

**BASE PROSPECTUS**

dated 23 March 2020

for the issuance of

**BITCOIN TRACKER CERTIFICATES**

under the

**ISSUANCE PROGRAM**

of

**VALOUR STRUCTURED PRODUCTS, INC.**

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



**VALOUR**

## 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 Structured Products, Inc. (the "**Issuer**", "**Valour**" or the "**Company**") may, from time to time, offer Certificates to the public and apply for such Certificates to be admitted to trading on one or more regulated markets or multilateral trading facilities ("**MTF's**") in Sweden and, subject to the prior completion of all relevant notification measures, certain other countries of the EU/EEA area.

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

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

This Base Prospectus 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 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 within the Conditions shall, exclusively, be settled by Swedish courts within the District Court of Stockholm (as the court of first instance).

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## **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 Finansinspektionen (the “**SFSA**”), as competent authority under Regulation (EU) 2017/1129. The SFSA only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the issuer that is the subject of this Base Prospectus. Such approval should not be considered as an endorsement of the quality of the 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 to the public in Sweden and/or an admission to trading of Certificates on a regulated market in Sweden. 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 will expire on 22 March 2021.

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 continuously issue Certificates and apply for Certificates to be admitted to trading on one or more regulated markets as well as multi-lateral trading facilities. 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 will initially apply for admission to trading on the Nordic MTF operated by Nordic Growth Market (NGM AB), a subsidiary of Bourse Stuttgart in Stuttgart, Germany. 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 market place, such as an MTF, in Sweden and, subject to completion of relevant notification measures, in Germany and/or 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 Certificates will have Bitcoin as the primary synthetic underlying exposure.

The possible return that an investor will obtain will depend on the development of such underlying exposure and the USD relative to the currency in which the Certificates are denominated.

The Certificates will be cleared and settled through the dematerialized book-entry registration system and clearing system operated by Euroclear Sweden.

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 synthetically track the performance of the price of Bitcoin in USD less a fee component. The Certificates will be denominated in SEK or EUR and, consequently, there will be a foreign exchange rate exposure between USD and the relevant currency which may impact (positively or negatively) the market value and final return from the Certificates.

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

The Certificates are not principal-protected and the Settlement Amount payable upon redemption may be as low as zero. The Certificates do not bear interest. In the event of a future fork of the Bitcoin blockchain, the Issuer will always do everything in its power, acting commercially reasonable 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 Certificates.

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

The value of a Certificate is calculated as an arithmetic average of the price of Bitcoin in USD on the four underlying markets (in accordance with the Terms and Conditions). The value is recalculated from USD to SEK or EUR, depending on in which currency the Certificates in question was issued. From the obtained value the accrued management fee is subtracted, and the resulting amount is multiplied with the "Multiplier" included in the final terms. The sum constitutes the value of the Certificate. This value will thus reflect the amount which investors will receive in return, if they receive such amount, at the sale of their Certificates.

#### **1.5. Type of underlying exposure**

The Certificates will provide a synthetic underlying exposure to the value of Bitcoin. As a digital asset, Bitcoin is globally available on a number of crypto currency exchanges which means that global supply and demand along with other factors mentioned under "General description of the Certificates" may affect the value of Bitcoin.

#### **1.6. What is Bitcoin?**

Bitcoin is a digital currency that 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 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.

Bitcoin was invented in 2008 by an unknown person or group of people that used the pseudonym Satoshi Nakamoto who published a white paper (research paper) that defined the framework for the Bitcoin cryptocurrency. He implemented the Bitcoin software as an open-source-code and released the Bitcoin network in January 2009 when 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 in these 10 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 “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 multiple “forks” to occur simultaneously.

Holders of the 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. Which of such resulting coins may henceforth be recognized by the Bitcoin community as being (the true or real) “Bitcoin” can often be difficult to determine for a period of time following such a “fork”. Bitcoin Exchanges have a particularly significant function to play in the determination in such regard.

“Forks” within the Bitcoin Network 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.

There is a distinction to be drawn between “hard fork” and “soft fork”. A “soft fork” is a backwards-compatible system upgrade where parts of the network running the original protocol version continue to operate as they used to prior to the fork, while parts of the network running the updated protocol version can take advantage of the new functionality in the update. In contrast, a “hard fork” involves a software update which is not backward-compatible, where parts of the network running the original and updated protocol versions are unable to cooperate anymore. This may result in a permanent diversion in the Bitcoin Network. Following a “hard fork”, both the original and new (“forked”) versions run in parallel, each following a different set of software rules. Consequently, users on one chain will not be able to transfer its coins to the other chain.

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' bitcoin) 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 the Bitcoin blockchain, the Issuer will strive, acting commercially reasonable 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, analyze 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 Bitcoin 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.

### 1.7. Market places for Bitcoin

The total market capitalization of Bitcoin as of October 29, 2019 is about 170 billion USD. Daily 24 hour traded volume is about 27 billion USD according to Coinmarketcap. Based on its current market capitalization, Bitcoin is by far the largest cryptocurrency globally with a market share of about 67%. To be considered for the list of Eligible Market Places according to the General Conditions, an exchange must fulfill certain conditions, one of which is the existence of a Bitcoin pair versus a fiat currency, typically USD or EUR.

