

**BASE PROSPECTUS**

dated 15 December 2022

for the issuance of

**DIGITAL ASSET CERTIFICATES**

under the

**ISSUANCE PROGRAM**

of

**VALOUR INC.**

*(a company registered under the laws of the Cayman Islands)*

**V A L O U R**

## IMPORTANT INFORMATION

This base prospectus (the "**Base Prospectus**") contains information relating to Certificates (as defined below) to be issued under the programme (the "**Programme**"). Under the Base Prospectus, Valour Inc. (the "**Issuer**", "**Valour**" or the "**Company**") may, from time to time, issue Certificates which are offered to the public and/or apply for such Certificates to be admitted to trading on one or more regulated markets or multilateral trading facilities ("**MTF's**") in Sweden, Germany and, subject to the prior completion of all relevant notification measures, certain other countries within the EEA as specified herein.

The Certificates are not principal-protected (save where and only to the extent a Minimum Redemption Amount is explicitly applicable pursuant to the relevant Final Terms) and do not bear interest. Consequently, the value of, and any amounts payable under, the Certificates will be strongly influenced by the performance of the relevant Digital Asset or Index (each as defined herein) and, where the Settlement Currency is other than the Reference Currency (as defined herein), the exchange rate between the Reference Currency and the relevant Settlement Currency

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

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

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

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

The Certificates have not been, and will not be, registered under the Securities Act 1933, as amended of the United States (the "**Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction of the United States. The Certificates may not be offered, sold or (in the case of bearer securities) delivered within the United States or to, or for the account or benefit of, US persons, except pursuant to offers and sales in an offshore transaction that occurs outside the United States in accordance with the applicable provisions of Rule 903 of Regulation S under the Securities Act or pursuant to another available exemption from the registration requirements under the Securities Act.

This Base Prospectus has not been reviewed or approved by any Swiss prospectus reviewing body (*Prüfstelle*). This is not a prospectus for the purposes of the Swiss Federal Financial Services Act (the "**FinSA**"), may not be used for a public offering in Switzerland requiring such prospectus, and the Issuer will not be responsible for the content of this document in relation to any offering which requires such a prospectus.

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

## TABLE OF CONTENTS

	SECTION	PAGE
1	General description of the Program	4
2	Risk Factors	21
3	The Issuer	34
4	Incorporation by reference and documents on display	41
5	Taxation	43
6	The General Conditions Governing the Certificates	44
7	Form of Final Terms	58
8	Offering and sale	67
9	Addresses	71

## 1. GENERAL DESCRIPTION OF THE PROGRAMME

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

### 1.1. This Base Prospectus

This Base Prospectus has been approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the “**SFSA**”), as competent authority under Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). The SFSA only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the Issuer that is the subject of this Base Prospectus. Such approval should not be considered as an endorsement of the quality of the securities that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

The Base Prospectus permits offers of Certificates linked to a Digital Asset or to an Index linked to *inter alia* digital assets (each as defined below) to the public in Sweden and/or an admission to trading of such Certificates on a regulated market in Sweden. The Issuer may request the SFSA to notify the approval of the Base Prospectus to the *Bundesanstalt für Finanzdienstleistungsaufsicht* of Germany by providing them with, *inter alia*, certificates of approval attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Regulation. The Certificates may be offered to the public in Sweden and/or in Austria, Belgium, Denmark, Finland, France, Germany, Italy, Luxembourg, the Netherlands, Norway, and Spain and/or, subject to completion of relevant notification measures, any other Member State within the EEA. The Issuer may request the SFSA to notify the approval of the Base Prospectus to other EEA Member States in accordance with the Prospectus Regulation for the purposes of making a public offer in such Member States or for admission to trading of all or any Certificates on a regulated market therein, or both.

### 1.2. Warning regarding expiry of the Base Prospectus and supplements thereto

Investors should note that this Base Prospectus is valid for a maximum period up to and including 15 December 2023.

The Issuer shall prepare a supplement (each, a Supplement) to this Base Prospectus or publish a new base prospectus if there is a significant change affecting any matter contained in this Base Prospectus or a significant new matter arises, the inclusion of information in respect of which would have been so required if it had arisen when this Base Prospectus was prepared and/or pursuant to Article 23 of the Prospectus Regulation. The obligation to supplement a prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when a prospectus is no longer valid.

### 1.3. The Program

The Program described in this Base Prospectus enables Valour to, from time to time, issue Certificates linked to a Digital Asset or an Index (each as defined below) with digital assets as predominant constituents and apply for such Certificates to be admitted to trading on one or more regulated markets as well as multi-lateral trading facilities. The Certificates may be offered to the public in Sweden and/or in Austria, Belgium, Denmark, Finland, France, Germany, Italy, Luxembourg, the Netherlands,

Norway, and Spain and/or, subject to completion of relevant notification measures, any other Member State within the EEA. The Certificates will be created under and governed by Swedish law.

The Certificates are transferable, but Holders may be subject to purchase or transfer restrictions with regard to the Certificates, as applicable, under local laws to which a Holder may be subject. Each Holder must ensure compliance with such restrictions at its own cost and expense. The Issuer has applied for admission to trading on the Nordic MTF operated by Nordic Growth Market (NGM AB) in Sweden, a subsidiary of Bourse Stuttgart in Stuttgart, Germany for certain Certificates and may apply there for further Certificates. Application may be made to the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (the "**Frankfurt Stock Exchange**") for Certificates issued under this Program to be admitted to listing and trading on the Regulated Market of the Frankfurt Stock Exchange. The Issuer may also apply to the Bourse Stuttgart (the "**Stuttgart Stock Exchange**") for Certificates issued under this Program to be admitted to listing and trading on the Regulated Market of the Stuttgart Stock Exchange.

Subject to regulatory requirements, the Issuer may apply for the Certificates to be admitted to trading on a regulated market or any other marketplace, such as an MTF, in Sweden and/or in Austria, Belgium, Denmark, Finland, France, Germany, Italy, Luxembourg, the Netherlands, Norway, and Spain and/or, subject to completion of relevant notification measures, any other Member State within the EEA. At this stage there can be no guarantee given that the application to have the Certificates admitted to trading on any such market, will be accepted. The Issuer may also issue one or more Series of Certificates that are not intended to be admitted to trading.

The General Conditions in this Base Prospectus apply to all Certificates issued under this Program as modified, supplemented and completed in accordance with the provisions in the relevant Final Terms.

#### **1.4. General description of Certificates**

The Certificates are non-equity linked securities which, directly or indirectly, synthetically track the performance of the price of Digital Assets (as defined in section 1.5. "*Digital Assets*" below) less a fee component. The Certificates will be denominated in a Settlement Currency specified in the relevant Final Terms and, consequently, where the Settlement Currency is other than the Reference Currency, there will also be a foreign exchange rate exposure between the Reference Currency and the relevant Settlement Currency which may impact (positively or negatively) the market value and final return from an investment in the Certificates.

The Certificates will have Digital Assets as the direct or indirect main synthetic underlying exposure. Such exposure may consist of one of the following:

- (i) **Single Digital Asset:** A Series of Certificates that provide exposure to a single Digital Asset as specified in the relevant Final Terms;
- (ii) **Basket of Digital Assets:** A Series of Certificates that provide exposure to two or more Digital Assets in the form of a static basket of Digital Assets as specified in the relevant Final Terms; or
- (iii) **Index consisting of Digital Assets:** A Series of Certificates that provide exposure to a single Index as specified in the relevant Final Terms.

The possible return that an investor will obtain will depend on the development of the specific single exposure applicable to the relevant Series of Certificates and, where the relevant Settlement Currency (i.e., the currency in which the relevant Series of Certificates are denominated) is other than the Reference Currency, the exchange rate between the Reference Currency and the relevant Settlement Currency, less a fee component as applicable to the relevant Series of Certificates.

The Certificates may be issued as open-ended Certificates without a scheduled maturity date. The provisions regarding Issuer Call option and/or Holder Put Option may result in early redemption.

The Certificates are not principal-protected (save where and only to the extent a Minimum Redemption Amount is explicitly applicable pursuant to the relevant Final Terms) and the Settlement Amount payable upon redemption may be as low as zero. The Certificates do not bear interest.

During the life cycle of the Certificates, the value of the Certificates will depend on a number of factors, for example, the observed relevant prices of the relevant exposure to Digital Assets and, as the case may be, the other index constituents, the foreign exchange rate between the Reference Currency and the Settlement Currency, the level of market interest rates, expected volatility of the underlying Digital Assets and, as the case may be, the other index constituents, the index methodology of the relevant Index, the leverage of the relevant Index, the supply and demand of the relevant Digital Assets and, as the case may be, the other index constituents, and the perceived credit risk associated with the Issuer.

**1.5. Digital Assets**

Digital assets, also sometimes called cryptoassets, are a type of private asset that depend primarily on cryptography and distributed ledger technology as part of their perceived or inherent value. A wide range of cryptoassets exist, including payment/exchange-type tokens (for example, the so-called virtual currencies (VCs)), investment-type tokens, and tokens applied to access a good or service (so-called ‘utility’ tokens).

The digital assets forming part of the exposure for a particular Series of Certificates providing exposure to a single digital asset will be the digital asset specified in the relevant Final Terms. Such digital asset (each a “**Digital Asset**”) must always consist of one of the digital assets that are among the top 124 digital assets with the highest market capitalization at the time of preparation of the relevant Final Terms. The assessment shall be based on:

- (1) the data regarding market capitalization and price per unit in USD as published on coinmarketcap.com;
- (2) if no current data is available as per (1) above, the most recent set of such data published on coinmarketcap.com; or
- (3) if (a) no current data as per (1) above is available and (b) no set of such data as per (2) is readily available for the public, the following table (which reflects such data as of approximately 6pm on 1 December 2022),

in each case, subject to any limitations pursuant to applicable local legal and regulatory requirements:

Rank	Name	Symbol	Price	Market Cap
1	Bitcoin	BTC	\$17 096,23	\$328 619 720 090,48
2	Ethereum	ETH	\$1 278,96	\$156 511 225 569,93
3	Tether	USDT	\$1,00	\$65 364 717 622,10
4	BNB	BNB	\$293,95	\$47 023 930 926,23
5	USD Coin	USDC	\$1,00	\$43 274 595 535,74
6	Binance USD	BUSD	\$1,00	\$22 227 551 739,17
7	XRP	XRP	\$0,40	\$20 090 282 501,45
8	Cardano	ADA	\$0,32	\$10 915 672 173,12
9	Polygon	MATIC	\$0,93	\$8 109 439 640,04
10	Polkadot	DOT	\$5,38	\$6 136 483 372,62
11	Litecoin	LTC	\$78,03	\$5 597 579 933,81
12	TRON	TRX	\$0,05	\$5 018 657 994,18

13	Solana	SOL	\$13,70	\$4 979 512 607,87
14	Uniswap	UNI	\$5,82	\$4 438 397 861,28
15	Avalanche	AVAX	\$13,03	\$4 040 044 262,81
16	Chainlink	LINK	\$7,65	\$3 887 308 689,98
17	UNUS SED LEO	LEO	\$3,87	\$3 691 059 140,42
18	Wrapped Bitcoin	WBTC	\$17 066,71	\$3 666 698 429,29
19	Cosmos	ATOM	\$10,33	\$2 958 244 486,20
20	Ethereum Classic	ETC	\$20,00	\$2 761 883 067,26
21	Stellar	XLM	\$0,09	\$2 276 146 088,78
22	Toncoin	TON	\$1,81	\$2 212 088 541,59
23	Bitcoin Cash	BCH	\$111,00	\$2 136 109 567,49
24	Algorand	ALGO	\$0,24	\$1 728 332 469,55
25	Cronos	CRO	\$0,07	\$1 648 085 785,67
26	Quant	QNT	\$123,41	\$1 489 948 195,81
27	Filecoin	FIL	\$4,40	\$1 450 615 968,17
28	NEAR Protocol	NEAR	\$1,74	\$1 445 886 726,33
29	ApeCoin	APE	\$3,96	\$1 431 162 099,40
30	VeChain	VET	\$0,02	\$1 390 682 258,57
31	OKB	OKB	\$21,57	\$1 293 942 305,58
32	Flow	FLOW	\$1,11	\$1 153 481 061,99
33	Hedera	HBAR	\$0,05	\$1 150 434 704,37
34	Internet Computer	ICP	\$4,17	\$1 144 798 273,74
35	MultiversX (Elrond)	EGLD	\$43,59	\$1 035 794 997,52
36	Huobi Token	HT	\$6,66	\$1 021 315 125,60
37	EOS	EOS	\$0,94	\$1 006 280 169,57
38	Chiliz	CHZ	\$0,16	\$995 312 944,23
39	Theta Network	THETA	\$0,95	\$947 769 123,55
40	Pax Dollar	USDP	\$1,00	\$947 892 843,13
41	Tezos	XTZ	\$1,01	\$927 332 425,87
42	Aave	AAVE	\$64,12	\$903 690 546,32
43	The Sandbox	SAND	\$0,59	\$879 595 275,27
44	Chain	XCN	\$0,04	\$866 923 964,10
45	Trust Wallet Token	TWT	\$2,05	\$854 616 844,71
46	Bitcoin SV	BSV	\$42,32	\$814 179 804,10
47	TrueUSD	TUSD	\$1,00	\$754 395 450,24
48	Decentraland	MANA	\$0,41	\$753 865 828,87
49	Axie Infinity	AXS	\$6,92	\$691 667 053,09
50	BitTorrent-New	BTT	\$0,00	\$671 591 918,57
51	KuCoin Token	KCS	\$6,67	\$656 592 048,10
52	Fantom	FTM	\$0,26	\$652 743 515,69
53	BitDAO	BIT	\$0,31	\$649 421 594,38
54	Maker	MKR	\$653,21	\$638 600 827,81
55	PancakeSwap	CAKE	\$3,94	\$634 306 022,57
56	Aptos	APT	\$4,73	\$614 968 608,50
57	Gemini Dollar	GUSD	\$1,01	\$611 167 913,80
58	IOTA	MIOTA	\$0,21	\$595 125 766,73
59	PAX Gold	PAXG	\$1 786,41	\$580 958 305,53
60	Klaytn	KLAY	\$0,19	\$574 601 399,10
61	eCash	XEC	\$0,00	\$569 552 484,30
62	Neo	NEO	\$6,89	\$486 271 064,50
63	The Graph	GRT	\$0,06	\$441 741 927,08
64	Mina	MINA	\$0,57	\$433 404 709,81
65	THORChain	RUNE	\$1,28	\$422 463 922,08
66	Synthetix	SNX	\$1,74	\$419 643 779,48

67	GateToken	GT	\$3,66	\$396 789 641,81
68	GMX	GMX	\$49,60	\$396 307 189,88
69	EthereumPoW	ETHW	\$3,51	\$377 287 178,99
70	BinaryX	BNX	\$131,05	\$365 359 407,94
71	Nexo	NEXO	\$0,65	\$362 356 480,13
72	Lido DAO	LDO	\$1,12	\$349 677 317,26
73	Basic Attention Token	BAT	\$0,23	\$349 214 095,02
74	Curve DAO Token	CRV	\$0,66	\$348 667 633,39
75	Stacks	STX	\$0,25	\$336 177 841,65
76	Loopring	LRC	\$0,25	\$332 609 695,89
77	ImmutableX	IMX	\$0,48	\$327 144 673,77
78	1inch Network	1INCH	\$0,52	\$326 233 768,01
79	Arweave	AR	\$9,52	\$317 932 997,05
80	Casper	CSPR	\$0,03	\$313 841 824,90
81	Helium	HNT	\$2,33	\$312 586 618,70
82	Kava	KAVA	\$0,92	\$310 892 401,16
83	Zilliqa	ZIL	\$0,02	\$310 521 159,14
84	Enjin Coin	ENJ	\$0,31	\$308 413 350,74
85	NEM	XEM	\$0,03	\$296 664 117,90
85	Convex Finance	CVX	\$4,09	\$293 416 171,38
86	Balancer	BAL	\$6,29	\$287 560 382,50
87	Holo	HOT	\$0,00	\$286 975 519,94
88	Ethereum Name Service	ENS	\$14,06	\$284 631 488,87
89	XDC Network	XDC	\$0,02	\$282 629 122,79
90	Osmosis	OSMO	\$0,99	\$280 896 477,80
91	Celo	CELO	\$0,58	\$278 802 215,00
92	Compound	COMP	\$37,96	\$275 879 845,76
93	Mask Network	MASK	\$3,92	\$267 361 142,42
94	Ravencoin	RVN	\$0,02	\$263 823 596,60
95	Bitcoin Gold	BTG	\$15,00	\$262 693 074,49
96	Waves	WAVES	\$2,36	\$259 509 286,62
97	Kusama	KSM	\$30,10	\$254 925 285,34
98	Theta Fuel	TFUEL	\$0,05	\$250 920 959,75
99	Optimism	OP	\$1,05	\$247 271 275,99
100	yearn.finance	YFI	\$6 648,51	\$243 586 126,30
101	SwissBorg	CHSB	\$0,24	\$240 844 821,65
102	Gnosis	GNO	\$90,64	\$233 822 233,57
103	STEPN	GMT	\$0,39	\$233 038 354,97
104	Qtum	QTUM	\$2,22	\$231 767 937,67
105	Golem	GLM	\$0,22	\$224 194 474,10
106	IoTeX	IOTX	\$0,02	\$219 530 639,26
107	Ankr	ANKR	\$0,02	\$218 850 477,74
108	JUST	JST	\$0,02	\$202 595 077,50
109	Kadena	KDA	\$0,95	\$200 807 885,89
110	Polymath	POLY	\$0,22	\$199 009 446,79
111	Symbol	XYM	\$0,03	\$195 203 323,92
112	Livepeer	LPT	\$7,56	\$189 823 928,20
113	Harmony	ONE	\$0,01	\$184 996 576,70
114	Chia	XCH	\$31,20	\$181 083 337,45
115	Gala	GALA	\$0,03	\$179 326 116,06
116	ICON	ICX	\$0,19	\$178 333 406,25
117	SushiSwap	SUSHI	\$1,39	\$176 561 090,47
118	Reserve Rights	RSR	\$0,00	\$175 694 177,90
119	OMG Network	OMG	\$1,23	\$172 243 414,39



120	Hive	HIVE	\$0,36	\$172 001 299,81
121	ABBC Coin	ABBC	\$0,16	\$171 341 903,59
122	Moonbeam	GLMR	\$0,37	\$168 026 352,95
123	0x	ZRX	\$0,19	\$163 166 038,91
124	Ontology	ONT	\$0,19	\$162 102 114,73

The data regarding market capitalization and price per unit in USD reflects such data as of approximately 6 pm on 1 December 2022. Such data is not indicative of future performance of the Certificates or any single Digital Asset. Third party source: coinmarketcap.com. This price source does not form part of this Base Prospectus and has not been scrutinised or approved by the SFSA.

The Digital Assets forming part of the exposure for a particular Series of Certificates providing exposure to a static basket of Digital Assets will always be composed of a set number of digital assets with the initial weighting as specified in the relevant Final Terms. The composition of any such basket must always consist of a selection of the relevant number of Digital Assets contained in the list stated above.

