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## **EU GROWTH PROSPECTUS**

**of Bloxxter 1 GmbH, Hamburg**

**for the public offering of a qualified subordinated token-based bond with a maximum total nominal amount of EUR 39,000,000**

**Date: 10/12/2020**

Warning notice:

This EU Growth prospectus will cease to be valid upon termination of the public offering (expected to close on October 12, 2021). If the prospectus has become invalid, there is no obligation to prepare a supplement to the prospectus in the event of important new circumstances, material inaccuracies or material inaccuracies.

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## 1. SPECIAL SUMMARY OF THE EU GROWTH PROSPECTUS

### Section 1 - INTRODUCTION

1.1	Name and international securities identification number (ISIN) of the securities	Securities sui generis in the form of uncertificated, subordinated token-based bonds.  The ISIN is: DE000A254TG 0
1.2	Identity and contact details of the Issuer, including its legal entity identifier (LEI)	Bloxxter 1 GmbH, Geibelstraße 46 b, 22303 Hamburg, Germany, telephone number: +49 (40) 22 85 85 910.  The LEI is: 391200ZEMZ1ZLOLSKW70.
1.3	Identity and contact details of the competent authority that approved the prospectus	Federal Financial Supervisory Authority, Graurheindorfer Str. 108, 53117 Bonn; Marie-Curie-Str. 24-28, 60439 Frankfurt am Main. Phone number: +40 228 / 4108 - 0 Fax: + 49 228 / 4108 - 1550 / - 123 Mail: poststelle@bafin.de
1.4	Date of approval of the EU Growth prospectus	12.10.2020
1.5	Warnings	The Issuer hereby declares a. that the summary should be read as an introduction to this EU Growth prospectus and any decision to invest in the securities should be based on a consideration of the EU Growth prospectus as a whole by the investor; b. that the investor could lose all or part of the invested capital; c. that where a claim relating to the information contained in an EU Growth prospectus is brought before a court, the plaintiff investor may, under the national law of the Member States, have to bear the expenses of translating the EU Growth prospectus before the legal proceedings are initiated; d. the fact that civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent when read together with the other parts of the EU Growth prospectus, or where it does not provide, when read together with the other parts of the EU Growth prospectus, key information in order to aid investors when considering whether to invest in such securities.

### Section 2 - KEY INFORMATION ON THE ISSUER

2.1	Who is the Issuer of the securities?	
2.1.1	Information about the Issuer	The Issuer is a limited liability company (GmbH) founded in Germany and is subject to the laws of the Federal Republic of Germany. The Issuer is registered with the Commercial Register of the Local Court of Hamburg (Germany) under the registration number HRB 159129. The managing directors jointly authorized to represent the Issuer are Mr. Marc Drießen and Mrs. Dr. Bianca Ahrens. The sole shareholder of the Issuer is Bloxxter GmbH, registered in the Commercial Register of the Local Court of Hamburg (Germany) under HRB 155017. Bloxxter GmbH's sole shareholder is bloxxter AG, a Swiss stock corporation based

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		<p>in Zug. Shareholders of the bloxxter AG are Mr. Norbert Ketterer (85%) and Little Misty Capital GmbH (15%), whose sole shareholder and managing director is Mr. Marc Drießen. The Issuer intends to grant a subordinated loan with qualified subordination to SNK Vermögensverwaltung GmbH &amp; Co KG. The subordinated loan is to be secured with likewise subordinated land charges (“Grundschulden”). SNK Vermögensverwaltung GmbH &amp; Co. KG is a 100% subsidiary of SKE Immobilien Holding AG, a Swiss stock corporation. SNK Vermögensverwaltung GmbH &amp; Co KG in turn will make this loan capital available to two real estate property companies, Objekt SNK Städtisches Kaufhaus Leipzig GmbH &amp; Co KG and Reclam-Carré Leipzig GmbH &amp; Co KG. Both property companies are wholly owned subsidiaries of SNK Vermögensverwaltung GmbH &amp; Co KG. The property companies each own one property, which is predominantly let on a commercial basis. The property companies will use the funds to repay existing shareholder loans and for investments in the properties. As of the date of this prospectus, the Issuer is not yet engaged in these business activities. The current business activity of the Issuer consists of preparing the granting of the subordinated loan to SNK Vermögensverwaltung GmbH &amp; Co KG and issuing these token-based bonds.</p>								
<p><b>2.2</b></p>	<p>What is the key financial information regarding the Issuer?</p>									
		<p>The following information is based on the audited annual financial statements of the Issuer for the short financial year 2019 as of the reporting date September 30, 2019. The short financial year covers the period from September 5, 2019 to September 30, 2019. Comparative figures for the financial year 2018 could not be included as the company was only founded on September 5, 2019. There is no information for the financial year 2020 yet. An interim income statement and an interim cash flow statement have not been prepared. Therefore, no comparative figures can be given with regard to the above-mentioned information.</p> <table border="1" data-bbox="306 1041 1481 1211"> <tr> <td data-bbox="306 1041 625 1099"></td> <td data-bbox="625 1041 1481 1099">Income statement for the period 09/05 - 09/30/19</td> </tr> <tr> <td data-bbox="306 1099 625 1211">Net loss for the year according to income statement</td> <td data-bbox="625 1099 1481 1211">- 6,353.43 EUR</td> </tr> </table> <table border="1" data-bbox="306 1243 1481 1630"> <tr> <td data-bbox="306 1243 625 1301"></td> <td data-bbox="625 1243 1481 1301">Balance sheet for financial year 2019 as of the reporting date 09/30/19</td> </tr> <tr> <td data-bbox="306 1301 625 1630">Net financial assets (unaudited, calculated from cash and cash equivalents (i.e. cash on hand, Bundesbank balances, bank balances and checks) less liabilities including provisions according to the balance sheet</td> <td data-bbox="625 1301 1481 1630">EUR 18,646.57 (calculated from EUR 23,681.30 (cash) - EUR 5,034.73 (liabilities including provisions)) Net financial assets represent the difference between the Issuer's liquid funds and financial liabilities. If the liabilities exceed the liquid funds, the amount is referred to as net financial liabilities. Net financial liabilities can be used, for example, to determine the net debt ratio of a company. For this purpose, the net financial liabilities are to be compared to the company's earning power (EBITDA of the respective financial year - earnings before interest, taxes, depreciation and amortization). The net gearing ratio indicates how long it would take the company (at constant EBITDA) to repay the current net debt.</td> </tr> </table>		Income statement for the period 09/05 - 09/30/19	Net loss for the year according to income statement	- 6,353.43 EUR		Balance sheet for financial year 2019 as of the reporting date 09/30/19	Net financial assets (unaudited, calculated from cash and cash equivalents (i.e. cash on hand, Bundesbank balances, bank balances and checks) less liabilities including provisions according to the balance sheet	EUR 18,646.57 (calculated from EUR 23,681.30 (cash) - EUR 5,034.73 (liabilities including provisions)) Net financial assets represent the difference between the Issuer's liquid funds and financial liabilities. If the liabilities exceed the liquid funds, the amount is referred to as net financial liabilities. Net financial liabilities can be used, for example, to determine the net debt ratio of a company. For this purpose, the net financial liabilities are to be compared to the company's earning power (EBITDA of the respective financial year - earnings before interest, taxes, depreciation and amortization). The net gearing ratio indicates how long it would take the company (at constant EBITDA) to repay the current net debt.
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<p><b>2.3</b></p>	<p>What are the key risks that are specific to the Issuer?</p>	<p>The risks described below could have a significant adverse effect on the Issuer's net assets, financial position and results of operations and, individually or cumulatively, could lead to the insolvency of the Issuer. For the investor, this means a total loss of his investment.</p> <p><u>Risk of insolvency of SNK Vermögensverwaltung GmbH &amp; Co. KG</u></p> <p>With the intended granting of a subordinated loan (loan with qualified subordination) to SNK Vermögensverwaltung GmbH &amp; Co KG, the Issuer bears the risk of the insolvency of SNK Vermögensverwaltung GmbH &amp; Co KG. By the qualified subordination to be agreed upon (including pre-insolvency enforcement block) the Issuer carries an entrepreneurial risk, which is higher than that of a regular lender (equity-like liability function). Nevertheless, the Issuer has no participation rights under company law and no possibility of influencing the realization of the entrepreneurial risk at SNK Vermögensverwaltung GmbH &amp; Co KG. The</p>								

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		<p>qualified subordination (including pre-insolvency enforcement block) can lead to a permanent non-performance of the claims (interest and repayment) from the subordinated loan, even outside of an insolvency of SNK Vermögensverwaltung GmbH &amp; Co. KG. For the investors this can mean a total loss of their investment.</p> <p><u>Risks for the property companies</u></p> <p>SNK Vermögensverwaltung GmbH &amp; Co KG generates its income via the property companies, which generate rental income. SNK Vermögensverwaltung GmbH &amp; Co. KG also indirectly bears the risks from letting, the risk of which is increased by the fact that it provides the capital by means of subordinated shareholder loans. As a result of the intended subordinated loan to SNK Vermögensverwaltung GmbH &amp; Co. KG, the Issuer is also indirectly exposed to the risks of the property companies from the renting of the properties. If the rental income is reduced or the expenses of operating the properties increase, there is a risk that SNK Vermögensverwaltung GmbH &amp; Co. KG will not be able to fulfill its liabilities (interest and repayment claims) to the Issuer from the subordinated loan. For investors, this could mean a partial or total loss of their investment.</p> <p><u>Risks from market developments</u></p> <p>The real estate investments held by SNK Vermögensverwaltung GmbH &amp; Co KG are subject to market cycles and fluctuations in value. The value and earning power of the real estate held in the property companies is determined by various external factors over which SNK Vermögensverwaltung GmbH &amp; Co. has no control. These include a deterioration in the general economic conditions, which may lead in particular to a deterioration in the financial situation of tenants, a lack of demand from tenants for upcoming follow-on leases and/or a decline in rental prices. Due to the corona pandemic, a severe recession is expected worldwide, the extent and consequences of which cannot yet be predicted in detail. This could have a negative impact on the renting of the properties owned by the property companies. It is conceivable that existing tenants will default on their payment obligations due to their own economic crisis, and that new rentals will not be possible at all or only at significantly worse conditions than those previously offered. Other external factors could include a deterioration in the locations in Leipzig, an increase in the range of alternative rental and purchase offers, a deterioration in financing terms, and reduced interest in buying properties. Unfavorable market developments may thus have a negative impact on the rental income of the property management companies and adversely affect the performance of the properties. If income is too low, the Issuer's ability to meet its interest and repayment claims is also at risk. In this case, the Issuer could also fail to meet investors' claims under the token-based bond.</p>
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### Section 3 - KEY INFORMATION ON THE SECURITIES

3.1	What are the main features of the securities?	
3.1.1	Information about the securities	<p>The securities offered are sui generis securities in the form of subordinated token-based bonds. For each bond security issued, a token (BLX01) is issued by the Issuer to the investor. BLX01 are based on the Ethereum blockchain and represent the rights under the bond. The token is based on the ERC-20 standard of the Ethereum blockchain. Securitization of the token-based bond in an individual or global certificate is excluded. The currency of the securities issue is EUR. The Issuer will issue this series of token-based bonds with a total nominal amount of up to EUR 39 million. Up to 39 million token-based bonds will be issued with a nominal amount of EUR 1 each, represented by up to 39 million BLX01 with an equivalent of EUR 1 each. The minimum subscription amount for investors who are natural persons is EUR 500.00. The minimum subscription amount for investors who are legal entities or partnerships or partnerships is EUR 25,000.00. The token-based bonds constitute payment obligations of the Issuer to the holders of the token-based bond. The investors are entitled to interest and, after the end of the term of the token-based bond, to repayment of</p>

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		<p>the token-based bond at the nominal amount. The token-based bond bears interest on its nominal amount at a fixed rate of 3.00 percent per annum. The token-based bond has a term until September 30, 2025 (inclusive), unless the token-based bonds are terminated by the Issuer by ordinary or extraordinary notice or by an investor by extraordinary notice. The investors are not entitled to terminate the token-based bond before the end of the term. The Issuer is entitled to terminate the token-based bond at any time prior to the end of the agreed term by giving 6 weeks' notice. Each investor is entitled to terminate the token-based bond without observing a notice period and to demand repayment of the token-based bond at the nominal amount plus any interest accrued up to the date of repayment (exclusive) if there is good cause (extraordinary termination). The Issuer also has the right of extraordinary termination. The Issuer is entitled to extend the term four times by one (1) year each time ("Extension Option"). The Issuer shall declare the exercise of the extension option in each case no later than 3 months before the end of the term.</p> <p><u>Qualified subordination (including pre-insolvency enforcement block)</u></p> <p>The token-based bond is equipped with a subordination agreement and a pre-insolvency enforcement block. The claims arising from the token-based bond establish subordinate investor rights in relation to claims of other investors of the Issuer. In order to avoid over-indebtedness of the Issuer under insolvency law within the meaning of Section 19 (2) InsO and in the event that liquidation proceedings are conducted, a liquidation block is imposed pursuant to Section 39 (2) InsO, with regard to all present and future claims of the investors arising from the token-based bond - including the claims to interest and repayment of the invested capital - a subordination is agreed in such a way that all claims of the holders of the token-based bond are only to be satisfied after all claims and demands of all existing and future investors of the Issuer as described in Section 39 (1) Nos. 1 to 5 InsO. The claims of the holders of the token-based bond can only be satisfied from future annual net profits, any liquidation surplus or other free assets remaining after satisfaction of all other investors of the Issuer. The investors of the token-based bond undertake to assert their claims under the token-based bond for as long and to the extent that the satisfaction of such claims would not give rise to a reason for the opening of insolvency proceedings against the assets of the Issuer, i.e. would lead to the insolvency of the Issuer within the meaning of Section 17 of the German Insolvency Act (InsO) or over-indebtedness of the Issuer within the meaning of Section 19 of the German Insolvency Act (in the version applicable at the time) (pre-insolvency enforcement block).</p>
3.2	Where will the securities be traded?	The Issuer has not applied for admission of the token-based bond to trading on an MTF or an SME growth market. At the date of this prospectus, the Issuer also has no intention to apply for such admission to trading.
3.3	Is there a guarantee attached to the securities?	No guarantee is attached to the securities.



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<p><b>3.4</b></p>	<p>What are the key risks that are specific to the securities?</p>	<p><u>Default risk of the Issuer</u>  The Issuer will only be in a position to implement the intended business activities and thus to meet the claims of the investors from the token-based bond issue if the planned proceeds are used. The investors in the token-based bond bear the risk of the Issuer's insolvency, i.e. the risk that the Issuer is temporarily or permanently unable to meet its payment obligations to the investors from the securities on time. The insolvency of the Issuer may result in a total loss of the investment funds used and the expected interest claims for the investors.</p> <p><u>Qualified subordination (with pre-insolvency enforcement block)</u>  The qualified subordination clause applies both before and after the opening of insolvency proceedings as well as in the case of liquidation proceedings. The claims are permanently blocked in their enforcement as long and to the extent that the crisis of the Issuer is not resolved. Due to the agreed qualified subordination (including pre-insolvency enforcement block), the investors bear an entrepreneurial risk that is higher than that of a regular lender (equity-like liability function). Nevertheless, investors are not granted any rights of participation under company law and have no possibility to influence the realization of the entrepreneurial risk. The qualified subordination (including pre-insolvency enforcement block) can lead to a permanent non-performance of the investors' claims from the token-based bond.</p> <p><u>No deposit insurance</u>  The token-based bond does not constitute a deposit and is therefore not subject to any statutory or voluntary deposit insurance. In the event of default by the Issuer, no payments will be made to investors by third parties (e.g. a deposit protection fund).</p> <p><u>Limited tradability</u>  It may not be possible to sell the token-based bond or BLX01 because there is no regulated market for trading the token-based bond or BLX01. The risk that the investor cannot find a buyer for the BLX01 or can only sell it at a price that is too low in his view is borne solely by the investor. The BLX01 may also turn out to be completely illiquid.</p>
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**Section 4 - KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC**

<p><b>4.1</b></p>	<p>Under which conditions and timetable can I invest in this security?</p>	<p>The offer period during which purchase offers for the token-based bond can be submitted is expected to begin on 10/13/2020 and end on 10/12/2021. A shortening of the offer period and termination of the public offer by the Issuer is possible at any time.</p> <p>The token-based bond and the corresponding number of BLX01 are issued against payment in euros. The Issuer is entitled to issue token-based bonds also against the provision of the crypto currencies Ether (ETH) and Bitcoin (BTC). A premium (agio) is not charged. One BLX01 corresponds to EUR 1 of the subscribed token-based bond. The number of BLX01 issued corresponds to the amount of the whole Euro or the EUR equivalent of the amount of crypto currencies (Bitcoin or Ether) paid by the investor at the time of transfer (without accrued interest). The exchange rates are determined by the Issuer on the basis of recognized current public exchange rates between EUR and the crypto currency concerned. The exchange rate on which the exchange is based will be communicated to the investor. The issue-related expenses are expected to total EUR 585,000 (including sales tax ). At the level of SNK Vermögensverwaltung GmbH &amp; Co KG, expenses of an anticipated total of EUR 585,000 (incl. sales tax, if any) will arise, among other things, because bloxxter AG has been commissioned to provide services in connection with the structuring of its financing to bloxxter AG.</p>
<p><b>4.2</b></p>	<p>Why is this EU Growth prospectus being produced?</p>	<p>The offer to purchase the token-based bond with an offering volume of up to EUR 39 million serves the Issuer to raise capital of up to EUR 39 million, which is to be used entirely to implement the Issuer's planned business activities. The gross</p>

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		<p>proceeds of the issue thus correspond to the net proceeds of the issue. The Issuer will use the proceeds in the expected amount of EUR 39 million - whereby a minimum issue volume of EUR 5 million is envisaged - in accordance with its intended business activities to grant SNK Vermögensverwaltung GmbH &amp; Co KG a subordinated loan against an appropriate interest rate. If the proceeds are lower than expected, the loan proceeds from the subordinated loan will be reduced accordingly. The Issuer will receive from SNK Vermögensverwaltung GmbH &amp; Co. KG a discount of 1.5% of the loan value that is available to the Issuer to offset its emission-related expenses in the amount of EUR 585,000 (incl. sales tax).</p> <p><u>Conflicts of interest:</u> Mr. Marc Drießen as Managing Director of the Issuer is also Managing Director of Bloxxter GmbH, which is the sole shareholder of the Issuer. Mr. Marc Drießen also has an indirect interest in bloxxter AG, the parent company of Bloxxter GmbH. The majority shareholder of bloxxter AG, Mr. Norbert Ketterer, is the husband of the indirectly sole shareholder of SNK Vermögensverwaltung GmbH &amp; Co KG, Mrs. Ketterer. Mr. Ketterer may not only pursue the interests of the Issuer, but also those of his wife and thus of the SNK Group. Mrs. Dr. Bianca Ahrens as a further managing director of the Issuer is also at the same time managing director of Bloxxter GmbH. Mr. Jan Hedding is a member of the administrative board of bloxxter AG and at the same time managing director of the general partner (Komplementär-GmbH) of SNK Vermögensverwaltung GmbH &amp; Co KG. This can result in conflicts of interest.</p>
4.3	Who is the Offeror?	<p>The Offeror of this offer for the purchase of the token-based bond is bloxxter AG, a Swiss stock corporation with its registered office in Zug (Switzerland). The corporate purpose of bloxxter AG is to provide services in connection with participation in and financing of domestic and foreign companies by means of advanced IT technologies. The LEI-Switzerland of the bloxxter AG is: 5067006A56G908HMVP84 The identification number UID is CHE-329.024.081</p>

## 2. PURPOSE, PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERT'S REPORTS AND COMPETENT AUTHORITY APPROVAL

### 2.1 Persons responsible

The responsibility for the information contained in this prospectus lies with Bloxxter 1 GmbH, with registered office in Hamburg (Germany), as Issuer, and bloxxter AG, with registered office in Zug (Switzerland), as Offeror.