Reported 24 h Volume on selected global exchanges according to [www.coinmarketcap.com](http://www.coinmarketcap.com) as of October 29, 2019:

Exchange	24-hour Volume (\$)	Average Price (\$)	Pair
Coinbase	46,908,824	9340	BTC/USD
Bitstamp	49,415,890	9360	BTC/USD
Bitfinex	45,309,103	9341	BTC/USD
Kraken	41,224,315	9348	BTC/USD

In order to hedge its exposure to Bitcoin, the Issuer relies on crypto currency exchanges to be able to buy and sell the underlying assets the Certificates track. Many of these exchanges are 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 are 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. The above-mentioned exchanges are among eligible market places and are described in more detail below:

*Bitfinex ([www.bitfinex.com](http://www.bitfinex.com))*

In 2012, operating company iFinex founded Bitfinex in the Cayman Islands and set up headquarters in Hong Kong. Bitfinex is one of the oldest cryptocurrency exchanges that started as a peer-to-peer margin lending platform for Bitcoin. It has since moved on to become one of the most liquid cryptocurrency exchanges offering its customers an advanced trading platform in a number of the biggest crypto currencies while at the same time allowing for fiat on ramp solutions.

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

Bitstamp is a cryptocurrency exchange based in Luxembourg. It allows trading in a rather limited amount of cryptocurrency coins versus fiat currencies (USD and EUR). 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. Bitstamp is reported to have sought approval from the New York Attorney General to operate a virtual currency business in New York State, the approval is still pending.

*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.

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

Kraken is a cryptocurrency exchange based in San Francisco, USA. 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.



## 1.8. Examples of returns on the Certificates

For the purpose of explaining the calculation of the value of the Certificate, an exemplifying chart is included below:

Exchange	Eligible Market Places			
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
BTC/USD (last paid)	9340	9360	9348	9341
BTC/USD (average)	$(9340+9360+9348+9341) / 4 = 9347.25$			
USD/SEK (mid-price)	9.7125			
BTC/SEK ("Asset-Level")	$9352.25 \times 9.7125 = 90,785.1656$			
Aggregate daily management fee subtracted (2.5% per annum)	$90,785.1656 - 6.2182 = 90,778.9474$			
Apply the multiplier (1/1000)	$90,778.9474 \times 0.001 = 90.7789$			
Fair value of the BTC Tracker 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 lots of Valour's Bitcoin Tracker at 90 SEK per certificate for a notional value of 9,000 SEK. Assuming that after 90 days, the value of BTC/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 lots of Valour's BTC Tracker at 5 EUR per certificate for a notional value of 10,000 EUR. Assuming that after 540 days, the value of BTC/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 lots of Valour's BTC Tracker at 50 SEK per certificate for a notional value of 10,000 SEK. Assuming that after 180 days, the value of BTC/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.

## 1.9. The Certificates and exchange selection

Through the Certificates, investors are exposed to BTC traded in USD. There is no investment strategy or investment policy of the kind that is normally included in an index, instead the exposure to a single underlying asset priced in USD stays put during the entire duration.

Selection process and weighting: As described above, the price information is collected from four sources and the arithmetic average is used in the calculation. However, only one underlying asset (BTC) is included which is priced in USD. The purpose of using four sources is to reach an increased reliability compared to the use of only one price source.

Calculation method: The method and the formula to make the relevant calculations under the Certificates have been described above and are stated in detail in the Terms and Conditions as these are complemented by the Final Terms for a certain issue.

Adjustment rules: In the event of a price source not fulfilling the criteria of an "Eligible Market Place" in accordance with the Terms and Conditions, this price source will be excluded. Should there not be a sufficient number of other Eligible Marketplaces, the number of price sources used may decrease. The Terms and Conditions further contain regulations of the effect of a Disruption Event (see the definition of "Disruption Event" and section 5.3 of the Terms and Conditions).

Calculation agent: The Issuer is the Calculation Agent (unless another party has been specified in the relevant Final Terms or succeeded the Issuer in such capacity) and it decides whether a Disruption Event has occurred, criteria are fulfilled and makes the calculation in accordance with the Terms and Conditions.

Re-weighting frequency: The exposure (Bitcoin) is fixed during the duration of the Certificates and does not change.

Currency: The price determination of the underlying asset is made in USD. As the liquidation currency is SEK or EUR, a recalculation is made from USD to SEK or, as applicable, to EUR in order to confirm the amount to be affected under the Certificates.

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

The Issuer intends to initially 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. 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 market place, such as an MTF, in Sweden and, subject to completion of relevant notification measures, in Germany and/or 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.

#### **1.11. Secondary market**

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 the 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.

#### **1.12. 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.

### **1.13 No administrator under the Benchmark Regulation**

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

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

## 2. RISK FACTORS

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

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

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 cryptocurrencies and the hedging thereof. As a consequence, industrywide event having a negative impact on cryptocurrencies will constitute risks specific to the Issuer as it has no other business activities. Many of the cryptocurrency protocols are based on an open source software which results in a permanent process of evolution which it 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 capability to carry out its business. Perception as well as trust in cryptocurrencies 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 fulfill 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 Bitcoins and Wallets*

Rather than the actual Bitcoins (which are "stored" on the blockchain), a Bitcoin Wallet stores the information necessary to transact Bitcoins. Those digital credentials are needed so one can access and spend the Bitcoins. Bitcoin uses 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 cryptocurrencies 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: High

*Risks associated with the Issuer's organization*

The Issuer will act as an issuer of exchange traded certificates linked to various 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 Issuers 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: Medium

*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 the underlying asset, i.e. the price of Bitcoin, as detailed in the General Conditions in this Base Prospectus. The fact that the underlying asset is denominated in USD while the Certificates will be trading in SEK or EUR imply that the value of the Certificates is also subject to fluctuations in the exchange rates of the USD to the SEK or EUR. The Certificates thus represent a synthetic exposure to Bitcoin and the USD 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 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 underlying asset would yield.