A Series of Certificates providing exposure linked to an Index will give indirect exposure to the relevant digital assets constituting constituents of such Index from time to time pursuant to the rules governing the calculation, composition and methodology of the relevant Index. The eligible constituents of any such Index must always predominantly consist of a selection of the relevant number of Digital Assets.

A description of common features of Digital Assets is set forth in Section 1.8 below.

### 1.6. Exposure to a single Digital Asset and Basket of Digital Assets

The Issuer may issue Series of Certificates that provide exposure only to the single Digital Asset specified in the relevant Final Terms.

For the purpose of explaining the calculation of the value of the Certificate, a few examples are included below to illustrate such calculation for Single Digital Assets and assuming that the annual fee is fixed at 2.5%:

Exchange	Eligible Market Places			
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
SDA/USD (last paid)	9340	9360	9348	9341
SDA/USD (average)	$(9340+9360+9348+9341) / 4 = 9347.25$			
USD/SEK (mid-price)	9.7125			
SDA/SEK (“Asset-Level”)	$9352.25*9.7125=90,785.1656$			
Aggregate daily management fee subtracted (2.5% per annum)	$90,785.1656-6.2182=90,778.9474$			
Apply the multiplier (1/1000)	$90,778.9474*0.001=90.7789$			
Fair value of the SDA Certificate in SEK (“Reference Price”)	90.78			

Furthermore, for purpose of exemplifying the product and the components affecting the value of the product, examples of outcomes are shown below.

An investor buys 100 Certificates of a Single Digital Asset at 90 SEK per Certificate for a notional value of 9,000 SEK. Assuming that after 90 days, the value of the relevant Digital Asset (the “SDA”) in USD has increased by 5% and the exchange rate USD/SEK has increased by 1%. Assuming linear performance, the management fee paid during the period is 0.5714 SEK per certificate or 57.14 SEK in notional value. The total performance after fees is 5.3651% and the investor’s certificates are worth 94.83 SEK per certificate or 9,482.86 SEK in notional value.

An investor buys 2,000 Certificates of a Single Digital Asset at 5 EUR per Certificate for a notional value of 10,000 EUR. Assuming that after 540 days, the value of the relevant SDA/USD has increased by 35% and the value of the exchange rate EUR/USD has increased by 5%. Assuming linear performance, the management fee paid during the period is 0.22192 EUR per certificate or 443.8356 EUR in notional value. The total performance after fees is 35.562% and the investor's certificates are worth 6.78 EUR per certificate or 13,556.16 EUR in notional value.

An investor buys 200 Certificates of a Single Digital Asset at 50 SEK per Certificate for a notional value of 10,000 SEK. Assuming that after 180 days, the value of SDA/USD has decreased by 20% and the exchange rate USD/SEK has increased by 8%. Assuming linear performance, the management fee paid during the period is 0.57945 SEK per certificate or 115.89041 SEK in notional value. The total performance after fees is -13.159% and the investor's certificates are worth 43.42 SEK per certificate or 8,684.11 SEK in notional value.

The Issuer may also issue Series of Certificates that provide exposure to two or more Digital Assets specified in the relevant Final Terms, i.e. a Basket of Digital Assets. The relevant Final Terms will specify all of the Digital Assets comprising the Basket of Digital Assets and the initial relative weight(s) of the Digital Assets. The illustrative example above regarding exposure to a single Digital Assets applies *mutatis mutandis* also to a Basket of Digital Assets, i.e. the price of each component in the relevant Basket of Digital Assets calculated and the relative weight of each component of the relevant Basket of Digital Assets is applied.

### **1.7. Exposure to an Index consisting of predominantly Digital Assets**

The Issuer may issue one or more Series of Certificates providing an exposure to a single Index.

The relevant Index will be maintained and calculated in accordance with the rules governing the relevant Index and the index methodology applicable to the relevant Index. The index methodology may differ between different types of indices, which may result in different types of exposure, please refer to the information in the sections "*Risk factors related to the type of Index*" and "*Risk factors related to Indices with a leverage feature*" in section "2. Risk Factors" below.

The relevant Index will be composed of the index constituents stipulated in the rules governing the relevant Index. The relevant Index will have Digital Assets as the predominant portion of the index constituents. But the additional index constituents could also provide exposure towards equity assets (i.e. shares and/or depositary receipts regarding shares) and/or commodity assets (e.g. precious metals). Different types of index constituents may be associated with different risks. In addition to the risk factors relating to Digital Assets, please also refer to the information in the sections "*Risk factors related to Indices with equity assets as additional constituents*" and "*Risk factors related to Indices with commodity assets as additional constituents*" in section "2. Risk Factors" below.

Further information regarding the eligible Indices is set forth below in this section 1.7. In respect of any particular Series of Certificates linked to an Index, the relevant Index will be specified in the relevant Final Terms, identify the relevant benchmark administrator and contain references to where further information of the relevant Index is available.

### *The Vinter Valour benchmark family*

The complete set of rules of any Index and information on the performance of such Index are freely accessible on the Issuer's or the relevant Benchmark Administrator's website as detailed in the table below. The governing rules of the relevant Index (including the methodology of the Index for the selection and the rebalancing of the components of the Index, description of market disruption events and adjustment rules) are based on predetermined and objective criteria, which can be found in the websites noted in the table below. Such websites do not form part of this Base Prospectus and have not been scrutinised or approved by the SFSA.

Invierno AB ("**Vinter**"), Reg. No. 559207-4172, Box 5193, 10244 Stockholm, Sweden is the benchmark administrator of the Vinter Valour benchmark family and the central recipient of input data with the ability to evaluate the integrity and accuracy of input data on a consistent basis. Vinter is responsible for the development of the index and controls all aspects of the provision of the benchmark. Vinter has established a permanent and effective oversight function, governance processes subject to periodic reviews and audits, policies regarding complaints, ethics, conflicts of interest, and contingency, and has established a clear internal organizational structure with consistent roles and responsibilities to identify, prevent, disclose, mitigate, and manage conflicts of interest.

The European Securities and Markets Authority has included Invierno AB in its register of Benchmark Administrators approved to carry on the regulated activity of administering a benchmark.

Index Name	Benchmark Administrator	Index Description	Index Methodology	Index Information Source
Vinter Valour Digital Asset Basket 10 Index	Invierno AB	The Index tracks the 10 largest Digital Assets based on the average monthly market capitalization on the 15th calendar day of the month, for the two most recent months. The constituents are weighted by their current market capitalization, with a maximum weight of 30%. If a constituent exceeds the maximum weight, its weight will be reduced to the maximum weight and the excess weight will be redistributed proportionally across all other index components. This process is repeated until no component has a weight exceeding the maximum weight. The selection of constituents and their target weights is rebalanced quarterly on the last business day of the month, starting end of June.	<a href="https://vinter.co/valour">https://vinter.co/valour</a>	Index values are available in the Vinter API
Vinter Valour DEFI5 Index	Invierno AB	The Index tracks the five (5) largest Decentralized Finance (DeFi) assets as determined by the current market capitalization on the 15th calendar day of the month. The constituents are weighted by their current market capitalization. The selection of constituents and their target weights is rebalanced quarterly on the last business day of the month, starting end of June.	<a href="https://vinter.co/valour">https://vinter.co/valour</a>	Index values are available in the Vinter API
Vinter Valour Dollar Yield index	Invierno AB	The index measures the market yield of lending out selected crypto assets (e.g. USDT and USDC) on trading and lending platforms that fulfill Vinter's eligibility criteria. The market yield is calculated as an aggregation from the selected assets and platforms, multiplied by a utilization rate that is estimated according to the index methodology developed by Vinter and Valour.	<a href="https://vinter.co/valour">https://vinter.co/valour</a>	Index values are available in the Vinter API
Vinter Valour Metaverse Index	Invierno AB	The Index tracks the top five selected digital asset constituents in the metaverse category. The metaverse includes, but is not limited to, entertainment, sports, and retail. Digital assets are eligible as benchmark constituents if they fulfill the eligibility and selection criteria defined in the benchmark statement and the index methodology.	<a href="https://vinter.co/valour">https://vinter.co/valour</a>	Index values are available in the Vinter API

### **Main features of the Vinter Valour benchmark family**

The above indices administered by Vinter are built around eligible crypto-assets trading on eligible exchanges. Each benchmark within the Vinter Valour benchmark family is governed by a relevant index methodology and benchmark statement.<sup>1</sup>

#### **Eligible Constituents**

Crypto-assets trading on eligible exchanges are eligible as index constituents if they:

1. are a cryptographically secured digital bearer instrument;
2. are not index tokens, stablecoins or pegged to another asset such as currencies or commodities;

<sup>1</sup> <https://compliance.vinter.co/crypto-assets>.

3. are not an ongoing Initial Coin Offering;
4. are not under investigation or deemed a security or fraudulent by a public financial regulatory authority with jurisdiction over the constituent or its wrapper;
5. are supported by the industry including market makers, custodians and regulated exchanges;
6. can be deposited to and withdrawn from least two eligible exchanges;
7. are freely traded and can be freely held for the foreseeable future;
8. have for the past month had a daily trading volume that exceeds USD 10 million on at least two eligible exchanges; and
9. allow for cold storage
10. have an average market capitalization above USD 1 billion the last month;
11. trade against a G10 currency (AUD, CAD, EUR, JPY, NZD, NOK, GBP, SEK, CHF, USD);  
and
12. are not designed to be private.

#### Eligible Exchanges

For an exchange to be eligible it must have:

1. been operating as a crypto asset exchange for a minimum of two years;
2. implemented trading, deposits, and withdrawal fees for a minimum of one month without interruption;
3. met a minimum monthly volume threshold of USD 30 million with respect to the total trading volume;
4. provided reliable, continuous, and valid market data for a minimum of one month;
5. offered the possibility to withdraw and deposits for a minimum of one month settling in 2-7 business days;
6. chosen a jurisdiction of incorporation that offers sufficient investor protection such as Financial Action Task Force (FATF), FATF-style regional bodies (FSRBs) or Moneyval member states;
7. complied with relevant anti-money laundering and know-your-customer regulations;
8. cooperated with requests from Vinter and relevant regulatory bodies;
9. provided information concerning ownership and corporate structure; and
10. not been declared unlawful by any governmental authority or agency with jurisdiction over the exchange.

#### Indices provided by Compass Financial Technologies

Compass Financial Technologies SA is an independent swiss-based company focused on the design, calculation and administration of market benchmarks and tailor-made quantitative investment strategies. Founded in 2017, Compass has offices in Lausanne and Paris. The team works with its clients to develop bespoke and innovative indices supporting them along each step from beginning to end. Compass founding partners have a strong and successful experience in designing, implementing and managing rule-based investment strategies. Since more than 20 years, its team has been developing a set of recognized benchmarks ranging from simple vanilla indices to complex index strategies based on quantitative models and market intelligence. Compass calculates nearly 1,500 indices for institutional

clients from investment banks and pension funds to asset managers in several asset classes such as, commodities, real estate, fixed income and digital assets.

On the digital asset class, Compass is a major index provider with several billions USD invested in financial products that track the indices calculated and administrated by the company.

The Issuer and Compass have entered into discussions regarding the potential creation of new indices predominantly of Digital Assets (as defined above) as constituents, which constituents may be combined with constituents in the form of equity assets and/or commodity assets pursuant to the rules governing the relevant index. The Issuer may, subject to the prior publication of a duly approved updated Base Prospectus or a supplement to this Base Prospectus, issue Certificates linked to such new indices.

Compass Financial Technologies (France) is registered as a Benchmarks Administrator by the Autorité des Marchés Financiers (AMF) under the Benchmark Regulation (as defined below). More details are available at [www.compass-ft.com](http://www.compass-ft.com). This website does not form part of this Base Prospectus and has not been scrutinised or approved by the SFSA.

#### **Other benchmarks as the relevant Index**

For the avoidance of doubt, the Issuer may, subject to the prior publication of a duly approved updated Base Prospectus or a supplement to this Base Prospectus, issue Certificates linked to other proprietary indices. In addition to any such proprietary indices, the Issuer may also issue Certificates tracking such other index as is stated in the relevant Final Terms. However, any such other index is only eligible for use if the relevant index:

- (a) consists predominantly of Digital Assets (as defined above) as constituents, which constituents may be combined with constituents in the form of equity assets and/or commodity assets pursuant to the rules governing the relevant index;
- (b) is administered by a regulated benchmark administrator; and
- (c) is a non-proprietary index in relation to the Issuer.

Each Index will constitute a benchmark subject to Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 Regulation (the “**Benchmark Regulation**”). Each Index will be administered by an administrator included in the register referred to in Article 36 of the Benchmark Regulation.

#### **1.8. Common features of Digital Assets**

In general, many digital asset ecosystems are based on the original code, logic and technical details of either the Bitcoin or the Ethereum protocol.

Bitcoin was the first blockchain ever developed. It was invented in 2008 by an unknown person or group of people using the pseudonym Satoshi Nakamoto who published a white paper that defined the framework for the Bitcoin cryptocurrency. S/He implemented the Bitcoin software as an open-source-code and released the Bitcoin network in January 2009 when s/he mined the first block of the chain, known as the genesis block. Nakamoto disappeared in 2010 after handing over control of the blockchain

to Gavin Andresen who subsequently went on to decentralize control over the future development of the Bitcoin blockchain. Even though Bitcoin has seen large price swings over the years, it has established itself as the most widely held and biggest cryptocurrency by market capitalization and is characterized by their good amount of decentralization, limited supply, relative anonymity, durability, immutability, fungibility and divisibility.

Bitcoin is used as a form of electronic cash for digital payments. The payment system is based on mathematical proof, is decentralized and operates without a central bank or a single administrating authority. Transactions can be done user to user or peer to peer without the involvement of an intermediary. Bitcoin can also be traded on certain crypto currency exchanges and can be converted to traditional fiat currencies.

Generally, Bitcoin transactions are cryptographically registered on a public distributed ledger called a blockchain. All transactions are continuously verified by the Bitcoin network, a decentralized community of users and miners that are validating all transactions that are taking place in the Bitcoin ecosystem.

Bitcoin is open-source software and anyone is entitled to contribute to its development. A de-facto standard implementation is maintained by a group of developers known as “Core Developers”, who are unofficially responsible for the periodic protocol updates. At any time, a new update made by the “Core Developers”, or a new competing implementation, may be presented to the Bitcoin community for inclusion into the protocol. Any such update request is subject to the approval of the processing power on the Bitcoin Network.

If the Bitcoin Network accepts the update unanimously, the whole system is upgraded and no “fork” takes place. However, if only a part of the processing power decides to support the new version a “fork” will take place, with one network (and the coin associated with it) running the original, pre-modification protocol version and the other network (and its associated coin) running the modified protocol version. Indeed, multiple update requests may be presented at the same time, causing one or multiple “forks” to occur simultaneously. This has happened several times.

Ethereum, today’s second most valuable crypto currency when measured by market capitalization, was first floated as a project concept in 2013 and released in July 2015.

Ethereum is an open-source, decentralized software platform that enables developers to create smart contracts and build distributed applications that run on the Ethereum blockchain. The native Ethereum digital asset is ETH.

The original Ethereum blockchain hard-forked into Ethereum ETH and Ethereum Classic ETC in 2016 following the exploitation of a flaw in DAO’s project’s smart contract software. Both these blockchains are using ERC20 tokens, which were designed to be shared, exchanged or stored.

ERC20 is the universal language that makes use of a standardized set of commands that all ERC20 tokens, even on different blockchains, use which makes interaction between them possible.

All blockchains are maintained by its validators, no matter if centralized or decentralized. If only a part of the processing power decides to support a new version a “fork” will take place, with one network (and the coin associated with it) running the original, pre-modification protocol version and the other network (and its associated coin) running the modified protocol version. Indeed, multiple update requests may be presented at the same time, causing multiple “forks” to occur simultaneously.

Holders of a particular digital asset coin before a forking event will technically own each of the resulting coins as well, as they share a common transaction history before the fork. Forks within a network of a particular digital asset coin are not an uncommon occurrence and notice of a forthcoming fork is typically commonly obtained well in advance. There are particular circumstances for each fork and their relative significance varies. It is possible that a particular fork may result in a significant disruption to the underlying asset and, potentially, may result in a market disruption event should pricing become problematic following the fork. It is not possible to predict, with accuracy, the impact which any anticipated fork could have or for how long any resulting disruption may exist.

A fork which results in the creation of a new coin presents a number of operational difficulties. A provider of custodian services may not have the IT-infrastructure to cater for the new coin and its particular characteristics. Indeed, “wallets” may also not have the requisite software in order to receive the new coin. The new coin(s) may not readily be sellable (indeed, providers of custodial services have often been keen to either not release the new coin or to do so only at certain moments in order to protect the security of their custodial systems). If and when a sale does become possible, the degree of market activity at that time in the relevant new coin can have a significant suppressant effect upon its price.

Price discovery in respect of the coins which result from a fork is not typically problematic but there may be an impact upon the Issuer’s creation and redemption processes (specifically, the timescales involved in connection therewith for transactions which have not yet settled, including transactions that have already been initiated) as a consequence of the foregoing operational considerations.

It may be necessary for the Issuer’s listing to be suspended for a period whilst the determination of the coin which is accepted as continuing to be the “true” new particular digital asset coin in question, is undertaken. The need for any such suspension is considered to be a reflection of the market dynamics for the underlying asset, rather than a deficiency to which the Issuer is uniquely subject.

In the event of a future fork of any particular digital asset blockchain, the Issuer will strive, acting in a commercially reasonable manner and with due consideration of any applicable legal, regulatory, issuance and clearing constraints and administrative burden, to maximize the value for the investors of the Certificate. But it is worth noting that it is impossible today to predict all possible scenarios in a transformation event. The Issuer will, on a case-by-case basis, analyse and subjectively decide on the optimal strategy while always keeping the best interest of the investors in mind. At all times will the Issuer transparently communicate the chosen course of action on its homepage as soon as reasonably practicable. If the Issuer in the future receives any income relating to the tokens that are owned in order to hedge its exposure to the underlying digital asset, either from airdrops or other yet unknown sources, any such net proceeds will form part of the Issuer’s own funds.

### **1.9. Common marketplaces for Digital Assets**

In order to hedge its exposure to each Digital Asset, the Issuer relies on cryptocurrency exchanges to be able to buy and sell the Digital Assets which the Certificates track. Some of these exchanges may be unregulated and exposure to these exchanges may be associated with risks. Valour applies a strict policy for counterparty risks, meaning that the Issuer only is exposed to these markets to the extent necessary for the daily business. Valour further applies conservative risk policies whereby only a certain part of the Issuer’s total assets is held at an exchange at any given point in time. The amount which is held at any given exchange depends on the estimated liquidity need of that particular Certificate in a given time period and may fluctuate significantly from time to time. Some of the eligible marketplaces for these purposes are (neither of the websites listed below form part of this Base Prospectus and has not been scrutinised or approved by the SFSA):



*Bitstamp ([www.bitstamp.com](http://www.bitstamp.com))*

Bitstamp is Europe's biggest cryptocurrency exchange and based in Luxembourg. Since 2016, Bitstamp is fully regulated in the EU as a payment institution and allows trading in a rather limited amount of cryptocurrency coins versus fiat currencies (USD, EUR and others). The company was founded in 2011 as a European alternative to then dominant exchanges in other parts of the world and is currently having operations in Luxembourg, London and Slovenia. Recently, Bitstamp has been granted a virtual currency dealing license by the New York financial regulator.