Bloxxter 1 GmbH is represented by its managing directors, Mr. Marc Drießen and Mrs. Dr. Bianca Ahrens. The bloxxter AG is represented by its directors, Mr. Jan Hendrik Hedding and Mr. Donat Gino Grimm.

The Issuer and the Offeror declare that, to the best of their knowledge, the information contained in this prospectus is correct and that the prospectus does not contain any omissions which could distort the statement.

### 2.2 Third party information and expert's reports

This prospectus does not include any statements or reports by a person acting as an expert. Information from third parties has been included in this prospectus, namely from the expert reports of W&P Immobilienberatung GmbH (Wuest Partner Deutschland) on the properties Städtisches Kaufhaus Leipzig, Neumarkt 9, 04109 Leipzig, and Reclam Carrée, Inselstraße 22, 04103 Leipzig. The Issuer confirms that this information has been accurately reproduced and, to the best of its knowledge and as far as it is apparent from the information published by this third party, has not been made incorrect or misleading by omission.

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### **2.3 Competent authority approval**

- a) The prospectus has been approved by the German Federal Financial Supervisory Authority (BaFin) as the competent authority under Regulation (EU) 2017/1129.
- b) BaFin only approves this prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129.
- c) Such approval should not be construed as confirmation of the Issuer which is the subject of this prospectus.
- d) The prospectus has been prepared as an EU Growth prospectus in accordance with Article 15 of Regulation (EU) 2017/1129.
- e) Such approval should not be considered as an endorsement of the issuer that is the subject of this prospectus.
- f) Investors should make their own assessment as to the suitability of investing in the securities.

## **3. STRATEGY, PERFORMANCE AND BUSINESS ENVIRONMENT**

### **3.1 Information about the Issuer**

The legal and commercial name of the Issuer is Bloxxter 1 GmbH. The Issuer is registered with the Commercial Register of the Hamburg District Court under the registration number HRB 159129. The address and telephone number of the Issuer are Geibelstraße 46 b, 22303 Hamburg, telephone number: +49 (40) 22 85 85 910.

The legal entity identification number (LEI) is: 391200ZEMZ1ZLOLSKW70.

The Issuer was founded in Hamburg on September 5, 2019 and was established for an indefinite period. The registered office of the Issuer is Hamburg.

The Issuer is subject to the laws of the Federal Republic of Germany. Information on the website of the Issuer at [www.bloxxter.com/de](http://www.bloxxter.com/de) is not part of this prospectus.

### **3.2 Recent events of particular importance and relevance to the solvency of the Issuer**

Recent events of particular importance and relevance to the solvency of the Issuer have not occurred.

### **3.3 No ratings**

No ratings were issued for the Issuer.

### **3.4 Information on material changes in the Issuer's borrowing and funding structure**

There have been no significant changes in the debt and financing structure of the Issuer since the end of the Issuer's last financial period (reporting date September 30, 2019).

### **3.5 Expected financing of the Issuer's activities**

The Issuer intends to finance its activities by issuing this token-based bond and raising capital up to a total amount of up to EUR 39 million. In accordance with the terms and conditions of the issue, the Issuer has undertaken not to issue any further (token-based) bonds with the same or different terms or other debt and/or financing instruments. The Issuer will also not raise long-term debt capital.

### **3.6 Business overview**

#### **3.6.1 Principal activities**

##### **3.6.1.1 Current principal activity**

The current principal activity of the Issuer consists of negotiating the subordinated loan agreement to be concluded with SNK Vermögensverwaltung GmbH & Co KG and preparing its conclusion. The Issuer is also preparing the issue of this token-based bond. The Issuer has not yet generated any proceeds or sales.

##### **3.6.1.2 Intended principal activity**

Non-binding translation. Only the German language version is binding.

The Issuer intends to use the capital raised through the issue of this token-based bond to grant a loan with qualified subordination (subordinated loan) to SNK Vermögensverwaltung GmbH & Co KG. The subordinated loan amounts to a minimum of EUR 5 million and a maximum of EUR 39 million, whereby the actual amount of the subordinated loan depends on the capital raised by the Issuer. This means that if the capital raised were to be lower than expected, the subordinated loan value would be reduced accordingly. Due to the minimum issue volume envisaged for the issue of the token-based bond, the subordinated loan value is at least EUR 5 million. The subordinated loan will be valued on an ongoing basis as planned. SNK Vermögensverwaltung GmbH & Co KG is obliged to accept the respective value date amount. The subordinated loan is to have a fixed term and a constant interest rate of 3.5% p.a. based on the respective value date amount provided. It is intended to secure the subordinated loan with land charges that are also subordinated. The Issuer will retain a discount of 1.5% in relation to the respective subordinated capital provided for the provision of the subordinated loan to SNK Vermögensverwaltung GmbH & Co KG. The Issuer will use the discount to offset the issue-related expenses.

SNK Vermögensverwaltung GmbH & Co KG will make the loan capital available to two real estate property companies, Objekt SNK Städtisches Kaufhaus Leipzig GmbH & Co KG and Reclam-Carré Leipzig GmbH & Co KG, as shareholder loans. Both property companies are wholly owned subsidiaries of SNK Vermögensverwaltung GmbH & Co. KG. The property companies each own one property, which is predominantly let on a commercial basis. Initially, loan amounts of up to approx. EUR 4.3 million will be paid to Reclam-Carré GmbH & Co. KG to repay the existing shareholder loan. Subsequently, loan amounts of up to approx. EUR 9.61 million will be paid to Objekt SNK Städtisches Kaufhaus Leipzig GmbH & Co KG to repay the existing shareholder loan.

After repayment of the existing shareholder loans, any excess funds from the issue of the token-based bond will be made available by SNK Vermögensverwaltung GmbH & Co KG to the real estate property companies for investment in the properties. The overall aim is to distribute the net issue proceeds among the real estate property companies at a ratio of 65 % (SNK Städtisches Kaufhaus Leipzig GmbH & Co. KG) to 35 % (Reclam-Carré Leipzig GmbH & Co. KG).

The aim of the investments is to increase the current target contractual rents by an average of around EUR 3 per square meter for office space and by an average of around EUR 5 per square meter for retail space. The shareholder loans between SNK Vermögensverwaltung GmbH & Co KG and the real estate property companies are to have a fixed term and a constant interest rate of 3.5% p.a. based on the loan amount provided.

The corporate purpose of both real estate property companies is the management, use and exploitation of the assets owned and to be acquired by the respective company, in particular the acquisition, rental and leasing as well as the sale of real estate.

Objekt SNK Städtisches Kaufhaus Leipzig GmbH & Co KG has total assets of EUR 45.52 million as of the balance sheet date of December 31, 2018. Property, plant and equipment accounted for EUR 42.36 million of this amount. Objekt SNK Städtisches Kaufhaus Leipzig GmbH & Co KG is financed as of the balance sheet date December 31, 2018, by equity in the amount of EUR 1,000 million and liabilities in the amount of EUR 45.26 million. The figures are taken from the balance sheet of Objekt SNK Städtisches Kaufhaus Leipzig GmbH & Co KG as of December 31, 2018. The disclosure of the balance sheet and the bond (without income statement) was made on February 12, 2020 at the operator of the Federal Gazette. The information is unaudited. More recent information has not been published or deposited as of the date of the prospectus.

Reclam-Carré Leipzig GmbH & Co. KG has a balance sheet total of EUR 24.64 million at the balance sheet date of December 31, 2018. Property, plant and equipment accounted for EUR 22.48 million of this amount. Reclam-Carré Leipzig GmbH & Co. KG is financed by equity in the amount of EUR 1,000 million and liabilities in the amount of EUR 24.59 million as of the balance sheet date December 31, 2018. The information is unaudited. More recent information has not been published or filed as of the date of the prospectus.

SNK Vermögensverwaltung GmbH & Co KG, the parent company of the two real estate companies, had total assets of around EUR 52.14 million on the balance sheet date of December 31, 2018. As of the balance sheet date December 31, 2018, SNK Vermögensverwaltung GmbH & Co. KG is financed by equity of EUR 100 and liabilities of EUR 52.11 million, of which liabilities to shareholders amount to EUR 21.79 million. The figures are taken from the balance sheet of SNK Vermögensverwaltung GmbH & Co. KG as of December 31, 2018. The balance sheet was deposited with the operator of the Federal Gazette on June 12, 2020. The information is unaudited. More recent information has not been published or deposited as of the date of the prospectus.

The property of Objekt SNK Städtisches Kaufhaus Leipzig GmbH & Co KG is a municipal department store in Leipzig, which was built between 1894 and 1901 as a trade fair building. In the course of renovations in the mid-

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1990s, the property was converted into a multifunctional building with retail and gastronomy use on the first floor and office use on the upper floors. The income-weighted vacancy rate of the property is 4.8%.<sup>1</sup>

The property of Reclam-Carré Leipzig GmbH & Co. KG is a building constructed in 1887 and 1905 as a printing plant and publishing house. The property was restored in the mid-1990s and converted into an office complex. As part of these measures, four new buildings with office space and apartments were developed. The income-weighted vacancy rate of the property is 1.4%.<sup>2</sup>

Cumulatively, the two properties have a share of 66% office use, 17% retail, 4% gastronomy, 4% residential, 2% healthcare and 6% other areas. The annual target contractual rent for the two properties is EUR 4,563.268 and the actual rent is EUR 4,408,035. The target market rent is stated at EUR 5,190,077 p.a. and is thus on average 13.7% higher than the contractual rent (property SNK Städtisches Kaufhaus Leipzig GmbH & Co. KG: 10.7%; Reclam-Carré GmbH & Co. KG: 18.2%). The price per square meter is on average EUR 2,349 (property SNK Städtisches Kaufhaus Leipzig GmbH & Co. KG: EUR 2,556; Reclam-Carré GmbH & Co. KG: EUR 2,094) on the basis of the property value (as of 20 May 2020).<sup>3</sup>

The two real estate property companies have financed the acquisition of the properties by means of bank loans, among other things. The bank loan of SNK Städtisches Kaufhaus Leipzig GmbH & Co KG amounts to approx. EUR 30.42 million as of June 30, 2020 and the bank loan of Reclam-Carré GmbH & Co KG amounts to approx. EUR 17.08 million as of June 30, 2020. The repayment installment of Objekt SNK Städtisches Kaufhaus Leipzig GmbH & Co KG for the bank loan due at the end of each quarter amounts to EUR 191,698.84. The loan has a term until February 9, 2024, the remaining value at the end of the term of the loan amounts to approx. EUR 27.54 million. The Reclam-Carré GmbH & Co. KG makes a repayment installment, also due at the end of the quarter, in the amount of EUR 108,301.16. This loan also has a term until February 9, 2024, the remaining value at the end of the term of the loan amounts to approx. EUR 15.56 million. The remaining value of the two bank loans at the end of the term of the loans (February 9, 2024) totals around EUR 43.1 million.<sup>4</sup>

In addition, the real estate property companies are each financed via shareholder loans from SNK Vermögensverwaltung GmbH & Co KG (as of June 30 2020: SNK Städtisches Kaufhaus Leipzig GmbH & Co KG property: approx. EUR 9.61 million; Reclam-Carré GmbH & Co KG: approx. EUR 4.3 million). The existing shareholder loans of the real estate property companies bear interest at 2% p.a. Both shareholder loans are due for repayment on February 9, 2025. The shareholder loans can be repaid at any time before the end of the agreed loan term.<sup>5</sup>

The Issuer assumes that SNK Vermögensverwaltung GmbH & Co KG will be able to meet its obligations under the loan agreement without restrictions, as the economic viability of the two real estate property companies is sufficient, due to the ongoing rental income, to meet the obligations from the existing bank financing and the future shareholder loans up to the maximum interest claim of the Issuer. Accordingly, SNK Vermögensverwaltung GmbH & Co KG will also be able to fulfill its obligations to the Issuer.

At the level of the real estate property companies, the interest coverage ratio is between approx. 140% and over 200%, as planned, without taking into account the effect of value-enhancing measures through investments in the properties.

For the repayment of the shareholder loans to SNK Vermögensverwaltung GmbH & Co KG and the repayment of the subordinated loan to the Issuer, it is assumed that the properties or the shares in the property companies will be refinanced or sold at the end of the term of the token-based bond. The current appraisal value<sup>6</sup> for both properties is EUR 100 million.

With an assumed unchanged expert opinion value (without taking into account any investment measures affecting the value) in the amount of EUR 100 million, a residual value of the bank loans at the level of the property companies of around EUR 42 million and shareholder loans of EUR 39 million assumed at the end of the term of the token-based bond (September 30, 2025), a reserve of around EUR 19 million remains at the level of the property companies. The properties held by the real estate companies are to be valued annually by an expert.

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<sup>1</sup> Expert opinion Municipal Department Store, Wüest Partner Germany, status 5/20/2020

<sup>2</sup> Expert opinion Reclam Carrée, Wüest Partner Germany, Status 5/20/2020

<sup>3</sup> Report Wüest Partner Germany, Status 5/20/2020

<sup>4</sup> The information is based on statements by SNK Vermögensverwaltung GmbH and has not been audited.

<sup>5</sup> The information is based on statements by SNK Vermögensverwaltung GmbH and has not been audited.

<sup>6</sup> Real estate value according to expert opinion Wüest Partner Germany, as of 5/20/2020

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The Issuer will be audited by an independent auditing firm with regard to the use of the proceeds and expenses of the issue and the correct distribution of payments and repayments to the investors during the term of the security.

In the event that, during the term of the public offering, an amount of less than EUR 5 million is raised from investors, the Issuer will cease its intended business activities and repay the deposited investor funds (reversal of the issue). In the event of a reversal, the investors will receive the paid-up nominal amount plus the pro-rata interest for the period of the capital transfer from the Issuer. The Issuer's indirect parent company, bloxxter AG, has committed itself to the Issuer to take over any payments that may be necessary in connection with a reversal of the issue as well as to take over any running expenses and liabilities in the event that the maximum issue volume of EUR 39 million is not reached.

### **3.6.2 Principal markets**

Through the granting of the subordinated loan to SNK Vermögensverwaltung GmbH & Co KG, which in turn will make the loan capital available to its real estate property companies, the Issuer is indirectly involved in the real estate market in Leipzig:

Leipzig is an independent city and with a population of 601,668 inhabitants (as of 12/31/2019) the largest city in the Free State of Saxony. According to data from the statistical federal and state offices, the population increased by 10.6% between 2013 and 2018. According to calculations by the State Statistical Offices and the Wegweiser Kommune in Leipzig, the population is expected to grow by 5.1% by 2030. Leipzig is a university location that has shown an increasing trend in the number of students over the last five years. In the winter semester 2018/2019, 39,136 students were enrolled in Leipzig.<sup>7</sup>

According to BNP Paribas, the Leipzig office space market in 2019 achieved a space turnover of around 147,000 sqm (+ 9% compared to the previous year). The vacancy rate is stated at 4.9% (as of the end of 2019, -1.3% year-on-year). Top rents in Leipzig are estimated at EUR 15.50/sqm for 2019 (+11% year-on-year). Average rents (10.80 EUR/sqm in 2019) are also expected to increase by 19% over 2018.<sup>7</sup>

In recent years, Leipzig's retail and gastronomy sectors have benefited in particular from the positive development of the population and the associated increase in employment (+ 17 % in the last five years). A significant increase in the number of overnight stays in the hotel industry has also contributed to sales growth. Leipzig is considered by chain stores to be one of the most highly demanded locations in eastern Germany. Leipzig's purchasing power is below the national average, but above the figures for Saxony.<sup>7</sup>

The Leipzig housing market has also developed positively in recent years due to the rising population figures. However, compared to the 5-year trend (increase of 6.2% p.a. on average), the increase in new contract rents has recently slowed down (+ 1.4%). Both fluctuation rates and vacancy rates have fallen sharply in recent years. This development has led to a surplus in demand, which can only be reduced by new construction measures after a long delay. In addition, the City of Leipzig has also introduced measures, such as caps on rent increases or environmental protection regulations.<sup>7</sup>

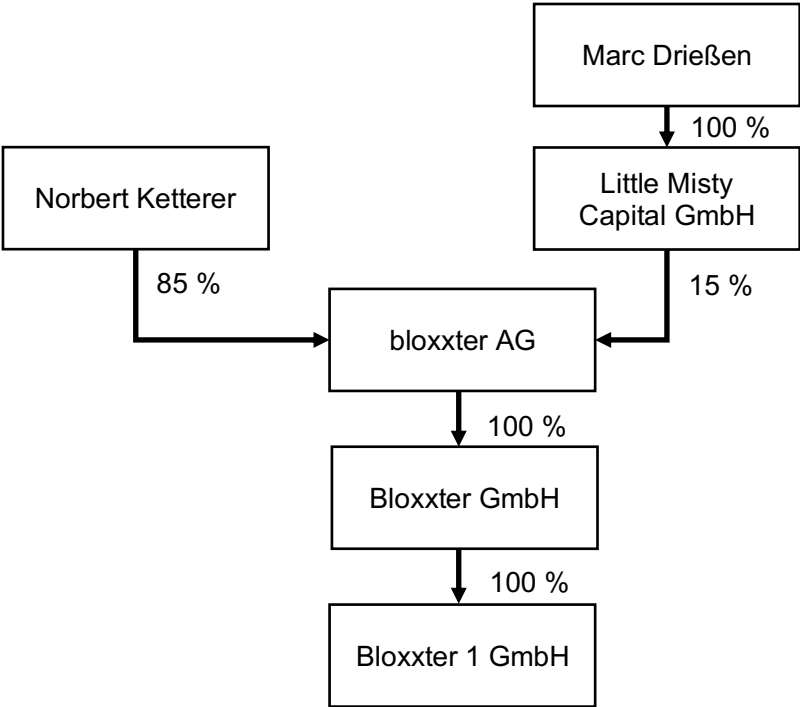
### **3.7 Organizational structure**

The Issuer is part of the Bloxxter Group, whose structure is shown in the diagram below:

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<sup>7</sup> Report Wüest Partner Germany, Status 5/20/2020

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The Issuer is a 100% subsidiary of Bloxxter GmbH. As sole shareholder, Bloxxter GmbH can pass all resolutions and issue binding instructions to the management of the Issuer at the shareholders' meeting of the Issuer. The sole shareholder of Bloxxter GmbH is bloxxter AG with the majority shareholder Norbert Ketterer. Norbert Ketterer and bloxxter AG are therefore in a position to exercise a controlling influence on Bloxxter GmbH, which in turn can exercise a controlling influence on the Issuer. There are no domination and profit and loss transfer agreements within the group.