Historical prices are no guarantee for or indication of future price levels for the Certificates and / or Bitcoin in relation to USD. 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.

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 cryptocurrencies may focusing 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 cryptocurrencies 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

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

The source code of digital assets such as the Bitcoin 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 block chain, 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 Bitcoin 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.

Risk assessment: High

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

The legal status of digital assets and *inter alia* the Bitcoin 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 all digital assets are as yet unregulated assets, there is a risk that politics and future regulations will affect the market of digital assets and companies operating in such market. Exactly how politics and future 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 tracked 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 Bitcoin or other digital assets in general may negatively impact upon the market for such currency, as well as upon the ones that operate in the Bitcoin markets.

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 conception of the Issuer's credit status, the Certificates' probable remaining duration. In the light of the volatility which that the Bitcoin prices have observed historically, it seems possible that the price determination of the Certificates in the secondary market will be very volatile.

Even if the Certificates are listed on a regulated market in Sweden and therefore are available for trading in this 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 have a tight and stable bid/offer spread in the market throughout the entire day. A disturbance in this 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. The missing liquidity could besides an interruption of operations of the secondary market have an adverse effect of the market value of the Certificates.

Within the Final Terms of each Series of Certificates, a condition will describe the valuation time for the relevant exchange rate and for the calculation of the value of the Bitcoin. In the case of the latter, it will typically (and potentially exclusively) be the case that a valuation window of a number of hours (commonly 12:00-16:00 CET) will apply. The value of the Bitcoin being calculated as the unweighted average price of the relevant exchanges of the weighted average price for the period of each underlying exchange (separately). Within this valuation window, movements in the price of the Certificates to which the window is applied will track movements in the price of the Bitcoin. However, throughout the remainder of a trading day, it is quite possible that market forces will allow deviation between movements in the prices of the relevant Certificates relative to movements in the prices of the Bitcoin. However, it is not within the Issuer's control to ensure that its Certificates trade continuously at a price which equates perfectly to the value of the underlying cryptocurrency or, indeed, to ensure that any degree of variation between 'bid/ask' and that the value of the underlying crypto currency does not exceed certain margins.

Risk assessment: Medium

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

If a so-called 'fork', 'airdrop' 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

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

A 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 Bitcoin 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 Bitcoin 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.

Risk assessment: Medium

#### *Cyber security risks*

A 51% attack, or majority attack, is an adverse action undertaken against a blockchain network by a single one or a group of miners acting together. By at least temporarily controlling a majority of the network mining power they would probably be able to alter the blockchain in their favor by for example halting transactions, reversing transactions, double spending coins or causing other damage.

Double spending is a malicious act when a hostile entity that controls more than 50% of a blockchains mining power spends coins on multiple occasions.

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, Bitcoin, 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. The issue of the Certificates was authorized by a resolution of the Board of Directors of the Issuer on October 30, 2019.

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 Management, Board of Directors**

As of November 30, 2019, the Issuer has three directors: Johan Wattenström, Swedish citizen and an individual resident in Switzerland, Wouter Witvoet, citizen of the Netherlands and an individual resident in the United Kingdom as well as Olivier Roussy Newton, Canadian citizen and an individual resident of Switzerland.

*Johan Wattenström, CEO of Valour Structured Products*

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.

*Wouter Witvoet*

Wouter is the Founder and CEO of SecFi, an online FinTech platform providing loans to employees of late stage private companies. Before SecFi, he was the Chief of Staff and Head of Asia at Karhoo. He graduated from University of Cambridge from where he has a background in computer science and business. He also spent time abroad at UCLA (USA) and the Chinese University of Hong Kong (Hong Kong). Wouter is also elected Global Shaper by the World Economic Forum.

*Olivier Roussy Newton*

Olivier is a partner at Latent Capital, an investment fund focused on quantum computing, financial technology and bioinformatics. He is also a director and co-founder of Hive Blockchain, a publicly traded crypto-mining company where he assisted 200m in institutional capital raises. Olivier currently advises Genesis Mining, the world's largest cloud crypto miner, on new business initiatives.

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

The Issuer's legal name is Valour Structured Products, 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 +41768034500. The Issuer's website is available at: [www.valourglobal.com](http://www.valourglobal.com). This website does not form part of this Base Prospectus (other than where information has been explicitly incorporated by reference into this Prospectus). The Issuer operates under Cayman Islands law.

The company will 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 licence 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.

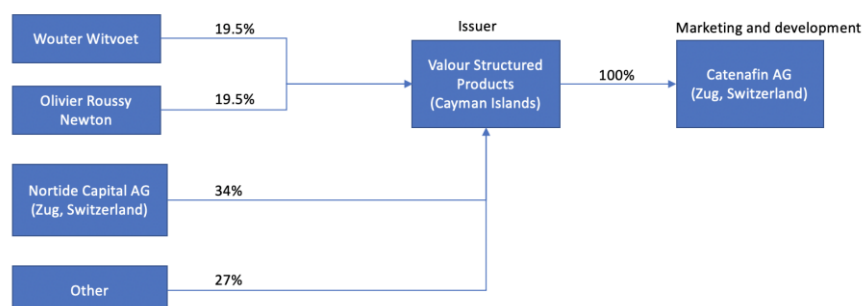
Given that the activities of the Issuer are to be carried out mainly outside the Cayman Islands, the Issuer has established business locations outside the Cayman Islands. Its principal place of business is located in Zug, Switzerland (telephone number: +41 76 803 45 00) where the Issuer undertakes the 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.