*Coinbase ([www.coinbase.com](http://www.coinbase.com))*

Coinbase is a digital assets exchange headquartered in San Francisco, USA. The company was co-founded in 2012 by acting CEO Brian Armstrong and received significant early investments of several venture capital firms. Coinbase is known for its rather limited number of available cryptocurrency pairs against a rather large number of different fiat currencies. The parent company is currently running Coinbase, Coinbase Pro and GDAX. The former is catering to newcomers in the cryptocurrency space while the latter two are focusing on larger traders and institutional investors. Coinbase is a regulated entity that complies with all applicable laws and regulations in each jurisdiction in which it operates. On 14 April 2021, its Class A common stock started trading on the Nasdaq Global Select Market under the ticker symbol "COIN".

*Kraken ([www.kraken.com](http://www.kraken.com))*

Kraken is a cryptocurrency exchange based in San Francisco, USA. Kraken is registered as a licensed Money Services Business in the USA and Canada. The Exchange is owned by Payward Inc and is headed by CEO and co-founder Jesse Powell who founded the exchange in 2011. Soon after it started operations in 2013, it was the first exchange to list its BTC/USD pair on Bloomberg Terminal. In 2014, Kraken was the first crypto exchange to pass a proof-of-reserves audit. Their trading platform, which allows trading in a number of cryptocurrencies versus a variety of fiat currencies, has recently added futures trading after it acquired British company Crypto Facilities Ltd. Kraken is a leading exchange for European investors who trade crypto currencies, in particular Bitcoin, versus Euros.

#### **1.10. Fee arrangements**

*Fees pursuant to the Conditions of the Certificates*

Pursuant to the terms and conditions of the Certificates, the Certificates will track the relevant Digital Asset(s) or Index (and, where the Settlement Currency is other than the Reference Currency, there will be a foreign exchange rate exposure between the Reference Currency and the relevant Settlement Currency which may impact positively or negatively) less a fee component. The maximum fee level applicable to the relevant Series of Certificates is always specified in the Final Terms applicable to such Series. The Issuer may in its sole and absolute discretion apply, from time to time, a lower fee level than the stated maximum fee level with respect to all Certificates in one or more Series of Certificates.

*Fees pursuant to the rules of the relevant Index*

An Index's performance will also be affected by any fee component(s) and cost component(s) forming part of the index calculation methodology applied pursuant to the rules of the relevant Index.

### **1.11. Application for admittance to trading on regulated markets and multilateral trading facilities (MTFs)**

The Issuer may apply for admittance of the Certificates to trading on the Nordic MTF operated by Nordic Growth Market NGM AB in Stockholm, Sweden, a subsidiary of Bourse Stuttgart in Stuttgart, Germany.

Application may be made to Euronext Paris and Euronext Amsterdam (the "**Euronext Stock Exchange**") for Certificates issued under this Program to be admitted to listing and trading on the Regulated Market of the Euronext Stock Exchange.

Application may be made to the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (the "**Frankfurt Stock Exchange**") for Certificates issued under this Program to be admitted to listing and trading on the Regulated Market of the Frankfurt Stock Exchange.

Application may be made to Börse Stuttgart (the "**Stuttgart Stock Exchange**") for Certificates issued under this Program to be admitted to listing and trading on the Regulated Market of the Stuttgart Stock Exchange.

At a later stage and subject to regulatory requirements, the Issuer may apply for the Certificates to be admitted to trading on a regulated market or any other marketplace, such as an MTF, in Sweden and/or in Austria, Belgium, Denmark, Finland, France, Germany, Italy, Luxembourg, the Netherlands, Norway, and Spain and/or, subject to completion of relevant notification measures, any other Member State within the EEA.

In no case can there be any assurance given that such application will be accepted or that it will be possible to maintain any granted admission to trading.

### **1.12. Secondary market in Sweden**

If the application for admission to trading is approved by the relevant regulated market or MTF in Sweden, Mangold Fondkommission AB will act as market maker and will under normal market conditions maintain a secondary market. Mangold Fondkommission AB will maintain a secondary market by providing bid and offer prices. These prices may be significantly lower than they were when the Certificates were purchased. During abnormal market conditions the secondary market can be illiquid.

Similarly, the Issuer may appoint Mangold or one or more other parties to act as market-maker in relation to other relevant regulated markets, MTF's or other marketplaces.

### **1.13. Form of Certificates**

The form of the Certificates, which may be Materialized Certificates or Dematerialized Certificates, will be specified in the applicable Final Terms.

#### *Materialized Certificates*

Materialized Certificates are Certificates issued in registered form represented on issue by the global certificates security in registered form and title thereto shall depend upon the records of Euroclear and Clearstream. Consequently, the Materialized Certificates will be in certificated form and so registered. No Certificates in definitive form shall be issued. The address of Euroclear is: 1 boulevard du Roi Albert II B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is: 42 Avenue JF Kennedy L-1855 Luxembourg.

### *Dematerialized Certificates*

Dematerialized Certificates are issued in registered, dematerialized and uncertificated book-entry form in accordance with:

- (a) the Swedish Central Securities Depositories and Financial Instruments Accounts Act (Sw. *lag (1998:1479) om centrala värdepappersförvarare och kontoföring av finansiella instrument*) (“**Swedish Certificates**”); or
- (b) the art. 973c of the Swiss Code of Obligations, the Swiss Federal Act on Intermediate Securities (the “**FISA**”) and the regulations of SIX SIS AG (“**Swiss Certificates**”);

in each case in the Settlement Currency for the relevant Certificates.

No physical document of title will be issued in respect of dematerialized Certificates.

The applicable law regarding title with respect to the dematerialised Certificates will be:

- (A) Swedish law as regards Swedish Certificates;
- (B) Swiss law as regards Swiss Certificates; and

In the case of Swiss Certificates, dematerialised Certificates will be created by the Issuer by means of a registration in its register of uncertificated securities (*Wertrechtbuch*). The Issuer will maintain the register of uncertificated securities. Intermediated securities will be created in accordance with art. 6 (2) FISA by entering such uncertificated securities in the main register of uncertificated securities (*Hauptregister*) maintained by SIX SIS AG based on an agreement concluded between SIS and the Swiss Issuing and Paying Agent or any other eligible entity, acting as custodian (*Verwahrungsstelle*) as defined in art. 4 FISA, which - in the case of SIX SIS AG - is available to the public on the website of SIX SIS AG under <https://secure.six-securities-services.com/registration/WertrechteIsinReport>, and (ii) SIX SIS AG or any other eligible entity, acting as custodian, crediting the respective rights to securities accounts of one or more of its account holders in accordance with art. 4 and 6 FISA. This website does not form part of this Base Prospectus. As long as the Swiss Certificates constitute intermediated securities, the Swiss Certificates may only be transferred or otherwise disposed of in accordance with the provisions of the FISA and the regulations of SIX SIS AG.

In general, the records of a custodian will determine the number of Swiss Certificates held through each account holder with such custodian. In respect of the Swiss Certificates held in the form of intermediated securities, the investors will be the persons holding the Swiss Certificates in a securities account with such custodian in their own name and for their own account. The investor’s entitlement to intermediated securities is based on its relevant securities account. An investor may at any time require its custodian to draw up a statement of the intermediated securities credited to its securities account in accordance with art. 16 FISA. Investors must rely on the procedures of SIX SIS Ltd and/or any other relevant clearing system and their financial intermediary/custodian, to receive payments under the relevant Swiss Certificates. The Issuer has no responsibility or liability for failure of SIX SIS Ltd and/or any other relevant clearing system and/or custodian to fulfil their obligations to investors.

The address of the Swedish CSD Euroclear Sweden is: Klarabergsviadukten 63, Box 191, SE-101 23 Stockholm, Sweden.

The address of the Swiss CSD is: Baslerstrasse 100, CH-4600 Olten, Switzerland.

#### **1.14. Agents**

The Issuer may enter into one or more agreements with a local issuing agent in each applicable jurisdiction in connection with the issue of Certificates in dematerialized form or (b) one or more agreements with a local paying agent in respect of payments to be made in the relevant jurisdiction, and/or (c) one or more agreements with a local listing agent where required under relevant listing rules or otherwise is deemed appropriate, in each case, as specified in the applicable Final Terms.

#### **1.15. Conflicts of interest**

Valour is the Issuer of the Certificates offered under the Program. The Issuer will also act as Calculation Agent and will therefore calculate the amounts to be paid to investors in accordance with the Terms and Conditions. As Calculation Agent, the Issuer may need to determine whether certain events have taken place or if certain adjustments shall be made in case of, for instance, market disruptions. As a consequence, situations may arise where conflict of interests may occur between the interests of Valour as the Issuer and the interests of the investors.

#### **1.16. Benchmark Regulation**

Each Index will constitute a benchmark subject to Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 Regulation (the “**Benchmark Regulation**”). Each Index will be administered by an administrator included in the register referred to in Article 36 of the Benchmark Regulation.

The “Reference Price” (as defined in Condition 5 –“*Settlement Amount, etc*” below) is itself not a benchmark subject to Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 Regulation (the “**Benchmark Regulation**”). The Issuer is not an administrator included in the register referred to in Article 36 of the Benchmark Regulation. Nor is any administrator registered in said register participating in the calculation of the Reference Price or any other value or amount made pursuant to the terms and conditions of the Certificates.

## 2. RISK FACTORS

This section contains a number of risk factors, both risks pertaining to the Issuer and pertaining to the Certificates. The assessment of materiality of each risk factor is based on the probability of their occurrence and the expected magnitude of their adverse impact is disclosed by rating the relevant risk as low, medium or high. Prospective investors should note that the materiality of each risk factor associated with the underlying exposure, is dependent on the particular asset(s) constituting the underlying exposure for the individual Series of Certificates as stated in the Final Terms applicable to such Series and, consequently, may differ between different Series of Certificates.

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

Terms defined in "Terms and Conditions" or elsewhere in this Base Prospectus have the same meaning in this section, unless otherwise expressly stated.

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

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

At this point in time, the Issuer has identified the factors listed below that could affect the business of the Issuer and the Issuer's position in the market.

#### *Dependency on the developments of the digital assets sector*

At the moment, the focus of the Issuer's business activities is the issuance of certificates relating to various digital assets and the hedging thereof. As a consequence, industry wide events having a negative impact on digital assets will constitute risks specific to the Issuer as it has no other business activities. Many of the digital asset protocols are based on open source software which results in a permanent process of evolution which could mean that the Issuer may, at some stage in the future, not be able to adapt to such changed circumstances which would have a negative effect on the Issuer and its ability to carry out its business. Perception as well as trust in digital assets may suddenly shift which could lead to a decreased ability for the Issuer to access its digital assets at the cryptocurrency exchanges where it holds some of its cash or coins. Similarly, the Issuer is exposed to the risk that any of its counterparties does not fulfil their obligations which could have a negative effect on its business and its financial position if the risk occurs.

Risk assessment: High

#### *Risks associated with ownership of Digital Assets and Wallets*

Rather than the actual Digital Asset (which are "stored" on the blockchain), a Digital Asset wallet stores the information necessary to transact the relevant Digital Asset. Those digital credentials are needed so one can access and spend the relevant Digital Asset. Many Digital Assets use public-key-cryptography in which two cryptographic keys, one public and one private, are generated and stored in a wallet.

It is paramount for any owner of digital assets to make sure that these assets are stored in the safest possible way and that private keys are kept as secret as possible in order to prevent loss, theft,

infringement or other challenges that could result in the loss of control of the assets. Valour is defining the guideline around the handling of its digital assets' custodial details in its own, internal rules and regulations document. Mistreatment of private keys and wallets is highly likely to result in the loss of a substantial part or all of the assets in question and would have a devastating effect on the value of the Certificates and the ability of the Issuer to meet its obligations under the Certificates.

Risk assessment: Medium

*Risks associated with the Issuer's organization*

The Issuer will act as an issuer of exchange traded certificates linked, directly or indirectly, to digital assets and the hedging thereof (including but not limited to the Certificates described in this Base Prospectus). Investors must be aware of the short business history of the company which was formed as recently as June 2019 and has due to the short business history not yet had the possibility to prove that it can make a profit out of its business idea. Investors in the Certificates will be exposed to the creditworthiness of the Issuer. There is no collateral, guarantee or other form of creditor protection available for investors in the Certificates.

Other operational risks include the potential of insufficient internal routines, errors caused by humans or computer systems. The Issuer has implemented a very stringent set of internal rules that define guidelines including for the risk management of positions, market making of the certificates and as well as the ways its digital assets can and must be stored. In the event of breach or other non-compliance with the Issuer's internal rules and guidelines regarding hedging, secondary market trading activities and/or storage of digital assets, or if a perpetrated attack from the outside occurs on its premises, computer or storage systems, the Issuer may suffer significant economic losses and its reputation may be impaired limiting its ability to attract new business.

Risk assessment: Low

*Regulatory and legal risk factors*

The Issuer is a company which is regulated by various laws and regulations of the Cayman Islands. The Issuer cannot fully anticipate all changes that in the future may be made to laws and regulations to which the Issuer is subject to in the future, nor the possible impact of all such changes. The Issuer's ability to conduct its business is dependent on the ability to comply with rules and regulations. If the Issuer would be found to be in breach of regulations applicable to the Issuer could result in fines or adverse publicity which could have a material adverse effect on the business which in turn may lead to decreased results of operations and the company's financial condition.

The Issuer is subject to many different forms of taxation including but not limited to corporate taxes, income tax, withholding tax, value added tax and social security and other payroll related taxes. Tax law and administration is complex and often requires the Issuer to make subjective determinations. The tax authorities may not agree with the determinations that are made with respect to the application of tax law. Such disagreements could result in lengthy legal disputes and potentially in the payment of substantial amounts for tax, interest and penalties, which could have a material effect on the Issuer's results of operations.

The Issuer's involvement in such proceedings or settlements as well as potential new legislation or regulations, decisions by public authorities or changes regarding the application of or interpretation of existing legislation, regulations or decisions by public authorities applicable to the Issuer's operations,

the Certificates and / or the underlying assets, may adversely affect the Issuer's business or an investment in the Certificates.

Risk assessment: Medium

### *Competition*

There are several other issuers that have listed similar tracker-products in various forms and markets. If the Issuer fails to compete successfully with such competitors or if the competition would increase significantly by new market entrants, such development may seriously impact the profitability and creditworthiness of Valour.

Risk assessment: Medium

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

### *General*

The Certificates are designed to mirror the performance of a direct or indirect exposure towards Digital Asset(s), which will depend on the price of the relevant Digital Asset(s) underlying it, as detailed in the General Conditions in this Base Prospectus and the relevant Final Terms. The fact that the underlying asset is denominated in the Reference Currency while the Certificates may have a different Settlement Currency implies that the value of the Certificates is also subject to fluctuations in the exchange rates of the Reference Currency against the Settlement Currency. The Certificates thus represent a synthetic exposure to the relevant single Digital Assets and the Reference Currency through an unsecured debt obligation which the investor holds until they are either sold, have been redeemed or have expired. By definition, the Certificates are therefore neither fully nor partially capital protected by law or by its design (save where and only to the extent a Minimum Redemption Amount is explicitly applicable pursuant to the relevant Final Terms) and thus pose a risk for investors where they could lose parts or the entire invested amount. The return of the Certificates may be more or less than what a comparable investment directly in the relevant Digital Assets would yield.

Historical prices are no guarantee for or indication of future price levels for the Certificates and / or the relevant Digital Assets in relation to the Reference Currency. Historical trading patterns do not need to repeat themselves in the future, and, if an investor relies on historical trading patterns in the context of a forward-looking investment strategy, the outcome may be different and result in unexpected losses.

An individual investor in the Certificate may also be exposed to changes in the regulatory and taxation environment, both on a personal level as well as by owning an instrument which tracks the performance of an underlying assets which may be subject to changes in the same. Regulatory changes targeting digital assets may focus on limited possibilities to invest in such assets as well as transferable securities linked to such assets which may impair investors' ability to divest from an investment in the Certificates. Similarly, changes in tax regimes may provide for disincentives to invest in digital assets or transferable securities linked to such assets which may impair an investor net result from an investment in the Certificates compared to the expected position at the time of the investment decision.

Risk assessment: High

*The value of a Digital Asset can change quickly and could even drop to zero*

The price of Bitcoin and other Digital Assets is volatile and may be affected by a variety of factors. Should demand for a Digital Asset decrease or should it fail to achieve adoption among the Digital Asset community or should it suffer technological or coding failures or hacks, for example, then its value could drop sharply and permanently, which in turn would adversely affect the price at which investors are able to trade the Certificates in the secondary markets.

Risk Rating: High

#### *Valuation*

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

The speculative nature of the underlying Digital Assets can make it difficult to develop consistent valuation processes for the Digital Assets and thereby the Certificates. Furthermore, extreme volatility can impact the ability of market participants to provide reliable, consistent pricing, which in turn could adversely affect the price at which investors are able to trade the Certificates in the secondary markets.

Risk assessment: High

#### *Liquidity risk in the market for Digital Assets*

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

Risk assessment: Medium

#### *Risks due to the technical design of digital assets that may lead to a loss of confidence*

The source code of digital assets such as each Digital Asset is public and may be downloaded and viewed by anyone. Despite this, there may be a bug in the respective code which is yet to be found and repaired, which may jeopardize the integrity and security of one or more of these networks.

Should miners for reasons yet unknown cease to register completed transactions within blocks which have been detached from the blockchain, the confidence in the protocol and network will be reduced, which will reduce the value of the digital assets associated with that protocol.

Since the protocols for Digital Assets are public open source software, they could be particularly vulnerable to hacker attacks, which is damaging for the digital assets market and can be the cause for investors to choose other currencies or assets to invest in.

Errors in the protocols of Digital Assets that have larger user bases, wider adoption and more developers are more likely to be identified and corrected before causing significant harm. Errors for new protocols or those with fewer developers or lower adoption rates are more likely to face this risk.

Risk assessment: High



### *Political, regulatory risk in the market of digital assets*

The legal status of digital assets varies between different countries. The lack of consensus concerning the regulation of digital assets and how such currencies shall be handled tax wise causes insecurity regarding their legal status. As regulatory clarity around digital assets is still evolving, there is a risk that politics and future regulations will affect the market of digital assets and companies operating in such market. Exactly how future politics and regulations may affect the market is impossible to know. However, future regulations and changes in the legal status of the digital assets is a political risk which may affect the price development of the relevant Digital Assets. If the Issuer fails in complying with them, this may lead to the Issuer incurring losses and it may also have an adverse impact on the Issuer's ability to carry out its business.