**3.8 Trend information**

There has been no significant deterioration in the Issuer's prospects since the date of the last published audited financial statements on September 30, 2019.

Since the end of the last reporting period for which financial information was published up to the date of the Registration Document (effective date: September 30, 2019), there have been no material changes in the Issuer's financial position and results of operations.

**3.9 Profit forecasts or estimates**

The Issuer does not include any profit forecasts or estimates in the prospectus.

**4. RISK FACTORS**

In preparing the prospectus, the Issuer and the Offeror have established two categories for the presentation of risk factors - risk factors of the Issuer and risk factors specific to and material for the securities. Each category of risks has two sub-categories. The materiality of the risk factors described in the sub-categories has been assessed for each sub-category on the basis of the probability of their occurrence and the expected negative impact on the Issuer. The assessment is made by using the quality classification "low", "medium" or "high". In each sub-category, the two most significant risk factors from the perspective of the Issuer and the Offeror are listed first.

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#### **4.1 Risk Factors specific to the Issuer**

##### **4.1.1 Risks relating to the Issuer's financial position**

In this category, risks are explained which, if realized, will affect the Issuer's financial position. The first two risks described below are the most significant risk factors in this category from the perspective of the Issuer and the Offeror.

###### Medium: Risk of higher issue expenses

There is a risk that the planned issue expenses may be higher than anticipated. For investments of investors with crypto-currencies (BTC and ETH), the Issuer incurs expenses for the exchange into Fiat (EUR). If more investors than expected should invest by means of crypto currencies, the planned expenses of the conversion increase with the Issuer. With higher issue expenses the Issuer would have less capital available for its planned business activity. This would lead again to the fact that also the SNK Vermögensverwaltung GmbH & Co. KG could be left less loan capital. For the Issuer this can mean that the incomes from the subordinated loan agreement with SNK Vermögensverwaltung GmbH & Co. KG are not sufficient, in order to satisfy the requirements of the investors. For the investors this can lead to a total loss of the invested capital.

###### Medium: Financing of the Issuer's business activities

The Issuer requires sufficient financial resources for its business activities. These funds are to be procured exclusively through the issue of the token-based bond and granted as subordinated loans to SNK Vermögensverwaltung GmbH & Co KG. The Issuer has undertaken not to issue any further (token-based) bonds with the same or different terms or other debt and/or financing instruments. The Issuer will also not raise long-term debt capital. The actual amount of capital raised through the issue has not yet been determined. As there are no placement guarantees, there is a risk that the token-based bond will not be fully subscribed. In the event of an incomplete subscription (even if the minimum issue volume of EUR 5 million is reached and therefore no reversal of the transaction takes place), there is a risk that the Issuer will not receive sufficient income from the subordinated loan, especially since issue expenses independent of the issue amount as well as ongoing annual expenses (e.g. auditing expenses) will remain unchanged. There is a risk that the Offerors of the token-based bond will not meet its obligation to the Issuer to assume any running expenses that may be necessary. For the investors, this may mean that the income may not be sufficient to fully satisfy the investors' claims.

###### Low: Risk of insolvency of the Issuer

There is a risk that the Issuer may become insolvent. The Issuer is a special purpose entity founded in 2019 and has not yet carried out any business activities. The Issuer has no financial reserves and a low equity base. In particular, insolvency could occur if SNK Vermögensverwaltung GmbH & Co. KG does not meet its payment obligations to the Issuer because, due to the planned business activities of the Issuer, it depends on SNK Vermögensverwaltung GmbH & Co. KG and draws its income exclusively from the subordinated loan to be concluded. Insolvency is also possible if the Issuer is exposed to further (possibly unexpected) liabilities (e.g. tax payable) in the future which are not matched by profits. The shareholders of the Issuer are not contractually obliged to provide the Issuer with equity capital in order to prevent imminent insolvency. Insolvency of the Issuer would also lead to the loss of investors' claims under the token-based bond.

###### Low: Risk due to debtor substitution

The Issuer is entitled to use an affiliated company in its place without the consent of the investors, provided that it is not in default with any payment on the token-based bond. Replacement of the Issuer by an affiliated company may increase or change the risks to investors arising from the token-based bond. With the debtor replacement, the investor now bears the default risk of the new debtor. If the new borrower's financial position is worse than that of the Issuer, this default risk for the investors will increase. Since the investors do not know the possible new debtor at the time of subscription, they cannot assess their creditworthiness.

###### Low: Risk of falling below the minimum issue volume

If the minimum issue volume of EUR 5 million is not reached and the token-based bond is cancelled or unwound, there is a risk that the Issuer will not have sufficient funds to repay and pay pro rata interest on the investors' funds and that the Offeror will not fulfil its assumed obligation to the Issuer to assume payments in connection with a redemption. In this respect the investors also bear the insolvency risk of bloxxter AG. For the investors this can mean that they do not or not completely get back their invested capital and the proportionate interest.



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#### **4.1.2 Risks related to the Issuer's business and industry**

This category explains the risks which the Issuer considers itself exposed to as a result of its intended business activities. The first two risks described below are the most significant risk factors in this category from the perspective of the Issuer and the Offeror.

##### High: Risk of insolvency of SNK Vermögensverwaltung GmbH & Co KG

With the intended granting of a subordinated loan (loan with qualified subordination) to SNK Vermögensverwaltung GmbH & Co KG, the Issuer bears the risk of insolvency of SNK Vermögensverwaltung GmbH & Co KG, e.g. in the event of insolvency due to lack of rental income or increased expenses. Due to the qualified subordination to be agreed (including pre-insolvency enforcement block), the Issuer bears an entrepreneurial risk that is higher than that of a regular lender (equity-like liability function). Nevertheless, the Issuer has no participation rights under company law and no possibility of influencing the realization of the entrepreneurial risk at SNK Vermögensverwaltung GmbH & Co KG. The qualified subordination (including pre-insolvency enforcement block) can lead to a permanent non-performance of the claims (interest and repayment) from the subordinated loan, even outside of an insolvency of SNK Vermögensverwaltung GmbH & Co KG. The qualified subordination also refers to the securities to be granted as planned in favour of the Issuer, i.e. enforcement of the securities is also only possible if and insofar as the assertion of the claims from the subordinated loan agreement is not excluded due to the agreed qualified subordination vis-à-vis SNK Vermögensverwaltung GmbH & Co. KG. For the investors this can mean a total loss of their investment.

##### High: Risks for the property companies

SNK Vermögensverwaltung GmbH & Co KG generates its income via the property companies, which generate rental income. SNK Vermögensverwaltung GmbH & Co. KG also bears the indirect risks arising from letting. For SNK Vermögensverwaltung GmbH & Co KG, the risk is increased by the fact that it makes the capital available to the special-purpose companies by means of subordinated shareholder loans. As a result of the intended subordinated loan to SNK Vermögensverwaltung GmbH & Co. KG, the Issuer is also indirectly exposed to the risks of these special-purpose entities from the leasing of the properties. If the rental income is reduced or the expenses of operating the properties increase, there is a risk that SNK Vermögensverwaltung GmbH & Co. KG will not be able to fulfill its liabilities (interest and repayment claims) to the Issuer from the intended subordinated loan. For the investors, this can mean a partial or total loss of their investment.

##### High: Risks from market developments

The real estate investments held by SNK Vermögensverwaltung GmbH & Co KG are subject to market cycles and fluctuations in value. The value and earning power of the real estate held in the property companies is determined by various external factors that cannot be influenced by SNK Vermögensverwaltung GmbH & Co. These include a deterioration in the general economic conditions, which may lead in particular to a deterioration in the financial situation of tenants, a lack of demand from tenants for upcoming follow-on leases and/or a decline in rental prices. Due to the corona pandemic, a severe recession is expected worldwide, the extent and consequences of which cannot yet be predicted in detail. This could have a negative impact on the renting of the properties owned by the property companies. It is conceivable that existing tenants may default on their payment obligations due to their own economic crisis, and that new leases may not be possible at all or only at significantly worse conditions than those previously offered. Other external factors could include a deterioration in the locations in Leipzig, an increase in the range of alternative rental and purchase offers, a deterioration in financing terms, and reduced interest in buying properties. Unfavorable market developments may thus have a negative impact on the rental income of the property management companies and adversely affect the performance of the properties. The disposal proceeds generated for the properties, which may be required to repay the loan at the end of the term, may develop negatively. If the rental income is too low, the Issuer's ability to meet its interest and repayment claims against SNK Vermögensverwaltung GmbH & Co. KG may be jeopardized. In this case, the Issuer could also fail to meet the investors' claims from the token-based bond.

##### Medium: Risk due to conflicts of interest

There is a risk of conflicts of interest due to personnel and company law interdependencies between the Issuer, its direct and indirect shareholders and SNK Vermögensverwaltung GmbH & Co KG and its direct and indirect shareholders. This applies in particular to Mr. Norbert Ketterer, who, as majority shareholder of bloxxter AG, can exert influence on the Issuer. Since Mr. Norbert Ketterer is also the husband of Mrs. Ketterer, who is the (indirect) sole shareholder of SNK Vermögensverwaltung GmbH & Co KG, there is a risk that Mr. Norbert Ketterer does not make decisions in favor of the bloxxter Group and the Issuer, but in favor of SNK Vermögensverwaltung GmbH & Co KG, which is controlled by his wife. Such decisions can be disadvantageous for the Issuer and endanger the fulfilment of the Issuer's claims against SNK Vermögensverwaltung GmbH & Co KG and thus lead to the loss of the interest and repayment claims of the investors against the Issuer. The risk of conflicts of interest also exists with regard to the persons of Mr. Marc Drießen and Jan Hedding. As an indirect shareholder of bloxxter

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AG, Mr. Marc Driessen pursues both their and his own interests. The decisions of Mr. Marc Drießen in his role as managing director and indirect shareholder of the Issuer may therefore not be in the sole interest of the Issuer and may be disadvantageous for the Issuer. Mr. Jan Hedding is a member of the board of directors of bloxxter AG and at the same time managing director of the general partner of SNK Vermögensverwaltung GmbH & Co KG. The decisions of Mr. Jan Hedding in his role as member of the board of directors of the bloxxter AG, which may have an influence on the Issuer due to the indirect shareholder position of the bloxxter AG, may also possibly not be in the sole interest of the Issuer and may be disadvantageous for the Issuer. Such decisions based on existing conflicts of interest of Mr. Marc Drießen and Mr. Jan Hedding bear the risk that the investors' claims for interest and repayment of the principal could be lost.

Low: Risk regarding the development of the current business activity

The Issuer was not established as a special purpose entity until 2019 to issue the token-based bond and subsequently grant the subordinated loan. With the exception of preparatory actions, the Issuer has not yet been actively engaged in any business activities. The Issuer's share capital of EUR 25,000 corresponds to the minimum capital required by law. Furthermore, the Issuer has no reserves and has not yet generated any income. As there are no placement guarantees, there is a risk that the Issuer (despite reaching the specified minimum issue volume of EUR 5 million) will not generate sufficient income due to the granting of a subordinated loan, especially as issue expenses independent of the issue amount as well as ongoing annual expenses (e.g. auditing expenses) will remain unchanged. There is a risk that the Offerors of the token-based bond will not meet its assumed obligation to assume running expenses, if necessary. For the investors, this may mean that the income may not be sufficient to meet or fully meet the investors' claims.

## **4.2 Risk factors specific and material to the securities**

### **4.2.1 Risks related to the nature of the securities**

The risks that exist due to the nature of the security are presented below. The first two risks mentioned are the most significant risks in this category from the point of view of the Issuer and the Offeror.

High: Issuer's default risk

The Issuer is not yet carrying out its business activities. The Issuer will only be in a position to implement its intended business activities and thus to meet the claims of investors arising from the token-based bond issue if the planned proceeds are used. The investors in the token-based bond bear the full risk of the Issuer's insolvency, i.e. the risk that the Issuer is temporarily or permanently unable to meet its payment obligations to the investors from the securities on time. The insolvency of the Issuer means for the investor a total loss of the investment funds used and the expected interest claims.

High: Qualified subordination (with pre-insolvency enforcement block)

All claims of investors under the token-based bond (in particular the claims to repayment and interest) are subject to qualified subordination (including preinsolvency enforcement block or reservation of payment). The qualified subordination clause applies both before and after the opening of insolvency proceedings and in the event of liquidation proceedings. The claims are permanently blocked in their enforcement as long and to the extent that the crisis of the Issuer is not resolved. As a result, the investors bear an entrepreneurial risk that is higher than that of a regular lender (equity-like liability function). Despite the equity-like liability function, investors do not receive any rights of participation under company law and thus do not have the opportunity to influence the realization of the entrepreneurial risk. In particular, investors do not have the opportunity to terminate loss-making business activities of the Issuer before the capital invested has been consumed.

Investors may only assert claims for payment against the Issuer to the extent that this would not lead to a reason for insolvency of the Issuer (inability to pay or over-indebtedness). The investors' claims can only be satisfied from future annual net profits, any liquidation surplus or other free assets remaining after all other investors of the Issuer have been satisfied. This may lead to a permanent failure to satisfy the claims of the investors under the token-based bond.

High: No deposit insurance

The token-based bond does not constitute a deposit and is therefore not subject to any statutory or voluntary deposit insurance. In the event of default by the Issuer, no payments will be made to investors by third parties (e.g. a deposit protection fund).

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High: Limited tradability

Investors' claims against the Issuer under the token-based bond can only be transferred together with the BLX01 representing it. The token-based bond or the BLX01 may not be sold because there is no regulated market for trading the token-based bond or the BLX01. A listing of BLX01 for trading on one or more trading platforms for crypto currencies is possible in principle. However, the decision on the inclusion of BLX01 for trading lies exclusively with the respective trading platform. Investors have no claim against the Issuer or the respective trading platform that the BLX01 will be admitted to trading. Even if the BLX01 is included in trading on one or more trading platforms for crypto-assets, it is uncertain whether trading with BLX01 will actually develop. The risk that the investor cannot find a buyer for the BLX01 or can only sell it at a price that is too low in his view is borne solely by the investor. The BLX01 may also turn out to be completely illiquid. For investors with short-term capital requirements, this means that they will generally not be able to dispose of the invested capital at the desired time.

Medium: No state supervision

The use of the proceeds from the public offering is not subject to any governmental supervision, but is decided solely by the Issuer. There is therefore no state protection of investors and the capital invested by them against misuse of the proceeds. If the proceeds are misused, there is a risk of total loss of the investment.

Medium: Minimum term, reinvestment risk

The token-based bond has a fixed term and cannot be terminated by investors during this term. For investors with short-term capital requirements, this means that they will generally not be able to dispose of the invested capital at the desired time. If the Issuer exercises its ordinary right of termination, investors run the risk that they will not be able to invest the released capital elsewhere or that they will only be able to invest it at less favourable conditions in relation to the conditions agreed here.

Low: No rights of influence and participation

The token-based bond only gives rise to claims under the law of obligations against the Issuer and does not grant any participation, involvement and/or voting rights in or at the Issuer's shareholders' meeting. Shareholders' resolutions may be passed at the Issuer's shareholders' meeting which may be disadvantageous for individual investors. The investors have no possibility to influence the business activities of the Issuer. This also applies to the use of the capital raised through the issue of the securities. The securities do not give rise to any claims to influence the business activities of the Issuer in any way. Incorrect or unfavourable decisions also have a direct detrimental effect on the investments of the investors, without the investors having the opportunity to terminate such detrimental measures or to initiate countermeasures.

Low: Risk of disadvantageous tax qualification of income

Due to the investors' right to choose whether the payment is made in ETH or EUR, there is a risk with regard to the tax qualification of the income from the tokenised bond that the investment income will not be classified by the tax authorities as income from capital assets within the meaning of Section 20 (1) no. 7 EStG due to the lack of a purely monetary claim. In this case, the interest payments would be taxable as income from other benefits (Section 22 No. 3 EStG) at the general income tax rate (individual tax rate up to 45%). The application of the individual tax rate may result in a higher tax burden for the investor.

#### **4.2.2 Risks due to the use of new technologies (tokenization)**

In this category, the risks arising from linking the security to a cryptographic token are presented below. From the Issuer's point of view, the first two risks are the most significant risks in this category.

Medium: Wallet and private key risks

To receive BLX01, these must be transferred to a technically compatible wallet of the respective investor. If BLX01 is transferred to an incompatible wallet, investors usually have no possibility to access and dispose of the BLX01. For investors this can mean a total loss of their investment. The decision about the correct (compatible) wallet is up to the investors. The investors are responsible for the selection and safekeeping of the private key of the wallet in order to receive and dispose of tokens. The loss or theft of the private key is equivalent to the loss of all BLX01 assigned to the wallet. For investors, this may mean that they cannot transfer BLX01 and thus also the rights from the token-based bond.