### **3.3. Major shareholders**

The Issuer has three major shareholders, Nortide Capital AG, Wouter Witvoet and Olivier Roussy Newton owning a combined 73% of the Company. The remaining 27% are held by minority shareholders none of which own 15% or more. Nortide Capital AG is in turn owned by the shareholders Gustav Andersson, Johan Wattenström and Patrik Ristner.

The shareholding structure is detailed below:



Through their shareholdings in the Issuer, said shareholders can, collectively, exercise a material influence over the Issuer. 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 these shareholders. No individual shareholder controls the Issuer directly or indirectly.

The Issuer is not a subsidiary within any group of companies, and it does not depend on any such group entity. Catenafin AG is a wholly owned subsidiary of the Issuer. Catenafin AG is incorporated in Switzerland and serves as the employer for any personnel stationed in Switzerland.

### 3.4. 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.

### 3.5. Borrowing and funding structure

The Issuer has received in-kind subscriptions in advance of \$1,517,814. Subsequent to the period ended 31 October 2019, the share capital has been fully issued and, as at said date, the Issuer no longer had any net liabilities.

On 4 November 2019, the authorized share capital of the Issuer was subdivided whereby each share was subdivided into 100 shares of par value \$0.0001 each, such that the authorized share capital of the Company shall be \$50,000 divided into 500,000,000 shares of par value \$0.0001 each.

In addition, on 17 November 2019 the Issuer received an additional in-kind subscription in advance of \$1,489,000. The last subscribed shares were issued on the 25<sup>th</sup> of November 2019, effectively transforming all the previous subscriptions in kind to equity capital. As of 2020-01-31 the Issuer's equity capital amounted to \$3,164,506. The total number of issued, fully paid, shares is 51,360,000 shares of par value \$0.0001 each.

The Issuer intends to start its issuance activities on the basis of the funding received to so far. The Issuer has not secured any further funding. The costs for any hedging activities in relation to any issuance of Certificates will be funded by the issuance proceeds from such Certificates. 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.

### 3.6. Conflicts of interest

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

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.

### **3.7. 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 October 2019, being the date of the latest audited financial report of the Issuer, and no significant change in the financial performance of the Issuer since 31 October 2019, 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.

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

As a very recently formed company without business history, the Issuer is likely to incur costs prior to obtaining revenues from its activities relating to issuance of securities.

The Issuer has received in-kind subscriptions in advance of \$1,517,814. Subsequent to the period ended 31 October 2019, the share capital has been fully issued and, as at said date, the Issuer no longer had any net liabilities. In addition, on 17 November 2019 the Issuer received an additional in-kind subscription in advance of \$1,489,000. The last subscribed shares were issued on the 25<sup>th</sup> of November 2019, effectively transforming all the previous subscriptions in kind to equity capital. As of 2020-01-31 the Issuer's equity capital amounted to \$3,164,506. Save for the foregoing, there has been no significant change in the Issuer's financial position since 31 October 2019, being the date of the latest audited financial report of the company.

### **3.9. Information on material investments**

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

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

The Issuer has received in-kind subscriptions in advance of \$1,517,814. Subsequent to the period ended 31 October 2019, the share capital has been fully issued and, as at said date, the Issuer no longer had any net liabilities. In addition, on 17 November 2019 the Issuer received an additional in-kind subscription in advance of \$1,489,000. The last subscribed shares were issued on the 25<sup>th</sup> of November 2019, effectively transforming all the previous subscriptions in kind to equity capital. As of 2020-01-31 the Issuer's equity capital amounted to \$3,164,506.

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

### **3.10. 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 has 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.

At present, there are very few identified competitors of the Issuer with regards to the first planned instruments.

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.

### **3.11. Overview of the Issuer's business activities**

The Issuer's operation consists of issuing financial instruments on global regulated markets and MTF's. The Issuer's operations particularly consist of issuing Certificates related to digital assets such as 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.

### **3.12. Market overview**

Since the Issuer intends to apply for admission to trading initially on a market for structured products in Sweden, the Issuer competes with other issuers of structured products and other financial products in Sweden. The Issuer may also apply for admission to trading in Germany and/or certain other member states in the EEA. 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 where it presently enjoys a competitive position, to the Issuer's knowledge, as the first company to issue certificates referenced to Bitcoin.

### **3.13. 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.

### **3.14. 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 period ended 31 October 2019 has 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.

### **3.15. 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.

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

There are no material interests, including conflicts of interests, of natural or legal persons involved in the issue and/or of the Certificates.

### **3.17. Material contracts**

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.

### **3.18. Use of proceeds**

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

### **3.19. 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:

- 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.

The documents listed above are available in electronic format on the Issuer's website ([www.valourglobal.com](http://www.valourglobal.com)).

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

Copies of the following documents are electronically available on the Issuer's website [www.valourglobal.com](http://www.valourglobal.com). 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; and
- b) Audited financial report for the period from the incorporation of the Issuer (June 18, 2019) to and as of October 31, 2019, including the independent auditor's report dated October 31, 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.

Further, changes in the corporate tax code may have effects on the financial position of the Issuer which in turn may have adverse effects on the financial standing of the Issuer and subsequently on the Valuation Price of the Certificates.