The perception (and the extent to which it is held) that there is significant usage of the digital assets in connection with criminal or other illicit purposes, could materially influence the development and regulation of digital assets (potentially by curtailing the same).

Future regulation of any digital assets in general may negatively impact the market for Digital Assets.

Risk assessment: High

### *Risk factors related to underlying assets and the secondary market*

The price determination in the secondary market follows customary market mechanisms relating to the Certificates and their exposure. The price levels in the secondary market may thus over time move either higher or lower than the price which investors have purchased their Certificates for. Although the price determination of the Certificates in the secondary market is based on established calculation models, as specified in the General Conditions in this Base Prospectus, it is dependent upon the underlying development of the market as well as the market's perception of the Issuer's credit status and the Certificates' probable remaining duration. In the light of the historical price volatility of Digital Assets, it seems possible that the price determination of the Certificates in the secondary market will be very volatile. Where the Certificates are linked to an Index with a leverage feature, the effect of the volatility will be increased in relation to the leverage.

Even if the Certificates are listed on a regulated market or another marketplace and therefore are available for trading in such market, there may not always be a bid/offer spread or sufficient volume in the market to fill the desired order of an investor due to the fact that the market maker obligations are limited as described in the market maker rules of the exchange in question. The Issuer is interested to have a reliable price development in the Certificates and intends to engage market maker(s) for the purpose of having a bid/offer spread in the market throughout the entire trading session. However, a disturbance in these arrangements can result in investors being unable to sell their Certificates at a desired time or at a price which is comparable to similar investments that have an existing and functioning secondary market. If liquidity in the Certificates dries up, trading of the Certificates in the secondary market may be interrupted and have an adverse effect of their market value.

Risk assessment: Medium

### *No value creation or loss avoidance from forks, airdrops and other Transformation Events*

If a so-called 'fork', 'airdrop' (each as further described in the following risk factor) or other Transformation Event (as defined in the Conditions) has occurred the Calculation Agent will determine, in its sole and absolute discretion, if any action will be taken to take such event into account and, if so,

how and to what extent. The Calculation Agent will assess feasibility and costs associated therewith and may decide not to take any such event into account. Holders should not assume that any such event will result in any value creation to the benefit of Holders. Consequently, there is a risk that Holders will not benefit from any actual or perceived value resulting from and / or being available in connection with the relevant event and / or be able to avoid or reduce any losses associated with such event.

Risk assessment: Medium

*Amendments to a Digital Asset's protocol, 'forking' and 'airdrops'*

The discussion below is focussed on Bitcoin since a number of so-called 'hard forks' have occurred in this protocol. However, the risks also exist for the other Digital Assets.

A group of developers known as 'Core Developers' are unofficially responsible for the periodic releases of updates to the Bitcoin Network's source-code. Such updates are only effective if accepted by users, miners, wallets and bitcoin-based companies which collectively have a prescribed majority of the processing power on the Bitcoin Network at the relevant time. If not so accepted, a 'fork' in the Bitcoin Network will take place, with one network (and the Digital Assets associated with it) running the pre-modification source-code and the other network (and its associated Digital Assets) running the modified source-code. Indeed, multiple 'forks' can occur simultaneously. Holders of Bitcoin before a forking event will technically own each of the resulting Digital Assets, which shared a common transaction history before the fork. Which of such resulting Digital Assets may henceforth be recognised by the Bitcoin community as being (the true or real) 'Bitcoin' can often be difficult to determine for a period of time following such fork. Bitcoin Exchanges have a particularly significant function to play in the determination in such regard. A new Digital Asset resulting from a fork may also change the speed at which new blocks are added to the Blockchain, which can result in a distortion of the cumulative proof of work which each Digital Asset has subsequent to the fork.

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

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

In contrast, a 'hard fork' involves a change in a software rule, which is not backwards-compatible, and which results in a permanent diversion in the Blockchain from the moment when such new rules are implemented. Following a 'hard fork', both the original and new ('forked') Blockchains run in parallel to each other, each following a different set of software rules and code. Consequently, users on one chain will not be able to transfer its Digital Assets to the other chain. A hard fork can either increase

value or decrease value. A hard fork can potentially cause changes to the adoption, use or confidence in the underlying protocol and should such a loss of confidence in the underlying protocol occur, the value of the associated Digital Asset will decrease, which in turn would affect the value of the Certificates.

Furthermore a fork which results in the creation of a new Digital Asset presents a number of operational difficulties. A provider of custodian services may not have the IT-infrastructure to cater for the new Digital Asset and its particular characteristics. Indeed, “wallets” may also not have the requisite software in order to receive the new Digital Asset. The new Digital Asset(s) may not readily be sellable (indeed, providers of custodial services have often been keen to either not release the new Digital Asset or to do so only at certain, perhaps a single, moments, in order to protect the security of their custodial systems). If and when a sale does become possible, the degree of market activity at that time in the relevant new Digital Asset can have a significant suppressant effect upon its price.

Price discovery in respect of the Digital Assets which result from a fork is not typically problematic but there may be an impact upon the Issuer’s creation and redemption processes (specifically, the timescales involved in connection therewith for transactions which have not yet settled, including transactions that have already been initiated) as a consequence of the foregoing operational considerations.

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

An airdrop occurs when the issuer of a new digital asset declares to the holder of another specific digital asset that they will be entitled to claim for free a quantity of the new digital asset because they are holding this specific other digital asset. If an airdrop is intended to benefit the Issuer as the holder of a specific Digital Asset, then the ability of the Issuer to participate in the airdrop will depend on the support of the wallet provider, custodian or other infrastructure for holding such assets. There is no obligation on any such party to support any airdrop or hold the airdropped digital asset and so there is no certainty that the Issuer will be able to obtain any airdropped digital asset, distribute any airdropped digital asset or to distribute realise any value from them. It may not be possible, or desirable, for the Issuer to apply for listing of any new class of Certificates referenced to a new digital asset resulting from an airdrop.

Risk assessment: Low

#### *Perception, Evolution, Validation and Valuation*

Each Digital Asset does not represent an intrinsic value or a form of credit. Its value is a function of the perspective of the participants within the marketplace for that digital asset. The price of the digital asset fluctuates as a result of supply and demand pressures that accumulate in the market for it. Having a finite supply (in the case of many but not all digital assets), the more people want to own that digital asset, the more the market price increases and vice-versa.

The most common means of determining the value of a digital asset is through one or more cryptocurrency exchanges where that digital asset is traded. Such exchanges publicly disclose the “times and sales” of the various listed pairs. As the marketplace for digital assets evolves, the process for assessing value will become increasingly sophisticated.

The protocols for cryptocurrencies such as the Digital Assets are publicly available and under development. Further development and acceptance of the protocols is dependent on a number of factors. The development of any of these digital assets may be prevented or delayed, should disagreements between participants, developers and members of the network arise. New and improved versions of the source code will be “voted” in by a majority of the members of the network carrying out the changes in

their nodes, meaning upgrading their nodes to the latest version of the code. Should a situation arise where it is not possible to reach a majority in the network regarding the implementation of a new version of the protocol, this may mean that, among other things, the improvement of that protocol's scalability may be restrained. Should the development of the relevant single Digital Asset protocols be prevented or delayed, this may adversely affect the value of the currencies.

Further, if a direct compensation for the developers of the respective protocol is missing, it could lead to decreased incentives for continuous development of the protocols. Should these protocols not develop further, the value of the associated digital asset will decrease, which in turn would affect the value of the Certificates. As protocols develop and mature and adoption increases among developers, this reduces both the probability that this risk would occur and the magnitude of the consequences of this risk would occur.

The risk rating is assessed to be medium. In relation to Digital Assets with the largest market capitalization, the risk rating is assessed to be low in light of the large number of developers. The fewer active developers that participates in the development of a given Digital Asset, which is often correlated to a low market capitalization relative to other Digital Assets, the risk rating is instead higher and assessed to be at medium.

Risk assessment: Medium

#### *Trading Hours*

The certificates will trade only during regular trading hours on the relevant marketplace(s) on which they are admitted to trading. The relevant Digital Assets may trade on exchanges which operate globally, 24 hours, seven days a week. To the extent that any relevant securities marketplace is closed while the markets for the Digital Asset(s) remain open, significant price movements may take place at a time during which an investor in the Certificates may not be able to trade. This may limit investors' ability to react to price movements or volatility in the markets for the relevant Digital Assets. Additionally, investors will not be able to sell Certificates until the relevant securities marketplace is open for trading. In these circumstances, an investor may suffer a loss if the cash value of the Certificates at that time is less than it would otherwise have been if sold at a time when the relevant securities marketplace was closed but other markets in Digital Assets remained open.

Risk assessment: Medium

#### *Risk of 51 per cent. attacks*

Should one participant in the network control over 50% of all capacity to verify transactions in the network, there is a risk that such participant will be able to verify 100% of all transactions and thus earn all the rewards in the network. As private keys are needed to create transactions, the participant should not be able to create new transactions, however, the participant may in certain circumstances delete recent transactions. In practice, this should be impossible to accomplish without being discovered and it is difficult to see a scenario in which the participant would be able to achieve a financial profit. Such a scenario would however be likely to materially damage confidence in the Digital Asset concerned and Digital Assets in general and adversely affect their prices.

Should such a loss of confidence in the underlying protocol occur, the value of the associated Digital Asset will decrease, which in turn would affect the value of the Certificates.

Risk assessment: Low

### *Risk of Double-Spending*

This form of attack involves the malicious actor(s) creating a valid new block which contains an instance of a double-spend transaction. The release of the new block is timed so as to be added to the relevant Blockchain before a target user's legitimate transaction can be included in a block. Such attacks are expensive to co-ordinate and require great speed and accuracy. They are most likely to be effective where a transaction requires zero-confirmations. Relying on multiple confirmations is believed to be an effective means of defence. Adjusting a user's software programme to connect only to other well-connected nodes and to disable incoming connections is an additional precaution that can be taken. Such a scenario would however be likely to materially damage confidence in the Digital Asset concerned and Digital Assets in general and adversely affect their prices.

Should such a loss of confidence in the underlying protocol occur, the value of the associated Digital Asset will decrease, which in turn would affect the value of the Certificates.

Risk assessment: Low

### *Currency risk*

The certificates will be denominated in a Settlement Currency, e.g. CHF, EUR, SEK or US Dollar and most trading in Digital Assets occurs in US Dollars. The volatility of the US Dollar may therefore have an impact on the prices provided in the secondary market for currencies other than the US Dollar. Any investor whose trading is denominated in such other currencies may therefore see the market value of the Certificates affected by fluctuations in the value of the US Dollar as well as the price of the underlying Digital Asset(s).

Risk assessment: Low

### *Risk factors relating to Baskets of Digital Assets*

Correlation of basket constituents indicates the level of interdependence among the individual basket constituents with respect to their performance. If, for example, all of the basket constituents originate from the same sector and the same country or region, a high positive correlation may generally be assumed. Past rates of correlation may not be determinative of future rates of correlation. Although basket constituents may not appear to be correlated based on past performance, it may be that they suffer the same adverse performance following a general downturn or other economic or political event. Where the basket constituents are subject to high correlation, any move in the performance of the basket constituents will exaggerate the performance of the Certificates, and this could have a highly negative (or positive) impact on the value of and return on the Certificates.

Depending on the particular terms of the Certificates, even in the case of a positive performance of one or more basket constituents, the performance of the basket as a whole may be negative if the performance of one or more of the other basket constituents is negative to a greater extent. In such case, the negative performance of one or more basket constituents could have a negative impact on the value of and return on your Certificates.

The performance of a basket that includes a fewer number of basket constituents will generally, subject to the terms and conditions of the relevant Certificates, be more affected by changes in the value of any particular basket constituent included therein than a basket that includes a greater number of basket constituents.

The performance of a basket that gives greater weight to some basket constituents will generally, subject to the particular terms of the Certificates, be more affected by changes in the value of any such particular basket constituent included therein than a basket that gives relatively equal weight to each basket constituent.

Accordingly, if there are only a few Digital Assets and/or their weighting is not equal, the negative performance of only one (or only a few) Digital Asset(s) could have a disproportionate impact on the value of and return on the Certificates.

Where the Certificates grant the Calculation Agent and/or the Issuer the right, in certain circumstances, to adjust the composition of the basket, you should be aware that any replacement basket constituent may perform differently from the original basket constituent, which may have an adverse effect on the performance of the basket and a negative impact on the value of and return on the Certificates.

Risk assessment: Medium

#### *Risk factors relating to Indices*

Indices are comprised of a synthetic portfolio of Digital Assets, and as such, the performance of an Index is dependent factors relating to the Digital Assets or other components that comprise such Index, which may include interest and price levels on the capital markets, currency developments, political factors and (in the case of shares) Digital Asset-specific factors. Any one or a combination of such factors could adversely affect the performance of the relevant Index which, in turn, could have an adverse effect on the value of and return on your Certificates.

The sponsor of any Index may add, delete or substitute the components of such Index or make other methodological changes that could change the level of one or more components. The changing of components of any Index may affect the level of such Index as a newly added component may perform significantly worse or better than the component it replaces, which in turn may affect the payments made by the Issuer to you under the Certificates. The sponsor of any such Index may also alter, discontinue or suspend calculation or dissemination of such Index. The sponsor of an Index will have no involvement in the offer and sale of the Certificates and will have no obligation to any Holder of Certificates. The sponsor of an Index may take any actions in respect of such Index without regard to the interests of the Holders of Certificates, and any of these actions could have a material adverse impact on the value of and return on the Certificates.

The Calculation Agent and/or the Issuer has discretionary authority under the terms and conditions of the Certificates to make certain determinations and adjustments following an Index Modification (broadly, changes in the methodology of the Index), Index Cancellation (permanent cancellation of the Index) and Index Disruption (failure to calculate and publish the level of the Index). The Calculation Agent and/or the Issuer may determine that the consequence of any such event is to make adjustments to the Certificates, or to replace such Index with another or to cause early redemption of the Certificates. The Calculation Agent and/or the Issuer may (subject to the terms and conditions of the relevant Certificates) also amend the relevant Index level due to corrections in the level reported by the Benchmark Administrator. Any such determination may have a negative adverse effect on the value of and return on the Certificates.

Risk assessment: Medium

### *Risk factors related to the type of Index*

The rules governing the composition and calculation of the relevant Index may stipulate that dividends paid on its components are included in the calculation of the index level (a "total return" index) or are not included in the calculation of the index level (a "price return" index).

Where Certificates are linked to a "price return" index, holders of the Certificates will not participate in dividends paid on the components comprising the Index. As a result, holders of Certificates linked to such Index would lose the benefit of any dividends paid by the components of the Index and such Certificates may not perform as well as a position where such holder had invested directly in such components or where they invested in a "total return" version of the Index, or in another product.

In the case of Certificates linked to a "total return" index, net dividends (in the case of a "net total return" index) or gross dividends (in the case of a "gross total return" index) paid on its components are included in the calculation of the index level. In the case of a "net total return" index, dividends paid on its components may not be fully reinvested in the Index and accordingly, holders of Certificates may receive a lower return on Certificates linked to such Index than such holder would have received if such holders had invested in the components of such Index directly or in another product.

If the Index has a "decrement" feature, the return on such Index will be calculated by reinvesting net dividends or gross dividends (depending on the type and rules of such Index) paid by its components and by subtracting on a daily basis a pre-defined amount (a "**Synthetic Dividend**"). The Synthetic Dividend may be defined as a percentage of the index level or as a fixed number of index points. Investors should note that any of the following factors, where applicable, could adversely affect the value of and return on Certificates linked to a "decrement" index:

- An Index with a "decrement" feature will underperform a "total return" index that is used as a base index to calculate such Index since the latter is calculated without the deduction of a Synthetic Dividend. Similarly, where such Index tracks the performance of a single component security, the Index will underperform a direct investment in such component security as such investment would benefit from dividends paid by the component security without the deduction of a Synthetic Dividend.
- An Index with a "decrement" feature will underperform the corresponding "price return" index if the amount of dividends paid by the components of such Index is less than the amount of the Synthetic Dividend deducted. Where such Index tracks the performance of a single component security, the Index will underperform a direct investment in such component security as such investment would benefit from dividends paid by the component security without the deduction of a Synthetic Dividend.
- Where the Synthetic Dividend is defined as a fixed number of index points (as opposed to a percentage of the index level), the Synthetic Dividend yield (calculated as the ratio of the fixed index point decrement to the relevant decrement index level) will increase in a falling equities market as the Synthetic Dividend is a fixed amount. In such scenario, the fixed deduction will have a greater negative impact on the index level of the relevant Index than if the Synthetic Dividend was defined as a percentage of the index level. It is even possible that in a steeply falling market scenario the index level could become negative, since the amount of decrement expressed in index points will not vary with the level of the decrement index.

Risk Assessment: Medium.

### *Risk factors related to Indices with a leverage feature*

Due to the leverage feature of certain indices, an investment in the Certificates is more speculative than a direct investment in the Digital Assets, and an investor could lose up to the entire value of its investment. The Certificates enable investors to participate in any gains or falls in the value of the Digital Assets by investing only part of the value of the Digital Assets with the remaining portion financed via the index methodology and indirectly any hedging arrangements of the Issuer. This creates leverage. The higher the leverage, the more sensitive the Certificates will be to any changes in the value of the Digital Assets. Due to the leverage feature, an investment will be more exposed than otherwise to the performance of the Digital Assets, and depending on the degree of leverage, even a relatively small change in the value of the Digital Assets could cause an investor to lose some and up to all of its investment.

Risk Assessment: High.

### *Risk factors related to Indices with equity assets as additional constituents*

The value of a Certificate which is linked to an Index which also includes one or more equity assets in the form of shares, depositary receipts (such as ADRs or GDRs) and/or ETFs, will be related to the value of an equivalent investment in the relevant equity asset(s). The performance of an Index is dependent factors relating to such equity asset constituent(s) or other components that comprise such Index, which may include interest and price levels on the capital markets, currency developments, political factors and company-specific factors, such as earnings position, market position, risk situation, market liquidity for such equity constituents, shareholder structure and dividend policy.

Equity constituents do not represent a claim against or an investment in any share issuer and the investors will not have any right of recourse under the Certificates to any such company or the equity interests. The Certificates are not in any way sponsored, endorsed or promoted by any share issuer and such companies have no obligation to take into account the consequences of their actions on holders of Certificates. Accordingly, the issuer of a share or other equity interest may take any actions in respect of such equity interests without regard to the investors' interests as a holders of Certificates, and any of these actions could adversely affect the market value of the Certificates.

Unless specified otherwise in the rules governing the index methodology of the relevant Index, holders of Certificates will not participate in dividends or any other distributions paid on any such equity interests. Therefore, the return linked to any such index constituents may be low than holding such equity constituents directly or through another financial product.

Risk Assessment: Low.