Medium: Programming errors in the Smart Contract

The creation, transfer and assignment of BLX01 is done by a so-called Smart Contract on the public Ethereum blockchain used. For the programming of the Smart Contract, the open-source IT protocol of the token standard ERC 20 is used and adapted for the purposes of BLX01. Programming errors in the token standard protocol or security gaps in smart contracts caused by existing programming errors in the token standard protocol or adaptation

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of the token standard can make access to BLX01 temporarily or permanently impossible for investors. For investors, this may mean that they cannot transfer BLX01 and thus also the rights from the token-based bond.

Low: exchange rate and currency risks

The token-based bond is issued against payment in euros. The Issuer is entitled to accept crypto-currencies (BTC, ETH) in addition to EUR for investments by investors. If an investor does not want to make a EUR transfer, he would have to exchange other fiat currencies or other crypto currencies over appropriate trading places for EUR for a security acquisition. Also with an accepted payment in BTC or ETH an exchange in EUR takes place. The calendar day of the receipt of payment in EUR is decisive for the allocation of the number of token-based bonds. Interest and redemption payments are also made in either EUR or ETH at the investor's choice. If an investor chooses to receive payments and repayments in ETH, EUR amounts will be exchanged for ETH on a scheduled basis. At the time when an investor decides to make a payout in ETH, the exchange rate is not yet fixed. In these cases, there is a risk of exchange rate losses. Especially crypto currencies are subject to high exchange rate fluctuations. The value of a crypto currency at the time when the investor exchanges crypto currencies into EUR and leaves it to the Issuer or chooses ETH for disbursements and repayments can deviate from the historical daily average rate of the EUR equivalent on the calendar day of the receipt of payment or, in the case of interest and repayments, the calculated 30-day average rate. When changing fiat and crypto currencies, the investor also incurs transaction expenses, which may reduce the investor's actual return on the token-based bond.

Low: Misuse of functions in the Smart Contract

Via functions in the Smart Contract, the transmission of BLX01 can be limited or excluded; transmissions can also be triggered via these functions. There is a risk that employees of the Issuer may misuse these functions and execute and/or block transactions of BLX01. For investors this may result in the temporary or permanent loss of BLX01.

Low: Technology or blockchain risks

Through the issue of the BLX01, the Issuer uses blockchain technology, a relatively young and little tested technology. For investors, there is a risk that this technology will be exposed to technical difficulties or that its functionality will be impaired by external influences. In addition, it is intended that the consensus mechanism underlying the Ethereum blockchain protocol will be changed from a proof-of-work approach to a proof-of-stake consensus mechanism (so-called Casper implementation or Ethereum 2.0) at some point in the future, which is not yet determined. The exact effects of such a changeover are not yet known. A partial or complete collapse of the Ethereum blockchain or crypto currency relevant for the BLX01 could make it temporarily and permanently impossible for the investor to access his BLX01. For the investors this could mean that they cannot transfer BLX01 and thus also the rights from the token-based bond.

There is a risk of attacks against the network or the Ethereum blockchain used. Different types of attacks are conceivable. These attacks can make the network or the blockchain unusable, so that investors would not be able to transfer BLX01. If the network or blockchain becomes completely unusable, there is a risk that investors will no longer have access to the BLX01s assigned to their wallet. This also means that investors cannot transfer BLX01 and thus also the rights from the token-based bond.

There is for instance the risk of the so-called 51% attack, in which an attacker succeeds in providing more than 50% of the miners, i.e. in having more than 50% of the so-called hashrate, and thus in gaining control of the network. Such an attacker could, for example, prevent transactions from BLX01, reverse them or otherwise carry them out in his favour. Such 51% attacks can also be successfully executed with significantly less than 50% of the hashrate.

There is also the risk of Distributed Denial of Service (DDoS) attacks. Attackers can overload a network or a blockchain with a high number of requests and/or transactions and make the network or the corresponding blockchain (temporarily) unusable. If a DDoS attack were to exceed a critical number of transactions for a long period of time, token holders would not be able to transfer their tokens.

## **5. INTERESTS, REASONS FOR THE OFFER, USE OF PROCEEDS AND COST OF THE ISSUE**

### **5.1 Interests of natural and legal persons involved in the issue/offer**

SNK Vermögensverwaltung GmbH & Co KG and its (indirect) shareholder, Mrs. Ketterer, have a significant interest of their own in the success of the issue of the token-based bond, as the raised capital of SNK

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Vermögensverwaltung GmbH & Co KG is made available to two real estate property companies, Objekt SNK Städtisches Kaufhaus Leipzig GmbH & Co KG and Reclam-Carré Leipzig GmbH & Co KG, within the framework of a subordinated loan to be concluded between the company and the Issuer. The more successful the issue of the token-based bond is, the more capital SNK Vermögensverwaltung GmbH & Co KG will receive from the Issuer for the two property companies.

SNK Vermögensverwaltung GmbH & Co KG is a 100% subsidiary of SKE Immobilien Holding AG, a Swiss stock corporation.

bloxxter AG and its direct and indirect shareholders Norbert Ketterer and Marc Drießen (both managing directors of the Issuer and Bloxxter GmbH) also have a significant vested interest in the success of the issue. In return for structuring services, bloxxter AG will receive payments from SNK Vermögensverwaltung GmbH & Co KG, the amount of which will depend on the sum of the subordinated loan provided by the Issuer.

## **5.2 Reasons for the offer, use of proceeds and expenses of the issue/offer**

The offer to purchase the token-based bond with an offering volume of up to EUR 39 million will enable the Issuer to raise capital of up to EUR 39 million. The Issuer will use the expected proceeds of EUR 39 million in accordance with its intended business activities in full to provide SNK Vermögensverwaltung GmbH & Co. KG a subordinated loan at an interest rate of 3.5% p.a. on the actual value date amount granted. The actual amount of the subordinated loan depends on the capital raised by the Issuer, but amounts to a maximum of EUR 39 million and a minimum of EUR 5 million (minimum issue volume). In the event that the Issuer does not reach the minimum issue volume, it will terminate the token-based bond (extraordinarily) and repay the capital already raised from investors (including interest already accrued). Should the Issuer reach the minimum issue volume but raise less than EUR 39 million in capital, the subordinated loan would be equally lower. The subordinated loan will be valued on an ongoing basis as scheduled. SNK Vermögensverwaltung GmbH & Co KG is obliged to accept the respective value date amount.

The subordinated loan to be granted by the Issuer to SNK Vermögensverwaltung GmbH & Co KG is subordinate to all other liabilities of SNK Vermögensverwaltung GmbH & Co KG.

The Issuer retains a discount of 1.5% of the loan value from each loan payment to SNK Vermögensverwaltung GmbH & Co KG. The discount is available to the Issuer to offset its own issue-related expenses. The issue-related expenses are expected to amount to a total of EUR 585,000 (including sales tax) and are composed as follows

480,000 EUR legal and tax advice
30,000 EUR expert opinion
EUR 75,000 fees and contingency/liquidity reserve
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585,000 EUR TOTAL

At the level of SNK Vermögensverwaltung GmbH & Co KG, expenses arise from the fact that bloxxter AG was commissioned with services in connection with the structuring of the financing of SNK Vermögensverwaltung GmbH & Co KG. For its services, the bloxxter AG receives remuneration in the amount of 1.5% of the subordinated loan granted by the Issuer to SNK Vermögensverwaltung GmbH & Co. KG, i.e. with a maximum subordinated loan amount of EUR 39 million a maximum remuneration of EUR 585,000. The remuneration is understood to include any sales tax. The remuneration will be invoiced to SNK Vermögensverwaltung GmbH & Co KG after individual tranches of the subordinated loan have been issued. The remuneration to be paid to bloxxter AG is not available to SNK Vermögensverwaltung GmbH & Co. KG for the real estate property companies.

Since the proceeds of the issue are made available in full to SNK Vermögensverwaltung GmbH & Co KG, the gross proceeds of the issue correspond to the net proceeds of the issue. Taking into account the issue-related expenses of the Issuer, which are offset by the agreed discount, and the remuneration to bloxxter AG at the level of SNK Vermögensverwaltung GmbH & Co KG, 97% of the subordinated loan from the agreement with the Issuer - up to a maximum of EUR 37.83 million - will be made available to the real estate companies, Objekt SNK Städtisches Kaufhaus Leipzig GmbH & Co KG and Reclam-Carré Leipzig GmbH & Co KG.

SNK Vermögensverwaltung GmbH & Co KG passes the amounts on to the real estate companies as shareholder loans. For this purpose, SNK Vermögensverwaltung GmbH & Co KG will conclude shareholder loan agreements with the real estate companies.

These shareholder loans rank behind the respective senior debt financing by banks and have the same rank as the existing liabilities to shareholders from the existing shareholder loans.

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The real estate companies will use the funds to repay existing shareholder loans and for investments in the properties. In detail, the funds will be used as follows:

Initially, loan amounts of up to approximately EUR 4.3 million will be paid to Reclam-Carré GmbH & Co KG to repay the existing shareholder loan. Subsequently, loan amounts of up to approx. EUR 9.61 million will be paid to Objekt SNK Städtisches Kaufhaus Leipzig GmbH & Co. KG to repay the existing shareholder loan.

After repayment of the existing shareholder loans, any excess funds from the issue will be available to the real estate property companies for investment in the properties. The aim of the investments is to increase the current target contractual rents by an average of around EUR 3 per square meter for office space and by an average of around EUR 5 per square meter for retail space.

The overall aim is to distribute the net issue proceeds among the real estate property companies at a ratio of 65 % (property SNK Städtisches Kaufhaus Leipzig GmbH & Co. KG) to 35 % (Reclam-Carré Leipzig GmbH & Co. KG).

## **6. TERMS AND CONDITIONS OF THE SECURITIES**

### **6.1 Information concerning the securities to be offered**

The securities being offered are securities sui generis in the form of uncertificated, subordinated token-based bonds issued by the Issuer and subject to a pre-insolvency enforcement freeze. For each bond issued, a BLX01 is issued by the Issuer to the investor (creditor). BLX01 are based on the Ethereum blockchain and represent the rights arising from the bond. An ERC-20 compatible standard of the Ethereum blockchain is used as a token standard. A securitization of the token-based bond in a single or global certificate is excluded. Therefore, no certificate is deposited with a depository bank. The ownership of the BLX01 results from the smart contract register available on the Ethereum blockchain.

The International Securities Identification Number (ISIN) of the securities offered is DE000A254TG 0.

### **6.2 Legislation under which the securities have been created**

The token-based securities are securities within the meaning of Article 2 a) of Regulation (EU) 2017/1129. The form and content of the token-based bond, the terms and conditions of the bond and all rights and obligations of the creditor and the Issuer shall be governed by German law.

### **6.3 Currency of the securities issue**

The currency of the securities issue is Euro (EUR). The token-based bond is issued against payment in euros. The Issuer is entitled to also issue the token-based bond against the provision of the cryptocurrencies Bitcoin and Ether. The accounting currency in which interest payments and repayments are made is Euro, unless the investor decides to pay in ETH.

### **6.4 Seniority of the securities**

The token-based bond is equipped with a subordination agreement and a pre-insolvency enforcement block. The claims from the token-based bond establish subordinate investor rights in relation to claims of other investors of the Issuer.

In order to avoid over-indebtedness of the Issuer under insolvency law within the meaning of Section 19 (2) InsO and in the event of liquidation proceedings being carried out, a liquidation procedure shall be initiated in accordance with Section 39 (2) InsO, with regard to all current and future claims of the investors arising from the token-based bond - including the claims to interest and repayment of the invested capital - a subordination is agreed in such a way that all claims of the holders of token-based bonds are only to be satisfied after all claims and demands of all existing and future investors of the Issuer as described in Section 39 (1) Nos. 1 to 5 InsO.

The claims of the holders of the token-based bond can only be settled from future annual net profits, any liquidation surplus or other free assets remaining after all other investors of the Issuer have been satisfied. This arrangement may lead to a permanent default of the investors' claims under the token-based bond.

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The investors of the token-based bond undertake to assert their claims arising from the token-based bond as long and to the extent that the satisfaction of these claims would not give rise to a reason for the opening of insolvency proceedings against the assets of the Issuer, i.e. would lead to the insolvency of the Issuer within the meaning of section 17 of the German Insolvency Act (InsO) or over-indebtedness of the Issuer within the meaning of section 19 of the German Insolvency Act (in the version applicable at the time) (pre-insolvency enforcement block). The pre-insolvency enforcement block can lead to a permanent non-performance of the claims of the investors under the token-based bond.

In the event of a payment by the Issuer in breach of a payment prohibition, the Issuer is entitled to demand repayment of the amount received from the payee and to take legal action.

### **6.5 Rights attached to the securities, including any limitations and the procedure for the exercise of those rights**

The investors of the token-based bond have equal rights. The token-based bond creates payment obligations of the Issuer to the holders of the token-based bond. The investors are entitled to interest and, after the end of the term of the token-based bond, to repayment of the token-based bond at the nominal amount. Only the respective holder of the BLX01 can exercise the rights under the token-based bond. The token-based bond only gives rise to the holders' claims against the Issuer under the law of obligations. The token-based bond does not establish any participation, involvement and/or voting rights.

BLX01 can only be stored in an ERC20-compatible wallet.

#### **6.5.1 Interest rate**

The token-based bond bears interest at a fixed rate of 3 percent per annum on its nominal amount. The interest periods run from October 1 of each year to September 30 of each subsequent year (inclusive in each case). The first interest period for all token-based bonds begins on October 1, 2020.

Interest is calculated by the Issuer as calculation agent. The interest of an interest period is due for payment within 15 bank working days after the end of an interest period. The interest ends at the end of the term of the token-based bond. The day of repayment is not to be taken into account when calculating the interest.

#### **6.5.2 Accrued interest ("Stückzinsen")**

With the acquisition of the token-based bond, so-called accrued interest is payable if the acquisition of the token-based bond is made from the beginning of a current interest period (from October 1). The accrued interest serves as compensation for the investor's advantage that he is entitled to interest for a full interest period on the next interest payment date, even though he acquired the token-based bond after the beginning of the interest period, so that he would actually only be entitled to pro rata interest for this interest period. In other words, if the investor subscribes to the token-based bond, e.g. in October 2020, he will receive on the interest payment date the scheduled interest for the entire previous interest period, although he would actually only be entitled to payments from the period November 1, 2020. This advantage is offset by the payment of accrued interest. The calculation of the accrued interest to be paid is carried out by the Issuer. The accrued interest must be paid by the investor together with the subscription amount. The accrued interest is calculated on a monthly basis, i.e. for each month or part thereof beginning on October 1, using the interest calculation method 30/360. If an investor subscribes e.g. on November 1, the token-based bond is payable (pro rata) for two months.

#### **6.5.3 Term, termination and repayment**

The token-based bond has a term until September 30, 2025 (inclusive), unless the token-based bond is terminated prior to that date by the Issuer in an ordinary or extraordinary manner or by an investor in an extraordinary manner. The term begins with the first interest period (October 1, 2020). The Issuer is entitled to extend the term four times by one (1) year each time ("Extension Option"). The Issuer will notify the investors of the exercise of the renewal option in each case no later than 3 months before the end of the term to the last known contact details. A declaration in writing is sufficient.

The right to ordinary termination by the investors is excluded during the term of the token-based bond. Each investor is entitled to terminate its token-based bond without notice if there is good cause. The right of termination expires if the reason for termination is cured before the right is exercised.

The Issuer is entitled to terminate the token-based bond at any time, even before the end of the agreed term, subject to a notice period of 6 weeks. The Issuer will exercise its right of termination in particular if SNK

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Vermögensverwaltung GmbH & Co KG exercises its ordinary termination right in the loan agreement and will repay the subordinated loan to the Issuer early.

The Issuer is entitled to terminate the token-based bond even without observing a notice period, in particular in the following cases

1. The token holder has failed to perform or observe a material obligation, condition or agreement with respect to the token-based bond and the token holder has not remedied the failure or observation upon notification and demand by the Issuer to perform or observe an obligation, condition or agreement.
2. Changes in legal regulations and/or supervisory requirements which make it impossible or de facto impossible for the Issuer to carry out all or part of its business activities.
3. The issue of the token-based bond will not achieve the targeted minimum issue volume of EUR 5 million during the public offering.

In the event of extraordinary termination due to the non-fulfilment of the investor's identification obligation, there is no entitlement to interest.

The notice of termination by the investor must be given by registered letter to the Issuer and in such a way that the investor returns to the Issuer all BLX01s belonging to him by transferring them to the Issuer's Ethereum address. The Issuer is entitled to "delete" (token-burning) the returned BLX01. The Issuer will notify the investor giving notice of termination of the contract of sale of its Ethereum address immediately upon receipt of a justified notice of termination. The Issuer's notice of termination must be sent in writing (Section 126b BGB) to the investor's last known contact details.

Upon termination of the token-based bond (end of term or prior notice of termination), the token-based bond becomes due for repayment to the investor in the amount of its principal amount within 15 bank working days of termination, unless the Issuer is not obliged to pay due to the agreed qualified subordination, the investors are not allowed to assert their claims or the Issuer's liquidity is insufficient to service the claims of all investors.

The investor has the right to choose whether the repayment of the capital invested by him should be in EUR or ETH. The choice whether EUR or ETH should be paid out with regard to the repayment of capital can be made by the investor in his personal area (dashboard), whereby the decision on this must have been made at least 35 calendar days before the end of the term. If the investor has not made a decision, the repayment will generally be made in EUR. The Issuer is however entitled to make the repayment nevertheless in the crypto currency ETH, if EUR payments are actually not possible (e.g. bank details of the investor is not known).

For repayments in ETH, the Issuer will calculate an ETH average rate. The basis for the calculation is the ETH exchange rate published on German banking days within the last 30 calendar days before the end of the term at <https://etherscan.io/chart/etherprice>. The rates published there indicate the exchange rate ratio USD to ETH. For the conversion from EUR to USD, the respective ECB reference rate is used - also for all German banking days within 30 calendar days before the end of the term. Payment is made to the wallet of the token holder named in the register within 15 banking days after the end of the term. The Issuer will make the conversion rate on the second bank working day after the end of the term available to investors who have opted for repayment in ETH in their respective personal area on the website.

The transfer of the refund is deemed to have taken place when the status of the transaction is indicated in the wallet with "confirmed" or on <https://etherscan.io> with "success". The expenses for the transaction of ETH (gas or network fees) are borne by the investor to whom the payments under the token-based bond are due and will be directly retained by the Issuer by deduction if necessary when transactions are made.