## 6. THE GENERAL CONDITIONS GOVERNING THE CERTIFICATES

These terms and conditions (“**General Conditions**”) shall apply to any and all certificates (collectively for each Series, the “**Certificates**”) issued by Valour Structured Products 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 under this Program. The Certificates will be issued series (each a “**Series**”) in the form of transferable securities. The Certificates will be issued in Swedish kronor (“**SEK**”). Certificates may also be issued in Euro (“**Euro**”). Each Series will be allocated an individual series number (“**Series Number**”) in the relevant Final Terms (as defined below). The Series Number for Series denominated in SEK will start at 100, the Series Number for Series denominated in EUR will start 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 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 introductory paragraphs 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 that the relevant Holder has opened a CSD Account for the Certificates;

**"Asset Disruption Event"** means the occurrence of one or more of the following events: if (A) one or more Primary 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.*);

**"Business Day"** means the days when the relevant Exchange is open for business. The relevant days can be found on the following webpage: [www.ngm.se/tradinghours](http://www.ngm.se/tradinghours);

**"Calculation Agent"** means (i) Valour Structured Products 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 certificates issued in dematerialized form by the Issuer pursuant to these Terms and Conditions;

“**CSD**” means Euroclear Sweden AB, Klarabergsviadukten 63, S-111 64 Stockholm;

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

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

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

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

"**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 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;

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

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

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

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

"**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 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;

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

**"Relevant Bitcoin 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;

**"Tracked Digital Asset"** means the underlying digital asset Bitcoin and/or potentially, in case of a Transformation Event, the successor(s) thereof;

**"Transformation Event"** means any form of event which affects the Tracked Digital Assets by splitting a Tracked 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 Tracked 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.

## **2. Form of Certificates**

- 2.1. Each Certificate will be issued in an uncertificated, dematerialized book-entry registration form pursuant to the CSD Rules. All Certificates will be registered in Euroclear Sweden Accounts on behalf of the respective Holders. No securities in physical form will be issued in respect of the Certificates.
- 2.2. A request for book-entry registration measures concerning any Certificate shall be made to the relevant Account Operator.
- 2.3. Those who pursuant to assignment, security, the provisions of the Swedish Parental Code (Sw. *Föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Certificate shall register their entitlements to receive payment in accordance with the Swedish Financial Instruments Accounts Act.
- 2.4. The Issuer and, to the extent permissible under the CSD Rules, the relevant Issuing Agent, shall be entitled to obtain information from the records of the CSD in accordance with the CSD Rules.

## **3. Status and 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 in Sweden 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.**

- 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 reference price (the "**Reference Price**") as determined by the Calculation Agent in accordance with the

following formula (subject to a minimum of zero (0) and rounded down to the nearest transferable unit of the Settlement Currency):

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

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 0.025, the Management Fee of 2.5% per annum, deducted daily;

**"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 Bitcoin Prices quoted on the Primary Eligible Market Places expressed in the Settlement Currency (i.e. SEK or EUR, as applicable). The Relevant Bitcoin Prices used are (a) first re-calculated from USD to the Settlement Currency using mid-price of the USD/SEK and EUR/USD exchange rate respectively as of the Valuation Time, as determined by the Calculation Agent using the FX Source, and (b) the sum of the four Relevant Bitcoin Prices (as expressed in the Settlement Currency) is divided by four (or, if the number of Relevant Bitcoin Prices is lower than four, such lower number) and the resultant figure equals the Asset Level;

**"Eligible Market Places"** means the market places stipulated in the Final Terms applicable to the relevant Series of Final Terms (initially expected to be "Bitfinex", "Bitstamp", "Coinbase" and "Kraken") and, following a determination by the Issuer, acting in its own and absolute discretion, any successor, new, replacing or other additional market place for Bitcoin (in USD), 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, all in USD;
2. The Market Place 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 Bitcoin 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 Bitcoin 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 Swedish Business Day following the Issuer's dispatch of a notice to the Holders regarding the change of Eligible Market Places in accordance with the provisions in Condition 13 (*Notices*).

**"FX Source"** means the Bloomberg FX Fixing for USD/SEK in relation to Certificates denominated in SEK and for EUR/USD in relation to Certificates denominated in EUR, in each case as of 4:00 pm (London time) as published on the following website <http://www.bloomberg.com/markets/currencies/fx-fixings/> or such other successor website as may be designated such fixings in the future;

**"Primary Eligible Market Places"** means the four (4) chosen Eligible Market Places which, in the determination of the Calculation Agent, both have the largest trading volume in Bitcoin (in USD) 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 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;

**"Relevant Bitcoin Prices"** means the respective latest paid price for one Bitcoin in USD quoted on the relevant Primary Eligible Market Places as published by the relevant Primary Eligible Market Place as of the Valuation Time on the relevant Initial Fixing Date or, as the case may be, the relevant Final Fixing Date; and

**"Valuation Time"** means, unless defined otherwise in the Final Terms applicable to the relevant Series of the Certificates, Valuation Time means 16:00 CET on each relevant date for the exchange rate fixing, and 12:00-16:00 CET for the Bitcoin fixing, where the value is calculated as the unweighted average price between the eligible Bitcoin exchanges of the weighted average price for the period of each underlying exchange separately.

- 5.2. The Certificates are not principal-protected and do not bear any interest.
- 5.3. If the Calculation Agent or, where the Calculation Agent is another party than the Issuer, the Issuer, determines that 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 5.1 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 Bitcoin currency or currencies shall continue to be or be the successor of the originally or previously used Bitcoin 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.