### *Risk factors related to Indices with commodity assets as additional constituents*

The value of a Certificate which is linked to an Index which also includes one or more commodity assets as constituent(s), will be related to the value of an equivalent investment in the relevant commodity asset(s). Commodity asset prices generally may fluctuate widely and may be affected by numerous factors, including:

- a) global or regional political, economic or financial events and situations, particularly war, terrorism, expropriation and other activities which might lead to disruptions to supply from countries that are major bullion producers;



- b) global metal supply and demand, which is influenced by such factors as exploration success, mine production and net forward selling activities by metal producers, jewellery demand, investment demand and industrial demand, net of any recycling and any shortages of a particular type of bullion could result in a spike in prices of that type of bullion. Price spiking can also result in volatile forward rates and lease rates which could result in the bid-offer spread on any exchange where Products are traded widening, reflecting short-term forward rates in the relevant bullion;
- c) financial activities including investment trading, hedging or other activities conducted by large trading houses, producers, users, hedge funds, commodities funds, governments or other speculators which could impact global supply or demand; and
- d) financial market factors such as investors' expectations with respect to the future rates of inflation, movements in world equity, financial and property markets, interest rates and currency exchange rates, particularly the strength of and confidence in the US dollar.

Adverse movements in the price of such commodity assets may negatively affect the return to investors who sell their Certificates when the price of the relevant commodity asset has decreased since the time they purchased their Certificates. General movements in local and international markets and factors that affect the investment climate and investor sentiment could all affect the level of trading and, therefore, the market price of the Certificates and this may lead to a fall in the price of Certificates which will have an adverse impact on any investor that purchased Certificates at a higher price.

Risk assessment: Medium.

#### *Risk factors related to the Issuer Call Option and Investor Put Option*

The Certificates may be redeemed early on the Issuer's initiative in accordance with the General Conditions. Redemption on the Issuer's initiative may cause the Certificates to be redeemed when the value of the Certificates is lower than the purchase price of the Certificates.

Similarly, the investor may individually require early redemption of parts or all Certificates owned by the relevant investor, subject to and in accordance with the General Conditions. The value of the Certificates will be determined by the Issuer on a later date, subsequent to the receipt of the notice.

A potential delisting falls under this narrative as well if one or more regulated markets decide that the Certificates no longer should be so admitted to trading, regardless of whether this is due to circumstances assignable to the Issuer, the Certificates, the relevant Digital Assets, the market maker and / or changed rules or any other reason, there is a risk that the Issuer will not succeed in having the Certificates admitted to trading on another regulated market, MTF or other marketplace. Such a course of events could worsen the liquidity, disposal opportunities and the market value for the Certificates and thus create risks of losses for investors. If a delisting would occur the Issuer will exercise its right to redeem the Certificates early.

Such early settlement will occur following a notice period and the determination of the value of the Certificates on such later date will expose the investor to the volatility of the Certificates, meaning that the value of the Certificates may decrease until the Valuation Day which may cause an investor to lose part of or the entire investment.

Risk assessment: Low

### **3. THE ISSUER**

#### **3.1 Persons responsible for the Base Prospectus**

The Issuer has obtained all necessary resolutions, authorizations and approvals required in connection with the Certificates and the performance of its obligations relating thereto. On 14 November 2022 the Board of Directors passed a resolution authorising the submission of an application for approval from the SFSA of this Base Prospectus.

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

Where information in this Base Prospectus has been sourced from third parties, this information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third-party information is identified where such information used.

#### **3.2 Board of Directors and Management team**

##### Board of Directors

As of the date of this Base Prospectus, the Issuer has a Board of Directors consisting of two directors: Johan Wattenström, Swedish citizen and an individual resident in Switzerland and Olivier Roussy Newton, Canadian citizen and an individual resident of Switzerland.

##### *Johan Wattenström*

Johan has 20 years' experience from financial markets. As head of trading for companies like Danske Bank, Erik Penser Bank and Nordea Bank he has built proprietary trading businesses. While having experience from most asset classes, his primary focus has been on global equity and equity derivative markets. In late 2014, he co-founded XBT Provider AB, which issued the world's first SFSA-approved financial instruments based on bitcoin on a regulated exchange. In 2017 he co-founded Nortide Capital AG, a digital asset investment company.

##### *Olivier Roussy Newton*

Olivier is a partner at Latent Capital, an investment fund focused on quantum computing, financial technology and bioinformatics. He is also the founder of Hive Blockchain, a publicly traded crypto-mining company where he assisted in 200m USD institutional capital raises.

The business address of the Board of Directors is Bundesstrasse 3, CH-6302 Zug, Switzerland.

##### Management team

As of the date of this Base Prospectus, the Issuer has a management team consisting of five members. In alphabetical order, the members are:

Frances Edwards, Chief Operating Officer  
Marco Infuso, Chief Sales Officer  
Niclas Larsen, Chief Technology Officer

Peter Märkl, General Counsel  
Thomas Ochsner, Head of Trading

The business address of the management team is Bundesstrasse 3, CH-6302 Zug, Switzerland.

### **3.3. The Issuer in brief**

The Issuer's legal name is Valour Inc. The Issuer was incorporated June 18, 2019 as a company in the Cayman Islands. The registration number of the company is 352409 and the company has a registered office at PO Box 10008, Willow House, Cricket Square, Grand Cayman, KY1-1001, Cayman Islands. The Issuer's legal entity identifier or 'LEI' is 9845001E5QX8B53C0N90. The phone number to the Issuer's principal place of business is +41 41 710 06 41. The Issuer's website is available at: [www.valour.com](http://www.valour.com). This website does not form part of this Base Prospectus (other than where information has been explicitly incorporated by reference into this Prospectus) and has not been scrutinised or approved by the SFSa. The Issuer operates under Cayman Islands law.

The Issuer is a special purpose vehicle created to carry out the very limited activities described in this Base Prospectus. As such the Issuer has issued a number of exchange traded Certificates and will continue to act as an issuer of exchange traded certificates linked to various digital assets and other instruments in various emerging, innovative sectors, and the hedging thereof, including but not limited to the Certificates.

The Issuer is registered with the Registrar of Companies as an exempt company in Cayman Islands. A company may apply to be registered as exempted if its objects are to be carried out mainly outside the Cayman Islands. An exempted company may not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the exempted company carried on outside the Cayman Islands unless such exempted company holds a license to carry on business in the Cayman Islands under any applicable law, nor may an exempted company own land in the Cayman Islands without the consent of the Financial Secretary of the Cayman Islands. A limited liability company that is not listed on the Cayman Islands Stock Exchange is also prohibited from making any invitation to the public in the Cayman Islands to subscribe for any of its securities. The requirement to list on the Cayman Islands Stock Exchange does not apply in the context of invitations to the public outside the Cayman Islands to subscribe for or otherwise acquire securities.

Pursuant to section 3 of the Memorandum of Association of the Issuer, the objects of the Issuer for which the Issuer is established are unrestricted and the Issuer shall have the full power and authority to exercise all the functions of a natural person of full capacity.

Given that the activities of the Issuer are to be carried out mainly outside the Cayman Islands, the Issuer has established business locations outside the Cayman Islands. Its principal place of business is located in Zug, Switzerland (telephone number: +41 41 710 06 41) where the Issuer undertakes the majority of its trading activities regarding digital assets and, consequently, its hedging activities in relation to the Certificates.

The Issuer applies robust internal controls and risk management processes in connection with the monitoring of its daily exposures and risk parameters.

### **3.4. Major shareholders**

The Issuer is a wholly-owned subsidiary of Valour Inc. (formerly called DeFi Technologies Inc.), with CUSIP number: 92027E105 and ISIN: CA92027E1051. The parent company Valour Inc. is a publicly listed Canadian company (NEO: DEFI) (GR: RMJR) (OTC: DEFTF) that carries on business with the

objective of enhancing shareholder value through building and managing assets in the decentralized finance sector. For more information visit [www.valour.com](http://www.valour.com). This website does not form part of this Base Prospectus and has not been scrutinised or approved by the SFSA.

However, in certain respects, the provisions in the Cayman Islands Limited Liability Companies Act, 2016 of the Cayman Islands regarding powers and responsibilities of different corporate bodies of the Issuer and regarding creditor protection rights limit the influence of shareholders.

Valour Europe AG (formerly DeFi Europe AG) is a wholly owned subsidiary of the Issuer. Valour Europe AG is incorporated in Switzerland and serves as the employer for any personnel stationed in Switzerland. Crypto 21 AB is a wholly owned subsidiary of the Issuer. Crypto 21 AB is incorporated in Sweden and engages in marketing services. Valour Management Limited is a wholly owned subsidiary of the Issuer. Valour Management Limited is incorporated in the United Kingdom and serves as the employer for any personnel stationed in the United Kingdom.

The Issuer is not dependent on any of the other companies in the group.

**3.5. No credit rating**

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

**3.6. Borrowing and funding structure**

As at 31 December 2021 the Issuer’s share capital consisted of one class of issued shares and was structured as follows:

<b>Authorised:</b>	Number of shares	31 December 2021
Shares with a par value of USD 0.0001 each	500,000,000	50,000
<b>Issued:</b>		
Shares with a par value of USD 0.0001 each	67,065,959	6,707

The Issuer intends to continue its issuance activities on the basis of the funding received to date so far. The costs for any hedging activities in relation to any issuance of Certificates will be funded by the issuance proceeds from such Certificates, and by funding arrangements from its parent company. If the Issuer is successful in issuing Certificates, it will have a source of revenue in the form of the fee earned pursuant to the terms and conditions of the Certificates. Whether such revenue will be sufficient for the Issuer to reach profitability on a sustainable basis is unknown.

On January 14, 2022 and January 17, 2022, the Company obtained a series of short-term loans with a digital asset liquidity provider totalling US\$37,000,000. Interest was accrued and calculated at rates between 8.15% to 8.27% per annum. Principal plus accrued interest were due and payable on April 14, 2022 and April 17, 2022. There was a partial repayment of one of the loans of \$3,500,000 in April and subsequently of respective interest fees. The remainder of these loans is of short-term nature with regards to maturity and have since been rolled and continue to be outstanding. The Company has spread the loans among 2 different digital asset liquidity providers to reduce single entity concentration and be able to obtain more competitive rates. Subsequent to June 30, 2022, the loans were extended with new maturity dates varying between Open Term (callable at any time) and fixed term (maturity dates spread from December to March) with interest rates ranging from 5.55% to 7.25%. The extended loans were

secured with 130% BTC and ETH collateral. Save for the aforementioned, there has been no material change in the Issuer's borrowing and funding structure since the last financial year.

### **3.7. Conflict of interests**

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

While the Issuer recognizes the potential conflicts of interests of the mentioned people above, the Issuer does not believe that such appointments constitute an actual conflict of interest between their duties to the Issuer and their duties to their respective other companies.

### **3.8. Information on trends etc.**

Digital assets and the related business models and market participants as well as the regulatory regime(s) that apply to the digital assets industry, are subject to continuous and significant evolution. This evolution is likely to continue.

Save as set out above, there has been no material adverse change in the Issuer's prospects since 31 December 2021, being the date of the latest audited financial report of the Issuer, and no significant change in the financial performance of the Issuer since 30 June 2022, being the date of the latest published financial report of the Issuer.

Save as set out above, there are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for the current financial year.

### **3.9. Significant change of the financial position**

There has been no significant change in the Issuer's financial position since 30 June 2022, being the date of the latest published financial report of the Issuer.

### **3.10. Information on material investments**

The Issuer's group purchased common shares in Valour Inc. (formerly called DeFi Technologies Inc.) whose common shares trade on the Toronto-based stock exchange NEO. Valour Inc. is the ultimate parent company to the Group.

The Issuer's group also purchased common shares in 3iQ Corporation, a bitcoin and digital asset fund manager. 3iQ Corporation is not publicly traded and so the fair value as at December 31, 2021 reflects the price of the most recent market transaction at that date. During 2021, the Issuer sold its holding in Abaxx Technologies Inc., a Canadian development stage financial technology business and global commodities exchange.

Valour Inc. is categorised as Level 1 within the fair value hierarchy. 3iQ is categorised as Level 3 within the fair value hierarchy. As at October 31, 2020 the fair value of investments at fair value through profit or loss were equal to their initial cost and therefore measured on this basis.

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

### **3.11. Information on material events affecting the solvency of the Issuer**

The Independent Auditor's Report in respect of the consolidated financial statements of the Issuer for the period ended 31 December 2021, contains the following statement:

#### **Material Uncertainty Related to Going Concern**

We draw attention to Note 14 in the financial statements, which discloses loans with a term of 3 months totaling USD 37,000,000 made by the Company to DeFi Technologies Inc. ("DeFi"), the Company's immediate and ultimate parent company, during January 2022 with cash obtained through a loan from a digital asset liquidity provider.

The consolidated financial statements have been prepared on the going concern basis as management expect that the loan from the digital asset liquidity provider, the loan's next maturity date being in April 2022, will continue to be extended for period of at least 12 months from the reporting date, or it will be repaid via a repayment by DeFi to the Company.

The total loan balance due from DeFi is quantitatively material to the consolidated financial statements, and recovery depends on the DeFi's ability to repay the balance, or the Company's ability to extend the loan period until such time as the DeFi can repay the balance. Due to recovery being dependent on such

future events occurring, a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Save for as stated in the preceding paragraph, there has been no recent event particular to the Issuer and which are to a material extent relevant to an evaluation of the Issuer's solvency.

### **3.12. Business model overview**

The objective of the Issuer is to issue financial instruments and to engage in thereto related operations. The Issuer's business aims at enabling an easy and secure way to invest in digital assets. The Issuer aims to eliminate the boundaries that previously have prevented investors from actively investing in digital assets, which the Issuer believes will transform payments and asset markets in the future.

Valour's strategic resources are built around the Issuer's specialized competences. The Issuer's highly educated employees, industry knowledge of digital assets and comprehensive financial experience represents the Issuer's strategic assets. With these strategic assets, the Issuer strives to offer investors the most cost effective and service-oriented product.

At the core of the business model of the Issuer lies the investor relationship, which therefore is essential for Valour. To keep investors and potential investors informed, the Issuer will continuously update the website with information and prices related to issued products.

Furthermore, the issuer believes that the founders and directors of the issuer have unique experiences from this field and are in a position to become the most trusted supplier of financial instruments on digital assets. The Board of the Issuer remains confident that, currently, there are only a few direct competitors to the Issuer's offering of Certificates, and none of them has plans for the specific instruments Valour is planning to offer and have admitted to trading.

The Issuer's policy is always to hedge 100% of the market risk in the underlying asset. Hedging is done continuously and in direct correspondence to the issuance of Certificates to investors. The Issuer's holdings of the underlying asset will be audited and specified in the annual and interim reports of the Issuer. The Issuer has a robust internal process in place to secure duality in risk management to make sure the hedging policy is maintained at all times. Maintaining 100% of reserves in the underlying assets is a core principle that is designed to secure a low counterparty risk for investors as well as protecting the best interest of investors in asset-specific events such as forks.

### 3.13. Overview of the Issuer's business activities

The Issuer's operations consist of issuing financial instruments on global regulated markets and MTFs. The Issuer's operations particularly consist of issuing Certificates related to Digital Assets. The Issuer believes that blockchain enabled technologies will continue to grow in importance and want to enable safe and easy access to exposure to this emerging asset class for global investors.

### 3.14. Market overview

As of the date of this Base Prospectus the Issuer has the following securities admitted to trading on the following marketplaces:

**VALOUR**

Single Assets Product / Underlying	Fee	ISIN	WKN	Currency	Börse Frankfurt Ticker	Euronext Amsterdam Ticker	Euronext Paris Ticker	NGM Nordic Growth Market Ticker	BBG Code
VALOUR BITCOIN ZERO	0.00%	CH0573883474	A3GRPD	EUR	VALOUR BITCOIN ZERO	BTCQ	BTCQ	BTC ZERO EUR	BR0212596
VALOUR ETHEREUM ZERO	0.00%	CH0585378752	A3GUMQ	EUR	VALOUR ETHEREUM ZERO	ETHO	ETHO	-	-
VALOUR UNISWAP (UNI)	1.90%	CH1114178846	A3GU9X	EUR	VALOUR UNISWAP	-	-	-	BR9919282
VALOUR POLKADOT (DOT)	1.90%	CH1114178812	A3GU90	EUR	VALOUR POLKADOT	DOTVA	DOTVA	-	BR9909515
VALOUR CARDANO (ADA)	1.90%	CH1114178820	A3GU9Z	EUR	VALOUR CARDANO	ADAVE	ADAVE	-	ADAVE1286
VALOUR SOLANA (SOL)	1.90%	CH1114178838	A3GU9Y	EUR	VALOUR SOLANA	SOLVA	SOLVA	-	BR9918268
VALOUR AVALANCHE (AVAX)	1.90%	CH1149139615	A3GX9S	EUR	VALOUR AVALANCHE (AVAX)	-	-	-	BV3327863
VALOUR ENJIN (ENJ)	1.90%	CH1149139656	A3GYZ7	EUR	VALOUR ENJIN	-	-	-	BX2797401
VALOUR COSMOS (ATOM)	1.90%	CH1149139664	A3GYUV	EUR	VALOUR COSMOS (ATOM)	-	-	-	BX2288187
VALOUR BINANCE (BNB)	1.90%	CH1149139672	A3GQSP	EUR	VALOUR BINANCE	-	-	-	BY3800350
BITCOIN ZERO SEK	0.00%	CH0585378661	-	SEK	-	-	-	BTC ZERO SEK	BR6804230
ETHEREUM ZERO SEK	0.00%	CH0585378752	-	SEK	-	-	-	ETH ZERO SEK	BR6804230
VALOUR UNISWAP (UNI) SEK	1.90%	CH1114178754	-	SEK	-	-	-	VALOUR UNISWAP SEK	BS2231980
VALOUR POLKADOT (DOT) SEK	1.90%	CH1114178770	-	SEK	-	-	-	VALOUR POLKADOT SEK	BR0234327
VALOUR CARDANO (ADA) SEK	1.90%	CH1114178796	-	SEK	-	-	-	VALOUR CARDANO SEK	BR0231513
VALOUR SOLANA (SOL) SEK	1.90%	CH1114178762	-	SEK	-	-	-	VALOUR SOLANA SEK	BR4193248
VALOUR AVALANCHE (AVAX) SEK	1.90%	CH1114178788	-	SEK	-	-	-	VALOUR AVALANCHE (AVAX) SEK	BU6613709

The Issuer has applied for admission to trading on regulated markets or MTFs in France, Germany, the Netherlands and Sweden and may apply for admission to trading certain other member states in the EEA. Sweden is currently the Issuer's largest market in terms of market capitalisation of securities admitted to trading. The Issuer competes with other issuers of structured products and other financial products in these countries. The market for financial products in Sweden, Germany and several other member states in the EEA is characterized by high levels of competition and, accordingly, maintaining compliance with the applicable laws and regulations is vital. Non-compliance by the Issuer with such applicable laws and regulations may be detrimental to the operations of the Issuer and to its market position.

### 3.15. Compliance with legislation relating to corporate governance

The Issuer aims to act at all times in accordance with current laws and regulations, including in respect of corporate governance matters.

### 3.16. Audit and auditors

The Issuer's auditor is RSM Cayman Ltd with its address at Zephyr House, Mary Street, George Town, Cayman Islands and postal address at PO Bo 10311, Grand Cayman KY1-1003, Cayman Islands.