#### **6.5.4 Payment of interest**

The interest payments due during the term to the investors take place after the respective investor chooses the Fiat currency EUR or the crypto currency ETH.

The choice whether EUR or ETH should be paid out can be made by the investor in his personal area (Dashboard) until 8/31. of each year, 23:59 CET (Central European Time) for the next upcoming interest payment on the website of the Issuer.

The interest for an interest period is due for payment within 15 banking days after the end of an interest period ("Interest Payment Date"). This applies both to a payment in EUR and in ETH. The interest periods run from 10/01. of each year to 9/30 of each subsequent year. The first interest period for all token-based bonds begins on 10/01/2020.



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If the investor has not otherwise exercised his right of choice (as described above), interest payments are generally made in EUR. The Issuer is however entitled to make the interest payments nevertheless in the crypto currency ETH, if EUR payments are actually not possible (e.g. the bank details of the investor are not known). The Issuer shall bear the expenses for SEPA transfers. If, in the case of EUR payments, interest is paid out in a way other than SEPA transfers, the Issuer shall be entitled to withhold the expenses for this by deduction. The expenses for disbursements in ETH shall be borne by the investor.

The Issuer will make payment to the investors who are listed as token holders in the register kept on Ethereum blockchain at 23:59 CET (Central European Time) at the end of an Interest Period ( September 30 each year).

For payments in ETH, the Issuer will calculate an ETH average rate on 9/30 of each year (end of the interest period). The calculation is based on all German banking days in September of each year and the ETH exchange rates published on these days at <https://etherscan.io/chart/etherprice>. The rates published there indicate the exchange rate ratio USD to ETH. For the conversion from EUR to USD, the respective ECB reference rate is used - also for all German banking days in September of each year. Payment is made to the wallet of the token holder named in the register within 15 bank working days after the end of the respective interest period (interest payment date). The Issuer will provide investors who have opted for a payout in ETH with the conversion rate on the second bank working day in October of each year in their respective personal area on the website.

The transfer of the interest payment shall be deemed to have taken place if the status of the transaction is indicated in the wallet with "confirmed" or on <https://etherscan.io> with "success". The expenses of the transaction by ETH (gas or network fees) are borne by the investor to whom the payments under the token-based bond are due and, if applicable, will be directly retained by the Issuer by deduction when transactions are made.

Payments will only be made to those investors who have been identified by the Issuer through a know-your-customer process and who have provided all information necessary for making payments. To the extent permitted by law, the Issuer may waive the identification and provision of the information if identification by third parties in connection with the transfer (e.g. on regulated trading venues) has taken place elsewhere and the Issuer is aware of the information required to make payments to the investor.

If the expenses for the execution of payment claims are higher than the payment claims themselves, the Issuer is entitled not to execute payment claims. Payment claims not executed for this reason shall remain with the Issuer until the amount of the payment claims exceeds the expenses for execution and shall be paid out correspondingly later.

#### **6.5.5 Statute of limitations**

The legal statutes of limitation according to Sections 195, 199 BGB apply to the interest and repayment claims of the investors of the token-based bond. If investors cannot be identified, the payment claims against the Issuer are no longer enforceable five years after the respective maturity date, regardless of the knowledge of the respective investor.

#### **6.6 Indication on yield**

The individual yield from a token-based bond over the term must be calculated by the respective investor taking into account the difference between the redemption amount including interest paid and the amount originally paid for the acquisition of the token-based bond plus any accrued interest and taking into account the holding period of the token-based bond and any transaction expenses in the event of transfer as well as any expenses upon payment of the interest. The respective net yield of the token-based bond can only be determined at the end of the holding period, as it depends on any individual transaction expenses to be paid, e.g. network fees in case of transfer of BLX01, expenses in connection with interest payments in ETH, or EUR payments outside the SEPA procedure. Assuming an acquisition amount for the token-based bond of 100% of the principal amount and full proceeds of this amount upon redemption of the token-based bond, and disregarding accrued interest and any transaction expenses or expenses related to interest payments, the annual return is equal to the interest rate.

#### **6.7 Representation of the holders of the token-based bond**

A representative of the holders of the token-based bond was not appointed. The possibility for investors to exercise their rights to appoint a common representative for all investors is not provided for.

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## **6.8 Resolutions, authorizations and approvals under which the securities are created and issued**

The shareholders' meeting of the Issuer held on May 4, 2020, decided to carry out and publicly offer this issue of the token-based bond.

## **6.9 Expected issue date**

The public offering of the token-based bond is expected to commence on October 13, 2020. The token-based bond can be subscribed from the start of the public offering. The generation and allocation of BLX01 will commence at the earliest after expiry of the statutory withdrawal period of 14 calendar days after conclusion of the contract. The expected date on which generation of the BLX01 will begin is therefore 10/27/2020. The BLX01 will be allocated to investors by the Issuer within a period of 14 calendar days. In each case, the period begins only after receipt of the payment of the investment amount by the Issuer, successful identification of the investor, the specification of a compatible wallet and after expiry of the statutory revocation period to which the investor is entitled.

The maximum number of BLX01 that can be technically generated via the Smart Contract is 39 million.

## **6.10 Restrictions on the transferability of securities**

The assignment of the rights under the token-based bond presupposes an agreement between the previous investor (holder) and the new investor (acquirer) on the assignment of the rights arising from the bond (Section 398 of the German Civil Code (BGB)) as well as the mandatory transfer of the BLX01 representing the token-based bond (so-called limited prohibition of assignment).

The Issuer is entitled to technically restrict transfers of BLX01 in such a way that transfers are only possible to wallets registered in the Issuer's Smart Contract (so-called whitelisting). The Issuer is entitled to technically block the transfer of BLX01 ("freezing") if there are justified reasons for this (e.g. identification of the transferor or transferee is not possible or there is a suspicion of criminal offences or other violations of the law).

In principle, the effectiveness of a transfer requires that a minimum number of 100 BLX01 or the token-based bond associated with them with a total nominal amount of EUR 100 are transferred. This provision does not apply if the Issuer transfers its own BLX01.

The BLX01 is transferred exclusively via the Ethereum blockchain. The transfer requires the entry of the Ethereum address of the new investor in the register of the Smart Contract of the Ethereum Blockchain. A transfer of the token-based bond without transferring the BLX01 via the Ethereum blockchain is not permitted. The transfer of the token-based bond can therefore only take place together with the BLX01. An entry in the register is made when the previous investor transfers the BLX01 assigned to its Ethereum address, which represents the token-based bond to be transferred, to the Ethereum address of the new investor. An effective transfer requires a confirmation of the transfer in the Ethereum network. A transaction is confirmed in the Ethereum network if the status of the transaction is indicated in the wallet with "confirmed" or on <https://etherscan.io> with "success".

A transfer of the token-based bond outside the blockchain and thus without entry in the register is not permitted. Any expenses incurred in connection with transfers shall be borne by the transferring token holder.

A transfer of the securities is only permitted in accordance with the applicable legal provisions. The token-based bond may not be transferred to persons to whom U.S. or Canadian tax law applies. The token-based bond may also not be transferred to persons in countries on the Financial Action Task Force's (FATF) current list of high-risk countries and other supervised jurisdictions.

If a token holder has lost access to his wallet, he can request the Issuer to transfer the BLX01. The prerequisite for this is that the investor expressly requests the transfer from the Issuer, specifying a (new) wallet compatible with the BLX01 ("transfer request"). The request for transfer must be made in writing (e.g. by e-mail). Such transfer also requires the token holder to re-identify himself/herself. The Issuer will inform the token holder about the identification process after receiving the transfer request. The Issuer is entitled to charge the token holder a flat fee of EUR 25 per transfer request.

## **6.11 Taxes**

### **6.11.1 Warning and general notes**

The tax laws of the member state of the respective investor and the Issuer's state of incorporation (Germany) may affect the income from the securities.

Non-binding translation. Only the German language version is binding.

The following description is a summary of selected aspects of the tax treatment of the securities for investors with unlimited tax liability in Germany who acquire, hold or dispose of the token-based bond.

The following presentation cannot reflect all aspects relevant for an investor. In addition, it cannot cover aspects that relate to the individual circumstances of an investor. The following presentation is therefore not individual tax advice; rather, it is only a general description of investor-related aspects from a German income tax perspective. Every investor should consult his own tax advisor regarding the tax consequences of his investment in the token-based bond.

The tax basis may change during the term of the token-based bond. Changes may also be made retroactively. The Issuer is not obliged to inform investors about changes in the tax framework.

### **6.11.2 Unlimited tax liability in Germany**

Natural or legal persons who are tax residents in Germany (in particular persons who have their domicile, habitual residence, seat or place of management in Germany) are subject to unlimited taxation in Germany with income tax (tax rate up to 45%) or corporate income tax (tax rate 15%), in each case plus a solidarity surcharge of 5.5% (if this is still levied), as well as church tax and municipal trade tax, if applicable. Tax is levied on worldwide income, irrespective of its source, including income and capital gains from bonds.

### **6.11.3 Tax consequences of investing with crypto currencies**

Even the subscription to the token-based debenture bond can have tax consequences for the investor if he acquires it not against payment of euro, but by transferring the cryptocurrencies Bitcoin (BTC) or Ether (ETH). In the opinion of the tax authorities, cryptocurrencies are to be classified for income tax purposes not as money but as other assets. Even the exchange of cryptocurrencies into the token-based bond can therefore represent a taxable disposal transaction, which can lead to taxation without an inflow of liquidity (so-called dry taxation).

With crypto currencies, which are held in the private fortune, the exchange against the token-based debenture bond represents a private sales transaction within one year after acquisition of the crypto currency (Section 23 (1) sentence 1 No. 2 of the Income Tax Law, EStG). In principle, the tax authorities want to use the Fifo method ("first in, first out"), so that the cryptocurrencies acquired first are considered to be sold or exchanged first. Profit or loss is the difference between the selling price on the one hand and the acquisition expenses and income-related expenses on the other. The profit is realized when the income is received. When exchanging the crypto currencies for the token-based bond, the selling price is the EUR equivalent of the received token-based bond. The profit is realized when the exchange is completed (delivery of the crypto currency; booking of the BLX01 token into the wallet).

Losses from private sales transactions can only be offset against profits from private sales transactions in the same calendar year. In addition, they may only be offset against income from the immediately preceding or following assessment period.

If, on the other hand, the cryptocurrency exchanged for the token-based bond is attributable to the business assets of an investor (e.g. because he has dug it up through commercial mining or acquired it through commercial trade), all positive and negative income generated by the exchange is subject to taxation either with income tax or with corporate income tax, in each case plus solidarity surcharge, as well as municipal trade tax. The law does not provide for tax exemptions on the sale of crypto-currencies held as business assets over a certain period of time.

### **6.11.4 Current interest income**

For an investor who holds the token-based bond as private assets, the fixed interest from the token-based bond generally represents income from capital assets (Section 20 (1) No. 7 EStG). The tax liability arises with the inflow of the interest. Income from capital assets and thus also the interest payments from the token-based bond are subject to the so-called flat rate withholding tax (Section 32d EStG). This amounts to 25% of the interest income plus solidarity surcharge and church tax, if applicable.

Taxpayers with a lower personal income tax rate than the flat rate of 25% have the possibility to take advantage of an assessment option (preferential tax assessment) (Section 32d (6) EStG). At the request of the investor, income from interest can also be taxed at the personal tax rate if the personal tax rate is less than 25%. The investor must assert this option in his or her tax assessment. The tax office checks ex officio when determining the tax rate whether the application of the general rule results in a lower tax assessment.

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The investment income remains tax-free as long as it does not exceed the lump-sum savings amount together with other investment income of the investor. Single and separately assessed spouses can currently receive up to EUR 801.00 (lump sum saver's allowance) of investment income tax-free annually; jointly assessed spouses up to EUR 1,602.00.

For investors who hold the token-based bond as business assets, interest payments are regular business income which is taxable as business income (Section 20 (8) EStG). Individuals are taxed on the commercial income at their personal tax rate (up to 45%) and corporations at the corporate income tax rate (15%), plus the solidarity surcharge in each case if this is still levied. In addition, both individuals and corporations are subject to trade tax, whereby the tax rate depends on the respective municipal assessment rate.

Due to the investors' right to choose whether the payment is made in ETH or EUR, there are legal uncertainties regarding the tax qualification of the income from the tokenized bond. In particular, it cannot be ruled out that the investment income will not be classified by the tax authorities as income from capital assets within the meaning of Section 20 (1) no. 7 EStG due to the lack of a pure monetary claim.

#### **6.11.5 Capital gains tax**

In the case of certain investment income, income tax (final withholding tax rate of 25% plus solidarity surcharge and, if applicable, church tax) is levied by deducting it from the investment income (capital gains tax, Section 43 EStG). The withholding of capital gains tax is partly the responsibility of the debtor of the investment income and partly the paying agent. In the case of income from the tokenized bond, it has not yet been conclusively clarified whether tax must be deducted (capital gains tax) (see Section 43 (1) sentence 1 no. 7 lit. a) of the German Income Tax Act) or whether taxation will take place by way of the regular assessment of the investors. If the debtor of the investment income or the paying agent does not withhold tax on the investment income despite a corresponding obligation, the debtor is liable for the investor's tax liability (Section 44 (5) EStG). In cases of doubt, capital gains tax is therefore withheld and paid to the tax authorities (see also BFH, judgement of November 20, 2018, Ref. VIII R 45/15). Therefore, the Issuer will also deduct capital gains tax. The capital gains tax amounts to 25% of the interest income plus solidarity surcharge (5.5% of the capital gains tax). If the investor is subject to church tax, the church tax will be levied as a surcharge on the investment income tax, provided that the investor has not objected to the retrieval of data on religious affiliation from the Federal Central Tax Office (blocking notice). In the case of a blocking notice, the investor is obliged to declare his income from capital assets for the purposes of church tax in his tax return.

The Issuer will not accept any exemption orders. If the Issuer is granted a non-assessment certificate, the tax withheld in the corresponding amount will not be made. A non-assessment certificate (hereinafter also referred to as an "NA certificate") must be applied for at the competent tax office. It is issued to persons who are not expected to be eligible for an income tax assessment, e.g. because their total income is below the limit of their tax liability. The non-assessment certificate must be submitted to the Issuer.

With the tax deduction, the income tax of the investor who holds the token-based bond as private assets is basically settled, so that he no longer has to declare the income from the capital assets in his income tax return (Section 43 (5) EStG). However, the investor can also apply for a tax assessment in his income tax return for investment income that has been subject to capital gains tax, especially in cases where the saver's lump-sum allowance has not been fully exhausted (Section 32d (4) EStG). Furthermore, the investor can apply for taxation with his or her standard income tax in his or her tax return if this results in lower income tax including surcharge taxes compared to the flat rate withholding tax (so-called "Reduced rate test", Section 32d (6) EStG). In the case of a token-based bond held as business assets, the withheld withholding tax does not have a final effect, but represents an advance payment on the income or corporation tax liability and is credited or refunded against the tax liability in the course of the tax assessment (Section 36 (2) no. 2 EStG).

#### **6.11.6 Capital gains**

Capital gains/losses from the sale of the token-based bond, calculated as the difference between the proceeds from the sale after deduction of expenses directly related to the sale and the acquisition expenses, are also to be qualified as positive or, if applicable, negative income from capital assets (Section 20 (2) sentence 1 no. 4 of the German Income Tax Act (EStG)). If the token-based bond is redeemed, repaid, assigned or covertly placed in a corporation instead of being sold, such a transaction is treated as a sale. The Issuer will not withhold any capital gains tax on capital gains.

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In the case of token-based bonds held as private assets, capital gains are subject to the final withholding tax rate of 25% plus solidarity surcharge. Losses from capital assets may not be offset against income from other types of income. If there is no other positive income from capital assets, losses from capital assets reduce the income generated from capital assets in subsequent assessment periods.

Capital gains from a token-based bond held as business assets are regular business income subject to income or corporation tax and trade tax

#### **6.11.7 Inheritance and gift tax**

The acquisition of the token-based bond on account of death or through a gift among living persons is generally subject to inheritance and gift tax. The amount of the inheritance or gift tax payable depends primarily on the amount of the transfer of assets, the degree of kinship to the testator or donor and the amount of the tax allowance applicable to the purchaser.

#### **6.12 Offerors of the securities**

The Offerors of this offer for the purchase of the token-based bond is bloxxter AG, a Swiss stock corporation with its registered office in Zug (Switzerland). The business address is Poststr. 2, CH-6300 Zug. The Offeror can be contacted under the telephone number +41 (0) 41 8887878 and the e-mail address [blxag@bloxxter.com](mailto:blxag@bloxxter.com). The business purpose of bloxxter AG is the provision of services in connection with participation in and financing of Swiss and foreign companies by means of advanced IT technologies. The LEI-Switzerland of the bloxxter AG is: 5067006A56G908HMVP84. The identification number UID is CHE-329.024.081

#### **6.13 Conditions of the token-based bond**

##### Section 1 DEFINITIONS OF TERMS

**"Investor"** is the person who is listed in the register as the token holder at the relevant time.

**"Banking Day"** means any day (excluding Saturday and Sunday) on which credit institutions in Germany (reference place is Hamburg) are open to the public.

**"BLX01"** is the abbreviation for the tokens generated by the Issuer, which have a Smart Contract that is executed on the Ethereum blockchain.

**"Issuer"** means Bloxxter 1 GmbH, registered in the Commercial Register of the Hamburg District Court under HRB 159129.

**"Issue currency"** means the currency in which the token-based bonds are issued

**"Ethereum address"** is a string of 40 hexadecimal characters derived from the hash value of the public key and used to send and receive crypto currencies and tokens.

**"Minimum issue volume"** means the capital raised by the Issuer, which must be raised at least through the issue of the token-based bond for the duration of the public offering. Otherwise, the Issuer will declare the extraordinary termination of the token-based bond. The minimum issue volume is EUR 5 million.

**"Public offering"** is the period of time during which the token-based bonds are offered by the Issuer for initial purchase.

**"Private key"** refers to a secret character string based on a cryptographic system that uses key pairs of private key and public key. A private key is uniquely linked to a public key generated from the private key. The private key gives the user access to encrypted information. In the context of asymmetric cryptography, a private key is a (secret) key with which transactions can be authorized.

**"Public key"** refers to a character string (key) that is publicly known and used for identification.

**"Register"** is a list, contained in the Smart Contract of the BLX01 (descriptions instantly) on the Ethereum blockchain, where the corresponding count of BLX01 is assigned to every Ethereumaddress.