## **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 such person who is registered as a Holder on the relevant Record Date prior to the relevant due date.
- 6.4. If a Holder has registered, through an Account Operator, that any such amounts shall be credited to a specified bank account, such credit will be executed by the CSD on the relevant Settlement Date. In other cases, payments will be transferred by the CSD to the Holder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or for any other reason, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who were registered as Holders on the relevant Record Date as soon as possible after such obstacle has been removed.
- 6.5. 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 relevant Final Fixing Date in respect of the Issuer Call Settlement Date (the "**Issuer Call Fixing Date**"); and (iii) the relevant Issuer Call Settlement Date.

## **8. Holder Put Option**



- 8.1. Each Holder may, individually and at its own discretion, exercise its right to have all or only some of such Holder's Certificates of the relevant Series of Certificates, redeemed early by the Issuer (the "**Holder Put Option**").
- 8.2. Each Holder may exercise the Holder Put Option by giving the Issuer written notice 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 the requesting Holder's transfer of all of the relevant Certificates to the CSD Account designated for such purpose by the Issuing Agent and blocked for further transfer and registrations. Should such transfer not occur within such period, the relevant notice shall automatically be deemed null and void. If a notice has been duly given and the transfer has been so completed, the holder put final fixing date shall be the last Business Day in the 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 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**

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

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

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

### **13. Notices**

#### **13.1. Any notice or other communication to be made:**

- (a) if to the Issuer, shall be given in writing 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.**

#### **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.**

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

Stockholm, 23 March 2020

**Valour Structured Products, Inc.**

## 7. FORM OF FINAL TERMS

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

**Final Terms dated [ • ]**  
**under the issuance program of**  
**Valour Structured Products, Inc.**  
**LEI: 9845001E5QX8B53C0N90**

**Open ended Bitcoin Tracker Certificates**  
**(the "Certificates")**

Terms used herein shall have the same meaning as in the General Conditions (as may be amended and/or supplemented up to, and including, [insert Issue Date] ) set forth in the Base Prospectus dated 23 March 2020 (the "**Base Prospectus**") [and the supplement[s] dated [insert the date(s) for any supplement(s) to the Base Prospectus] to the Base Prospectus] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (EU) 2017/1129. This document constitutes the Final Terms of the Certificates described herein. have been prepared for the purpose of Article 8 (4) of the Prospectus Regulation and must be read in conjunction with the Base Prospectus. An Issue-Specific Summary of the Certificates is annexed to these Final Terms. Full information on the Issuer and the Certificates is only available on the basis of the combination of these Final Terms and the Base Prospectus (as supplemented). The Base Prospectus and any supplements to the Base Prospectus are available in electronic form on the Issuer's website ([www.valourglobal.com](http://www.valourglobal.com)).

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

- |          |                            |   |
|----------|----------------------------|---|
| <b>1</b> | Series No.:                | [ • ]   |
| <b>2</b> | Certificate No.:           | [ • ] / This Certificate is fungible with all other Certificate of this Series / Not applicable.] |
| <b>3</b> | ISIN code:                 | [ • ]   |
| <b>4</b> | Settlement<br>Currency:    | [Swedish Kronor (" <b>SEK</b> ") / Euro (" <b>EUR</b> ") ] (the " <b>Settlement Currency</b> ")   |
| <b>5</b> | Number of<br>Certificates: | [ • ]   |
| <b>6</b> | Issue Price:               | [ • ].  |

7 Issue Date: [ • ]

### **Payout terms applicable to the Certificates**

8 Multiplier: [ • ].

9 Initial Fixing Date: [[ • ] / The Issue Date].

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

11 Valuation Time(s): Valuation Time means 16:00 CET on each relevant date for the exchange rate fixing, and 12:00-16:00 CET for the fixing of the digital asset, 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.

12 Initially Eligible Market Places and information on volatility: [Bitfinex], [Bitstamp], [Coinbase], [Kraken] / [•].  
In Information regarding past performance and volatility of the Tracked Digital Asset is available, free of charge, at  
[[www.coinmarketcap.com];  
[([www.bitfinex.com](http://www.bitfinex.com))];  
[www.coinbase.com]: [and]  
[www.kraken.com][. / [and]]  
[•].]

### **Admission to trading**

13 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 [•].] 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.]

- 14** Market-maker: [Mangold Fondkommission AB / [•]] / [Not applicable],
- 15** Spread: [[Maximum [4] / [ • ] % during normal market conditions.]] /  
[Not applicable.]
- 16** Trading lot: [[Minimum one (1) Certificate / [ •• ] / [Not applicable].
- 17** First day of trading: [Applicable.] / [Not applicable.]

### Operational information

- 18** Calculation Agent: [The Issuer] / [ • ].
- 19** Clearing System: [Euroclear Sweden AB] / [ • ].
- 20** Issuing Agent: [Mangold Fondkommission AB] / [ • ].
- 21** ECB eligibility The Certificates are [not] expected to be ECB eligible.

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

- 22 Offer to the public:** [Not applicable, the Certificates are not subject to an offer to the public in any jurisdiction.]
- [Applicable, the term of the offer to the public are described in sections (a) to (l) below.]
- (a)** Offer Price: [Issue Price]/ [*specify*]
- (b)** Conditions to which the offer is subject: Offers of the Products are conditional upon their issue and, as between the Authorised Offeror(s) and their customers, any further conditions as may be agreed between them
- (c)** Description of the application process: [*give details*]

- (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  
use the Base  
Prospectus, as  
completed by  
these Final  
Terms (the  
Authorised  
Offerors):
- 23** Notification [Not Applicable for this Series of Certificates.] / [The  
Finansinspektionen (the “**SFSA**”) of Sweden has provided the  
competent authorities of [*name(s) of relevant EEA host Member  
State(s)*] with a certificate of approval attesting that the Base  
Prospectus has been drawn up in accordance with the Prospectus  
Regulation.]