RSM Cayman Ltd. is a full member of the Cayman Islands Institute of Professional Accountants ("CIIPA"), the Insurance Managers Association of Cayman, and the Cayman Islands Chamber of Commerce. RSM is regulated by CIIPA and the Cayman Islands Monetary Authority and is also approved to provide audit services in the BVI and certain other Caribbean jurisdictions.

Lead audit partner is Alex Bodden, Managing Partner at RSM Cayman Ltd. Alex Bodden is a member of the Institute of Chartered Accountants in England and Wales (ICAEW) and the Cayman Islands

Society of Professional Accountants (CISPA) of which he is a Licensed Practitioner, and holds an Honours degree in Accounting & Finance from the University of London in England.

The Issuer's financial statements for the periods ended 31 December 2021, 31 October 2020 and 2019, respectively, have been audited by the auditor. Financial information in this Base Prospectus extracted from said report has been reviewed by the Issuer's auditor as part of their audit of the financial statements. Otherwise, the information in this Base Prospectus has not been audited or reviewed by the auditor.

### **3.17. Legal and arbitration proceedings**

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

### **3.18. Interest of natural and legal persons involved in the issue/offer**

Valour is the Issuer of the Certificates offered under the Program. The Issuer will also act as Calculation Agent and will therefore calculate the amounts to be paid to investors in accordance with the Terms and Conditions. As Calculation Agent, the Issuer may need to determine whether certain events have taken place or if certain adjustments shall be made in case of, for instance, market disruptions. As a consequence, situations may arise where conflict of interests may occur between the interests of Valour as the Issuer and the interests of the investors.

Save for as stated in the preceding paragraph, there are no material interests, including conflicts of interests, of natural or legal persons involved in the issue and/or of the Certificates.

### **3.19. Material contracts**

Please refer to the disclosure in section "3.11. Information on material events affecting the solvency of the Issuer" above.

Save for as stated in the preceding paragraph, there are no material contracts outside the ordinary course of business of the Issuer which may result the Issuer incurring rights or obligations which materially would affect the Issuer's ability to perform its obligations in relation to the investors.

### **3.20. Use of proceeds**

The reason for any offer being made under the Base Prospectus is to generate general corporate income for the Issuer. The Issuer intends to use the net proceeds from each issue of Certificates for the purpose of hedging its obligations in respect of the issuances of Certificates (for further information regarding the hedging activities, please refer to section "3.12 Business model overview" above). It is expected that issued Certificates will generate general corporate income for the Issuer in the form of any fees payable to the Issuer under the issued Certificates and income from trading, staking and lending activities relating to any digital assets the Issuer may hold from time to time.

### **3.21. Post-issuance information**

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



## 4. INCORPORATION BY REFERENCE AND DOCUMENTS ON DISPLAY

### 4.1. Information incorporated by reference

The following information is incorporated in the Base Prospectus by reference and shall be read as an integrated part of this Base Prospectus:

No.	Document	Incorporated section	Page
1	Unaudited financial report for the financial period ended 30 June 2022 ( <a href="https://assets.ctfassets.net/161jgzfj461z/1aDiYf4et3iinWfdXCPzaf/8b263a6a855049d5355f76c93ef1c326/SIGNED_Valour_Inc._2022_Q2_Financial_Statements_final.pdf">https://assets.ctfassets.net/161jgzfj461z/1aDiYf4et3iinWfdXCPzaf/8b263a6a855049d5355f76c93ef1c326/SIGNED_Valour_Inc._2022_Q2_Financial_Statements_final.pdf</a> )	<ul style="list-style-type: none"> <li>- Consolidated statement of financial position</li> <li>- Consolidated statement of profit or loss and other comprehensive income</li> <li>- Consolidated statement of changes in equity</li> <li>- Consolidated statement of cash flows</li> <li>- Notes to the consolidated financial statements</li> </ul>	<ul style="list-style-type: none"> <li>3-4</li> <li>5-6</li> <li>7</li> <li>8-9</li> <li>10-26</li> </ul>
2	Audited financial report for the financial year ended 31 December 2021, including the independent auditor's report, dated 28 March 2022 ( <a href="https://assets.ctfassets.net/161jgzfj461z/4dOEKjO2iqv4C7M97a7NXi/a089645cf3561d3c18999d4bddcfe7ae/Valour_Inc._2021_Audited_Financial_Statements.pdf">https://assets.ctfassets.net/161jgzfj461z/4dOEKjO2iqv4C7M97a7NXi/a089645cf3561d3c18999d4bddcfe7ae/Valour_Inc._2021_Audited_Financial_Statements.pdf</a> )	<ul style="list-style-type: none"> <li>- Independent auditor's report</li> <li>- Consolidated statement of financial position</li> <li>- Consolidated statement of profit or loss and other comprehensive income</li> <li>- Consolidated statement of changes in equity</li> <li>- Consolidated statement of cash flows</li> <li>- Notes to the consolidated financial statements</li> </ul>	<ul style="list-style-type: none"> <li>3-5</li> <li>6-7</li> <li>8-9</li> <li>10</li> <li>11-12</li> <li>13-29</li> </ul>
3	Audited financial report for the financial year ended 31 October 2020, including the independent auditor's report, dated 24 February 2021 ( <a href="https://assets.ctfassets.net/161jgzfj461z/2u84jgAYQmR4kQpFiPro0Y/26228a84d66590cabec3058ba6e6e81e/VSP_2020_-_Audited_Consolidated_Financial_Statements.pdf">https://assets.ctfassets.net/161jgzfj461z/2u84jgAYQmR4kQpFiPro0Y/26228a84d66590cabec3058ba6e6e81e/VSP_2020_-_Audited_Consolidated_Financial_Statements.pdf</a> )	<ul style="list-style-type: none"> <li>- Independent auditor's report</li> <li>- Consolidated statement of financial position</li> <li>- Consolidated statement of profit or loss and other comprehensive income</li> <li>- Consolidated statement of changes in equity</li> <li>- Consolidated statement of cash flows</li> <li>- Notes to the consolidated financial statements</li> </ul>	<ul style="list-style-type: none"> <li>3-5</li> <li>6-7</li> <li>8-9</li> <li>10</li> <li>11-12</li> <li>13-28</li> </ul>
4	Audited financial report for the period from the incorporation of the Issuer (18 June 2019) to and as of 31 October 2019, including the independent auditor's report dated 12 December 2019 ( <a href="https://assets.ctfassets.net/161jgzfj461z/43vIMd65UGCf07xWcWMCvP/819e6b2ba33d151aa9c547a9d7fcef5/Valour-Financial-Statements-2019.pdf">https://assets.ctfassets.net/161jgzfj461z/43vIMd65UGCf07xWcWMCvP/819e6b2ba33d151aa9c547a9d7fcef5/Valour-Financial-Statements-2019.pdf</a> )	<ul style="list-style-type: none"> <li>- Independent auditor's report</li> <li>- Statement of financial position</li> <li>- Statement of profit or loss and other comprehensive income</li> <li>- Statement of changes in equity</li> <li>- Statement of cash flows</li> <li>- Notes to the consolidated financial statements</li> </ul>	<ul style="list-style-type: none"> <li>1-2</li> <li>3</li> <li>4</li> <li>5</li> <li>6</li> <li>7-15</li> </ul>
5	The Issuer's base prospectus, dated 10 December 2021 (SFSA reg. no. 21-25431)	The section under the heading "The General Conditions Governing the Certificates"	37-54
6	The Issuer's base prospectus, dated 16 March 2021 (SFSA reg. no. 21-4587)	The section under the heading "The General Conditions Governing the Certificates"	31-41

7	The Issuer's base prospectus, dated 23 March 2020 (SFSA reg. no. 20-1437)	The section under the heading "The General Conditions Governing the Certificates" 26-35
---	---	---

The parts of the documents nos. 5-7 above that have not been incorporated by reference, are either not relevant for the investor or are covered by other parts of this Base Prospectus.

The documents listed above are available in electronic format on the Issuer's website <https://valour.com/about-valour>).

#### **4.2. Documents on display**

Copies of the following documents are electronically available on the Issuer's website <http://www.valour.com/>. This website does not form part of this Base Prospectus (other than where information has been explicitly incorporated by reference into this Prospectus) and has not been scrutinised or approved by the SFSA. Paper copies of the documents are also available at the Issuer's office at Valour Structured Products Inc, PO Box 10008, Willow House, Cricket Square, Grand Cayman KY1-1001, Cayman Islands, during the period of validity of this Base Prospectus:

- a) Up to date memorandum and articles of association of the Issuer;
- b) Unaudited financial report for the financial period ended 30 June 2022;
- c) Audited financial report for the financial year ended 31 December 2021, including the independent auditor's report, dated 28 March 2022;
- d) Audited financial report for the financial year ended 31 October 2020, including the independent auditor's report, dated 24 February 2020; and
- e) Audited financial report for the period from the incorporation of the Issuer (18 June 2019) to and as of 31 October 2019, including the independent auditor's report dated 31 October 2019.

## **5. TAXATION**

Every investor must be aware that investing in Certificates with digital assets as underlying may have tax implications, such as income tax, capital gains tax or other taxes. Every investor must investigate individually whether or not tax consequences may occur in their respective country.

## 6. THE GENERAL CONDITIONS GOVERNING THE CERTIFICATES

These terms and conditions (“**General Conditions**”) shall apply to any and all certificates linked, directly or indirectly, to one or more Digital Assets (collectively for each Series, the “**Certificates**”) issued under this Program by Valour Inc. (the “**Issuer**”), a company incorporated under the laws of the Cayman Islands (registered number 352409) and having its registered office at P.O. Box 10008, Willow House, Cricket Square, Grand Cayman KY1-1001, Cayman Islands. The Certificates will be issued in series (each a “**Series**”) in the form of transferable securities. One or more Series of Certificates may be issued in Swedish kronor (“**SEK**”), in Euro (“**Euro**”) or such other Settlement Currency specified in the Final Terms. Each Series will be allocated an individual series number (“**Series Number**”) in the relevant Final Terms (as defined below). The Series Number for each Series will follow different numbering sequel depending on the relevant Settlement Currency (it is expected that Series Numbers for Certificates denominated in SEK, will start at 100 and, for Certificates denominated in EUR, at 110).

For each series of Certificates, Final Terms (“**Final Terms**”) will be prepared which will contain additional terms and conditions relating to the relevant Series of Certificates. The terms and conditions set forth in the Final Terms will adjust, supplement and complete these General Conditions. The applicable Final Terms are, in the case of Materialized Certificates, attached to the Global Certificate and complete these General Conditions. The General Conditions as so adjusted, supplemented and completed for a specific Series are referred to as the “**Conditions**”.

### 1. Definitions

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

"**Account Operator**" means bank or other institute authorized to act as an account operator (Sw. *kontoförande institut*) in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act (Sw. *lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*) through which the relevant Holder has opened a Euroclear Sweden Account for the Certificates;

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

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

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

"**Benchmark Administrator**" means, in relation to an Index, the Benchmark Administrator specified as such in the Final Terms applicable to the relevant Series of Certificates;

"**Business Day**" means (i) in relation to payments in a Settlement Currency, any day on which commercial banks and foreign exchange markets settle payments and are open for general

business (including dealing in foreign exchange and foreign currency deposits) in the financial centre of the Settlement Currency which, in the case of a payment in EUR, is a TARGET Settlement Day and (ii) otherwise, the days when the relevant Eligible Market Place is open for business.

"**Calculation Agent**" means (i) Valour Inc; (ii) such other party specified in the Final Terms applicable to the relevant Series of Certificates; or (iii), following the Issuer's dispatch of a notice in accordance with Condition 13 (*Notices*), such other party which the Issuer has appointed as Calculation Agent for one or more Series of Certificates;

"**Certificate**" means a transferable security in the form of non-principal protected (unless a Minimum Redemption Amount is applicable to the relevant Series) certificates issued by the Issuer pursuant to these Terms and Conditions;

"**Clearstream**" means Clearstream Banking S.A., 42 Avenue JF Kennedy L-1855 Luxembourg;

"**Common Depositary**" has the meaning attributed to the term in Condition 2.1;

"**CSD**" means: (i) in relation to any Swedish Certificates, the Swedish CSD; (ii) in relation to any Swiss Certificates, the Swiss CSD; or (iii) in relation to any Materialized Certificates, Euroclear and Clearstream, as applicable for the relevant Series of Certificates;

"**CSD Rules**" means the legislation, regulations, rules and operating procedures applicable, from time to time, to and/or issued by (i), in the case of Swedish Certificates, the Swedish CSD, from time to time, including but not limited to, the Swedish Central Securities Depository and Financial Instruments Accounts Act (in Swedish: *lag (1998:1479) om centrala värdepappersförvarare och kontoföring av finansiella instrument*); (ii) in the case of Swiss Certificates, the Swiss CSD, from time to time, including but not limited to, the FISA; or (iii), in the case of Materialized Certificates, Euroclear and/or Clearstream;

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

"**Digital Asset**" means (i) in the case of a Series of Certificates providing exposure to a single Digital Asset, the single digital asset specified in the Final Terms applicable to the relevant Series of Certificates, (ii) in the case of a Series of Certificates providing exposure to a Basket of Digital Assets, specified in the Final Terms applicable to the relevant Series of Certificates and/or (iii) potentially, in case of a Transformation Event, the successor(s) thereof;

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

"**Euroclear**" means Euroclear Bank S.A./N.V., 1 boulevard du Roi Albert II B-1210 Brussels, Belgium;

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

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

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

"FISA" has the meaning attributed to the term in Condition 2.12;

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

"Global Certificate" has the meaning attributed to the term in Condition 2.1;

"Holder" has the meaning attributed to the term in Condition 2.2 as regards Materialized Certificates; in Condition 2.8 as regards Swedish Certificates; and in Condition 2.13 as regards Swiss Certificates;

"Common Depositary" has the meaning attributed to the term in Condition 2.1;

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

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

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

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

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

"Index" means the index specified as such in the Final Terms applicable to the relevant Series of Certificates;

"Index Adjustment Event" has the meaning attributed to the term in Condition 5.8;

"Index Cancellation" has the meaning attributed to the term in Condition 5.8;

"Index Disruption" has the meaning attributed to the term in Condition 5.8;

"Index Level" means the closing level of the Index as calculated and published by the relevant Benchmark Administrator as of the Valuation Time;

"Index Modification" has the meaning attributed to the term in Condition 5 (*Settlement Amount for the Certificates etc.*);

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

"Issuing Agent" means the party specified as such in the Final Terms applicable to the relevant Series of Certificates;

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

"Issuer Call Fixing Date" has, where applicable, the meaning attributed to the term in Condition 7 (*Issuer Call Option*) below;

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

**"Issuer Call Request Date"** has, where applicable, the meaning attributed to the term in Condition 7 (*Issuer Call Option*) below;

**"Issuer Call Settlement Date"** has, where applicable, the meaning attributed to the term in Condition 7 (*Issuer Call Option*) below;

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

**"Minimum Redemption Amount"** means, where applicable pursuant to the Final Terms applicable to the relevant Series of Certificates, the amount specified as such in said Final Terms;

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

**"Pt0"** has the meaning attributed to the term in Condition 5 (*Settlement Amount etc.*);

**"Pt1"** has the meaning attributed to the term in Condition 5 (*Settlement Amount etc.*);

**"P(avg)"** has the meaning attributed to the term in Condition 5.5 (*Settlement Amount etc.*);

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

**"Record Date"** means the record date designated by the CSD Rules for Certificates denominated in the relevant Settlement Currency;

**"Reference Currency"** means USD or, where applicable, the relevant USD stablecoin in which the price of the relevant Digital Asset, is expressed, such as USD Tether (USDT) or, in the case of any Series linked to an Index, the currency in which the Index Level is expressed;

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

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

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

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

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

**"Single Digital Asset"** means the digital asset specified as such in the Final Terms applicable to the relevant Series of Certificates;

**"Successor Index"** has the meaning attributed to the term in Condition 5.7;

"**Swedish Certificates**" has the meaning attributed to the term in Condition 2.4;

"**Swiss Certificates**" has the meaning attributed to the term in Condition 2.12;

"**Swedish CSD**" means Euroclear Sweden AB, Klarabergsviadukten 63, S-111 64 Stockholm;

"**Swedish CSD Rules**" means the CSD Rules of the Swedish CSD;

"**Swiss CSD**" means SIX SIS AG, Baslerstrasse 100, CH-4601 Olten;

"**Transformation Event**" means any form of event which affects the Digital Asset by splitting a Digital Asset into two or more digital assets, adding a new digital asset, including but not limited to so-called 'forks', and / or other similar events transforming the nature of the original Digital Asset; and

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

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

- (a) Any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time
- (b) A provision of law, regulation, rule or operating procedure is a reference to that such as amended or re-enacted, and
- (c) A time of day is a reference to Stockholm time, equal to Central European Time, CET, unless otherwise stated.

## 2. **Form, holders and transferability of Certificates**

### Certificates in materialized form

- 2.1. In the case of materialized Certificates represented by a global Certificate in registered form (the "**Global Certificate**") and held with Clearstream and/or Euroclear (such Certificates, "**Materialized Certificates**"), no Certificates in definitive form will be issued. The Global Certificate has been deposited with a common depositary (the "**Common Depositary**") common to Clearstream and Euroclear and registered in the name of the Common Depositary, or a nominee on its behalf.
- 2.2. In the case of Materialized Certificates, each person who is for the time being shown in the records of Clearstream or of Euroclear as the holder of a particular amount of Certificates (in which regard any certificate or other document issued by Clearstream or Euroclear as to the amount of Certificates standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, (where applicable) and each agent as the holder of such amount of Certificates for all purposes except as ordered by a court of competent jurisdiction or as required by law (and the expressions "**Holder**", "**Certificate holder**" and "**holder(s) of Certificate**" and related expressions shall be construed accordingly);
- 2.3. In the case of Materialized Certificates, all transactions (including transfers of Certificates) in the open market or otherwise must be effected through an account at Clearstream or Euroclear subject to and in accordance with the rules and procedures for the time being of Clearstream or of Euroclear, as the case may be. Transfers of Certificates may only be effected if they are in respect of a number of Certificates equal to the minimum trading number or an integral multiple



thereof. Transfers of Certificates may not be effected after the exercise of a Holder's Put Option in respect of such Certificates pursuant to Condition 8 (*Holder's Put Option*).