**"Smart Contract"** is a computer program stored in the blockchain, which is unchangeable and can be executed in a decentralized deterministic manner. The computer program stored on the blockchain allows the creation of tokens and thus enables "tokenization", i.e. the linking of the bond with the BLX01 on the blockchain.

**"Token holder"** is the one whose Ethereum address (Public Key) is contained in the register of the Smart Contract of the BLX01.

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**"Affiliated company"** is an affiliated company within the meaning of Section 15 of the German Stock Corporation Act (AktG).

**"Wallet"** is an IT application used to manage public keys and private keys and interact with blockchain technology, whose functionalities allow digital assets to be sent and received and their transactions and balances to be monitored. A wallet serves as a kind of "electronic purse" for cryptographic assets.

## Section 2 NOMINAL AMOUNT, MINIMUM ISSUE VOLUME, MINIMUM SUBSCRIPTION AMOUNT, ISSUE CURRENCY, FORM

### (1) Nominal amount, minimum issue volume, minimum subscription amount

The Issuer, on the basis of the resolution of its shareholders' meeting of May 4, 2020, issues this series of token-based bonds in accordance with these Terms and Conditions in a total nominal amount of up to EUR 39 million (in words: thirty-nine million euros).

Up to 39 million token-based bonds with equal rights will be issued with a nominal value of EUR 1 each.

The minimum issue volume for the token-based bonds is EUR 5 million. If the minimum issue volume is not reached by the end of the public offering period, the Issuer will give extraordinary notice of termination of the token-based bond and reverse the transaction (see Section 10 (3)).

The minimum subscription amount for investors who are natural persons is EUR 500.00. The minimum subscription amount for investors who are legal entities or partnerships is EUR 25,000.00.

The token-based bonds are issued at 100 % of the nominal amount plus any accrued interest (Section 7 (2)).

### (2) Issue currency

The token-based bonds are denominated in Euro (EUR).

### (3) Shape

The token-based bonds are not securitized. Neither a global certificate nor individual certificates are issued.

The Issuer generates a number of BLX01 corresponding to the number of token-based bonds issued.

The BLX01 represent the rights of the investors under the token-based bonds set out in these Terms and Conditions of Issue and will be issued to the investors in proportion to the number of token-based bonds they have subscribed for.

## Section 3 ISSUE, IDENTIFICATION AND PAYMENT, SAFEKEEPING

### (1) Output

The token-based bonds and the corresponding number of BLX01 are issued against payment in euros. The Issuer is entitled to issue token-based bonds also against the provision of the crypto currencies Ether (ETH) and Bitcoin (BTC). A premium (agio) is not charged.

The number of token-based bonds issued corresponds to the number of whole euros paid in by the investor or the equivalent in euros of the number of crypto-currency units (BTC or ETH) provided at the time of provision (without taking into account any accrued interest, Section 7 (2)). The exchange rates shall be determined by the Issuer on the basis of recognized current public exchange rates between EUR and the crypto currency concerned. The exchange rate on which the exchange is based will be communicated to the investor.

The BLX01 will be allocated to investors by the Issuer within a period of 14 calendar days. In each case, the period only begins after the Issuer has received payment of the investment amount (including accrued interest, Section 7 (2)), successful identification of the investor (paragraph 2), the indication of a compatible wallet (paragraph 3) and after expiry of the statutory revocation period to which the investor is entitled.

The Issuer undertakes not to issue any further (token-based) bonds with the same or different terms or other debt and/or financing instruments. The Issuer will also not raise long-term debt capital.

### (2) Identification and payment

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The Issuer will establish the identity of the investor (including name, address, nationality, etc.) before BLX01 is issued and verify it if necessary. The identification of the investors will take place after the digital contract section has been completed (conclusion of contract). The Issuer will confirm the conclusion of the contract.

When paying in EUR, the investor is obliged to pay the investment amount and identify it within 14 calendar days after the conclusion of the contract. The conclusion of the contract is subject to the resolatory conditions (Section 158 (2) BGB) that the investor has not made the payment and identified himself within 30 calendar days of conclusion of the contract. The right of the Issuer to extraordinary termination (cf. Section 10 (4)) before the occurrence of the conditions subsequent shall remain unaffected.

In case of payment by BTC or ETH, the investor is obliged to make his identification within 14 calendar days after the conclusion of the contract. The conclusion of the contract is subject to the conditions subsequent (Section 158 (2) BGB) that the investor has not identified himself and paid the investment amount within 30 calendar days after the conclusion of the contract.

Payments in BTC or ETH must be made by the investor upon request by the Issuer.

Upon occurrence of the resolatory conditions, any payments already made will be repaid in full to the account used by the investor. The Issuer does not owe interest in this case.

Each investor is obliged to update the data he/she has provided without delay. The update is carried out exclusively via the website <https://www.bloxxter.com> in the respective area of the investor (dashboard). All data provided by the investor to the Issuer is deemed correct as long as this data has not been changed by the investor via the website.

### (3) Custody

The investors keep the BLX01 in their own custody. The BLX01 can be stored in a wallet compatible with the ERC20 standard. The Issuer will not itself hold BLX01 for investors. The investors are obliged to provide the Issuer with a compatible wallet to which the BLX01 can be assigned within 14 calendar days after conclusion of the contract.

Investors have the possibility to create such a compatible wallet independently and on their own responsibility using the Issuer's application software (app). To do so, the investor must first load the app onto his smart device (smartphones, tablets, etc.) and then follow the instructions in the app for creating such a wallet. The private key of the wallet created in this way is stored exclusively on the smart device used by the investor. The Issuer does not know the private key of the wallet and has no access to it. The investor alone is responsible for the secure storage and safekeeping of the wallet. The creation of a wallet created in this way is free of charge for the investor, i.e. the Issuer does not charge any fees or other payments for this. However, any expenses incurred for access to the Internet and other transaction expenses in connection with the transfer of cryptographic values shall be borne by the investor.

### (4) Termination of output

The output ends with the full placement. The Issuer may also terminate the issue earlier at any time.

## Section 4 REGISTER

The Smart Contract contains a register with a list of the Ethereum addresses of the token holders and the assigned number of BLX01.

The token holders are not entered in the register by name, but with their respective Ethereum addresses (public key), which can be viewed in the block explorer <https://etherscan.io>.

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## Section 5 TRANSFER

### (1) Transfer requirements

The transfer of the token-based bond requires the agreement between the previous investor and the new investor on the assignment of the rights under the bond (Section 398 BGB).

The Issuer is entitled to technically restrict transfers of BLX01 in such a way that transfers are only possible to wallets registered in the Issuer's Smart Contract (so-called whitelisting).

In principle, the effectiveness of a transfer requires that a minimum number of 100 BLX01 or the token-based bonds associated with them with a total nominal amount of EUR 100 are transferred. This provision does not apply to the transfer of own BLX01 by the Issuer.

An entry in the register will be made when the previous investor transfers the BLX01 assigned to his Ethereum address, which represent the token-based bonds to be transferred, to the Ethereum address of the new investor.

Effective transmission requires confirmation of the transmission in the Ethereum network. A transaction is confirmed in the Ethereum network when the status of the transaction is indicated in the wallet with "confirmed" or on <https://etherscan.io> with "success".

A transfer of the token-based bond outside the blockchain and thus without entry in the register is not permitted. Any expenses incurred in connection with transfers shall be borne by the transferring token holder.

A transfer of the securities is only permitted in accordance with the applicable legal provisions. The token-based bond may not be transferred to persons to whom U.S. or Canadian tax law applies. The token-based bond may also not be transferred to persons in countries on the Financial Action Task Force's (FATF) current list of high-risk countries and other supervised jurisdictions.

### (2) Freezing

The Issuer is entitled to technically block ("freezing") the transfer of BLX01 if there are justified reasons for this (e.g. identification of the transferor or transferee is not possible or there is a suspicion of criminal offences or other violations of the law).

### (3) Transfer request

If a token holder has lost access to his wallet, he can request the Issuer to transfer the BLX01. The prerequisite for this is that the investor expressly requests the transfer from the Issuer, specifying a (new) wallet compatible with the BLX01 ("transfer request"). The request for transfer must be made in writing (e.g. by e-mail). Such transfer also requires the token holder to re-identify himself/herself (Section 3 (2)). The Issuer will inform the token holder about the identification process after receiving the transfer request. The Issuer is entitled to charge the token holder a flat fee of EUR 25 per transfer request.

## Section 6 QUALIFIED SUBORDINATION (WITH PRE-INSOLVENCY ENFORCEMENT BLOCK), OFFSETTING PROHIBITED

### (1) Status

The token-based bonds create direct, subordinated and unsecured liabilities of the Issuer, which contain a pre-insolvency enforcement barrier and rank equally among themselves.

### (2) Qualified subordination (with pre-insolvency enforcement block)

**In order to avoid over-indebtedness of the Issuer under insolvency law within the meaning of Section 19 (2) of the Insolvency Act and in the event of liquidation proceedings being carried out, the Issuer shall be wound up in accordance with Section 39 (2) of the Insolvency Act with regard to all present and future claims of the investors under the token-based bond - including claims for interest and repayment of the subscribed capital - ("Subordinated Claims") a subordination is agreed in such a way that the claims are only to be satisfied after all claims and claims of all existing and future investors of the Issuer as described in Section 39 (1) Nos. 1 to 5 of the Insolvency Act have been satisfied.**

**The investors' subordinated claims can only be settled from future annual net profits, any liquidation surplus or other free assets remaining after other investors of the Issuer have been satisfied.**

**The investors undertake to assert their subordinated claims as long and to the extent that the satisfaction of these claims would not give rise to a reason for the opening of insolvency proceedings against the assets of the Issuer, i.e. would lead to the insolvency of the Issuer within the meaning of Section 17 of the German Insolvency Code (Insolvenzordnung) or over indebtedness of the Issuer within the meaning of Section 19 of**



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**the German Insolvency Code (in the version applicable at the time) (pre-insolvency enforcement block). The pre-insolvency enforcement block and the agreed qualified subordination may lead to a permanent failure to satisfy the claims of the investors under the token-based bond.**

**In the event of a payment by the Issuer in breach of a payment prohibition, the Issuer is entitled to demand repayment of the amount received from the payee and to take legal action.**

(3) Prohibition of offsetting

No investor is entitled to set off any claims arising from the token-based bond against claims of the Issuer, unless such claims are undisputed or have been finally determined by a court of law, against which set-off is permitted.

Section 7 INTEREST, INTEREST PERIOD, ACCRUED INTEREST, MATURITY, END OF INTEREST

(1) Interest rate, interest period

The token-based bonds bear interest at a fixed rate of 3.00 percent per annum on their nominal amount. The interest periods run from October 1 of each year to September 30 of each subsequent year (inclusive). The first interest period for all token-based bonds begins on October 1, 2020.

(2) Accrued interest

With the acquisition of the token-based bonds, so-called accrued interest is payable if the acquisition of the token-based bonds is made from the beginning of a current interest period (from October 1). The accrued interest serves as compensation for the investor's advantage that he is entitled to the interest for a full interest period on the next interest payment date, although he acquired the token-based bonds after the beginning of the interest period, so that he would actually only be entitled to pro rata interest for this interest period. In other words, if the investor subscribes for the token-based bonds, e.g. in October 2020, he will receive on the Interest Payment Date the scheduled interest for the entire previous Interest Period, although he would only be entitled to payments from November 1, 2020, onwards. This advantage is offset by the payment of accrued interest. The calculation of the accrued interest to be paid is carried out by the Issuer. The accrued interest must be paid by the investor together with the subscription amount.

Accrued interest is calculated on a monthly basis, i.e. for each month commencing on 10/01 using the interest calculation method 30/360. If an investor subscribes e.g. on 10/01, the token-based bonds are to be paid (pro rata) accrued interest for two months.

(3) Due date, end of interest

The interest for an interest period is due for payment within 15 banking days after the end of an interest period ("Interest Payment Date"). Interest ends at the end of the term of the token-based bond (Section 9). The date of repayment shall not be taken into account when calculating the interest.

(4) Default of payment

In the event of default of payment, interest on arrears shall be paid in accordance with Section 288 BGB.

Section 8 PAYMENTS

(1) Payments

The interest payments due during the term to the investors take place after the option of the respective investor in the Fiat currency EUR or in the crypto currency ETH. The choice whether EUR or ETH are to be disbursed the investor can make in his personal area (dashboard) on the website of the Issuer in each case up to 8/31 of each year, 23:59 CET (Central European Time), for the next interest payment due .

The interest for an interest period is due for payment within 15 banking days after the end of an interest period ("Interest Payment Date"). This applies both to a payment in EUR and in ETH. The interest periods run from 10/01 of each year to 09/30 of each subsequent year. The first interest period for all token-based bonds begins on 10/01/2020.

If the investor has not otherwise exercised his right of choice (as described above), interest payments are generally made in EUR. The Issuer is however entitled to make the interest payments nevertheless in the crypto currency ETH, if EUR payments are actually not possible (e.g. bank details of the investor are not well-known). The Issuer shall bear the expenses for SEPA transfers. If, in the case of EUR payments, interest is paid out in a way other than SEPA transfers, the Issuer shall be entitled to withhold the expenses for this by deduction. The expenses for disbursements in ETH shall be borne by the investor.

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The Issuer will make payment to the investors who are listed as token holders in the register kept on Ethereum Blockchain at 23:59 CET (Central European Time) at the end of an Interest Period ( September 30 each year).

For payments in ETH, the Issuer will calculate an ETH average rate on 09/30 of each year (end of the interest period). The calculation is based on all German banking days in September of each year and the ETH exchange rates published on these days at <https://etherscan.io/chart/etherprice>. The rates published there indicate the exchange rate ratio USD to ETH. For the conversion from EUR to USD, the respective ECB reference rate is used - also for all German banking days in September of each year. Payment is made to the wallet of the token holder named in the register within 15 banking days after the end of the respective interest period (interest payment date). The Issuer will provide investors who have opted for a payout in ETH with the conversion rate on the second bank working day in October of each year in their respective personal area on the website.

The transfer of the interest payment shall be deemed to have taken place if the status of the transaction is indicated in the wallet with "confirmed" or on <https://etherscan.io> with "success". The expenses of the transaction by ETH (*gas or network fees*) are borne by the investor to whom the payments under the token-based bonds are due and, if applicable, will be directly retained by the Issuer by deduction when transactions are made.

#### (2) Payment only after successful identification

Payments will only be made to those investors who have been identified by the Issuer through a know-your-customer process and who have provided all information necessary for making payments.

To the extent permitted by law, the Issuer may waive the identification and provision of the information if identification by third parties in connection with the transfer (e.g. on regulated trading venues) has taken place elsewhere and the Issuer is aware of the information required to make payments to the investor.

If investors cannot be identified, the payment claims against the Issuer - irrespective of the knowledge of the respective investor - are no longer enforceable five years after the respective maturity date.

#### (3) Minimum amount of payments

If the expenses for the execution of payment claims are higher than the payment claims themselves, the Issuer is entitled not to execute payment claims. Payment claims not executed for this reason shall remain with the Issuer until the amount of the payment claims exceeds the expenses for execution and shall be paid out correspondingly later.

### Section 9 Term

The token-based bond have a term until September 30, 2025 (inclusive), unless the token-based bonds are terminated by the Issuer in an ordinary or extraordinary manner or by an investor in an extraordinary manner prior to this (cf.) The term begins with the first interest period ( October 1, 2020). The Issuer is entitled to extend the term four times by one (1) year each time ("Extension Option"). The Issuer will notify the investor of the exercise of the renewal option in each case no later than 3 months before the end of the term to the last known contact details. A declaration in writing is sufficient.

### Section 10 TERMINATION, REPAYMENT, AMENDMENTS

#### (1) No ordinary termination right of the investors

The right of ordinary termination by investors is excluded during the term of the token-based bonds.

#### (2) Extraordinary termination right of investors

Each investor is entitled to terminate its token-based bonds without notice if there is good cause. Good cause is deemed to exist in particular if

1. the Issuer fails to make payments due to the investors in the token-based bonds within 30 days of maturity. There is no right of termination if, due to the agreed qualified subordination pursuant to Section 6, the Issuer is not obliged to pay or the investors are not allowed to assert their claims; or
2. insolvency proceedings are opened against the assets of the Issuer and are not cancelled or suspended within 30 days of the opening or are applied for by the Issuer or the opening of insolvency proceedings is refused for lack of assets.

The right of termination expires if the reason for termination has been cured before the right is exercised.

#### (3) Ordinary termination right of the Issuer

Non-binding translation. Only the German language version is binding.

The Issuer is entitled to terminate the token-based bonds at any time, even before the end of the agreed term, subject to a notice period of 6 weeks.

#### (4) Extraordinary termination right of the Issuer

The Issuer is entitled to terminate the token-based bonds without notice in the following cases in particular

1. The token holder has failed to perform or observe a material obligation, condition or agreement with respect to the token-based bonds and the token holder, upon notice and demand by the Issuer to perform or observe an obligation, condition or agreement, has not remedied the failure to perform or observe.
2. Changes in legal regulations and/or supervisory requirements which make it impossible or de facto impossible for the Issuer to carry out all or part of its business activities.
3. The issue of the token-based bond will not achieve the targeted minimum issue volume of EUR 5 million during the public offering.

In the event of an extraordinary termination due to the investor's failure to fulfill the identification obligation pursuant to Section 3 (2), there is no entitlement to interest pursuant to Section 7.

#### (5) Notice of termination

The notice of termination by the investor must be given by registered letter to the Issuer and in such a way that the investor returns to the Issuer all BLX01s belonging to him by transferring them to the Issuer's Ethereum address. The Issuer is entitled to "delete" (token-burning) the returned BLX01.

The Issuer will inform the investor giving notice of termination of its Ethereum address immediately after receipt of a justified notice of termination.

The declaration of termination by the Issuer must be made in writing (Section 126b BGB) to the investor's last known contact details.

#### (6) Repayment

Upon termination of the token-based bonds (end of term or prior notice of termination), they will become due for repayment to the investor in the amount of their principal amount within 15 bank working days after termination, unless the Issuer is not obliged to make payment due to the agreed qualified subordination pursuant to Section 6, the investors are not allowed to assert their claims or the liquidity of the Issuer is not sufficient to satisfy the claims of all investors.

Outstanding interest payment claims will be paid out in accordance with Section 7 on the due date stated therein.

