookies.
- (d) We may use the terms "cookies" to refer to all technologies that we may use to store data in your browser or device or that collect information or help us identify you in the manner described above, such as web beacons or "pixel tags".

8.2 How We Use Cookies. We use cookies and similar technologies for a number of reasons, as specified below. We will not place any cookies on your browser that are not strictly necessary unless you have first consented to the cookie pop up.

The specific names and types of the cookies, web beacons, and other similar technologies we use may change from time to time. However, the cookies we use generally fall into one of the following categories:

Type of Cookie	Why We Use These Cookies
Necessary	These cookies are necessary in order to allow the Site to work correctly. They enable you to access the Site, move around, and access different services, features, and tools. Examples include remembering previous actions (e.g. entered text) when navigating back to a page in the same session. These cookies cannot be disabled.
Functionality	These cookies remember your settings and preferences and the choices you make (such as language or regional preferences) in order to help us personalize your experience and offer you enhanced functionality and content.
Security	These cookies can help us identify and prevent security risks. They may be used to store your session information to prevent others from changing your password without your login information.
Performance	These cookies can help us collect information to help us understand how you use our Site, for example whether you have viewed messages or specific pages and how long you spent on each page. This helps us improve the performance of our Site.
Analytics	These cookies collect information regarding your activity on our Site to help us learn more about which features are popular with our users and how our Site can be improved.

- 8.3 Third Party Cookies. We use cookies from Google Analytics and Webflow. Additionally, cookies may be placed in messages we send in order to track your interaction with such emails.
- 8.4 How to Adjust Your Preferences. Most Web browsers are initially configured to accept cookies, but you can change this setting so your browser either refuses all cookies or informs you when a cookie is being sent. In addition, you are free to delete any existing cookies at any time. Please note that some features of the Services may not function properly when cookies are disabled or removed. For example, if you delete cookies that store your account information or preferences, you will be required to input these each time you visit, and if you block cookies, certain legal notices may re-appear on each page of the Site that you visit.

9 Disclosures and transfers of your personal data

- 9.1 We have business relationships with third parties. In some instances we may disclose your personal information to third parties where this is necessary to perform the services for which you have engaged us or otherwise in furtherance of an outsourcing or other data processing arrangement. We may also share your personal data:
- (a) with professional advisors such as auditors, law firms, or accounting firms;
 - (b) for legal and security reasons and to protect our services and business;
 - (c) with our affiliates; or
 - (d) in connection with an asset sale or purchase, a share sale, purchase or merger, bankruptcy, or other business transaction or re-organisation,

in each case in our legitimate interests (to operate successfully and to be responsive to your requests) or as required by law, as applicable. In such circumstances, any transfer of data to a third party will only be made in accordance with applicable data protection laws and on terms agreed with us. In relation to any other third parties, we will only disclose or transfer your information where you have given your consent, where it is in our legitimate interests to do so (to operate successfully and to be responsive to your requests), where it is necessary to perform our contract with you, or where we are required to do so by law or other regulatory code or practice, or where it is necessary for the purpose of, or in connection with legal proceedings or in order to exercise or defend legal rights.

- 9.2 Your personal data may be transferred to, or accessed from, countries whose laws provide a level of protection for personal data not always equivalent to the level of protection that may be provided in your own country. In particular, if you are located inside Jersey, the UK or the European Economic Area ("**EEA**") your personal data may be transferred to a country outside of Jersey, the UK or the EEA. We will ensure that cross border transfers comply with all relevant laws and regulations.
- 9.3 Unless:
- (a) you have expressly consented to the transfer of your personal data;
 - (b) the transfer is necessary for the performance of the services for which we have been engaged or the conclusion or performance of a contract concluded in your interests; or
 - (c) the transfer is otherwise permitted by applicable data protection laws,

we will only transfer your personal data to a country that is deemed to have an adequate level of protection under the applicable data protection law or otherwise where we have put in place adequate safeguards to protect the personal data. In particular, where we send your

personal data outside of Jersey, the UK or the EEA, we shall only do so where the recipient of the data is subject to:

- (a) binding corporate rules;
- (b) standard data protection clauses approved under applicable law;
- (c) an approved code of conduct; or
- (d) an approved certification mechanism.

9.4 Further details on the safeguards adopted by us may be obtained by contacting us using the contact details set out at paragraph 2 above.