Provisions regarding Swedish Certificates

- 2.4. Swedish certificates will be issued in registered, dematerialized and uncertificated book-entry form in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act (Sw. lag (1998:1479) om centrala värdepappersförvarare och kontoföring av finansiella instrument) ("**Swedish Certificates**").
- 2.5. No physical document of title will be issued in respect of Swedish Certificates and the provisions in the Conditions relating to presentation, surrender, replacement or similar expressions or provisions of and/or relating to Certificates in such form, shall not apply to Swedish Certificates.
- 2.6. Each Certificate will be issued in an uncertificated, dematerialized book-entry registration form pursuant to the Swedish CSD Rules. All Swedish Certificates will be registered in Euroclear Sweden Accounts on behalf of the respective Holders.
- 2.7. The Settlement Currency for any Series of Swedish Certificates may only be a denomination in SEK or Euro or any other currency permissible under the Swedish CSD Rules.
- 2.8. In the case of Swedish Certificates, "**Holder**" means each holder of such Certificates registered as such on any relevant date in respect of a Certificate in the records of Swedish CSD, including also (i) any nominee authorized as such by the Swedish CSD registered as the nominee holder in respect of any such Certificate and (ii) any such other person who is registered with in the records of the Swedish CSD on the relevant date as being entitled to receive the relevant payment (and the expressions "**Certificate holder**" and "**holder(s) of Certificate**" and related expressions shall be construed accordingly).
- 2.9. A request for book-entry registration measures concerning any Swedish Certificate shall be made to the relevant Account Operator.
- 2.10. Those who pursuant to assignment, security, the provisions of the Swedish Parental Code (Sw. Föräldrabalken (1949:381)), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Swedish Certificate shall register their entitlements to receive payment in accordance with the Swedish CSD Rules.
- 2.11. The Issuer and, to the extent permissible under the Swedish CSD Rules, the relevant Issuing Agent, shall be entitled to obtain information from the records of the Swedish CSD in accordance with the Swedish CSD Rules.

Provisions regarding Swiss Certificates

- 2.12. Swiss certificates will be issued in dematerialised form as uncertificated securities in accordance with art. 973c of the Swiss Code of Obligations ("**CO**") ("**Uncertificated Securities**" (*Wertrechte*)) and are transformed into intermediated securities ("**Intermediated Securities**" (*Bucheffekten*)) in accordance with art. 6 of the Swiss Federal Act on Intermediate Securities ("**FISA**") (the "**Swiss Certificates**"). Uncertificated Securities will be created by the Issuer by means of a registration in its register of Uncertificated Securities (*Wertrechtbuch*). The Issuer will maintain the register of Uncertificated Securities. Intermediated Securities will be created in accordance with art. 6 (2) FISA (i) by entering such Uncertificated Securities in the main register of Uncertificated Securities (*Hauptregister*) maintained by SIX SIS AG or any other eligible entity, acting as custodian as defined in art. 4 FISA (the "**Custodian**" (*Verwahrungsstelle*)) which is available to the public, and (ii) SIX SIS AG or any other eligible entity, acting as Custodian, crediting the respective rights to securities accounts of one or more of its account holders in accordance with art. 4 and 6 FISA.
- 2.13. In the case of Swiss Certificates, "**Holder**" or "**Certificate holder**" means a person holding the Swiss Certificates in a securities account in its own name and for its own account. The

Holder's entitlement to Intermediated Securities is based on its relevant securities account. A Holder may at any time require its custodian to draw up a statement of the Intermediated Securities credited to its securities account in accordance with art. 16 FISA. The Holders shall at no time have the right to effect or demand (i) the retransformation of the Intermediated Securities into, and the delivery of, Uncertificated Securities in the case of Uncertificated Securities being the basis for the creation of Intermediated Securities, or (ii) the conversion of the Uncertificated Securities into Materialized Certificates. No physical delivery of the Swiss Certificates shall be made under any circumstances.

- 2.14. As long as the Swiss Certificates constitute Intermediated Securities, the Swiss Certificates may only be transferred or otherwise disposed of in accordance with the provisions of the FISA.

### **3. Status and restrictions on transferability of Certificates**

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

### **4. Open-ended Certificates**

Each Series of Certificates will be issued as open-ended Certificate without a specified scheduled maturity date at issuance.

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

#### General

- 5.1. Unless the Certificates have been previously redeemed or purchased and cancelled, the Issuer shall redeem the relevant Certificates on the relevant Settlement Date. The Issuer shall redeem the relevant Certificates at the relevant Settlement Amount. The settlement amount (the "**Settlement Amount**") shall be an amount in the Settlement Currency equal to the sum of (A) the Minimum Redemption Amount, if any, and (B) the reference price (the "**Reference Price**") as determined by the Calculation Agent in accordance with the applicable formula stated below in this Condition 5 (subject to a minimum of zero (0) and rounded down to the nearest transferable unit of the Settlement Currency).
- 5.2. The Certificates are not principal-protected (unless a Minimum Redemption Amount is applicable to the relevant Series) and do not bear any interest.

#### Certificates linked to a single Digital Asset

- 5.3. In the case of any Series of Certificates linked to a Single Digital Asset pursuant to the applicable Final Terms, the Settlement Amount shall be determined in accordance with the following formula:

$$\text{Reference Price} = ((Pt0)+(Pt1-Pt0)-P(\text{avg})*(\text{Fee}/365)*\text{Days})*\text{Multiplier}$$

Where:

“**Days**” means the actual number of calendar days from (and including) the Initial Fixing Date up to (and including) the Final Fixing Date;

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

“**Multiplier**” will have the meaning attributed to the term in the Final Terms applicable to the relevant Series of Certificates. The Multiplier will be set by the Calculation Agent for the purpose of reflecting an initial notional investment of one hundred per cent (100%) of the relevant invested amount per Certificate at the relevant Asset-Level;

“**Pt0**” means the Asset-Level as of the Valuation Time on the Initial Fixing Date;

“**Pt1**” means the Asset-Level as of the Valuation Time on the Final Fixing Date;

“**P(avg)**” means the arithmetic mean of the Asset-Level observed on each calendar day from (and including) the Initial Fixing Date up to (and including) the relevant Final Fixing Date;

and where:

“**Asset-Level**” means the level determined by the Calculation Agent as the arithmetic mean of the Relevant Digital Asset Prices quoted on the Primary Eligible Market Places expressed in the relevant Settlement Currency. The Relevant Digital Asset Prices used are (a), where applicable, first re-calculated from the Reference Currency to the Settlement Currency using mid-price of the exchange rate between the Reference Currency and the relevant Settlement Currency as of the Valuation Time, as determined by the Calculation Agent using the FX Source, and (b) the sum of the four Relevant Digital Asset Prices (as expressed in the Settlement Currency) is divided by four (or, if the number of Relevant Digital Asset Prices is lower than four, such lower number) and the resultant figure equals the Asset Level;

“**Eligible Market Places**” means the marketplaces stipulated in the Final Terms applicable to the relevant Series of Final Terms and, following a determination by the Issuer, acting in its own and absolute discretion, any successor, new, replacing or other additional marketplace for the Digital Asset, which meet the following criteria:

1. The marketplace must, on a continuous basis or a regular scheduled basis, publish (i) a bid-offer spread for an immediate sale (offer) and an immediate purchase (bid) and (ii) last paid prices;
2. The marketplace must pass a due diligence test and management must be willing to work together with the Issuer;
3. The operations of the marketplace relating to the trades in and/or publication of the Digital Asset prices must not have been declared unlawful by any governmental authority or agency with jurisdiction over the relevant marketplace;
4. The marketplace must represent a significant part of the total 30-day cumulative volume for all of the exchanges included in the Asset-Level; and
5. Fiat currency and Digital Asset transfers (whether deposits or withdrawals) must be settled by the marketplace within seven business days.

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

“**FX Source**” means, in respect of the Settlement Currency, the FX rate fixing published by Interactive Brokers for the Settlement Currency against the Reference Currency as of 4:00 pm (London time) or such other FX rate as may be designated by the Issuer in the future;

“**Primary Eligible Market Places**” means the four (4) chosen Eligible Market Places which, in the determination of the Calculation Agent, both have the largest trading volume in the relevant Digital Asset during the period of 30 trading days preceding the relevant Initial Fixing Date and meet all the conditions set out in the above section “Eligible Market Places” or, as the case may be, the relevant Final Fixing Date, except for in circumstances where the Calculation Agent determines that the number of Eligible Market Places is lower than four, in the which case the number of Primary Eligible Market Places shall correspond to such lower number of Eligible Market Places. P(avg) will be based on data from these Primary Eligible Market Places;

“**Reference Currency**” means the currency of denomination (typically USD) or the relevant stable coin in which the price of the relevant Digital Asset is expressed;

“**Relevant Digital Asset Prices**” means, in respect of a Digital Asset and a Primary Eligible Market Place, the value calculated as the weighted average price for one unit of the relevant Digital Asset in the Reference Currency quoted on the relevant Primary Eligible Market Places as published by the relevant Primary Eligible Market Place during the Valuation Time on the relevant Initial Fixing Date or, as the case may be, the relevant Final Fixing Date; and

“**Valuation Time**” means, unless defined otherwise in the Final Terms applicable to the relevant Series of the Certificates, on each relevant date (i), for the purpose of determining the Asset-Level, the period 12:00-17:30 CET, where the value is calculated as the unweighted average price between the eligible exchanges of the weighted average price for the period of each underlying exchange separately, and (ii), for purpose of determining the exchange rate between the Reference Currency and the relevant Settlement Currency (if applicable), 17:30 CET.

*Certificates linked to a Basket of Digital Assets*

- 5.4. In the case of any Series of Certificates linked to a Basket of Digital Assets pursuant to the applicable Final Terms, the Settlement Amount shall be determined in accordance with the formula and the provisions stipulated in Condition 5.3 above, but with the following modification:

“**Asset-Level**” shall mean the level determined by the Calculation Agent by determining the price of each component in the relevant Basket of Digital Assets calculated as the “Asset-Level” for a Single Digital Asset above and by applying the relative weight of each component of the relevant Basket of Digital Assets as specified in the relevant Final Terms.

*Certificates linked to an Index*

- 5.5. In the case of any Series of Certificates linked to an Index pursuant to the applicable Final Terms, the Settlement Amount shall be determined in accordance with the formula and the provisions stipulated in Condition 5.3 above, but with the following modifications:

“**Asset-Level**” shall mean the level determined by the Calculation Agent as the Index Level and, where applicable, converted from the Reference Currency to the Settlement Currency using mid-price of the exchange rate between the Reference Currency and the relevant Settlement Currency as of the Valuation Time, as determined by the Calculation Agent using the FX Source; and

“**Valuation Time**” means, unless defined otherwise in the Final Terms applicable to the relevant Series of the Certificates, on each relevant date (i), for the purpose of determining the Asset-Level, the time with reference to which the relevant Benchmark Administrator calculates and publishes the Index Level and (ii), for purpose of determining the exchange rate between the Reference Currency and the relevant Settlement Currency (if applicable), 17:30 CET.

For the avoidance of doubt, the definitions of ‘Eligible Market Places’, ‘Primary Eligible Market Places’, ‘Relevant Digital Asset Prices’ are not applicable when determining the Settlement Amount for any Series of Certificates linked to an Index.

Asset Disruption Event and/or Transformation Event

- 5.6. If the Calculation Agent or, where the Calculation Agent is another party than the Issuer, the Issuer, determines that, in respect of a Single Digital Asset or Basket of Digital Assets, an Asset Disruption Event has occurred or in the immediate future will occur, subject to a Transformation Event such as a “soft fork” or a “hard fork”, at the Valuation Time on the Initial Fixing Date, the Final Fixing Date or on any other relevant date, the Calculation Agent shall postpone the calculation of the Settlement Amount and/or the determination and calculations of the constituents in the formula in Condition 5 above, to the most reasonably practical Business Day following the occurrence of such relevant Transformation Event.

The Calculation Agent or, where the Calculation Agent is another party than the Issuer, the Issuer, will in its sole and absolute discretion determine, as required due to the nature of the Transformation Event:

- (a) which Digital Asset currency or currencies shall continue to be or be the successor of the originally or previously used Digital Asset currency;
- (b) whether or not such Transformation Event shall result in any modification of the Conditions of the relevant Series of Certificates in order to take into consideration such Transformation Event and/or
- (c) whether or not any consideration, in cash or in form of new Certificates will be due to Holders or the relevant Series of Certificates affected by the Transformation Event.

The Calculation Agent or, where the Calculation Agent is another party than the Issuer, the Issuer, will take into account all relevant factors, including but not limited to, the ability to afford equal treatment to all Holders of the relevant Series Certificates and any other applicable legal and regulatory requirements, the feasibility from an operational, technical, resource and practical perspective of any potential corrective or compensatory actions, any and all internal costs and expenses and the potential net resulting benefits for individual holders. Consequently, there can neither be an assurance that the Holders of the relevant Series of Certificates will either benefit from any actual or perceived value creation resulting from (or in connection with) a Transformation Event nor that they will be able to avoid losses related with such a Transformation Event.

If such calculations and determinations have been postponed for more than eight Business Days or, if earlier, up to the Business Day prior to the last date on which instructions regarding the Settlement Amount must be given to the CSD pursuant to the CSD Rules, the Calculation Agent shall be entitled to calculate the Settlement Amount using its determinations and calculations of the constituents on the basis of such publicly available market data it in its sole and absolute discretion deems relevant and appropriate.

Successor Index and/or Index Adjustment Events

- 5.7. If, in relation to any Series of Certificates linked to an Index, the relevant Index (i) is not calculated and announced by the relevant Benchmark Administrator but is calculated and

announced by a successor sponsor acceptable to the Calculation Agent, or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then in each case that index (the “**Successor Index**”) will be deemed to be the Index.

- 5.8. If, on or prior to the Initial Fixing Date or the Final Fixing Date in respect of any Series of Certificates linked to an Index, (i) a relevant Benchmark Administrator announces that it will make a material change in the formula for or the method of calculating that Index, or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in the constituent(s) and capitalization and other routine events) (an “**Index Modification**”) or permanently cancels the Index and no Successor Index exists (an “**Index Cancellation**”) or (ii) the relevant Benchmark Administrator fails to calculate and announce a relevant Index (an “**Index Disruption**” and together with an Index Modification and an Index Cancellation, each an “**Index Adjustment Event**”), then:
- (a) the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the relevant Series and, if so, shall calculate the relevant Settlement Amount, Index Level, as the case may be, using, in lieu of a published level for that Index, the level for that Index as at the Initial Fixing Date or Final Fixing Date as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those constituents that comprised that Index immediately prior to that Index Adjustment Event; or
  - (b) if the Calculation Agent, acting in good faith and in a commercially reasonable manner, determines that it is, becomes or most likely will become unable to make the determinations as required pursuant to Condition 5.9(a) above for an undetermined period of time, the Issuer shall exercise its right to redeem the Certificates of the relevant Series pursuant to the provisions in Condition 7 (*Issuer Call Option*). Any Series cancelled as a result of an Index Adjustment Event will be valued using the formula or method to calculate the Index in effect immediately prior to such Index Adjustment Event, combined with any such modifications in the calculation of the relevant Settlement Amount and its components as the Issuer, acting in good faith and in a commercially reasonable manner, deems necessary to calculate the relevant Settlement Amount.

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

- 6.1. The Certificates are cash settled and there will be no physical delivery of any kind.
- 6.2. Each Certificate will be redeemed on the relevant Settlement Date for each Series of Certificates, or, as the case may be, where any Holder’s Put Option has been exercised, the relevant Settlement Date for the relevant Certificates of such exercising Holder.
- 6.3. A payment of any amount due under any Certificate shall be made to the relevant Holder pursuant to and in accordance with the relevant CSD Rules. Any payment in respect of Swiss Certificates shall be made by the Issuer or Paying Agent, as the case may be, subject to applicable fiscal and other laws and regulations, to the clearing system, i.e. SIX SIS AG, or the relevant intermediary, as the case may be, or to its order for credit to the accounts of the relevant account holders of SIX SIS AG or the relevant intermediary in accordance with all rules and regulations applicable to SIX SIS AG.
- 6.4. If the relevant Settlement Date is not a Business Day, then payments shall be executed as aforesaid on the first immediately following Business Day. No default interest or other compensation shall accrue provided payments are so effected.

## **7. Issuer Call Option**

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

- 7.2. The Issuer may at any time exercise the Issuer Call Option by giving the Holders of the relevant Series of Certificates not less than 10 Business Days and not more than 20 Business Days prior notice before the Settlement Date set for the redemption (the “**Issuer Call Settlement Date**”). Such notice shall be validly given by the Issuer when dispatched in accordance with the provisions in Condition 13 (*Notices*) (the “**Issuer Call Request Date**”). The notice shall contain information regarding the (i) the Series of Certificates in respect of which the Issuer’s Call Option is exercised; (ii) the date as of which the Asset-Level will be determined for the purposes of calculating the Settlement Amount in respect of the Issuer Call Settlement Date (the “**Issuer Call Fixing Date**”); and (iii) the relevant Issuer Call Settlement Date.

## **8. Holder Put Option**

- 8.1. Each Holder may, individually and at its own discretion, exercise its right to have all or only some of such Holder’s Certificates of the relevant Series of Certificates, redeemed early by the Issuer (the “**Holder Put Option**”).
- 8.2. Each Holder may exercise the Holder Put Option by giving the Issuer written notice no more than sixty (60) days prior nor later than ten (10) Business Days before the last Business Day in the month of March or, as the case may be, September each year (each a “**Holder Put Request Date**”) as long as the relevant Certificates are outstanding. In order for such notice to become effective the written notice must (i) be given by the relevant Holder to the Issuer in accordance with the provisions in Condition 13 (*Notices*); (ii) state the relevant Series of Certificates and the number of Certificates in respect of which the Holder Put Option is exercised; and (iii) accompanied within no more than sixty (60) and no less than ten (10) Business Day from the relevant Holder Put Request Date, by (x), in the case of Swedish Certificates, the requesting Holder’s transfer of all of the relevant Certificates to the Euroclear Sweden Account designated for such purpose by the Issuing Agent and blocked for further transfer and registrations; (y), in the case of Swiss Certificates, completion by the relevant Holder of any and all actions required pursuant to the relevant CSD Rules or, in the case of any Materialized Certificates, completion by the relevant Holder of any and all actions required pursuant to the relevant CSD Rules. Should such transfer not occur within such period, the relevant notice shall automatically be deemed null and void. If a notice has been duly given and the transfer has been so completed, the holder put final fixing date shall be the last Business Day in the month of April or, as the case may be, October (the “**Holder Put Final Fixing Date**”) and the relevant Certificates shall be redeemed by the Issuer on the tenth Business Day following the Holder Put Final Fixing Date (the “**Holder Put Settlement Date**”).
- 8.3. Upon a Holder’s exercise of the Holder Put Option the Settlement Amount shall be determined by the Calculation Agent in accordance with the provisions in Condition 5 (*Settlement Amount*) but such Settlement Amount shall also be reduced with an early exit fee of 3 per cent (the “**Holder Put Fee**”). Thus, that early exit fee is calculated by multiplying the Settlement Amount with a factor of 0.03, corresponding to a 3% one-off fee.

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

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

## **10. Limitation of liability**

- 10.1. The Issuer shall not be liable to compensate Holders for any potential losses that the Holders have incurred, when the Issuer has acted with care. The Issuer will not be liable to compensate any indirect losses incurred by Holders unless the Issuer has been grossly negligent.