Signed Stockholm, [ • ]

on behalf of

**Valour Structured Products, Inc.**

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## **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.

In the context of any Non-Exempt Offer of Certificates, the Issuer accepts responsibility, in each of the Non-Exempt Offer Jurisdictions, for the content of this Base Prospectus in relation to any person (each, an **Investor**) who purchases any Certificates in a Non-Exempt Offer made by an Authorised Offeror (as defined below), where that offer is made during the offer period specified in the relevant Final Terms (the **Offer Period**).

### Consent to use this Base Prospectus

Except in the circumstances described below, the Issuer has not authorised the making of any offer by any offeror, and the Issuer has not consented to the use of this Base Prospectus by any other person in connection with any offer of the Certificates in any jurisdiction.

Any offer made without the consent of the Issuer is unauthorised and the Issuer does not accept any responsibility or liability in relation to such offer or for the actions of the persons making any such unauthorised offer.

If, in the context of a Non-Exempt Offer, an Investor is offered Certificates by a person which is not an Authorised Offeror, the Investor should check with such person whether anyone is responsible for this Base Prospectus for the purpose of the relevant Non-Exempt Offer and, if so, who that person is. If an Investor is in any doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents, the Investor should take legal advice.

The Issuer consents to the use of this Base Prospectus (as supplemented at the relevant time, if applicable) in connection with any Non-Exempt Offer of a Certificate in the Non-Exempt Offer Jurisdictions specified in the relevant Final Terms during the Offer Period by or to each of the following financial intermediaries (each, an **Authorised Offeror**):

- each financial intermediary which either:
  - is expressly named as an Authorised Offeror in the Final Terms; or
  - is expressly named as an Authorised Offeror on the Issuer's website: ([www.valourglobal.com](http://www.valourglobal.com)) (in which case, its name and address will be published on the Issuer's website).

The consent referred to above relates to Offer Periods occurring and ending within 12 months from the date of approval of this Base Prospectus.

The Issuer accepts responsibility for the content of this Base Prospectus also with respect to the subsequent resale or final placement of securities by any financial intermediary which was given consent to use this Base Prospectus.

### Arrangements between an Investor and the Authorised Offeror who will distribute the Certificates

The Issuer has and accepts no responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

**In the event of an offer being made by a financial intermediary, the financial intermediary will provide the information to investors on the terms and conditions of the offer at the time the offer is made.**

**An Investor intending to acquire or acquiring any Certificates from an Authorised Offeror will do so, and offers and sales of the Certificates to such Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between that Authorised Offeror and such Investor including as to price, allocations and settlement arrangements (the Terms and Conditions of the Non-Exempt Offer). The Issuer will not be a party to any such arrangements with such Investor, and, accordingly, this Base Prospectus does not contain such information. The Terms and Conditions of the Non-Exempt Offer shall be provided to such Investor by that Authorised Offeror at the time the offer is made. None of the Issuer or, for the avoidance of doubt, any other Authorised Offeror has any 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.

## 9. ADDRESSES

*The Issuer*

**VALOUR STRUCTURED PRODUCTS, INC.**

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

*Swedish legal advisor  
to the Issuer*

**HARVEST ADVOKATBYRÅ AB**

Engelbrektsplan 1  
Box 7225  
SE-103 89 Stockholm  
Sweden

*For secondary-market transactions*

**NORDIC GROWTH MARKET NGM**

Mäster Samuelsgatan 42  
S-111 57 Stockholm  
Sweden

*Market-maker*

**MANGOLD FONDKOMMISSION AB**

Engelbrektsplan 2  
S-114 34 Stockholm

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**SUPPLEMENT NO. 1**  
**dated 9 April 2020**  
**to the Base Prospectus of**  
**Valour Structured Products Inc**

**The base prospectus**

This document constitutes a supplement to Valour Structured Products Inc's (the **Issuer**) base prospectus approved and registered by the Swedish Financial Supervisory Authority (**SFSA**) on 23 March 2020 (SFSA reg. no. 20-1437) (the **Base Prospectus**).

**This supplement**

This supplement forms an integral part of and should be read together with the other parts of the Base Prospectus. This supplement has been prepared by the Issuer pursuant to the provisions of Article 23 of the Prospectus Regulation (EU) 2017/1129. This supplement was approved and registered by the SFSA on 9 April 2020 (SFSA reg. no. 20-7941).

**Reason for this supplement**

This supplement has been prepared for the following reasons.

In light of the volatile market conditions the Issuer has decided to introduce the ability to lower the fee embedded in the calculation of the Reference Price. As a consequence the definition of "Fee" on page 30 of the Base Prospectus shall be replaced in its entirety with the following:

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

Further, the current optional wording of item 10 of the form of Final Terms is redundant as the Holder Put Option is always applicable pursuant to General Condition 8. Consequently, said wording should be replaced in its entirety with the following:

"**10**     Fee:                    [[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."

**Right of withdrawal**

Only investors who have already agreed to purchase or subscribe for any Certificates offered under the Base Prospectus before this supplement was published shall have the right, exercisable within two working days after the publication of this supplement, to withdraw their acceptances, provided that the circumstances stated above arose or were noted before the closing of the relevant offer or the delivery of the Certificates, whichever occurs first. Such investors can exercise their right of withdrawal during the period from publication of this supplement up to and including **15 April 2020**. This right of withdrawal cannot be exercised after said date.