The investor has the right to choose whether the repayment of the capital invested by him should be in EUR or ETH. The choice whether EUR or ETH should be paid out with regard to the repayment of capital can be made by the investor in his personal area (dashboard), whereby the decision on this must have been made at least 35 calendar days before the end of the term. If the investor has not made a decision, the repayment will generally be made in EUR. The Issuer is however entitled to make the repayment nevertheless in the crypto currency ETH, if EUR payments are actually not possible (e.g. bank details of the investor are not known).

For repayments in ETH, the Issuer will calculate an ETH average rate. The basis for the calculation is the ETH exchange rate published on German banking days within the last 30 calendar days before the end of the term at <https://etherscan.io/chart/etherprice>. The rates published there indicate the exchange rate ratio USD to ETH. For the conversion from EUR to USD, the respective ECB reference rate is used - also for all German banking days within 30 calendar days before the end of the term. Payment is made to the wallet of the token holder named in the register within 15 banking days after the end of the term. The Issuer will make the conversion rate on the second bank working day after the end of the term available to investors who have opted for repayment in ETH in their respective personal area on the website.

The transfer of the refund is deemed to have taken place when the status of the transaction is indicated in the wallet with "confirmed" or on <https://etherscan.io> with "success". The expenses for the transaction of ETH (gas or network fees) are borne by the investor to whom the payments under the token-based bond are due and will be directly retained by the Issuer by deduction if necessary when transactions are made.

Otherwise, Section 8 shall apply accordingly.

#### (7) Changes of the conditions

The Issuer reserves the right to amend these Terms and Conditions - to the extent necessary, taking into account and weighing up the legitimate interests of the investors and the Issuer.

Non-binding translation. Only the German language version is binding.

In particular in the event of changes in the tax treatment of bonds, the Issuer is entitled to amend or adjust these Terms and Conditions of Issue by means of a unilateral declaration of intent. The amendment will be made at the reasonable discretion (Section 315 BGB) of the management, taking into account the interests of the Issuer and the investors in the token-based bonds.

The term, interest rate and subordination cannot be subsequently changed, limited or reduced.

The current version of the terms and conditions of issue can be requested from the Issuer.

Investors will be notified of the changes and the effective date of the new version of the Terms and Conditions by e-mail at least one month before the planned effective date.

#### Section 11 DELIMITATION OF SHAREHOLDER RIGHTS

The token-based bonds do not grant any membership rights, in particular no participation, involvement or voting rights in the shareholders' meeting of the Issuer. Investors also do not participate in the profits and losses of the Issuer.

#### Section 12 PAYING AGENT, CALCULATION AGENT

Paying Agent is the Issuer. The calculation of payments under the token-based bond is carried out by the Issuer.

The Paying Agent shall make all payments which are to be made on the basis of these token-based bonds in EUR or, if EUR payments are not possible or only possible at unjustifiable expense, in the cryptocurrency ETH.

#### Section 13 TAXES

##### (1) Withholding and deduction of capital gains tax

The Issuer will withhold capital gains tax on the interest payments due during the term at the tax rates and duties applicable at the relevant time and pay it over to the tax office.

For this purpose, the Issuer shall, on behalf of the investor, which is hereby granted, withhold and pay over to the tax office that part of the investor's profit entitlement which corresponds in percentage terms to the applicable withholding tax rate (capital gains tax plus solidarity surcharge, if applicable, and church tax, if applicable).

The Issuer is not obliged to pay additional amounts to the investors as compensation for amounts thus deducted or retained.

##### (2) Tax certificate

The Issuer shall provide the investor without request with a certificate of the taxes and duties withheld and paid on his behalf.

##### (3) Effect of performance

With the tax withheld in accordance with paragraph 1, the Issuer fulfills the payment claim of the investor in the amount of the withheld and paid withholding taxes on capital gains, if applicable, plus solidarity surcharge and, if applicable, church tax, irrespective of whether the Issuer is legally obliged to withhold and pay withholding taxes on capital gains.

#### Section 14 REPLACEMENT

##### (1) Replacement

The Issuer may at any time, provided that it is not in default of any payment on the token-based bonds, without the consent of the investors, appoint an affiliate of the Issuer in its stead as successor for all obligations arising out of and in connection with this issue, provided that

(a) the successor assumes the obligations of the Issuer in relation to the token-based bonds;

(b) with respect to the obligations assumed by the successor in respect of the token-based bonds, subordination is established on terms consistent with the terms of the token-based bonds.

##### (2) Announcement

Non-binding translation. Only the German language version is binding.

Any substitution shall be announced in accordance with Section 16.

(3) Amendment of references

In the event of a replacement, any reference in these Terms and Conditions to the Issuer from the date of replacement shall be deemed to be a reference to the successor and any reference to the country in which the Issuer has its registered office or tax residence shall be deemed to be a reference to the country in which the successor has its registered office or tax residence from that date.

Section 15 PURCHASE AND PROTECTION OF STOCK

The Issuer is entitled to purchase token-based bonds at any time at any price.

The token-based bonds purchased by the Issuer may be held, resold or cancelled by the Issuer at the Issuer's option. Cancellation of the token-based bonds is effected by deletion ("Token Burning") of the BLX01.

The existence of the bond shall not be affected by the conversion or merger of the Issuer or by an increase in its capital.

Section 16 NOTIFICATIONS

Unless otherwise required by law, notifications to the investor may be made by electronic publication on the Issuer's website (<https://www.bloxxter.com>), in the investor's respective area (dashboard) and/or in text form (Section 126b BGB).

Each notice shall be deemed - in the case of publication on the Issuer's website or inclusion in the investor's dashboard - to have been validly made and received by the investor on the third banking day following the banking day of publication.

Notifications made by an investor to the Issuer must be made in text form (Section 126b BGB), unless these terms and conditions of the token-based bonds expressly provide otherwise.

Section 17 LEGAL SUCCESSION

In the event of the death of an investor, the token-based bonds will pass to his heirs. If there are several heirs, they must appoint a joint authorized representative vis-à-vis the Issuer to exercise the rights under the token-based bond. The heir or heirs are obliged to prove their identity to the Issuer as heirs immediately after the occurrence of the succession by submitting a certificate of inheritance or proof of inheritance in accordance with Section 35 of the German Land Register Code (Grundbuchordnung (GBO)) in the currently valid version or a comparable foreign proof of inheritance. The legal successor shall bear the expenses for the provision of the proof of inheritance. Until the legitimation of the heir(s) and the appointment of a common representative in the case of several heirs, the rights under the token-based bond and payments will not be made. BLX01 are frozen until then (see above under Section 5 (2)).

The heir or heirs or the joint representative may, after providing appropriate proof of inheritance, request the transfer of the BLX01 to a compatible wallet. Section 5 (3) shall apply accordingly.

Section 18 APPLICABLE LAW AND PLACE OF JURISDICTION

(1) Applicable law

The form and content of the token-based bonds as well as the rights and obligations of the investors and the Issuer are determined in all respects by German law to the exclusion of private international law. German legal understanding applies.

(2) Place of jurisdiction

The Regional Court of Hamburg is not exclusively competent for all actions or other proceedings ("Litigation") arising in connection with the token-based bonds.

Non-binding translation. Only the German language version is binding.

#### Section 19 LANGUAGE

These terms and conditions of issue are in German. Insofar as the Terms and Conditions of Issue are also published in other languages, they are merely non-binding translations. Only the German version is legally binding.

#### Section 20 SEVERABILITY CLAUSE

Should any provision of these terms and conditions of issue be or become invalid or the provisions be incomplete, the validity of the remaining provisions shall not be affected.

## 7. DETAILS OF THE SECURITIES OFFER / ADMISSION TO TRADING

### 7.1 Conditions to which the offer is subject

#### 7.1.1 Total amount of the issue/offer

The targeted total amount of the issue of the publicly offered token-based bond is EUR 39,000,000 (in words: thirty-nine million euros).

#### 7.1.2 Offer period; application process

The offer period during which purchase offers for the token-based bond can be submitted is expected to begin on 10/13/2020 and end on 10/12/2021. A shortening of the offer period and termination of the public offer by the Issuer is possible at any time.

The token-based bond may be subscribed by natural persons during the offer period by submitting a purchase application to the Issuer in the course of an online subscription process on the Issuer's website. The investor registers for this via [www.bloxxter.com](http://www.bloxxter.com) to subscribe for the token-based bond. A valid e-mail address must be provided for this purpose. In the online subscription section, the investor selects the quantity of BLX01 to be purchased and thus the subscription amount. The investor completes the subscription process by clicking on the "Order subject to payment" button. A separate e-mail is sent to the investor to confirm his subscription. The investor then uses the Issuer's app to carry out a KYC process to identify himself. In addition, the investor is requested to specify a compatible wallet for receiving the BLX01 or, alternatively, to create such a wallet for his own safekeeping via the app provided by the Issuer. The contractual relationship is established outside the blockchain ("Off-Chain") by accepting the subscription declaration (purchase application) within the framework of this online subscription process.

In the subscription process, the investor has the option to choose between making a bank transfer or an instant bank transfer via Klarna Bank Aktienbolag (AB) based in Stockholm (Klarna) or payments by credit card when paying in euros. In the case of bank transfers, the Issuer will inform the investor of its bank details to be used for such payments. In the case of instant bank transfers, the investor instructs his bank directly via the Klarna payment page, giving his access data for online banking. For credit card payments, the investor enters his personal data, the credit card number and the card verification number. The 3-D Secure procedure is carried out. The investor is obligated to pay the investment amount and identify himself/herself within 14 calendar days after conclusion of the contract. The conclusion of the contract is subject to the resolutive conditions (Section 158 (2) BGB) that the investor has not made the payment and his identification within 30 calendar days after conclusion of the contract.

The Issuer may also accept crypto-currencies (BTC and ETH) as means of payment. The number of token-based bonds issued corresponds to the number of whole Euros paid in by the investor or the equivalent in Euros of the number of crypto-currency units (BTC or ETH) provided at the time of the provision (without taking into account any accrued interest). The exchange rates are determined by the Issuer on the basis of recognized current public exchange rates between EUR and the relevant crypto currency. The exchange rate on which the exchange is based will be communicated to the investor. Payments in BTC or ETH must be made by the investor upon request by the Issuer. In the case of payment with BTC or ETH, the investor is obliged to make his identification within 14 calendar days after conclusion of the contract. The conclusion of the contract is subject to the resolutive conditions (§Section 158 (2) BGB) that the investor has not performed his identification and paid the investment amount within 30 calendar days after conclusion of the contract.

Non-binding translation. Only the German language version is binding.

Investors who are not natural persons can also subscribe the token-based bond with the Issuer, but without using the online subscription channel. For this purpose, the Issuer must be contacted directly.

The securities are not and will not be registered under the US Securities Act of 1933, as amended, or with the securities regulatory authority of any state of the United States of America, and may not be offered, sold, given away, inherited or delivered, directly or indirectly, in the United States of America, subject to certain exceptions. This prospectus does not constitute an offer in any jurisdiction or legal system in which such offer would be unlawful. The offer is not applicable to investors to whom US or Canadian tax law applies. Persons into whose possession this prospectus comes must comply with the regulations applicable to the distribution of the prospectus in their respective countries.

#### **7.1.3 Reduction of subscriptions and refunding amounts paid in excess**

The Issuer reserves the right to reject and also to reduce individual subscriptions without giving reasons. Particularly in the case of over-subscriptions, reductions may occur. In the event of reductions or the rejection of subscriptions, amounts paid in excess or cryptocurrencies will be transferred immediately by transfer to the investor's account to be named by the investor or the notified wallet of the investor. Any expenses arising in this connection shall be borne by the Issuer. A reduction of the subscription on the part of the investors is not possible.

#### **7.1.4 Minimum and/or maximum amount of application**

The minimum amount of application for the token-based bond is EUR 500 for natural persons. The minimum amount of application for investors who are legal entities or partnerships is EUR 25,000. There is no maximum amount of application.

#### **7.1.5 Method and time limits of paying up the securities and for delivery**

The BLX01 will be allocated to investors by the Issuer within a period of 14 calendar days. The period begins after the following conditions have been met: receipt of the payment of the investment amount by the Issuer (including accrued interest), successful identification of the investor, indication of a compatible wallet and expiry of the statutory withdrawal period to which the investor is entitled.

The BLX01 generated by the Issuer on the Ethereum blockchain will be transferred to the Ethereum address assigned to the investor. The Smart Contract of the BLX01 on the Ethereum blockchain contains the register from which all token transfers and a list of addresses holding the respective BLX01 can be taken. The investors are not entered into the register by name, but with their respective Ethereum addresses, which can be viewed in the block explorer <https://etherscan.io>. From this point on, an investor can dispose of the BLX01. The respective transaction can be traced via the Ethereum blockchain and the BLX01 can be clearly assigned to an investor or his public key. A function in the Smart Contract ensures that the maximum number of BLX01s to be generated is technically limited.

Investors have the opportunity to independently and autonomously create a compatible wallet using the Issuer's application software (app). To do so, the investor must first load the app onto his smart device (smartphones, tablets, etc.) and then follow the instructions in the app for creating such a wallet. The private key of the wallet created in this way is stored exclusively on the smart device used by the investor. The Issuer does not know the private key of the wallet and has no access to it. The investor alone is responsible for the secure storage and safekeeping of the wallet. The creation of a wallet created in this way is free of charge for the investor, i.e. the Issuer does not charge any fees or make any other payments for this. However, any expenses incurred for access to the Internet and other transaction expenses in connection with the transfer of cryptographic values shall be borne by the investor.

#### **7.1.6 Public announcement of the offer results**

No later than three banking days after the end of the offer period, the Issuer will publicly announce the result of the public offer on its website at [www.bloxxter.com](http://www.bloxxter.com).

#### **7.1.7 Right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised**

The Issuer has not granted any right of pre-emption or other subscription rights.

Non-binding translation. Only the German language version is binding.

## **7.2 Distribution and allocation Plan**

Different categories of potential investors are not envisaged. The securities are publicly offered in Germany, Austria, France, Spain, Italy, Sweden, Denmark, Finland, Belgium, the Netherlands, Luxembourg, the United Kingdom and Switzerland.

## **7.3 Procedure for notifying subscribers of the amount allotted and whether it is possible to start trading before notification**

Investors will be informed by e-mail about the delivery of the subscribed BLX01 or token-based bonds. Prior to notification, trading of the BLX01 is not possible.

## **7.4 Pricing**

The purchase price for each token-based bond is 100 percent of the nominal amount. The Issuer will not charge the investor any expenses or fees for the issue of the token-based bond, in particular no premium will be charged.

With the acquisition of the token-based bond, so-called accrued interest is payable if the acquisition of the token-based bond is made from the beginning of a current interest period (from October 1). The accrued interest serves as compensation for the investor's advantage that he is entitled to interest for a full interest period on the next interest payment date, even though he acquired the token-based bond after the beginning of the interest period, so that he would actually only be entitled to pro rata interest for this interest period. In other words, if the investor subscribes to the token-based bond, e.g. in October 2020, he will receive on the interest payment date the scheduled interest for the entire previous interest period, although he would actually only be entitled to payments from the period November 1, 2020. This advantage is offset by the payment of accrued interest. The calculation of the accrued interest to be paid is carried out by the Issuer. The accrued interest must be paid by the investor together with the subscription amount. The accrued interest is calculated on a monthly basis according to the interest calculation method 30/360, i.e. for each month commencing on October 1. If an investor subscribes e.g. on November 1, the token-based bond are payable (pro rata) for two months.

The investor shall bear any fees and transaction expenses that may be incurred in connection with the transfer of the investment amount for payments in EUR or crypto-currencies to the Issuer due to the subscription of the token-based bond. The Issuer itself will not charge the investor such expenses/fees.

## **7.5 Placing and underwriting**

The Issuer acts as coordinator of the offer. The Issuer is also the paying agent. There is no depository bank because the token-based bond is not securitized either in individual certificates or in a global certificate. The BLX01 are held in safekeeping by each investor himself.

An underwriting agreement with an institution does not exist.

## **7.6 Admission to trading and dealing arrangements**

The Issuer has not currently applied for admission of the token-based bond to trading on an MTF or an SME growth market or through a proprietary dealer. To the extent that the Issuer will make such an application in the future or enter into a contractual agreement, it will only do so with market participants that have the necessary regulatory approvals.

Nor will the securities on offer be placed via an SME growth market or MTF. The Issuer is not aware of any securities of the same class as the securities offered being admitted to trading on any SME growth market or MTF.

It cannot be ruled out that token holders may have their BLX01 listed on online trading platforms for cryptographic values, whether regulated or unregulated in the future.

## **7.7 Pricing**

The token-based bond is issued at its nominal amount. One BLX01 corresponds to an equivalent value of 1 Euro.



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## **8. CORPORATE GOVERNANCE**

The managing directors entitled to jointly represent the Issuer are Mr. Marc Drießen and Dr. Bianca Ahrens, both of whom are domiciled at Geibelstraße 46b, 22303 Hamburg. There are no other administrative, management or supervisory bodies at the Issuer.

Both managing directors are also managing directors of Bloxxter GmbH, the 100% parent company of the Issuer.

Non-binding translation. Only the German language version is binding.

## 9. FINANCIAL INFORMATION AND KEY PERFORMANCE INDICATORS

### 9.1 Historical Financial Information

Anlage 1

**Bloxster 1 GmbH**  
**Hamburg**

**BILANZ**  
zum  
30. September 2019

AKTIVA	EUR	PASSIVA	EUR
<b>A. Umlaufvermögen</b>		<b>A. Eigenkapital</b>	
I. Kassenbestand, Bundesbankguthaben, Guthaben bei Kreditinstituten und Schecks	<b>23.681,30</b>	I. Gezeichnetes Kapital	25.000,00
		II. Jahresfehlbetrag	<u>6.353,43</u>
			<b>18.646,57</b>
		<b>B. Rückstellungen</b>	
		1. sonstige Rückstellungen	<b>4.807,00</b>
		<b>C. Verbindlichkeiten</b>	
		1. Verbindlichkeiten gegenüber Kreditinstituten	7,73
		2. Verbindlichkeiten aus Lieferungen und Leistungen	<u>220,00</u>
			<b>227,73</b>
	<b>23.681,30</b>		<b>23.681,30</b>

Non-binding translation. Only the German language version is binding.