- 10.2. The Issuer shall not be liable to compensate Holders for any losses incurred by force majeure such as strikes, blockades, acts of war, lockout or other similar circumstances. In case the Issuer is prevented from taking measures under these Terms and Conditions due to occurrences of events that qualifies as force majeure, such measures may be postponed until such event has ceased.

## **11. Prescription**

Claims against the Issuer for payment in respect of any Materialized Certificate shall be prescribed and become void unless presented for payment within ten years from the relevant Settlement Date. Claims against the Issuer for payment in respect of any Swiss Certificate will be prescribed ten years after the relevant Settlement Date. Claims against the Issuer for payment in respect of any Swedish Certificate will be prescribed ten years after the relevant Settlement Date. If the prescription period becomes disrupted in respect of any Swedish Certificates a new prescription period will run in accordance with the Swedish Act (1981:130) on Prescription (Sw. *Preskriptionslag*).

## **12. Application for admission to trading**

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

## **13. Notices**

- 13.1. Any notice or other communication to be made:

(a) if to the Issuer, shall be given in writing using the form(s) provided on the Issuer's website ([www.valourglobal.com](http://www.valourglobal.com)), from time to time, with a copy to the Issuing Agent at the address then registered with Swedish Companies Registration Office; and

(b) if to a Holder, shall be given in writing at their addresses as registered with the CSD, on the relevant date pursuant to the CSD Rules, and by either courier delivery or letter.

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

## **14. Governing law & Jurisdiction**

- 14.1. The Conditions shall be governed by and construed in accordance with Swedish law. Title to Certificates, their constitution and transfer and the effects of registration with a CSD will be governed by the laws applicable to the relevant CSD.
- 14.2. Any dispute arising from the Certificates, the Conditions and/or the Base Prospectus shall exclusively be settled by Swedish courts, with the District Court of Stockholm as the court of first instance.



The Issuer hereby confirms that the Conditions are binding upon it.

Zug, Switzerland, 15 December 2022

**Valour Inc.**



FISN Code: [●].

- 4 Settlement Currency: [Swedish Kronor (“SEK”) / Euro (“EUR”) / United States dollars (“USD”) / Swiss franc / [●]] (the “Settlement Currency”).
- 5 Number of Certificates: [●].
- 6 Issue Price: [●].
- 7 Issue Date: [●].

**Payout terms applicable to the Certificates**

- 8 Type of exposure: [Single Digital Asset] / [Basket of Digital Assets] / [Index].
- 9 Single Digital Asset: [Not applicable] / [Insert Name of relevant Digital Asset from the list of eligible Digital Assets in the Base Prospectus] (the “Digital Asset”).

Initially Eligible Market Places:

[Bitfinex], [Bitstamp], [Coinbase], [Kraken] / [●] /Not Applicable].

Information regarding past performance and volatility of the Digital Asset is available, free of charge, at

[[www.coinmarketcap.com];

[(www.bitfinex.com)];

[(www.bitstamp.com)];

[www.coinbase.com]: [and]

[www.kraken.com][. / [and]]

[●].]

- 10 Basket of Digital Assets: [Not applicable] / [A basket consisting of the following Digital Assets (each a “Digital Asset” and collectively, the “Basket of Digital Assets”) with the following weights at the time of issuance:

Digital Asset	Weight
---------------	--------

<i>[Insert Name of relevant Digital Asset from the list of eligible Digital Assets in the Base Prospectus]</i>	[●]
[●]	[●]
[●]	[●]
<i>(Repeat as required)</i>	<i>(Repeat as required)</i>

Initially Eligible Market Places:

[Bitfinex], [Bitstamp], [Coinbase], [Kraken] / [●] /Not Applicable].

Information regarding past performance and volatility of the Digital Asset is available, free of charge, at

[[[www.coinmarketcap.com](http://www.coinmarketcap.com)];

[([www.bitfinex.com](http://www.bitfinex.com))];

[([www.bitstamp.com](http://www.bitstamp.com))];

[[www.coinbase.com](http://www.coinbase.com)]: [and]

[[www.kraken.com](http://www.kraken.com)][. / [and]]

[●].]

11 Index: [Not applicable] / [The Index: [●]

Benchmark Administrator: [●]

Index administrator: [The Benchmark Administrator]/[[●], which is included in the register of administrators pursuant to Article 36 of the Benchmark Regulation (EU) 2016/1011.]

Information in respect of the Index is available, free of charge, at [<https://vinter.co/valour/>]/[ [www.compass-ft.com](http://www.compass-ft.com)]/[*website(s) where the identified Benchmark Administrator post the Index Methodology and performance metrics are made available*].]

### Common provisions

12 Minimum Redemption Amount: [Not applicable] / [Applicable, the Minimum Redemption Amount per Certificate is *[insert amount to be specified in the relevant Settlement Currency]*].

- 13 Multiplier: [●].
- 14 Initial Fixing Date: [[●] / The Issue Date].
- 15 Fee: [Not applicable]/[[0.025]/[●], being the management fee of [[0.025]/[●]] per annum, deducted daily, subject to downward adjustment as may be the case pursuant to General Condition 5].
- 16 Valuation Time(s): [As defined in the General Conditions] / [Valuation Time means [●]].

### Admission to trading

- 17 Regulated or other market: [[●]. [The Issuer [has applied] / [will apply] for the Series of Securities to be admitted for trading on [the Nordic MTF] / [●] of [Nordic Growth Market (NGM)] / [●] in Sweden.] [The Issuer [has applied] / [will apply] for the Series of Securities to be admitted for trading on the [regulated] / [unregulated] market [●] of [●] in [Austria] / [Belgium] / [Denmark] / [Finland] / [France] / [Germany] / [Italy] / [Luxembourg] / [the Netherlands] / [Norway] / [and/or] / [Spain] [and/or][, subject to completion of relevant notification measures, [●]].] There can be no assurance given that the application will be accepted or that it will be possible to maintain a granted admission to trading to the relevant Settlement Date.] / [Not applicable.]]
- 18 Market-maker: [Mangold Fondkommission AB / [●]] / [Not applicable].
- 19 Listing Agent: [●]/ [Not applicable].
- 20 Spread: [[Maximum [4] / [●] % during normal market conditions.]] / [Not applicable.]
- 21 Trading lot: [[Minimum one (1) Certificate / [●]] / [Not applicable].
- 22 First day of trading: [The first day of trading is expected to be [●].] / [Not applicable.]

### Operational information

- 23 Calculation Agent: [The Issuer] / [●].

- 24 Form of [Materialized Certificates] / [Swedish Certificates] / [Swiss Certificates]: Certificates].
- 25 Clearing System: [Euroclear Bank S.A./N.V., 1 boulevard du Roi Albert II B-1210 Brussels, Belgium] [and] [Clearstream Banking S.A., 42 Avenue JF Kennedy L-1855 Luxembourg] [(expected at issuance to be replicated to Euroclear Sweden AB, Klarabergsviadukten 63, Box 191, SE-101 23 Stockholm, Sweden)] / [Euroclear Sweden AB, Klarabergsviadukten 63, Box 191, SE-101 23 Stockholm, Sweden] / [SIX SIS AG, Baslerstrasse 100, CH-4600 Olten, Switzerland] / [[●]].
- 26 Issuing Agent: [Mangold Fondkommission AB] / [ISP Group] / [●] / [Not applicable].
- 27 Paying Agent: [ISP Group] / [●] / [Not applicable].
- 28 ECB eligibility The Certificates are [not] expected to be ECB eligible.
- 29 Estimated total expenses of the issue/offer and the estimated net amount of the proceeds: [Not Applicable] / [The total expenses of the [issue]/[offer] is estimated to amount to [●]. The estimated net amount of the proceeds is estimated to amount to [●].]
- 30 Date of authorisation of issuance: [14 November 2022]/[●]

### Terms and conditions of an offer to the public

- 31 **Offer to the public:** [The Certificates are only offered to the public in [Austria] / [Belgium] / [Denmark] / [Finland] / [France] / [Germany] / [Italy] / [Luxembourg] / [the Netherlands] / [Norway] / [Spain] / [and/or] / [Sweden] [and/or], subject to completion of relevant notification measures, [●] during the period between [●] and [●] (the “**Offer Period**”). The terms of the offer to the public are described in sections (a) to (l) below.] /

[Not applicable, the Certificates are not subject to an offer to the public in any jurisdiction.]

- (a) Offer Price: [Issue Price]/ [specify]

- (b) Conditions to Offers of the Products are conditional upon their issue and, as which the offer between the Authorised Offeror(s) and their customers, any is subject: further conditions as may be agreed between them.
- (c) Description of [give details]  
the application  
process:
- (d) Description of [give details]  
the possibility  
to reduce  
subscriptions  
and manner for  
refunding  
excess amount  
paid by  
applicants:
- (e) Details of the [give details]  
minimum  
and/or  
maximum  
amount of  
application:
- (f) Details of the [give details]  
method and  
time limited for  
paying up and  
delivery of the  
Certificates:
- (g) Manner in and [give details]  
date on which  
results of the  
offer are made  
available to the  
public:
- (h) Procedure for [Not Applicable] / [give details]  
exercise of any  
right of pre-  
emption,  
negotiability of  
subscription  
rights and

treatment of  
subscription  
rights not  
exercised:

- (i) Whether [Not Applicable] / [give details]  
tranche(s) have  
been reserved  
for certain  
countries:
- (j) Process for [Not Applicable] / [give details]  
notification to  
applicants of  
the amount  
allotted and the  
indication  
whether dealing  
may begin  
before  
notification is  
made
- (k) Name(s) and [Not Applicable] / [give details]  
address(es), to  
the extent  
known to the  
Issuer, of the  
placers in the  
various  
countries where  
the offer takes  
place:
- (l) Name and [Not Applicable] / [[•] [and] [each financial intermediary  
address of expressly named as an Authorised Offeror on the Issuer’s website  
financial ([insert Issuer’s web address]).]  
intermediary/ie  
s authorised to Additional conditions for the Authorised Offeror[s] use of the  
use the Base Base Prospectus:  
Prospectus, as [Not Applicable] / [•].  
completed by  
these Final  
Terms (each an  
“**Authorised  
Offeror**”):



---

Signed Zug, Switzerland, [ • ]

on behalf of

**Valour Inc.**

---

## **ANNEX – ISSUE SPECIFIC SUMMARY**

*[Issue specific summary of the Products as per Article 7 of the Prospectus Regulation to be inserted if Products are to be publicly offered or admitted to trading on a regulated market in a Member State of the EEA]*

## 8. OFFERING AND SALE

### General

This Base Prospectus has been prepared on a basis that permits offers that are not made within an exemption from the requirement to publish a prospectus under Article 1(4) of the Prospectus Regulation (**Non-Exempt Offers**) in Sweden and any EEA Member State to which the approval of this Base Prospectus is notified by the SFSA in accordance with the Prospectus Regulation (each, a **Non-Exempt Offer Jurisdiction** and, together, the **Non-Exempt Offer Jurisdictions**). Any person making or intending to make a Non-Exempt Offer of Certificates on the basis of this Base Prospectus must do so only with the Issuer's consent, as described below.

### Consent to use this Base Prospectus

If so specified in the Final Terms in respect of any particular issuance of Certificates, the Issuer consents to the use of this Base Prospectus in connection with a Non-exempt Offer (i) by the financial intermediary/ies (each, an "**Authorised Offeror**"), (ii) during the offer period and (iii) subject to the relevant conditions, in each case as specified in the relevant Final Terms. As at the date of this Base Prospectus no Authorised Offeror has been designated so by the Issuer.

The consent shall be valid in relation to Sweden and Austria, Belgium, Denmark, Finland, France, Germany, Italy, Luxembourg, the Netherlands, Norway, and Spain and/or, subject to completion of relevant notification measures, any other Member State within the EEA, provided that it shall be a condition of such consent that the Base Prospectus may only be used by the relevant Authorised Offeror(s) to make offerings of the relevant Certificates in the jurisdiction(s) in which the Non-exempt Offer is to take place, as specified in the relevant Final Terms.

The Issuer may (i) give consent to one or more additional Authorised Offerors after the date of the relevant Final Terms, (ii) discontinue or change the offer period, and/or (iii) remove or add conditions and, if it does so, such information in relation to the relevant Securities will be published by way of notice which will be available on the Issuer's website ([www.valour.com](http://www.valour.com)). This website does not form part of this Base Prospectus (other than where information has been explicitly incorporated by reference into this Prospectus) and has not been scrutinised or approved by the SFSA. The consent relates only to offer periods occurring within 12 months from the date of this Base Prospectus.

The Issuer accepts responsibility for the content of this Base Prospectus in relation to any person (an "**Investor**") purchasing Securities pursuant to a Non-exempt Offer where the offer to the Investor is made (i) by an approved Authorised Offeror (or the Issuer), (ii) in a jurisdiction for which the Issuer has given its consent, (iii) during the offer period for which the consent is given and (iv) in compliance with the other conditions attached to the giving of the consent, all as set forth in the relevant Final Terms.

Other than in accordance with the terms set forth in the paragraph above, the Issuer has not authorised the making of any Non-exempt Offers of the Certificates or the use of this Base Prospectus by any person. No financial intermediary or any other person is permitted to use this Base Prospectus in connection with any offer of the Certificates in any other circumstances. Any such offers are not made on behalf of the Issuer and the Issuer has no responsibility or liability to any Investor purchasing Certificates pursuant to such offer or for the actions of any person making such offer.

**If an Investor intends to purchase Certificates from an Authorised Offeror, it will do so, and such offer and sale will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and the Investor, including as to price allocations and settlement arrangements. The Issuer will not be a party to any such arrangements and, accordingly, this Base Prospectus does not contain such information. The terms and conditions of such offer should be provided to the Investor by that Authorised Offeror at the time such offer is made. The Issuer has no responsibility or liability for such information.**

## **Selling Restrictions**

### ***General***

Save for the approval of this Base Prospectus by the SFSA, which allows for a public offering of the Certificates and/or admission to trading on a regulated market in Sweden, and any notification of the approval to other EEA Member States in accordance with the Prospectus Regulation for the purposes of making a public offer in such Member States, no action has been or will be taken by the Issuer that would permit a public offering of any Certificates or possession or distribution of any offering material in relation to any Certificates in any jurisdiction where action for that purpose is required. No offers, sales, resales or deliveries of any Certificates or distribution of any offering material relating to any Certificates 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.

### ***European Economic Area***

In relation to each Member State of the European Economic Area, an offer of Certificates which are the subject of this Base Prospectus as completed by the applicable Final Terms must not be made to the public in that Member State, except that the Certificates may be offered to the public in that Relevant Member State:

- (a) if the Final Terms in relation to the Certificates specifies that an offer of those Certificates may be made by the Authorised Offeror(s) other than pursuant to Article 1(4) of the Prospectus Regulation in that Member State (a **Non-Exempt Offer**), following the date of publication of the Base Prospectus in relation to such Certificates which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-Exempt Offer, in accordance with the Prospectus Regulation, in the period (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 Authorised Offeror or Authorised Offerors nominated by the issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation;

provided that no such offer of Certificates referred to in (b) to (d) above shall require the Issuer or any Authorised Offeror to publish a prospectus pursuant to the Prospectus Regulation or supplement a base prospectus pursuant to Article 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 Certificates to the public” in relation to any Certificates in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Certificates and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129 (and amendments thereto).

### ***United States of America***

The Certificates have not been and will not be registered under the Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Each Authorised Offeror represents and agrees that it has not offered or sold and will not offer and sell Certificates at any time, directly or indirectly, within the United States or its possessions or for the account or benefit of any U.S. person (as defined in Regulation S under the Securities Act) or any person that is not a Non-United States person (as defined by the U.S. Commodity Futures Trading Commission). Each Authorised Offeror further represents and agrees that it has not offered, sold or delivered and will not offer, sell or deliver Certificates except in accordance with Rule 903 of Regulation S, and that none of it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to such Certificates, and it and they have complied and will comply with the offering restrictions requirement of Regulation S.

In addition, until 40 days after the commencement of the offering, an offer or sale of Certificates within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Offering materials for the offering of the Certificates have not been filed with or approved or disapproved by the SEC or any other state or federal regulatory authority, nor has any such regulatory authority passed upon or endorsed the merits of this offering or passed upon the accuracy or completeness of any offering materials. Any representation to the contrary is unlawful.

### **Switzerland**

Each Authorised Offeror has acknowledged, represented and agreed that, subject to the applicable transitional provisions under the FinSA and the implementing Financial Services Ordinance (the "**FinSO**"):

- (a) the Certificates and the Issuer, respectively, do not meet the requirements set forth in art. 70 FinSA in relation to structured products and, therefore, it has not offered and will not offer, directly or indirectly, Certificates in or from Switzerland to private clients. For these purposes, a private client means a person who is not one (or more) of the following: (i) a professional client as defined in art. 4 (3) FinSA (not having opted-in on the basis of art. 5 (5) FinSA) or art. 5 (1) FinSA; or (ii) an institutional client as defined in art. 4 (4) FinSA; or (iii) a private client who has entered into a written investment advisory agreement or (discretionary) asset management agreement that is concluded for pecuniary interest and is not covering only limited transactions. For these purposes "offer" refers to the respective definition in art. 3 (g) FinSA and as further detailed in FinSO.

The Certificates are not intended to be offered or recommended to private clients with a written investment advisory agreement without an updated key information document under art. 58 FinSA (*Basisinformationsblatt für Finanzinstrumente*) or art. 59 (2) FinSA or, for the duration of the applicable transition period, a simplified prospectus pursuant to art. 5 (2) of the Swiss Federal Act on Collective Investment Schemes (the "**CISA**"), as such article was in effect immediately prior to the entry into effect of FinSA. For these purposes "offer" refers to the interpretation of such term in art. 58 FinSA.

- (b) it has only made and will only make an offer of Certificates to the public in Switzerland, other than pursuant to an exemption under art. 36 (1) FinSA or where such offer does not qualify as a public offer in Switzerland, if and as from the date on which this Base Prospectus has been filed and deposited with a review body (*Priüfstelle*) in Switzerland and entered on the list according to art. 64 (5) FinSA and provided it is deemed approved according to art. 54 (2) FinSA and art. 70 (3) FinSO. Otherwise, it has not offered and will not offer, directly or indirectly, Certificates to the public in Switzerland, and have not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in Switzerland, this Base Prospectus or any other offering material relating to the Certificates, other than pursuant to an exemption under art. 36 (1) FinSA or where such offer or distribution does not qualify as a public offer in Switzerland. For these purposes "public offer" refers to the respective definitions in art. 3 (g) and (h) FinSA and as further detailed in FinSO.

The Certificates do not qualify as a collective investment scheme (*kollektive Kapitalanlage*) within the meaning of the CISA and are not subject to the authorisation or supervision of the Swiss Financial Markets Supervisory Authority FINMA.

## 9. ADDRESSES

*The Issuer*

**VALOUR INC.**  
P.O. Box 10008,  
Willow House,  
Cricket Square,  
Grand Cayman KY1-1001, Cayman Islands

*Swedish legal advisor  
to the Issuer*

**AG ADVOKAT KB**  
Regeringsgatan 38  
P.O. Box 3124  
SE-103 62 Stockholm  
Sweden