Such investors should contact the relevant financial intermediary through which the investor has purchased or subscribed for the Certificates in question should they wish to exercise the right of withdrawal.



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**SUPPLEMENT NO. 2**  
**dated 28 October 2020**  
**to the Base Prospectus of**  
**Valour Structured Products Inc**

**The base prospectus and earlier supplement**

This document constitutes a supplement to Valour Structured Products Inc's (the "**Issuer**") base prospectus which was approved and registered by the Swedish Financial Supervisory Authority ("**SFSA**") on 23 March 2020 (SFSA reg. no. 20-1437). Supplement no. 1 was approved and registered by the SFSA on 9 April 2020 (SFSA reg. no. 20-7941). Said base prospectus as amended by the earlier supplement is referred to below as the "**Base Prospectus**".

**This supplement**

This supplement forms an integral part of and should be read together with the other parts of the Base Prospectus. This supplement has been prepared by the Issuer pursuant to the provisions of Article 23 of the Prospectus Regulation (EU) 2017/1129. This supplement was approved and registered by the SFSA on 28 October 2020 (SFSA reg. no. 20-24196).

**Reason for this supplement**

This supplement has been prepared for the following reason.

The Issuer has resolved to introduce the possibility to register and clear Certificates through additional central securities depositories; (i) Clearstream Banking S.A. and Euroclear Bank S.A./N.V. and (ii) SIX SIS AG. As a consequence, additional information regarding the form of Certificates and agents should be introduced in the general description of the Program and the General Conditions governing the Certificates should be modified to reflect the additional registration and clearing possibilities. Such additional information and changes are set forth on the following pages of this supplement.

**Right of withdrawal**

Only investors who have already agreed to purchase or subscribe for any Certificates offered under the Base Prospectus before this supplement was published shall have the right, exercisable within two working days after the publication of this supplement, to withdraw their acceptances, provided that the circumstances stated above arose or were noted before the closing of the relevant offer or the delivery of the Certificates, whichever occurs first.

Such investors can exercise their right of withdrawal during the period from publication of this supplement up to and including **30 November 2020**. This right of withdrawal cannot be exercised after said date.

Such investors should contact the relevant financial intermediary through which the investor has purchased or subscribed for the Certificates in question should they wish to exercise the right of withdrawal.

## General description of the Program

The section “General description of the Program” shall be modified as follows.

In sub-section 1.2 (*The Program*), the fifth paragraph regarding Euroclear Sweden AB shall be deleted.

Two new sub-sections shall be added with the following content:

### “1.14. 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. No Certificates in definitive form shall be issued.

#### *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 värdepapperscentraler 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. 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.

Investors should note that where Certificates are registered with and cleared through a primary CSD, such as SIX SIS Ltd or Euroclear and Clearstream and where Euroclear Sweden maintains a register in a capacity as secondary CSD, any payments effectuated under the Certificates will first be made in accordance with the rules of the primary CSD. Subsequently, Euroclear Sweden will make the payment in accordance with its rules when acting as a secondary CSD. Payments will normally be made around the seventh banking day after the payment date under the Certificates. The record date for such subsequent payments arranged through Euroclear Sweden will be the fifth Swedish banking day prior to the subsequent payment date.

### **1.15. 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. The agents and any of their shareholders, officers, employees, advisers, representatives and agents shall in no way be liable or responsible for any loss, cost, damages, expenses or inconvenience to the Holders or any other third parties for (i) any negative or poor performance of the assets forming underlying assets to the Certificates or (ii) any decision(s), acts, omission(s), fraud(s) and more generally any act which may result from anything done or omitted to be done by any debtor, holder, borrower or custodian of the underlying assets to the Certificates."

## General Terms and Conditions Governing the Certificates

In General Condition 1 (*Definitions*) the following terms and expressions shall have the meaning stipulated below and the terms and expressions not listed below shall retain their meaning as stipulated in the Base Prospectus:

**"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 that the relevant Holder has opened a Euroclear Sweden Account for the Certificates;

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

**"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, the 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 värdepapperscentraler 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;

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

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

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

**"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;

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

**"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;

General Condition 2 (*Form of Certificates*) shall be replaced and shall have the following content:

**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 Banking S.A. (“**Clearstream**”) and/or Euroclear Bank S.A./N.V. (“**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**”, “**Certificateholder**” 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 värdepapperscentraler 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 “**Certificateholder**” 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 “**Certificateholder**” 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.”

General Condition 6 (*Payments in respect of the Certificates*) shall be replaced and shall have the following content:

- 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.”

In General Condition 8 (*Holder Put Option*) the provisions in Condition 8.2 shall be replaced and shall have the following content:

- 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**")."

General Condition 11 (*Prescription*) shall be replaced and shall have the following content:

"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*)."

In General Condition 14 (Governing law & Jurisdiction) the following sentence shall be added to the provisions in Conditions 12.1:

"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."

### **Form of Final Terms**

In the section "Form of Final Terms" the operational information in items 19 (*Clearing System*) and 20 (*Issuing Agent*) shall be amended to read as follows:

**19** Clearing System: [Materialized Certificates] / [Swedish Certificates] / [Swiss Certificates] registered with and cleared through [Euroclear Sweden AB] / [Euroclear and Clearstream] / [SIX SIS AG] / [(expected at issuance to be replicated to Euroclear Sweden AB)] / [ • ].

**20** Issuing Agent: [Mangold Fondkommission AB] / [ISP Group] / [ • ].

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