**Bloxxter 1 GmbH  
Hamburg**

**GEWINN- UND VERLUSTRECHNUNG**  
für die Zeit vom 05.09.2019 zum 30. September 2019

Anlage 2

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	EUR
1. sonstige betriebliche Aufwendungen	<u>6.353,43</u>
<b>2. Ergebnis nach Steuern</b>	<u>6.353,43-</u>
<b>3. Jahresfehlbetrag</b>	<u><u>6.353,43</u></u>

**Bloxxter 1 GmbH**  
**Hamburg**

Jahresabschluss zum 30. September 2019

**A N H A N G**

**Allgemeine Angaben**

Die Bloxxter 1 GmbH hat ihren Sitz in Hamburg. Sie ist im Handelsregister Hamburg unter der HRB 159129 eingetragen. Die Gesellschaft ist eine kleine Kapitalgesellschaft im Sinne des § 267 Abs. 1 HGB. Sie erfüllt darüber hinaus die Kriterien des § 267a HGB.

Der Jahresabschluss der Gesellschaft wurde auf der Grundlage der Rechnungslegungsvorschriften des Handelsgesetzbuchs und der ergänzenden Vorschriften des GmbH - Gesetzes aufgestellt. Von den größten-abhängigen Erleichterungen wurde teilweise Gebrauch gemacht.

Für die Gewinn- und Verlustrechnung wurde das Gesamtkostenverfahren gewählt.

**Bilanzierungs- und Bewertungsgrundsätze**

Die Guthaben bei Kreditinstituten wurden zum Nominalwert angesetzt.

Die Rückstellungen wurden für alle ungewissen Verbindlichkeiten gebildet. Sie sind in Höhe des nach vernünftiger kaufmännischer Beurteilung notwendigen Erfüllungsbetrags angesetzt.

Verbindlichkeiten wurden zum Erfüllungsbetrag angesetzt.

**Angaben und Erläuterungen zu einzelnen Posten der Bilanz**

**Angabe zu Verbindlichkeiten**

Der Betrag der Verbindlichkeiten mit einer Restlaufzeit bis zu einem Jahr beträgt EUR 0,00.

Der Betrag der Verbindlichkeiten mit einer Restlaufzeit von mehr als einem Jahr beträgt EUR 0,00.

Der Betrag der Verbindlichkeiten mit einer Restlaufzeit von mehr als fünf Jahren beträgt EUR -18.646,57.

**Sonstige Angaben**

Während des Geschäftsjahres wurden von der Gesellschaft keine Arbeitnehmer beschäftigt.

Bei den Aufwendungen, die sich im Rumpf-Geschäftsjahr vom 5. September bis zum 30. September 2019 ergeben haben, handelt es sich im Wesentlichen um Gründungskosten in Höhe von EUR 1.538,70 und in den Rückstellungen enthaltene Aufwendungen in Höhe von EUR 2.380,00 für die Jahresabschlusserstellung, in Höhe von EUR 1.190,00 für die Erstellung der Steuererklärungen und in Höhe von EUR 800,00 für die steuerliche Beratung der Gesellschaft.

**Unterschrift der Geschäftsleitung**

Hamburg, den  
Ort, Datum

\_\_\_\_\_  
Unterschrift

Hamburg, den  
Ort, Datum

\_\_\_\_\_  
Unterschrift

Non-binding translation. Only the German language version is binding.

## **"AUDIT OPINION OF THE INDEPENDENT AUDITOR"**

To Bloxxter 1 GmbH, Hamburg

### *Audit opinion*

We have

audited the annual financial statements of Bloxxter 1 GmbH, Hamburg, consisting of the balance sheet as of

September 30, 2019 and the income statement for the short fiscal year from September 5 to September 30, 2019 as well as the bond to the financial statements, including the presentation of the accounting policies.

In our opinion, based on the findings of our audit, the attached annual financial statements comply in all material respects with German commercial law and give a true and fair view of the net assets and financial position of the Company as of September 30, 2019 and of its results of operations for the short fiscal year from September 5 to September 30, 2019 in accordance with German principles of proper accounting.

In accordance with Section 322 (3) sentence 1 HGB (German Commercial Code), we declare that our audit has not led to any objections to the correctness of the annual financial statements.

### *Basis for the audit opinion*

We conducted our audit of the annual financial statements in accordance with Section 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibility under these rules and principles is described in more detail in the section "Auditor's Responsibility for the Audit of the Annual Financial Statements" in our audit opinion. We are independent of the Company in accordance with German commercial and professional law and have fulfilled our other German professional duties in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### *Management's Responsibility for the Financial Statements*

The legal representatives are responsible for the preparation of the annual financial statements, which comply in all material respects with the provisions of German commercial law, and for ensuring that the annual financial statements comply with German principles of proper accounting and convey a true and fair view of the net assets, financial position and results of operations of the Company. Furthermore, the legal representatives are responsible for the internal controls that they have determined, in accordance with German generally accepted accounting principles, to be necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, the legal representatives are responsible for assessing the Company's ability to continue as a going concern. They are also responsible for disclosing, where relevant, the matters relating to the Company's ability to continue as a going concern. Furthermore, they are responsible for preparing the financial statements in accordance with the going concern principle, except where this is precluded by matters of fact or law.

*Auditor's responsibility for the audit of the financial statements*

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on these financial statements based on our audit.

Adequate assurance is a high degree of certainty, but does not guarantee that an audit conducted in accordance with Section 317 HGB and the generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect material misstatements. Misrepresentations may result from violations or inaccuracies and are considered material if it could reasonably be expected that they could individually or collectively influence the economic decisions of addressees made on the basis of these financial statements.

During the audit we exercise due discretion and maintain a critical attitude. Beyond that

- we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, plan and perform the audit procedures to respond to these risks and obtain audit evidence sufficient and appropriate to provide a basis for our audit opinion. The risk that material misstatements will not be detected is greater for violations than for inaccuracies because violations may involve fraudulent collusion, falsification, intentional omissions, misrepresentations, or the disabling of internal controls.
- we gain an understanding of the internal control system relevant to the audit of financial statements in order to plan audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control system.
- we evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- we draw conclusions on the appropriateness of the accounting policies used by the Company's legal representatives as a going concern and, based on the audit evidence obtained, whether there is any material uncertainty related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to refer to the related disclosures in the financial statements in our audit opinion or, if such disclosures are not appropriate, to modify our audit opinion. We draw our conclusions on the basis of the audit evidence obtained up to the date of our audit opinion. However, future events or circumstances may result in the Company being unable to continue its operations.
- we assess the overall presentation, structure and content of the annual financial statements, including the disclosures and whether the annual financial statements present the underlying transactions and events in such a way that the annual financial statements give a true and fair view of the net assets, financial position and results of operations of the Company in

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accordance with German principles of proper accounting and the use of the relief for small corporations pursuant to Section 264 (1) sentence 5 HGB.

We discuss with those responsible for monitoring, among other things, the planned scope and timing of the audit and significant audit findings, including any deficiencies in the internal control system that we discover during our audit.

Hanover, February 25, 2020

PricewaterhouseCoopers GmbH Auditing Company

Gez. André Bödeker  
Certified Public Accountant

Gez. ppa. Carsten Rösemeier Auditor



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### **9.2 Interim and other financial information**

The Issuer has not published quarterly or half-yearly financial information since the date of its last audited financial statements.

### **9.3 Key Performance Indicators ("KPI")**

The Issuer has not published or included financial and/or operational KPIs in the prospectus.

### **9.4 Material changes in the Issuer's financial position**

There have been no material changes in the Issuer's financial position since the end of the reporting date of September 30, 2019, for which audited financial statements were published.

## **10. DISCLOSURES ON SHAREHOLDERS AND SECURITY HOLDERS**

### **10.1 Major shareholders**

The sole shareholder of the Issuer is Bloxxter GmbH, registered in the Commercial Register of the Hamburg District Court under HRB 155017. bloxxter GmbH's sole shareholder is bloxxter AG, a Swiss stock corporation headquartered in Zug. The identification number UID is CHE-329.024.081. Shareholders of the bloxxter AG are Mr. Norbert Ketterer (85%) and Little Misty Capital GmbH (15%), whose sole shareholder and managing director is Mr. Marc Drießen.

### **10.2 Legal and arbitration proceedings**

There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the last 12 months or more which may have, or may have in the future, had a material effect on the Issuer's financial position or profitability in the recent past.

### **10.3 Administrative, management and supervisory body and senior management - conflicts of interest**

The executive bodies of the Issuer are the management and the shareholders' meeting. The areas of responsibility of these bodies are regulated by the Law on Limited Liability Companies (GmbHG) and the Issuer's Articles of Association.

The two managing directors jointly authorized to represent the company are Mr. Marc Drießen and Dr. Bianca Ahrens. Both are also managing directors of Bloxxter GmbH, the parent company of the Issuer. Mr. Marc Drießen is also (indirectly) a shareholder of bloxxter AG, which in turn is the sole parent company of Bloxxter GmbH. Mr. Jan Hedding is a member of the Board of Directors of bloxxter AG and also Managing Director of the General Partner (Komplementärin-GmbH) of SNK Vermögensverwaltung GmbH & Co KG. The majority shareholder of the bloxxter AG, Mr. Norbert Ketterer is the husband of the indirectly sole shareholder of SNK Vermögensverwaltung GmbH & Co. KG, Mrs. Ketterer. The married couple have a common interest in the success of the issue and the intended allocation of the subordinated loan to SNK Vermögensverwaltung GmbH & Co. KG. At the same time, the majority shareholder of bloxxter AG has significant influence on the Issuer and its business activities through Bloxxter GmbH. As husband of the (indirect) sole shareholder of SNK Vermögensverwaltung GmbH & Co KG, Mr. Ketterer pursues, if applicable, not only the interests of the Issuer, but also, if applicable, the interests of his wife and thus of SNK Vermögensverwaltung GmbH & Co KG due to the family connection.

Due to these personnel and company law interdependencies, conflicts of interest may exist.

### **10.4 Material contracts**

#### **10.4.1 Agreement on advance disbursement and assumption of expenses**

The Issuer has entered into an agreement with its parent company, Bloxxter GmbH, for the advance disbursement and assumption of expenses. To the extent that expenses are already incurred and must be paid before the Issuer

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commences business activities, these expenses will be advanced by Bloxxter GmbH. This also includes any issue expenses. In accordance with the agreement on the exemption from expenses, the Issuer will pay Bloxxter GmbH's corresponding recharges for the issue expenses after commencement of business activities from the retained discount.

#### 10.4.2 Agreement on structuring services

SNK Vermögensverwaltung GmbH & Co KG has commissioned bloxxter AG (Offerors) with services in connection with its financing. The mandated structuring services include, among others, the assumption of the vendor preparation, the issue of a token-based bond by an indirect subsidiary (the Issuer), the development of a marketing and sales strategy including the procurement of whistleblowers and sales partners, the provision of a technical infrastructure as well as services in connection with the design and structuring of the token-based bond. The contract ends with the end of the public offering of the token-based bond. For its services, bloxxter AG will receive a remuneration of 1.5% of the subordinated loan granted by the Issuer to SNK Vermögensverwaltung GmbH & Co KG. The remuneration is exclusive of any sales tax. The remuneration is settled in each case after individual tranches of the subordinated loan have been issued to SNK Vermögensverwaltung GmbH & Co. KG.

#### 10.4.3 Letter of comfort

By signing the Partronat declaration, bloxxter AG has committed itself to the Issuer that in the event of a redemption, if the targeted minimum issue volume of EUR 5 million is not achieved, bloxxter AG will ensure that the Issuer remains financially equipped and, if necessary, will be equipped in such a way that it can meet its obligations from the token-based bond towards the investors punctually and in full. In addition, bloxxter AG has committed itself, in the event that the targeted issue volume of EUR 39 million is not achieved, to ensure that the Issuer remains financially equipped and, if necessary, is equipped in such a way that it can bear its ongoing expenses and liabilities - even after the investors' interest claims have been met - during the term of the token-based bond. The letter of comfort does not provide for an ordinary termination option. The bloxxter AG does not receive any remuneration from the letter of comfort.

## 11. AVAILABLE DOCUMENTS

During the validity of this EU Growth prospectus, the EU Growth prospectus, the annual financial statements of the Issuer for the short financial year from 09/05/2019 to 09/30/2019 and current Articles of Association of the Issuer may be viewed on its website at [www.bloxxter.com](http://www.bloxxter.com).

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## GLOSSARY

BaFin	Federal Financial Supervisory Authority.
Calculation agent	Interest is calculated by the Issuer.
BGB	German Civil Code.
Blockchain	A blockchain is a continuously expandable list of data sets, called "blocks", which are chained together by cryptographic methods. Each block typically contains a cryptographically secure hash of the previous block, a timestamp and transaction data.
BLX01	The cryptographic tokens generated by the Issuer and issued to the investors.
BTC	Abbreviation for the crypto currency Bitcoin.
Burning	Burning refers to the cancellation of the token-based bond by deleting the BLX01.
Central European Time (CET)	Central European time zone.
DDoS	Abbreviation for Distributed Denial of Service. In so-called DDoS attacks, attackers can overload a network or a blockchain with a high number of requests and/or transactions and make the network or the corresponding blockchain (temporarily) unusable.
ERC 20	The abbreviation ERC stands for Ethereum Requests for Comment. ERC 20 is a token standard for the Ethereum blockchain ecosystem that enables the implementation of a standard API for tokens within Smart Contracts. This standard provides basic token transfer functionality and allows tokens to be approved for issue by another on-chain third party.
ETH	Abbreviation for the crypto currency ether.

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Ethereum	Ethereum is a global open-source platform for decentralized applications, which offers the creation, management and execution of decentralized programs (Smart Contracts) in a separate blockchain. Ethereum uses the internal crypto currency Ether (ETH) as a means of payment for transaction processing by participating computers.
Ethereum address	An Ethereum address is a string of 40 hexadecimal characters derived from the hash value of the public key and used to send and receive crypto currencies and tokens.
EUR	Euro.
Income Tax Act	German Income Tax Act (EStG).
Fiat	Means of payment issued by the central bank of a country and considered an officially recognized and legitimate means of exchange.
Fifo method	Abbreviation for "first in, first out". Valuation method used by the tax authorities. With investments in crypto currencies the tax authorities will in principle use the Fifo method, so that the first acquired crypto currencies are considered as first sold or exchanged.
Financial year	Period for which the financial statements of a company must be prepared. According to Section 240 (2) HGB, the duration of a financial year may not exceed twelve months.
GmbH	Limited liability company.
Hashrate	The hashrate is the unit of measure for the computing power in data processing of a blockchain network and indicates the speed with which the complex computing operations are carried out when opening a new block. For security reasons, a blockchain network based on a proof-of-work consensus mechanism must perform complex mathematical operations. The hash rate is measured in the unit hash per second (H/s). If the network reaches a hash rate of 10 TH/s, this means that it can perform 10 trillion calculations per second.
HGB	German Commercial Code.
InsO	German Insolvency Code.

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ISIN	International Security Identification Number. This is the internationally standardized identification number of all securities. It consists of a country code, for Germany DE, and a 10-digit number.
Cash Flow Statement	Accounting instrument used to assess the financial situation of a company. It shows the origin and use of various liquid funds.
SMES	Small and medium-sized enterprises.
KPI	Abbreviation for Key Performance Indicators. Term for key performance indicators.
Crypto-Asset	A valuable object that is digitally represented by means of cryptographic-technical procedures, e.g. a crypto currency or a token.
Crypto Currency	Virtual currency based on cryptographic tools (e.g. blockchains). The value of crypto-currencies is not created or guaranteed by a central bank or an authority, but by a decentralized, cryptographically secured system, which should ensure the confidence of the users. Examples of crypto currencies are Bitcoin and Ether.
Crypto value	Financial instrument within the meaning of Section 1 (11) sentence 3 of the German Banking Act (KWG): Crypto values are digital representations of a value that has not been issued or guaranteed by any central bank or public authority and does not have the legal status of a currency or money, but is accepted by natural persons or legal entities as a means of exchange or payment on the basis of an agreement or actual practice or serves investment purposes and can be transferred, stored and traded electronically.
KWG	German Banking Act.
LEI	Legal Entity Identifier (German: Rechtsträgerkennung). This is an internationally standardized and globally valid identifier for participants in the financial market. It is used to uniquely identify business partners and to fulfill certain reporting obligations to supervisory authorities. WM Datenservice is a central data service provider for the German financial industry and issues LEIs for securities of German issuers. The LEI is a 20-digit alphanumeric identifier.

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Mining	Mining describes the process in which persons (so-called miners) provide their computing power to book and verify transactions of crypto currencies and receive a reward in return.
Minting	Minting is the process of creating new tokens. Minting of tokens is done by sending a transaction that creates new tokens within the SmartContract.
Nominal amount	The investment and, if applicable, repayment amount of an investment. As a rule, the nominal amount is also used to calculate the interest amount.
Off-Chain	Transactions, such as the issue of the bond, which take place outside the blockchain.
Online drawing route	The possibility created by the Issuer on its digital platform, accessible at <a href="http://www.bloxxter.de/com">www.bloxxter.de/com</a> , for prospective investors to acquire the token-based bond against payment.
Private Key and Public Key	A private key (public key) is a character string (e.g. a hexadecimal code) based on a cryptographic system that uses key pairs of private key and public key. A private key is uniquely associated with a public key that is generated from the private key. A public key is publicly known and is used for identification. A private key is used for authentication and encryption and must not be made publicly available.
Proof-of-Stake (PoS)	Proof-of-Stake (PoS) refers to a consensus algorithm/mechanism for public blockchains that depend on the economic participation of a validator in the network. In PoS (e.g. the upcoming Casper implementation of Ethereum) a number of validators alternate to propose the next block and vote on its validation. The weight of each validator's vote depends on the size of its "stack" (i.e., its use).
Proof of Work (PoW)	Proof-of-work refers to a consensus mechanism for reaching agreement on the blockchain network to confirm transactions and create new blocks. In proof-of-work, miners participating in the blockchain network compete against each other to confirm/verify transactions and receive a reward. The probability of being selected to build the next block is linked to the processing power (hashrate) of the miner.

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Smart Contract	A Smart Contract is an IT operation executed on the Ethereum blockchain and allows the unique, unchangeable and for third parties traceable creation and distribution of tokens. Thus, the Smart Contract enables "tokenization", i.e. linking the bond to the BLX01 token.
Wallet	A wallet is an IT application used to manage public and private keys and interact with blockchain technology, whose functionalities allow digital assets to be sent and received and their transactions and balances to be monitored. A wallet serves as a kind of "electronic purse" for cryptographic assets.