10 How long we keep personal data

10.1 We will only retain your personal data for as long as reasonably necessary to fulfil the purposes we collected it for, including for the purposes of satisfying any legal, regulatory, tax, accounting or reporting requirements. We may retain your personal data for a longer period in the event of a complaint or if we reasonably believe there is a prospect of litigation in relation to our relationship with you.

10.2 To determine the appropriate retention period for personal data, we consider the amount, nature and sensitivity of the personal data, the potential risk of harm from unauthorised use or disclosure of your personal data, the purposes for which we process your personal data and whether we can achieve those purposes through other means, and the applicable legal, regulatory, tax, accounting or other requirements.

10.3 In some circumstances we will anonymise your personal data (so that it can no longer be associated with you) for research or statistical purposes, in which case we may use this information indefinitely without further notice to you.

11 Your legal rights

11.1 Under certain circumstances, you have the following rights under data protection laws in relation to your personal data. In each case, the exercise of these rights is subject to the provisions of the data protection legislation:

- (a) **Request access to your personal data (commonly known as a "data subject access request"):** This enables you to receive a copy of the personal data we hold about you and to check that we are lawfully processing it.
- (b) **Request correction of the personal data that we hold about you:** This enables you to have any incomplete or inaccurate data we hold about you corrected, though we may need to verify the accuracy of the new data you provide to us.
- (c) **Request erasure of your personal data:** This enables you to ask us to delete or remove personal data where there is no good reason for us continuing to process it. You also have the right to ask us to delete or remove your personal data where you have successfully exercised your right to object to processing (see below), where we may have processed your information unlawfully or where we are required to erase your personal data to comply with local law. Note, however, that we may not always be able to comply with your request of erasure for specific legal reasons which will be notified to you, if applicable, at the time of your request.
- (d) **Object to processing of your personal data:** This enables you to object to processing your personal data where we are relying on a legitimate interest (or those of a third party). You also have the right to object where we are processing your personal data for direct marketing purposes. In some cases, we may demonstrate that we have

compelling legitimate grounds to process your information which override your rights and freedoms.

- (e) **Request restriction of processing of your personal data:** This enables you to ask us to suspend the processing of your personal data in the following scenarios:
 - (i) if you want us to establish the data's accuracy;
 - (ii) where our use of the data is unlawful but you do not want us to erase it;
 - (iii) where you need us to hold the data even if we no longer require it as you need it to establish, exercise or defend legal claims; or
 - (iv) you have objected to our use of your data but we need to verify whether we have overriding legitimate grounds to use it.
- (f) **Request the transfer of your personal data to you or to a third party:** We will provide to you, or a third party you have chosen, your personal data in a structured, commonly used, machine-readable format. Note that this right only applies to automated information which you initially provided consent for us to use or where we used the information to perform a contract with you.
- (g) **Withdraw consent at any time where we are relying on consent to process your personal data:** However, this will not affect the lawfulness of any processing carried out before you withdraw your consent. If you withdraw your consent, we may not be able to provide certain products or services to you. We will advise you if this is the case at the time you withdraw your consent.

11.2 If you wish to exercise any of the rights set out above, please contact us using the contact details set out at paragraph 2 above.

12 Third-party links

12.1 This website may include links to third-party websites, plug-ins and applications. Clicking on those links or enabling those connections may allow third parties to collect or share data about you. We do not control these third-party websites and are not responsible for their privacy policies. When you leave our website, we encourage you to read the privacy notice of every website that you visit.

13 Changes to the privacy notice

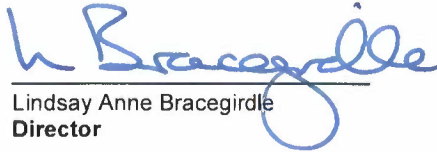
13.1 We keep our privacy notice under regular review. This privacy notice may be updated from time to time and was last updated on or around the date of this Securities Note. The current version of this privacy notice shall be displayed on our website or may be requested using the contact details set out at paragraph 2 above.

13.2 If you would like to access previous versions of this notice please contact us using the contact details set out at paragraph 2 above.

14 Complaints

14.1 You have the right to make a complaint at any time to the Jersey Data Protection Authority, the Jersey supervisory authority for data protection issues, which is contactable at the Jersey Office of Information Commissioner (JOIC – <https://jerseyoic.org>). We would, however, appreciate the chance to deal with your concerns before you approach the JOIC, so please contact us in the first instance.

Signature Page
Backed Assets (JE) Limited
Securities Note



Lindsay Anne Bracegirdle
Director